

Annual Report 2022





**IN THE NAME
OF ALLAH,
THE MERCIFUL,
THE MOST
MERCIFUL**



Head Office



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(Public Joint Stock Company)

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Vision

To be the most innovative
Shariah-compliant bank
for our customers, people,
and communities.



Purpose

To create opportunities
to prosper.



His Highness Sheikh Mohamed Bin Zayed Al Nahyan
President of the United Arab Emirates



His Highness Sheikh Mohammed Bin Rashid Al Maktoum
Vice President and Prime Minister
of the United Arab Emirates and Ruler of Dubai



**Board of
Directors**



Mr. Hesham Abdulla Al Qassim
Chairman



Mr. Buti Obaid Buti Al Mulla
Vice Chairman



**H.E. Mohamed Hadi Ahmed
Al Hussaini**
Director



H.E. Huda Sayed Naim AlHashimi
Director



Mr. Salem Mohamed Obaidalla
Director



Mr. Ali Humaid Ali Al Owais
Director



Mr. Shayne Nelson
Director



**Management
Team**



Mr. Salah Amin
Chief Executive Officer



Mr. Mohammad Kamran Wajid
Deputy Chief Executive Officer



Mr. Farid Al Mulla
Head of Consumer Banking
and Wealth Management



Ms. Huda Sabil Abdulla
Chief Financial Officer



Mr. Fuad Mohamed
Chief Operating Officer



Mr. Mahdi Al Kazim
Chief Risk Officer



Mr. Fuad Shaiban
Chief Human Resource Officer



Mr. Ebrahim Khalil Qayed
Head of Treasury and Markets



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**Chairman's
Message**



Hesham Abdulla Al Qassim
Chairman, Emirates Islamic

We are delighted to announce that Emirates Islamic delivered its highest ever net profit of AED 1.24 billion in 2022, marking a significant 51% increase compared to 2021. The bank reported a 36% increase in Operating Profit, coupled with an improvement in cost of risk compared to the previous year.

Based on the bank's strong performance, Fitch Ratings affirmed Emirates Islamic's 'A+' Long-Term Rating with a Stable Outlook, Short-Term Rating of 'F1' and upgraded the bank's Viability Rating.

Nearly 12 months on since Expo 2020 Dubai, the UAE economy has continued to strengthen despite the challenges of Covid-19. In fact, the nation's exemplary management of the pandemic along with the introduction of visionary strategic economic reforms has been instrumental in propelling the UAE's position as a global financial centre and trading hub.

As the UAE's preferred Islamic bank, we play a pivotal role in the advancement of the Islamic banking sector and building consumer confidence in the products and services provided. Aligning with the government's plan to increase the depth of UAE capital markets, Emirates Islamic acted as a receiving bank for some of the largest IPOs on the Dubai Financial Market including DEWA, Salik, TECOM, Taaleem and EMPOWER, providing seamless access to investors.

Additionally, Emirates Islamic remained committed to supporting the UAE's Emiratisation goals through a number of learning and development initiatives to increase participation of Emirati talent including The National Achievers Strategic Academy and Future Proof Banker. In line with our efforts, we are proud to have one of the highest Emiratisation rates in the UAE banking sector, at 38% of total employees and 34% of critical positions.

At Emirates Islamic, we are committed to embedding Environmental, Social and Governance (ESG) values in our core culture and operations and this can be seen in the progress we have made towards reducing emissions and our strive towards gender parity. As we advance on our sustainability journey, we aim to adhere to ESG principles and develop our ESG framework in 2023.

Driven by core Shariah principles, ensuring the wellbeing and greater good of the individual and community has always been our key priority. As a responsible Islamic financial institution, we contributed over AED 108 million to a range of initiatives in 2022 through the Emirates Islamic Charity Fund. The Emirates Islamic Charity Fund provides financial aid to those in need, with a focus on food, shelter, health, education and social welfare contributions.

Looking ahead, we are optimistic about the growth driven by the boost in economic activity and the nation's ability to advance amid macroeconomic headwinds. We are deeply grateful to the leadership of our great nation for their ongoing actions to keep the economy strong and resilient. The advantages of Islamic finance are increasingly becoming more prevalent, and we remain dedicated to driving wider adoption of Shariah-compliant products and services and fulfilling the vision of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of UAE and Ruler of Dubai to make Dubai the global capital of Islamic economy.

In closing, I extend my appreciation to our Board of Directors for their constant support. I would also like to thank our valued employees for their dedication to our progress and development.



**CEO's
Message**



Salah Mohammed Amin
Chief Executive Officer, Emirates Islamic

Emirates Islamic has further strengthened its position as a leading Islamic financial institution in the UAE, achieving its highest growth in receivables financing and deposits since 2016, reflecting the current optimistic business sentiment. As the bank increased customer numbers, Customer Financing grew by 14% and Customer Deposits grew by 19% during 2022 with Current Accounts and Savings Accounts registering 13% growth during the year.

Our success was the result of our continued efforts towards innovation and service excellence. Building on our reputation as the preferred financial institution for UAE nationals, we expanded our product offering in 2022 with the launch of Emarati Family Savings Account, Emarati Business Account and Super Savings Etihad Guest Account. In line with efforts to support women entrepreneurs, we also introduced the 'Businesswomen Account' offering a host of benefits and privileges to support access to financial products for women-led businesses.

In line with our dedicated focus on banking and technological innovation, Emirates Islamic further strengthened its digital offering, resulting in a 21% increase in online and mobile banking transactions. We also enhanced our business-friendly solutions with the launch of cardless cash withdrawals via businessONLINE. Additionally, we entered into a strategic collaboration with Tradeling, the largest eMarketplace focused on B2B transactions in the MENA region, creating an ecosystem of value-added solutions for our small business customers in the UAE.

We are pleased to be recognised in 2022 for our financial performance, innovative products and customer experience. Emirates Islamic's service and products were recognised at the World Finance Islamic Finance Awards as Emirates Islamic was named 'Best Islamic Bank in UAE', 'Best Islamic Bank in Customer Experience in UAE' and 'Best Credit Card in UAE' for our Etihad Guest Credit Card. The Bank was also named 'Best Islamic Bank for SMEs' at the MEA Finance Awards, recognised for our innovative proposition for small and medium enterprises and our status as a preferred bank for entrepreneurs seeking Shariah-compliant products and services.

Furthermore, Emirates Islamic was named the UAE's most valuable Islamic banking brand with a value of USD 325 million, in The Banker's 2022 brand valuation.

Looking ahead, we remain determined to play a leading role in the development of Islamic banking in the UAE through our focus on banking and technological innovation. We are therefore confident that Emirates Islamic will maintain our market leading position as the nation's preferred Islamic Bank. In conclusion, I would like to thank our Board of Directors for their encouragement and contribution to the Bank's success. I would also like to thank our valued employees for their role in our continued progress.

CORPORATE **SOCIAL** RESPONSIBILITY

Emirates Islamic is an active supporter of humanitarian initiatives that seek to empower the communities we operate in and contribute to the overall well being of society. This commitment is strongly reflected in our Corporate Social Responsibility (CSR) approach and can be seen in the way we meaningfully run our business, the inclusive and supportive workplace we create for our employees, the products and services we offer our customers, and our impact in helping the local economy thrive.

