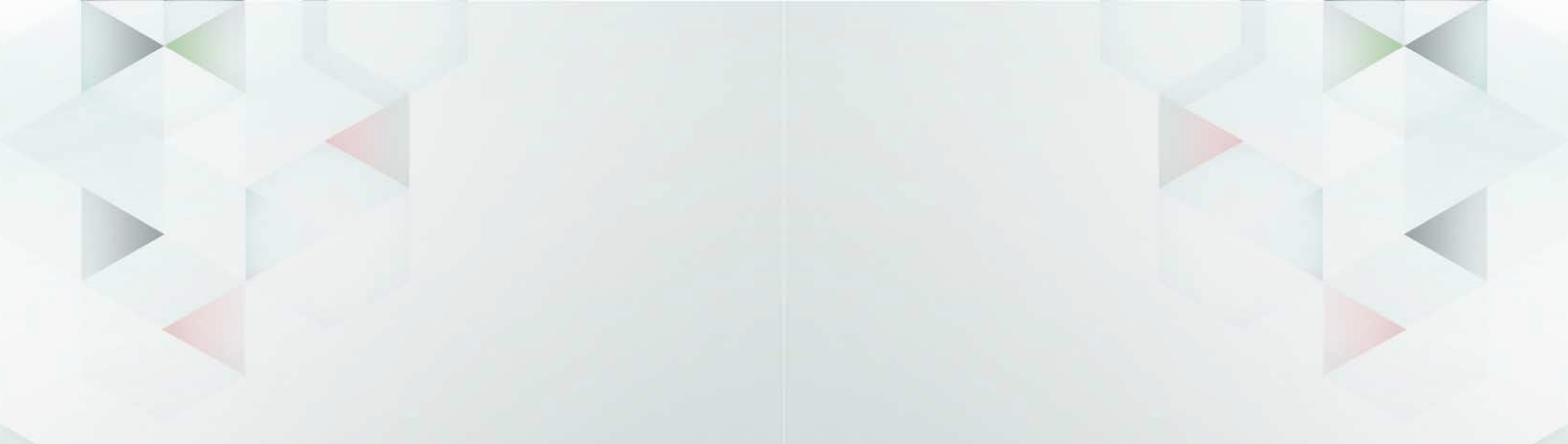





Annual Report 2019





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



Head Office

Emirates Islamic Bank  
(Public Joint Stock Company)

**Head Office**

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P.O. Box: 6564, Dubai, United Arab Emirates  
[emiratesislamic.ae](http://emiratesislamic.ae)



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### **Our Vision**

To be the leading provider of high standard Shari'a-compliant innovative financial products, quality service and superior value for our customers, shareholders, employees and the community.



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### **Our Mission**

Providing innovative and high standard financial products and services governed by Islamic Shari'a provision to enrich the society.



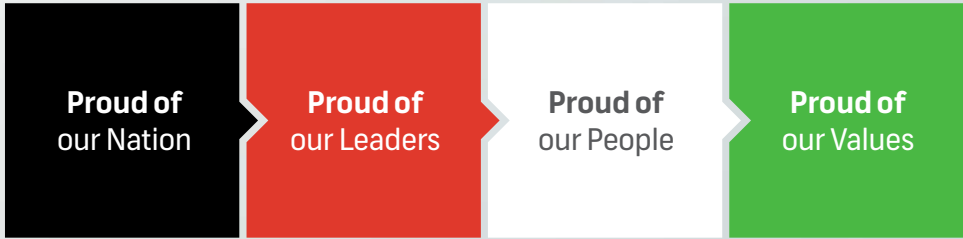


**His Highness Sheikh Khalifa Bin Zayed Al Nahyan**  
President of the United Arab Emirates



**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



**Mr. Shoaib Mir Hashem Khoory**  
Director



**Mr. Mohamed Hadi Ahmad  
Abdulla Al Hussaini**  
Director



**Mr. Mohamed Hamad Obaid  
Khamis Al Shehi**  
Director



**Mr. Ali Humaid Ali Al Owais**  
Director



**Mr. Shayne Nelson**  
Director



**Management  
Team**



**Salah Amin**  
Chief Executive Officer



**Wasim Saifi**  
Deputy CEO - Consumer Banking  
& Wealth Management



**Suhail Bin Tarraf**  
Chief Operating Officer



**Huda Sabil**  
Chief Financial Officer



**Meitha Al Hashemi**  
Chief Risk Officer



**Marwan Al Mheiri**  
Chief Human Resources Officer




**Mohamad Kamran**  
Head of Wholesale Banking



**Ebrahim Khalil Kayed**  
Head of Treasury & Markets





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## Chairman's Message



**Hesham Abdulla Al Qassim**  
Chairman, Emirates Islamic

As the UAE prepares to host the much-anticipated Expo 2020 Dubai this year, and as the event's Islamic Banking Partner, Emirates Islamic is eager to welcome visitors from the world over to our beloved nation. With 2020 declared as the Year: Towards the next 50, we are keen to continue supporting the UAE's success story and its leadership's ambitious vision for the future.