In alignment with this approach, Emirates Islamic launched the 'Emirates Islamic Charity Fund' in 2016 to govern and manage the bank's strategy for charitable donations and giving, one of the key pillars of our overall CSR framework. The fund was set up with the primary objective to allocate purposeful financial aid to charities, public and private institutions, as well as individuals in need.

At Emirates Islamic, we firmly believe that providing access to basic human needs such as food, shelter, health and education improves the economic and social well being of individuals, and society as a whole. As part of our commitment to the society we live and operate in, we contributed over AED 108 million in 2022 through the Emirates Islamic Charity Fund to a range of humanitarian causes across the UAE.

As a homegrown bank, Emirates Islamic strongly believes in supporting projects that will raise the regional and global profile of the country's medical institutions and position the UAE as the healthcare hub of the wider Middle East region. In the healthcare sector, the bank contributed over AED 41 million to support various projects undertaken by the Dubai Health Authority, including expansion projects at Dubai Hospital, Rashid Hospital, Latifa Hospital, contributions towards patients undergoing cancer treatment and blood donation camps. We also contributed AED 5 million each to Al Jalila Children's Speciality Hospital and the Dubai Autism Centre.

In addition, Emirates Islamic contributed AED 1.5 million to Erada Center for Treatment and Rehab, which provides rehabilitation programmes to UAE nationals that help patients combat the negative psychological, economic, social and physical impacts of substance abuse.

Emirates Islamic further reaffirmed the bank's focus on uplifting the less fortunate in our community and beyond by expanding its charitable efforts in 2022. The bank contributed more than AED 9 million to a range of additional charitable and humanitarian organisations including Beit Al Khair, Khalifa Bin Zayed Al Nahyan Foundation, Tarahum Foundation and Fujairah Charity Association. These contributions also reflect Emirates Islamic's continued commitment towards improving the life of Emirati citizens in need of support.

In a bid to fight hunger, Emirates Islamic contributed AED 5 million to the 1 Billion Meals initiative organised by the Mohammed bin Rashid Al Maktoum Global Initiatives (MBRGI) in cooperation with United Nations agencies and regional networks. The initiative focuses on providing food security to vulnerable groups, and local humanitarian institutions and charities, in coordination with the relevant authorities in the targeted countries.

The bank also donated AED 10 million to the Mohammed Bin Rashid Housing Establishment this year, to extend support to UAE Nationals seeking financial support to build their homes or repay housing loans.



ECONOMIC OVERVIEW

Inflation has been the main global economic challenge in 2022, with prices in developed economies rising at the fastest rate in more than 40 years, spurred by higher food and energy prices as well as strong consumer demand. In response, central banks have tightened monetary policy aggressively by raising interest rates. The Federal Reserve, the Bank of England and the European Central Bank have raised rates significantly, and all have signalled more hikes to come in 2023. Global growth is expected to slow in 2023 as a result of these tighter monetary policy.

In contrast, the GCC economies have grown at the fastest pace in almost a decade in 2022, underpinned by a double digit increase in oil production and strong non-oil sector activity. We estimate the UAE's non-oil economy grew by 5.6% in 2022 as tourism and travel rebounded strongly, supporting growth across a range of other services sectors. Several indicators point to an increase in the population of the UAE, which have contributed to stronger domestic demand. Overall, we estimate GDP growth of 7.6% in the UAE in 2022.

The outlook for 2023 is more cautious given the weaker global environment, although the GCC economic growth is expected to outperform that of many developed economies. While oil and gas output growth is expected to slow this year, continued investment to boost production capacity in the UAE should see the sector contribute positively to headline GDP growth again in 2023. We expect non-oil sector growth in the UAE to slow to 3.5% in 2023 as slower global growth weighs on international trade and higher interest rates dampen consumption and private sector investment. Public sector investment in strategic sectors should support activity in the UAE and wider GCC throughout 2023.

We remain optimistic on the outlook for oil prices in 2023, forecasting an average price of just over USD 100 per barrel on Brent. Supply remains constrained in the context of years of global underinvestment in infrastructure and capacity. International sanctions on Russian energy exports may also contribute to tighter oil supply. Notwithstanding concerns about the impact of a global recession on demand for oil in 2023, China's relaxation of

Covid-zero restrictions could see activity there normalise over the course of 2023, and demand for oil could surprise on the upside.

While the high oil price in 2022 contributed to a sizeable budget surplus in the UAE, it also fuelled inflation, which peaked at over 7% in Dubai in mid-2022, before easing to under 5% in Q4 2022. We expect inflation to slow further in 2023 on improving supply chains, softer demand and favourable base effects.

Over the medium term, structural reforms implemented in recent years will continue to drive investment and growth in the UAE. These reforms include the expansion of longer-term residency visas to broader categories of residents, new visas to encourage freelance and remote working as well as wide-ranging changes to personal and labour laws. These measures will serve to reduce barriers to investment and attract both human and financial capital to the UAE in the coming years.



STRATEGY 2023

Emirates Islamic's vision is to be the leading provider of high standard Shariah-compliant innovative financial products offering quality and superior value for its customers, shareholders, employees, and community. To achieve its vision with focused execution, Emirates Islamic has implemented its Strategy 2023–2025 driven by five key strategic pillars summarized below, with Environment, Social and Governance (ESG) integrated into each pillar.

Accelerate growth momentum by unlocking opportunities and refining approach on existing avenues.

Corporate and Institutional Banking (C&IB) aims to focus on the mid-market segment, improve the quality of its resources, and expand its financial institution business in the GCC, Africa and Asia. They also intend to capture fee income and ancillary cross-sell opportunities by focusing on transaction banking and treasury product sales. Through Emirates Islamic's "One Bank" approach, C&IB will support Retail Banking and Wealth Management's cross selling by providing employee banking support to facilitate key clients and advisory support.

Retail Banking and Wealth Management segment aims to accelerate its growth through customer acquisition by expanding its employee banking proposition, expanding sales coverage in advantage banking, and increasing risk management coverage in its premium segments over the next three years.

Emirates Islamic's Treasury segment plans to continue building its banking book to ensure available stable funding. Further, it intends to diversify its asset and liability management funding and income sources through repo and reverse repo desk, increasing its inter-bank counterparties, and introducing Wakala variants. The segment is committed to diversify its sales revenue, accelerate expansion on sales products which will ensure higher share of client wallet and penetration.

Activate digital strategy as a value proposition and efficiency tool.

Retail Banking intends to enhance its digitization on key digital initiatives and tools and increase its marketing and brand awareness across premium segments and employee banking. Retail Banking and Wealth Management intends to center customer experience as a differentiator by leveraging its customer care and knowledge management portal, develop an omnichannel model and centralize complaint management. Treasury is geared towards increasing its usage and adoption of its electronic trading platforms and working towards digitizing its processes to improve STP (straight through processing) levels.

Capture value from advance analytics across business and support.

Corporate and Institutional Banking will focus on utilizing analytics to identify additional cross-sell opportunities to accelerate its growth momentum as mentioned earlier. Similarly, advanced analytics and lifecycle management will be key for Retail Banking in building new use cases for selected segments to untap potential across revenue streams and strengthen the ongoing cross-sell opportunities.

Currently the bank is using advance analytics techniques to identify hidden affluent customers in the bank's mass banking segment. Advance analytics interventions have increased share of wallet of these customers with Emirates Islamic leading to an eventual significant lift in revenue from these customers. Similarly, for the Business Banking segment, customer needs

on FX, Trade and Cash Management have been established with machine learning models. Customer centric scorecards with rich customer level intelligence have been helping Business Banking relationship managers in bringing SME entities to the bank.

Build a high-performance organization and position Emirates Islamic as employer of choice.

To date the bank has taken significant steps towards strengthening its organizational culture and promoting agility and empowerment as well as diversity and inclusion in creating a high-performance organization geared to positioning Emirates Islamic as an employer of choice. Emirates Islamic intends to continue building a high-performance organization through further enhancing its Human Resources ("HR") technology matrix, collaborating with the Group's HR, and positioning Emirates Islamic as the employer of choice among Islamic Banks.

To execute and achieve success in creating a high-performance organization we will leverage and strengthen 4 key themes across the organization. These themes include: Engagement – ensuring to be aligned with Emirates NBD Group's priorities and sustaining engagement using a top-down approach, Culture – continue to infuse the Bank's values and invest in the employer value proposition diversity & inclusion agenda, Emiratisation – ensuring that we reach the UAE Central Bank strategic aspiration points, used as guidance for operational and recruitment goals, and Talent – revamping our recruitment strategy while upgrading existing talent and investing in developing successors. Furthermore, in achieving the above and to remain true to our core Shariah principles, Emirates Islamic continues to support the community and those in need by initiatives across areas such as health, food, education and shelter through the Emirates Islamic Charity Fund as well as support the community.

Leverage on the Group's strength and reap the benefits of collaboration.

The success of Emirates Islamic Strategy 2023–2025 is underpinned by active collaboration within the ENBD Group to unlock synergies in opportunity areas by retaining and upskilling talent, accelerating digital delivery, enhancing operational efficiency, and collaborating across IT and platform support. Emirates Islamic aims to strengthen its support foundation via strong collaboration with units like Compliance, Legal, Credit & Risk, Shariah, Information Technology as well as Operations & Business Transformation support will be further re-enforced by leveraging on Group-wide investments to position Emirates Islamic as a key player in the Islamic Banking digital market.

REVIEW OF PERFORMANCE

CONSUMER BANKING & WEALTH MANAGEMENT

The Bank's Consumer Banking & Wealth Management Division (CWM) contributed 68% in 2022 to Emirates Islamic's total income in 2022. The Division launched a number of key products in 2022, including the launch of Emarati Family Savings account, Emarati Business Account, Businesswomen Account and Super Savings Etihad Guest Account. CWM continued to strengthen the Bank's digital channels, resulting in a 21% increase in online and mobile banking transactions in 2022. Going forward, CWM will continue to develop its value proposition based around customer experience and digitisation.

Distribution

Emirates Islamic's extensive branch network includes 42 branches across strategic locations in the UAE. The Bank's branch network continues to be a strong customer acquisition channel for account, card and finance products.

The Bank has strengthened its presence in the UAE by adding new branches in Nad Al Sheba and Al Khawaneej which are considered areas with a high population of UAE Nationals.

In addition to the UAE national areas, Emirates Islamic has also opened two more branches in Dubai Hills & Jumeirah Beach Road, to support and optimise the distribution of the branches network.

As part of the Bank's strategic focus to provide the best in banking services and innovations, and be easily accessible to customers, a few branches were relocated and underwent refurbishment. The Bank expanded its ATM network to provide more convenience for its customers, having added 17 new offsite ATMs across the UAE, in addition to 17 onsite ATMs to support the high traffic branches, taking the total ATMs/CDMs network to 209.

Business Banking

The Emirates Islamic Business Banking Division (BBB) has continued to display robust growth through its resilient approach, prudent strategy, customer focus and digital engagement.

- Liquidity remained strong as overall deposits grew by 18% with an advances-to-deposits ratio of 15.6%.
- Accelerated growth through customer acquisition through value added partnerships & alliances.
- Trade Finance and Commission Income grew by 19.5% year on year.
- Growth in operating income was driven by higher fee & commission income (+15.2% YoY) constituting 49% of the total revenue of BBB.
- Tighter controls and monitoring of the financing portfolio resulted in a stable performance.
- Continuous investment in digitisation to bring in operational efficiencies continued throughout the year with focus on customer convenience – 95% transactions done digitally.
- Use of advance analytics to personalise customer offerings - deepening efforts resulted in around 10% incremental fee income.
- Around 40% of workforce comprises of UAE Nationals and preparing them for future leadership positions.
- Ongoing training & development to reskill/upskill the staff across various job roles/functions.
- Strengthened brand awareness and enhanced product suite.

SME Award

With the 'Best Islamic Bank for SMEs' award by MEA Finance Awards 2022, we were recognised for our commitment, an innovative product proposition and exceptional customer service.

Digital Adoption

- Our adoption of digital channels continued to accelerate with double digit growth and over 95% transactions performed digitally. This was supported by continuous enhancements and services available on businessONLINE.
- Growth in Business Debit Cards.

ESG Journey

In 2022 Emirates Islamic Business Banking launched various initiatives and set new milestones under the ambit of ESG & sustainability in line with the UAE's sustainability agenda.

Businesswomen Account

Specially curated account package targeting women entrepreneurs in UAE. Recognising the significance, diversity and positive impact of women-led SMEs and to provide them with the right tools. With this product, we aligned our suite with the vision of UAE Leadership & Sustainable Development Goals (SDG).

- Dedicated account for women entrepreneurs
- Low balance requirement
- No minimum balance required for 1st year
- Access to free workshops, seminars

Emirati Business Account

Same day account opening for Emirati entrepreneurs to support entrepreneurship.

- Dedicated account for Emirati Business owners or signatory
- Instant account opening
- Flexibility to choose the account package
- Access to Business Banking Center
- Preferential Transaction, FX & Trade fee

Proposition, Partnerships & Brand Strengthening:

Some of the highlights include:

- Participation as a strategic financial partner in Abu Dhabi with AD-DED and ADNOC in the "Make it in Emirates" forum and Industrial CEO's Forum:
- Launched our Kiosk in Yiwu market – only bank with presence in this strategic initiative by Dubai Traders Market (JAFZA)
- Signed MOU with Tradeling - Logistics Fintech (Entity of DAFZA)
- Signed MOU with DAFZA for cooperation across banking services

Outlook

Strong 2022 results, healthy profitability and a positive economic outlook for 2023 combined with business-friendly policies of the UAE government including long-term and golden visas are the key enablers of the growth of Emirates Islamic Business Banking in 2023.

Digital Banking

Just like 2021, Emirates Islamic continued offering its innovative digital solutions & services to its customers during the year 2022 – enhanced CX coupled with offering Straight Through Processing (STP) remained to be the focus areas for 2022 which included (not limited to) robust, paperless & seamless digital journeys via all digital channels.

Emirates Islamic continued focusing on increase digital adoption & usage, with over 71% of customers using Online & Mobile banking. Emirates Islamic had the highest transaction trend in 2022 by 14%. Logins steadily gained traction & the increase was up by 17% in 2022 as compared to 2021. The uptake in these digital trends were a direct result of new offerings via Online & Mobile banking along with dedicated campaigns for customers.