As the Islamic banking partner of choice for UAE nationals and residents, Emirates Islamic continued to play an instrumental role in driving growth in the Islamic finance sector. We delivered strong results for the year, with net profit of AED 1.06 billion, the highest ever in the Bank's history.

We were proud to support the UAE's Year of Tolerance in 2019, with a host of activities, events and contributions to charitable causes designed to further the country's vision of fostering a peaceful and tolerant society. In keeping with our commitment to honour the humanitarian legacy of the country's forefathers, Emirates Islamic distributed AED 73 million through the Emirates Islamic Charity Fund in 2019 to a number of charitable institutions and deserving causes, both locally and internationally. As the UAE prepares for the next 50 years of its journey, Emirates Islamic reiterates its commitment to supporting social welfare and community initiatives that enhance the quality of life for citizens and residents.

We are pleased to see that Islamic banking continues to find favour regionally and globally; the 2019 edition of the ISLAMIC BANKING INDEX by EMIRATES ISLAMIC™ showed significant progress made by the sector across parameters, with Islamic banking penetration reaching its highest level since the inception of the Index five years ago. These welcome findings bode well for the industry and support 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.

Looking ahead to 2020, Emirates Islamic maintains a positive outlook, with Expo 2020 Dubai set to deliver a significant boost to the economy as millions of visitors are expected to join the mega-event. Emirates Islamic will continue to play an instrumental role in contributing to growth and innovation in the Islamic banking sector, working to educate more individuals and institutions in the UAE about the benefits of Islamic banking solutions. In closing, I would like to thank our Board of Directors, the Bank's management team and all Emirates Islamic employees for their continued contribution to our performance. I would also like to extend appreciation to our loyal and valued customers and shareholders for their support as we look forward to another successful year ahead.

Together we  
create the future

Official Islamic Banking Partner for Expo 2020 Dubai



شريك لمجموعة بنك الإمارات دبي الوطني  
EMIRATES NBD GROUP PARTNER





## CEO's Message



**Salah Amin**  
CEO, Emirates Islamic

2019 marked another successful year for Emirates Islamic, with the Bank reporting net profit of AED 1.06 billion, a 15% increase from the previous year. Our success in 2019 was the result of our dedicated efforts towards innovation and service excellence and comes on the back of higher financing activity, improvement in margins, higher core fee income and improving operating efficiency. The Bank's balance sheet remains healthy and growth-oriented with Headline Financing to Deposits ratio at 83%, Tier 1 capital ratio at 19.5% and Capital Adequacy ratio of 20.7%.

Emirates Islamic continued to play a leading role in digital innovation in the Islamic banking sector during 2019. We were proud to announce the launch of Chat Banking services for customers via WhatsApp, marking a global first among all Islamic banks. The new Chat Banking solution reflects our commitment to provide our customers with new ways to interact with the Bank and to build customer engagement via social media platforms.

Another milestone in terms of digital service delivery was our partnership with emaratech to enable individuals and businesses to make electronic payments for a range of government services via the noqodi payment gateway. Emirates Islamic will continue to develop innovative and technology-driven solutions that will advance the digitization of banking services among our customer base, in line with the Smart Dubai agenda.

In keeping with our commitment to support the growth of SMEs in the UAE, Emirates Islamic became the first Islamic bank to sign an agreement with Emirates Development Bank (EDB) to be part of EDB's 'Credit Guarantee Scheme', which will greatly boost access to financing and improve the business environment for SMEs. The scheme supports the goals of the National Agenda under UAE Vision 2021, focused on boosting the GDP contribution of SMEs to 70 percent by 2021 and is aligned with the UAE's push towards economic diversification and building a post-oil economy.

Our efforts and achievements were recognised across the industry and continued to win accolades in 2019. We were honoured to be awarded 'Best Islamic Bank, UAE' at the World Finance Awards 2019, as well as 'Best Islamic Bank' at the Global Islamic Finance Awards 2019. Emirates Islamic was also recognised as 'SME Bank of the Year' by Enterprise Agility Awards. In recognition of our commitment to digital transformation and innovation, the Bank was named 'Most Innovative Islamic Retail Bank in the UAE' and awarded 'Excellence in Digital Banking' at the 5th Islamic Retail Banking Awards 2019. Emirates Islamic also secured the 'Best Retail Bank' and 'Best Digital Banking Proposition' awards from Islamic Business and Finance Magazine.