Emirates Islamic further enhanced the Accounts Opening journeys via Tablet Banking by offering STP which resulted in extensive digital coverage of over 80% of Accounts were sourced via Tablet Banking. Moreover, automated Credit Card sourcing onboarding was also introduced to the Tablet Banking during 2022 – ensuring paperless sources at Emirates Islamic Branches & Sales teams.

Emirates Islamic launched its first ever integrated Interactive Teller Machines (ITMs), whereby customers could perform with higher cheque encashment, cash withdrawal, cash deposit with higher limits. Additionally, customers will be able to instantly print authenticated statements, balance certificate & IBAN letters using the self-service ITMs even after the branch opening hours – ensuring an enhanced CX for our valued customers.

As part of Emirates Islamic's digital transformation & innovation strategy, we also launched an accelerator program in the Metaverse as the bank's first play to improve customer experience for the new virtual economy. Aligned with the Dubai Metaverse Strategy aimed to position Dubai in the top ten Metaverse economies of the world - we presented the experience to our employees over a two-week program ensuring Emirates Islamic & its employees remain relevant in this fast-evolving financial ecosystem. Moreover, Emirates Islamic further plans to expand its digital footprint and create immersive experiences for customers via new technologies in web 3.0.

Similarly, a global FinTech accelerator campaign was also launched in collaboration with the world's leading innovation platform, Plug and Play Abu Dhabi. The campaign is a call to action for leading FinTechs and financial startups with propositions that can enhance customer journeys across SME financing, trade finance and financial wellbeing through Islamic products. As a leader in digital banking, Emirates Islamic has continued to strengthen its digital offerings, allowing customers easy access to a range of transactions backed by the latest in banking innovation. Islamic finance has grown rapidly in both its role in ethical financial empowerment and in terms of global financial market share, with an estimated growth of 18%, reaching a potential USD 179 billion in transaction volume by 2026.

Furthermore, Emirates Islamic will continue to further enhance the seamless experience for both its customers as well as non-customers by offering STP Accounts Opening & Credit Cards offering via its new Online & Mobile platforms during the course of 2023 – creating a more inclusive and secure financial landscape for the people of the UAE and customers of Emirates Islamic and demonstrate the bank's commitment to the expansion of the global Islamic banking market, driven by banking innovation and service excellence.

Customer Experience

Providing a superior customer experience is a strategic core pillar of Emirates Islamic's value proposition. The Bank is constantly innovating to enhance customer experience and the service culture across the organisation, aiming to create unique & personalised experiences to customers.

Emirates Islamic's score-based key performance indicator Customer Happiness Score (CHS) has been driving the Internal Culture of collaboration and ownership upwards, thereby enhancing the quality and speed of service provided to customers. CHS has been consistently expanding across the Bank's functions since its launch in 2019 and got incorporated into front-end and support functions. In addition to the CX Academy that the bank launched to fully equip its people with the right tools in providing excellent customer service, new digital tools are being built for 2023 to further empower internal staff with quick access to the right knowledge, equipping them with additional efficiency to address customer queries.

Voice of Customer remains a key focal area for Emirates Islamic. The bank engages with leading global agencies to conduct market research and capture customer feedback relating to processes and products, as well as gauging key performance indicators such as Net Promoter Scores (NPS), Customer Satisfaction (CSAT), Customer Efforts Score (CES) to measure the service provided to customers. The Bank also regularly conducts mystery-shopping visits to ensure customers receive the best-in-class services across all touchpoints. In 2022, Emirates Islamic expanded these sources of information by implementing additional surveys through its digital channels.

In 2023, the Bank will further increase its focus on the customer journeys as well as the staff experience. The digital focus will also continue by providing customers additional digital channels to reach and communicate with the bank, and will also be utilized to better empower staff in serving customers.



REVIEW OF PERFORMANCE

WHOLESALE BANKING

Emirates Islamic's Wholesale Banking Division (WBD) provides a full-fledged value proposition consisting of working capital finance, trade finance, project finance, syndicate and structured finance, cash management and treasury services to large and mid-sized corporates, financial institutions, sovereigns and government-related entities.

The Wholesale Banking Division comprises of Corporate & Institutional Banking (C&IB) and Treasury & Markets. During 2022, the WBD continued with its increased revenue generation across different verticals. The division also continued to consolidate its leadership position in technology and product offerings.

The Corporate & Institutional Banking (C&IB) division is segmented into three key business units, namely corporate banking, structured finance and syndication and financial institutions.

C&IB reaped benefits from the partnership with large and mid-size corporates, financial institutions, sovereigns and government-related entities with total income growing by over 32%.

Corporate Banking

Emirates Islamic is a leading player in the corporate banking segment in the UAE, offering customised Shariah-compliant financial solutions to cater to its clients' requirements. The corporate banking unit consists of specialist teams that deliver industry insight and tailored financial solutions to their large and mid-sized corporate clients. These solutions cover a wide suite of innovative financial products and services, including:

- Financing solutions – provision of short-term financing solutions to meet a client's working capital requirements (which includes procurement of raw materials, parts, supplies and other inventory assets) as well as long-term financing solutions to facilitate capital expenditure and expansion requirements of clients' businesses (which include among others, acquisition of property, plant and machinery and contract/project financing); and
- Transaction banking solutions – provision of comprehensive product suite, including a) full-fledged cash management solutions via an electronic banking platform to facilitate customers' payments, collections and liquidity management in an efficient manner; b) trade and supply chain solutions that are designed to meet business requirements pertaining to imports, exports and guarantee issuance to support both local and global business requirements; and c) digital products and services.

The above products and services are provided through Shariah-compliant structures including murabaha, ijara, istisna'a, wakala, musharaka and mudaraba. Emirates Islamic's corporate banking customers consist of private sector customers, public sector customers and government bodies/agencies that operate in trade, manufacturing, real estate and other industries.

The Corporate Banking book increased by 12% in 2022 and it also improved upon the funded income margins by 16%.

Financial Institutions

Financial Institutions again registered a strong 30% growth in the core income and the asset book also grew by 40% in 2022. The Division continued with its focus to support a wide array of clients ranging from banks, non-banking financial Institutions, sovereigns and multilateral counterparties by leveraging the team's expertise in providing Shariah-compliant financing and transactional solutions.

Financial Institutions continued to witness strong results on the back of its existing as well as new relationships in its core markets (the Middle East, North Africa and Indian-subcontinents) and certain non-core markets (West Africa and certain Far-East Asian markets).

Syndication & Structured Finance

Emirates Islamic's structured finance and syndication unit provides bespoke structured financing and syndication financing solutions to customers. The unit also provides fee-based services

in the roles of arranger and agency services to Emirates Islamic's clients on syndications and sukuk financing transactions.

In liaison with the requisite credit and Shariah approval, Emirates Islamic's structured finance and syndication unit has the discretion to enter into a wide range of financing and investment opportunities.

Transaction Banking

Transaction Banking is of strategic focus and Emirates Islamic continues to invest significantly in building its Transaction Banking proposition to offer market leading capabilities in Trade Finance & Cash Management to clients.

In 2022 all WBD customers were migrated to our new digital channel businessONLINE. It is a comprehensive digital cash management ecosystem that gives customers the control they need across all their financial relationships, accounts, and activities – all on one user-friendly platform.

With the cessation of LIBOR rates after 2021, many banks worldwide are moving towards using an Alternative Reference Rate / Risk Free Rate. Emirates Islamic has successfully completed this transition phase by enhancing its Core Banking System capability to offer Murabaha and Ijarah transactions based on risk-free rates and in compliance with Shariah guidelines

Trade Products

New Master Murabaha Agreements and Master Ijarah Agreements have been finalised to contain risk-free rate-based Murabaha and Ijarah transactions along with other forward looking reference rates.

Cash Products

In 2022, Transaction Banking launched several new products and capabilities on businessONLINE.

- Cardless Cash Withdrawal
- Suffix account opening
- UAEPGS
- Investment deposit
- Integration of SCDM's with DTC ERP

Treasury & Markets

Treasury and Markets (T&M) successfully closed 2022 with a record performance of 430% growth in revenue from AED 35 million in 2021 to AED 188 million in 2022. The Sales and Structuring (S&S) desk delivered an outstanding performance through proactive offering of derivative solutions to customers that enabled them to lock in favorable financing costs and investment returns in a rapidly rising rates environment. In addition, the division successfully added Shariah compliant derivatives variants like Cap & Floor Spreads [Leveraged/ Un-leveraged] and Range Accrual that can work as hedging instruments or yield enhancers. Asset Liability Management (ALM) business delivered a strong performance and successfully navigated increased volatility in global markets adjusting to higher inflation and the prospect of higher rates. Sukuk Banking book grew by 19% Y-o-Y from AED 6.33 billion to AED 7.52 billion with commensurate increase in income. FX revenues steadily grew well supported by enhanced product capability and targeted customer campaigns. The Flow & Execution (F&E) business continued to demonstrate its dedication towards customer service and satisfaction by extending desk timings. Operationally, 2022 saw the implementation of Ethos platform for commodity booking and Bloomberg TOMS (Trade Order Management System) for automating Sukuk & Collateralized Murabaha Facility (CMF) booking which resulted in an immediate positive impact on operational efficiencies.

AWARDS

In 2022, Emirates Islamic was recognized for its financial performance, innovative products and customer experience. The Bank's service and products were recognised at the World Finance Islamic Finance Awards as Emirates Islamic was named 'Best Islamic Bank in UAE', 'Best Islamic Bank in Customer Experience in UAE' and 'Best Credit Card in UAE' for the Bank's Etihad Guest Credit Card. The Bank was also named 'Best Islamic Bank for SMEs' at the MEA Finance Awards, recognised for its innovative proposition for small and medium enterprises and status as a preferred bank for entrepreneurs seeking Shariah-compliant products and services. Emirates Islamic was named the UAE's most valuable Islamic banking brand with a value of USD 325 million, in The Banker's 2022 brand valuation.



HUMAN RESOURCES



Emirates Islamic recognises the importance of effective human capital management to organisational performance and views its people as its greatest asset. The bank uses CODE values to promote Collaboration, Ownership, Drive, and an Enterprising spirit as the distinctive feature of all employees within the bank. As a business function, we strengthen the organisational culture through different approaches such as providing career development for employees, promoting employee engagement, redesigning the organisational structure, defining roles and responsibilities, introducing new performance management systems, and introducing new HR policies to support both employees and business.

The bank's People Agenda advocates for a robust Workforce Planning Strategy that allows sustainable recruiting to support the organisational objectives. It also includes the priority to help the business meet any skills gaps in their operations and enhance the overall operational capability at Emirates Islamic Bank. To complement the strategic hiring, there is robust Rewards Management that allows talent retention and the recognition of top-performing employees who are incentivised in various ways including through bonuses and promotions.

Emiratization remains a key commitment and agenda, the Bank has consistently exceeded its Emiratization targets. For the year 2022, Emirates Islamic managed to over-achieve by surpassing the Recruitment and Operational Targets that had been set by the Central Bank of the UAE. There has also been a positive trend for female representation at leadership levels as well as the number of UAE Nationals in Critical Roles. A comprehensive Emirati Value Proposition will be used in 2023 to attract, develop, and retain UAE Nationals while preparing them for existing and future roles.

The Bank continues to invest heavily in the development of Emirati employees by creating a holistic learning environment in which every employee has year-round access to the tools and resources required to acquire core technical and managerial skills. The first batch of UAE Nationals who are part of the Emirates Institute of Finance and Banking Studies' (EIFBS) newly introduced Learning Journeys were identified and registered in 2022.

The Bank has a strong emphasis on employee mental and emotional wellbeing, this is as part of the Emirates NBD Group's strategic aim for a world-class work environment that will allow Emirates Islamic to be an employer of choice for existing and future talent. We have improved how disciplinary cases are handled by taking part in the piloting of the Group's New Disciplinary & Grievance Policy. We have since put the new D & G Policy into effect at the Bank to allow fairness and transparency in the handling of all disciplinary cases.

Emirates Islamic Human Resources Department is committed to providing incredible experiences with measurable impact in 2023. This will be accomplished by acting as a strategic partner and playing an advisory role within the bank. There will be enhanced HR service provision to all business functions which will result in a unique employee experience. There will be value addition across a range of touchpoints such as Emiratization, Talent Development, HR Governance, Performance Management, Succession Planning, Organisational Culture, Diversity, and Inclusion. The department will continue to realign its operations with the Group and use global best practices to attract, retain and develop the best talent in the market, thereby making Emirates Islamic a great place to work and grow.

RISK MANAGEMENT



The Risk Management Division (RMD) at Emirates Islamic operates within the overall ambit of regulations governed by the Central Bank of UAE, in compliance with Shariah Authority issued risk management standards and guidelines, in alignment with group risk governance and risk management framework, the Bank's strategy and the Board approved risk appetite statement.

Risk Governance

Emirates Islamic has a well-established risk governance framework commensurate with nature, size and complexity of the Bank's business structure. Additionally, risk governance is also being enhanced continuously and in line with regulatory framework, to factor in the constant change in the business landscape, as a result of which new risks emerge. For this purpose, within the Bank risk management framework, a risk appetite statement defines annually the maximum risk that the Bank is willing to assume in line with its plan, budget aspiration and risk tolerance, such applied and monitored on various products and exposure classes.

The Group Risk Committee (GRC), Board Risk Committee (BRC), Board Credit and Investment Committee (BCIC), Management Credit Committee (MCC), Operational Risk Committee (ORC) and Asset Liability Committee (ALCO) are the Board / Senior Management committees that support Emirates Islamic in managing all types of risk including Credit Risk, Operational Risk and Market Risk.

Risk Appetite is set as per strategy approved by the Board of Directors. Risk Appetite matrix and specific parameters are used to manage the risk within the bank.

Credit Risk

The Credit Risk function of the Bank is commensurate with the scope and sophistication of the Bank's activities, also meeting all supervisory, regulatory and Shariah guidelines and requirements. The Bank's credit risk strategy is aligned to the Board approved risk appetite statement, and it includes dynamic monitoring which resulted in significant rationalisation of exceptions. The function has built a comprehensive mechanism starting with credit approval, an effective credit administration, collateral management, early alert process and suitable information

systems to efficiently monitor and mitigate various credit risks at counterparty level and at an overall portfolio level as well. The Bank also ensures that the best global practices and supervisory guidelines are adopted and followed with regards to the assessment of asset quality, testing of remedial measures such as the adequacy of provisions & reserves and the transparent and clear disclosure of credit risk. In 2023, the function will continue to enhance its risk infrastructure to support Emirates Islamic in its growth objective.