Going forward, Emirates Islamic will continue to lead the way for the Islamic banking sector in developing innovative solutions that are attuned to customer needs and cater to the growing demand for convenient, accessible banking. As the nation's preferred Islamic Bank, we look forward to continue supporting the growth of the UAE's economy and eagerly await the kick-off of Expo 2020 Dubai, which will be another glowing accomplishment cementing the UAE's standing as a global trade and tourism hub. Emirates Islamic also remains committed to backing humanitarian initiatives that benefit society, true to our community-focused philosophy.

To conclude, I would like to thank our Board of Directors for their ongoing support and contribution to our success. I would also like to extend our appreciation to our valued employees for their role in our continued progress and development.





Together  
we create  
opportunities  
for the future

From supporting those in need to fulfilling dreams of homeowners; from helping businesses prosper to creating child education plans, opportunity means alot to us. Let's come together and help create opportunities for the future.





# 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. Our unwavering commitment to corporate social responsibility is embodied in our daily operations, working environment, products and services, and our efforts to support the growth of the local economy.

Aligned with these values, the bank launched the 'Emirates Islamic Charity Fund' in 2016 to govern and manage its strategy for charitable donations and giving, one of the key pillars of its overall CSR framework. The fund provides financial aid under several main areas, including food, shelter, health, education and social welfare.

This year, Emirates Islamic was pleased to support the Year of Tolerance initiative announced by HH Sheikh Khalifa bin Zayed Al Nahyan, President of the UAE. The Year of Tolerance is a shining example of the UAE government's commitment to building a harmonious, diverse, and inclusive environment that welcomes everyone. As the UAE prepares to mark its 50th anniversary and ready itself for the next 50 years of its journey, Emirates Islamic will continue striving to support the welfare of local communities and the people of this great nation.

## Emirates Islamic Charity Fund – Key Activities in 2019 Healthcare

Emirates Islamic has always played an active role in extending support to various initiatives that promote the general well-being of the nation's residents. This year, the Bank contributed AED 25 million to Dubai Health Authority in order to expand the facilities at Dubai Hospital and offer quality medical care for the community.

Beit Al Khair, Khalifa Bin Zayed Al Nahyan Foundation and Tarahum Foundation. These contributions reflect Emirates Islamic's commitment towards improving the life of Emarati citizens by reaching out to the less privileged amongst them and providing them assistance to meet their day-to-day needs.

In addition, a delegation of female employees from the Bank visited the Dubai Foundation for Women and Children in August to celebrate the joyous occasion of Eid Al Adha and present gifts to women and children at the centre. Emirates Islamic representatives also paid a visit in August to the Sharjah City for Humanitarian Services (SCHS), a non-profit organisation working to serve people of determination and promote their integration into mainstream society.

Moreover, Emirates Islamic contributed AED 5 million to Erada Center for Treatment and Rehab, an organisation tasked with treating substance abuse and addiction. The

## Food

At Emirates Islamic, we firmly believe that providing access to basic human needs such as food improves the economic and social well-being of individuals and society as a whole. In a bid to fight hunger and food wastage, the Bank contributed AED 1 million to lend support to families in need and bring good health and happiness to their lives through the UAE Food Bank in 2019.

During the holy month of Ramadan, the Bank partnered with Sharjah Charity International to distribute 236 Meer Ramadan (essential foodstuff and commodities regularly needed during the holy month of Ramadan) to families in need in Sharjah. In addition, the Charity Fund also distributed 130 iftar meals daily to Emirates Islamic support staff.

## Education

In line with the UAE Vision 2021 which has education at its foundation, Emirates Islamic has contributed more than AED 13 million to help



The Bank also contributed AED 10 million to the Dubai Gynecology & Fertility Centre, which offers comprehensive and innovative treatment solutions to couples in the UAE, and across the globe.

## Social welfare

Emirates Islamic expanded its charitable efforts in 2019 to assist and support the less fortunate in our community and beyond. The bank contributed AED 2 million to the Dubai Community Development Authority (CDA) in order to support low-income Emarati families through CDA's Social Solidarity Fund. The Bank also contributed more than AED 8 million to several charitable and humanitarian organisations including

contribution, provided through the Emirates Islamic Charity Fund, was used to support the Center which provides rehabilitation programmes to UAE nationals, helping patients combat the negative psychological, economic, social and physical impacts of substance abuse.

In co-operation with Dubai Police, Faraj Fund, and the Sharjah Police General Directorate, the Charity Fund also aided in the release many inmates of various nationalities across the UAE, by settling their debts or by paying 'diya'. The Bank also supported inmates who completed their sentences and needed funds for air tickets to return to their home countries.

underprivileged families pay for their children's university fees. The Bank has helped various undergraduate and graduate students from Ajman University and Abu Dhabi University, who are facing financial problems to complete their education and obtain their degrees, enabling them to seek employment and improve their overall standard of living.