There is a well-established delegated approval authority matrix and operating rules for individual approvers, Management Credit Committee (MCC), and Board Credit & Investment Committee (BCIC).

Operational Risk

The Operational Risk team works closely with the business lines and subsidiaries to raise operational risk awareness. Key risks across business units are identified and discussed at the Operational Risk Committee (ORC). A process is in place for the collection and reporting of operational risk data. The practice of conducting a risk review, as part of the 'New Product and Process Approval' (NPPA), prior to the launch of any new or amended product/process and running the Operational Risk Assessment Workshops (ORCA), form a cornerstone of the operational risk management activity. This embeds a risk culture across the organisation. Key Risk Indicators (KRI) are used to monitor the level of operational risks across the Bank and subsidiaries.

The business continuity management framework is in place and allows quick reaction to any disruptive event to ensure continuity of operations. Business continuity plans are reviewed and tested at least annually across the Bank, ensuring seamless service to customers and partners during any potential operational disruptions.

Market Risk

Market Risk is the risk of loss of income or market value of assets due to fluctuations in factors such as profit rates, foreign exchange rates, equity, commodity prices, or changes in volatility or correlations of market risk factors. The Bank is exposed to market risk from its client servicing and balance sheet management activities. Market risk limits and framework are approved by Board Risk Committee and established within the Risk Appetite Statement (RAS) subject to regular review and consistent with the Bank's approach to strict compliance with Shariah rules and principles.

BOARD COMMITTEES

Board Audit Committee

Mr. Salem Mohammed Obaidalla	Chairman
Mr. Ali Humaid Ali Al Owais	Member
Mr. Shayne Nelson	Member

Board Risk Committee

Mr. Ali Humaid Ali Al Owais	Chairman
Mr. Hesham Abdulla Al Qassim	Member
Mr. Salem Mohamed Obaidalla	Member

Board Nomination, Remuneration & ESG Committee

Mr. Buti Obaid Buti Al Mulla	Chairman
Mr. Ali Humaid Ali Al Owais	Member
Mr. Salem Mohamed Obaidalla	Member

Board Credit and Investment Committee

Mr. Hesham Abdulla Al Qassim	Chairman
HE. Mohamed Hadi Ahmad Al Hussaini	Member
Mr. Salem Mohamed Obaidalla	Member
Mr. Shayne Nelson	Member

Board Profit Equalisation Committee

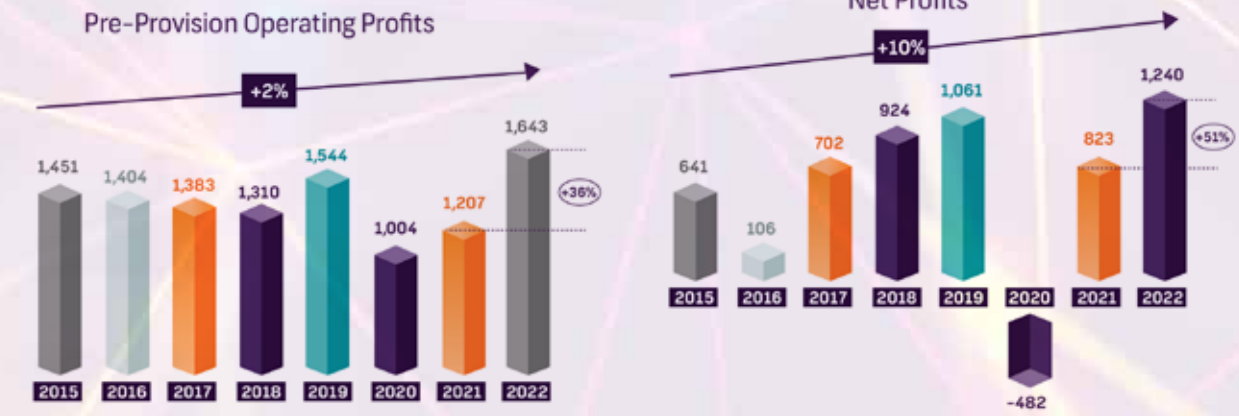
Mr. Hesham Abdulla Al Qassim	Chairman
Mr. Buti Obaid Buti Al Mulla	Member
Dr. Salim Al Ali	Member (ISSC Representative)

PROFIT AND BALANCE SHEET GROWTH IN HISTORY

Revenues and Costs (AED Mn)



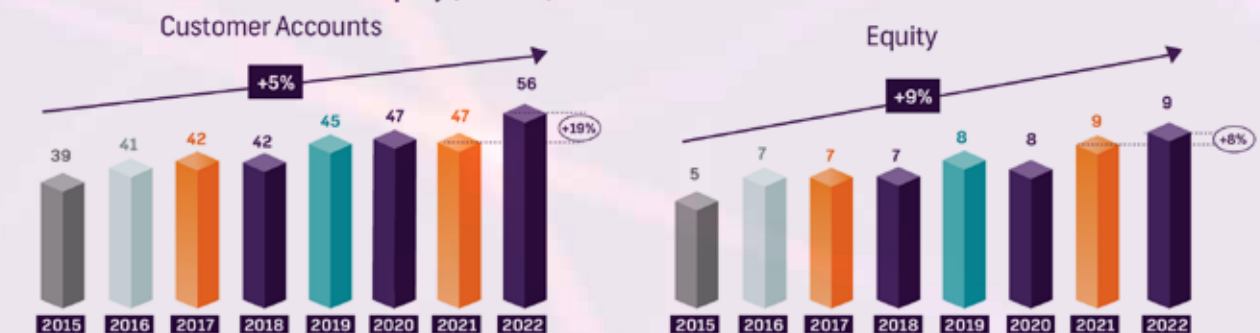
Profits (AED Mn)



Assets and Financing (AED Bn)

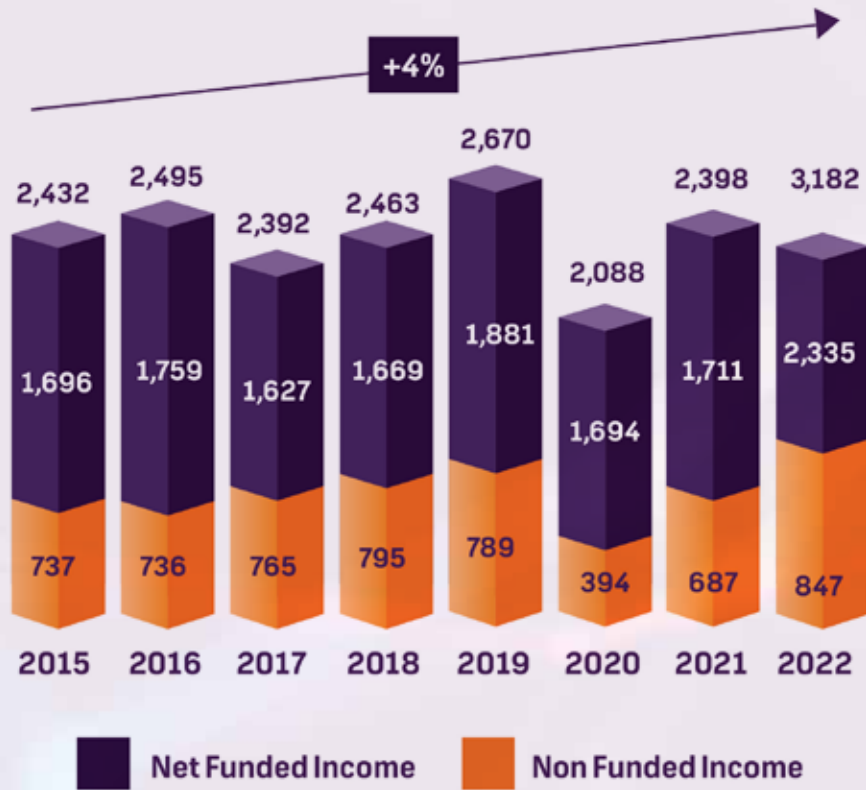


Customer Accounts and Equity (AED Bn)



• Equity is Tangible Shareholder's Equity; All P&L numbers are YTD, all Balance Sheet numbers are at end of period
 • Source: Financial Statements

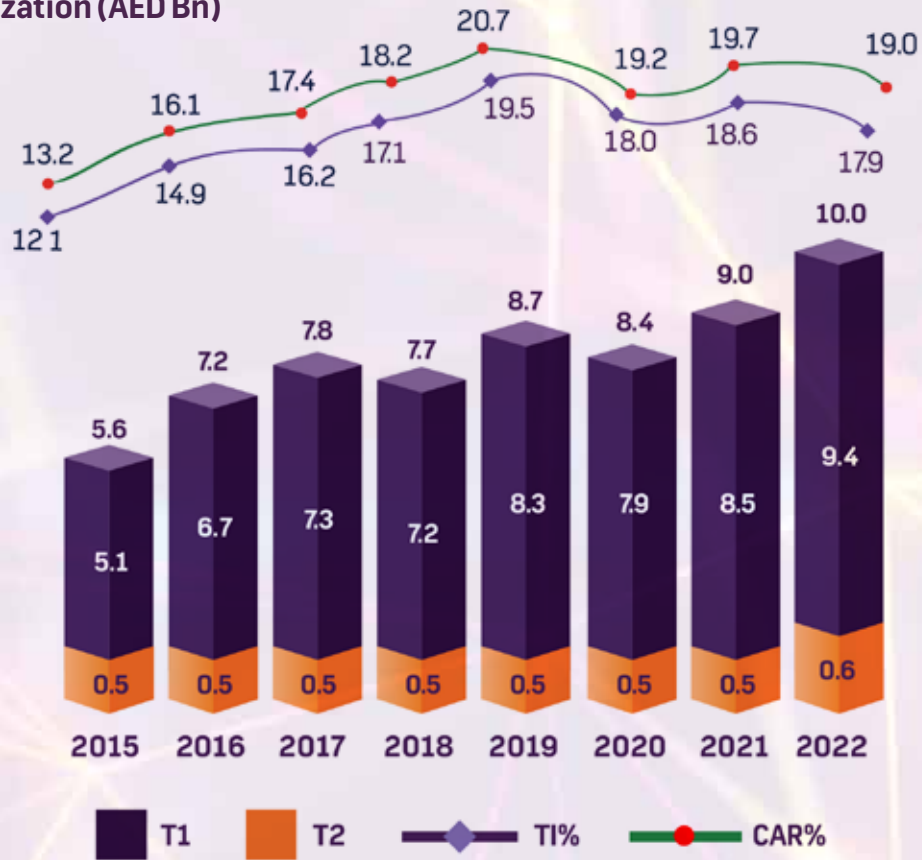
Sources of Operating Income (AED Mn)



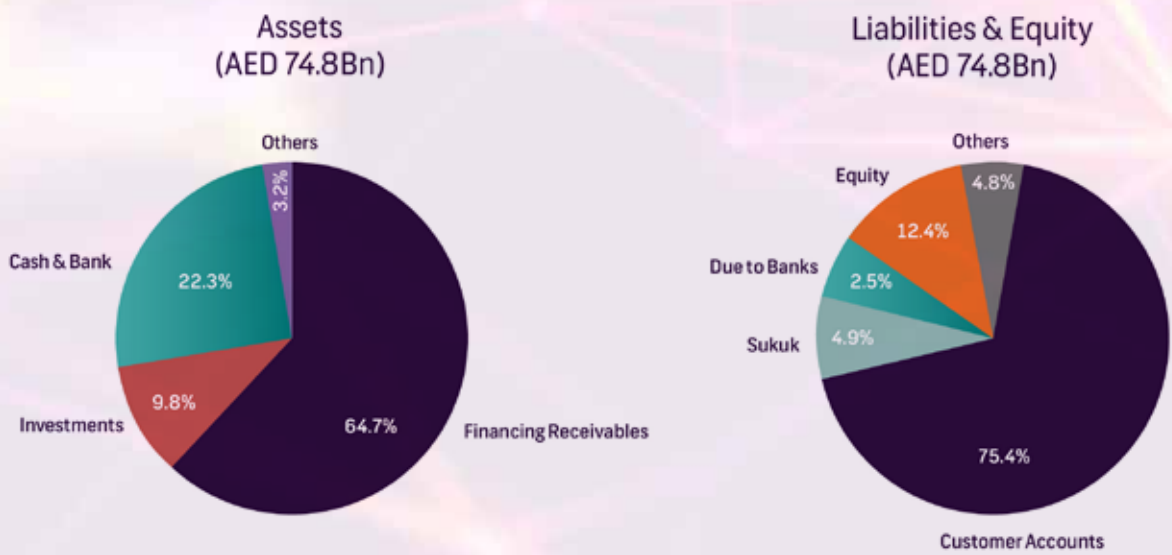
Return on Tangible Equity (%)



Capitalization (AED Bn)



Balance Sheet Analysis



LIST OF BRANCHES AND PAY OFFICE

Branch Name	Branch Location	P. O. Box	Branch Telephone Number
Abu Dhabi & Al Ain			
Abu Dhabi Main Branch	Khalidiyah Corniche Area, Wave Tower	46077 Abu Dhabi	02-6160888
Abu Dhabi Airport Road	Sheikh Rashid Bin Saeed Al Maktoum Street	46077 Abu Dhabi	02-4464000
Abu Dhabi Mall	Abu Dhabi Mall, Ground Floor, Next to Yateem Optician	46077 Abu Dhabi	02-6145194
Al Ain Main Branch	Jawazat Street, Near Sheikhha Salama Mosque	15095 Al Ain	03-7511159
Bawabat Al Sharq Mall	Bawabat Al Sharq Mall, Ground Floor, Baniyas	46077 Abu Dhabi	02-6134734
Boutik Mall	Sanaiyya - Khalid Ibn Sultan Street. Next to Etisalat - Beside LuLu	15095 Al Ain	03-7034590
Jimi Mall	Jimi Mall, Al Jimi	15095 Al Ain	03-7034520
Khalifa City	Villa No. 104, Sector SE-02, Khalifa City 'A'	46077 Abu Dhabi	02-6134711
Dubai - Bur Dubai			
Al Barsha Mall	Al Barsha Mall, Barsha	6564 Dubai	04-3733211
Al Diyafah	Diyafa Street, opp. Dune Centre, Satwa	6564 Dubai	04-3733205
Bur Dubai	Bank Street, Next to Sun & Sand Sports Shop, Atrium Centre	6564 Dubai	04-3597888
Dubai Health Care City	Building No.16, Ground Floor, Dubai Health Care City	6564 Dubai	04-3834726
The Dubai Mall	The Dubai Mall, Ground Floor	6564 Dubai	04-3828010
Dubai Souq	Al Souq Al Kabeer Area, Al Falah Street. Toronto Building, Bur Dubai	6564 Dubai	04-3192200
Al Wasl Road	Ferdous Center, Near Union Coop society	6564 Dubai	04-3733209
Dubai Hills Mall	Dubai Hills Mall, Dubai hills	6564 Dubai	04- 3733813
Ibn Batutta Mall	China Court	6564 Dubai	04-3733080
Jebel Ali	Banking Complex, Jafza Main Gate, Jebel Ali	6564 Dubai	04-8811133
Jumeirah Lakes Towers	Almas Tower, First Floor	6564 Dubai	04-3733225
Jumeirah Road	Sunset Mall, Um Suqeim 1	6564 Dubai	04-5921111
Sheikh Zayed Road	Al Wasl Tower	6564 Dubai	04-3312020
Palm Jumeirah	Palm Jumeirah - Nakheel Mall	6564 Dubai	04-3733275
Dubai - Deira			
Nad El Shiba	Avenue Mall, Nad El Shiba 1	6564 Dubai	04-5121982
Al Mizhar	Aswaq Centre, Near Al Mizhar Mall, Al Mizhar 1	6564 Dubai	04-2845799
Al Twar	Dubai Municipality Building, Ground Level, opp Al Twar Centre	6564 Dubai	04-7023880
Baniyas	Baniyas Road, Al Sabkha Area, Al Sabkha Building	6564 Dubai	04-2023900
Nakheel Road	Naif Street, Ahmed Abdul Rahim Hafiz Building, Dubai	6564 Dubai	04- 3733829
Warqaa Mall	Al Warqaa city Mall, Al Warqaa 1	6564 Dubai	04-2367878
Dubai Festival City	Dubai Festival Centre, opp Ikea, Level 1	6564 Dubai	04-3733201
Land Department	Dubai Land Dept Building, Ground Level, Baniyas Street, opp Dubai Chamber of Commerce	6564 Dubai	04-2215301/ 04-2212321
Mirdif City Centre	Level 1, Mirdif City Centre	6564 Dubai	04-3733055
Nad Al Hamar	Bel Rumaita Club Building, Al Rebat Street	6564 Dubai	04-2845999
Khawaneej Walk	Khawaneej Walk, last exit, Khawaneej 1	6564 Dubai	04-3733832

LIST OF BRANCHES AND PAY OFFICE

Sharjah & Northern Emirates			
Ajman	Al Jurf 2, close to City Centre Ajman	6688 Ajman	06-5064012
Fujairah	Near Choithram Supermarket, Sheikh Hamad Bin Abdulla Street	1472 Fujairah	09-2235553
Halawan	Wasit Street, Sheikh Ismail Building	67621 Sharjah	06-5064009
Juriena Zero 6 Mall	Zero 6 Al Juraina Community Centre Mall, University City Road	5169 Sharjah	06-5064038
Khorfakkan	Corniche Street	18969 Khorfakkan	09-2371122
Nasseriya City Centre	My City Center, Nasseriya	67622 Sharjah	06-5064018
Qasimiyah	Al Qasimiya Tower, King Abdul Aziz Road, Sharjah	67622 Sharjah	06-5720002
Ras Al Khaimah Main Branch	Emirates Islamic Bank Tower, Ground Floor, Al Muntaser Street, Al Nakheel Area	5198 Ras Al Khaimah	07-2260044
Rahmaniya Mall Branch	Rahmaniya Mall, Ground floor, Emirates Road	5169 Sharjah	06-5064015
Sharjah Court Pay Office	Al Meena Street	5169 Sharjah	06-5282248

LIST OF OFFSITE ATMS

Abu Dhabi
Awqaf Abu Dhabi
Capital Mall
Yas Mall
HH Mohammed bin Zayed Pvt. office
ADAFSA - MBZ City
Ajman
Union Coop Ajman
Ajman Police
Ajman City Center
FEWA Ajman
Last chance wholesale market
Union Coop Ajman Al Jerf
Union Coop Ajman Rumailah
Al Ain
Bawadi Mall ATM 1 - Near Carrefour
Bawadi Mall ATM 2 -Near Style Studio
Dubai
Union Coop - Jumeirah
Union Coop - Al Twar
Union Coop - Al Aweer
Souk Al Wasl
Sheikh Ahmed Mosque
Al Bustan Center
Union Co-Coop Hamriya
Dubai Immigration
Lulu Hypermarket Al Qusais
Bin Sougat Center, Airport Road
Union Coop Al Wasl, Satwa
Dubai Taxi
Saudi German Hospital
Mirdif City Centre near Etisalat
Etihad Mall
Mall of Emirates - Home Centre
Marina Mall
Deira City Center - Etisalat
Shindga Carrefour
Karama Centre
Emirates Lakes
Dubai Mall Near Costa Coffee GF
Dubai Mall Kidzania SF
Dubai Mall Ice Rink GF
Mega Mart Al Qusais
Aswaaq Super Market Umm Sequim
Dubai Mall - Food court SF
El Head Office, Bldg 16
Al Ghurair Centre
Al Mulla Plaza
Union Coop, Umm Suqueim
Hyatt Creek Heights
Nawaes madina Al Nahda
Mei'aisem City Centre
RITAJ - DIRC
Mall of Emirates, near metro link
My City Center Barsha

Dubai (Continues)
Dubai World Central
DLD rental area
Hatta hospital
Dewa head office
Dewa Al Quoz
Villagio Supermarket-Al Nahda
Meydan-M bldg
Union Coop - Abu Hail
Al Barsha Mall ATM 3
Falcon City of Wonders
Emirates Auction
Dar Al Wasl
SIRA
Union Coop - Nad Al Sheba
Al Nasr Sports Club
Dubai Police Qusais ATM
Business Village DED Bldg
Al Hudaiba Awards Bldg
Blu Tower
Duja Tower SZD
Union Coop - Hessa St
Union Coop Al Bada Jumeirah
RTA Umm Ramool HQ
Terhab Hotels and Towers JVT
Bin Shabib Mall - Al Barsha South
YIWU Market
Serena Marketplace
Villanova Community Mall
Bawabat Al Sharq Mall
Hadi Express - Muhaisnah
Union Coop Al Quoz
Fujairah
FEWA - Fujairah
Sharjah Coop Dibba
Ras Al Khaimah
Al Murjan Resort Ras Alkhaimah
FEWA RAK
Al Naeem Mall
Sharjah
Sharjah Pay Office
Ansar Mall
Rolla Mall
Sharjah International Airport
Mega Mart Sharjah
Sahara Center
FEWA - Dhaid
Pullman Hotel Sharjah
Middle East Auto Services
Sharjah Coop Al Zubair
Sharjah Coop Kalba Mall
Sharjah Coop Khorfakkan
Umm Al Quwain
FEWA Umm Al Quwain
Senan Hyper Market