# ECONOMIC OVERVIEW

Geopolitics was again the dominant theme for global markets in 2019, whether it related to trade wars, Brexit, or developments in the Middle East. Global growth slowed and interest rates declined as central banks around the world took steps to boost liquidity and support growth. Against this challenging and uncertain backdrop, growth forecasts across the GCC were revised lower through the year. While the region possibly avoided recession in 2019, growth was modest at best.

The UAE was probably one of the better growth stories in the GCC in 2019, as oil production rose nearly 3%. This would have helped to offset relatively soft growth in the non-oil sectors of the economy. Overall, we estimate that the UAE economy expanded 2.0% in 2019, slightly better than the 1.7% GDP growth recorded in 2018.

Survey data showed that while external demand helped to drive activity growth in the non-oil sectors in the first half of 2019, domestic

demand remained constrained. There was little in the way of private sector job growth or wage growth, and businesses continued to discount prices as they competed for work, leading to further margin compression.

Increased supply across several sectors contributed to downward pressure on prices, including in real estate and hospitality. However, the number of international visitors to Dubai grew nearly 5% in 2019, after almost no growth in 2018. With Expo 2020 Dubai likely to be a further draw for tourists, we are cautiously optimistic about the outlook for 2020.

The USD has weakened against a basket of major currencies in the fourth quarter of 2019 and we expect further weakness in 2020, which should help to restore some price competitiveness in the UAE. The decline in interest rates in the second half of 2019, and the expectation that the Fed is unlikely to raise rates in 2020, should support both consumption and

investment in the UAE in 2020. In our view, there is also room for increased fiscal stimulus in the UAE, in order to boost non-oil sector growth and create jobs in the private sector. For these reasons, we expect non-oil sector growth in the UAE to accelerate to 2.5% in 2020 from an estimated 1.5% in 2019.

However, OPEC's decision to deepen oil production cuts in the first quarter of 2020 means the UAE will need to cut oil output by nearly 2% in the first three months of 2020. Even if we assume that the cuts are not extended through the rest of 2020, and oil output recovers, the oil sector will probably weigh on overall GDP growth. As a result, we expect real GDP growth of 1.6% in the UAE in 2020.



# STRATEGY 2020

Emirates Islamic remains committed towards achieving its vision and mission to be a leading provider of high standard financial products and services governed by Islamic Shari'a provision to enrich the society and to promote Islamic Banking in the UAE. The Bank has always played an integral part in the UAE's growth and has always sought opportunities to be at the forefront of Islamic banking development.

Emirates Islamic is proud to be the Official Islamic Banking Partner of Expo 2020 Dubai and is strategically placed to provide banking solutions to residents and visitors alike. In 2020, Emirates Islamic will continue to focus on the following key strategic pillars:

## Drive Sustainable Growth

The Bank seeks to deliver its financial aspirations through diversification of its revenue streams by enhancing its products and services propositions in order to increase share of wallet from customers and capture higher non-funded income growth.

Emirates Islamic will focus on enhancing its Emirati ecosystem and value proposition in order to capture higher market share. Furthermore, the Bank aims to strengthen its origination and distribution capabilities in Wholesale Banking as well as enhance its Transaction Banking, Financial Institution and Investment Banking propositions. In addition, Emirates Islamic will also look to scale up its treasury and markets capabilities through development of new products and services, introduction of digital Foreign Exchange dealing solutions and growth of its Sukuk book.

## Digital and Analytics Advancement

On the digital innovation front, Emirates Islamic will continue to play a leading role within the Islamic banking sector by introducing state-of-the-art digital solutions through the launch of a digital bank proposition for its Commercial and Retail customers, enhancement of digital platforms for Wholesale and Commercial customers as well as upgrade of its core banking, data and analytics systems. The Bank will also focus on redefining customer experience in branches by rolling out video-based interactive teller machines and digital branches as well as invest in end-to-end digital sales and services infrastructure.

## Customer Centricity

Focus on customer experience will be at the core of Emirates Islamic's strategy. The Bank is continuously working on re-engineering its key processes, improving critical customer journeys, and instilling a "customer-first" mindset among its people in its effort to deliver the best in class customer journey for its customers.



## Smart Risk Management

Emirates Islamic continues to strengthen its control framework and reinforce strong standards of governance by proactive risk policy management, setting up market-leading risk and control infrastructure and practices and implementation of risk-aware culture across the Bank and not just limited to product design and sales management.

## Enhance Human Capital strength

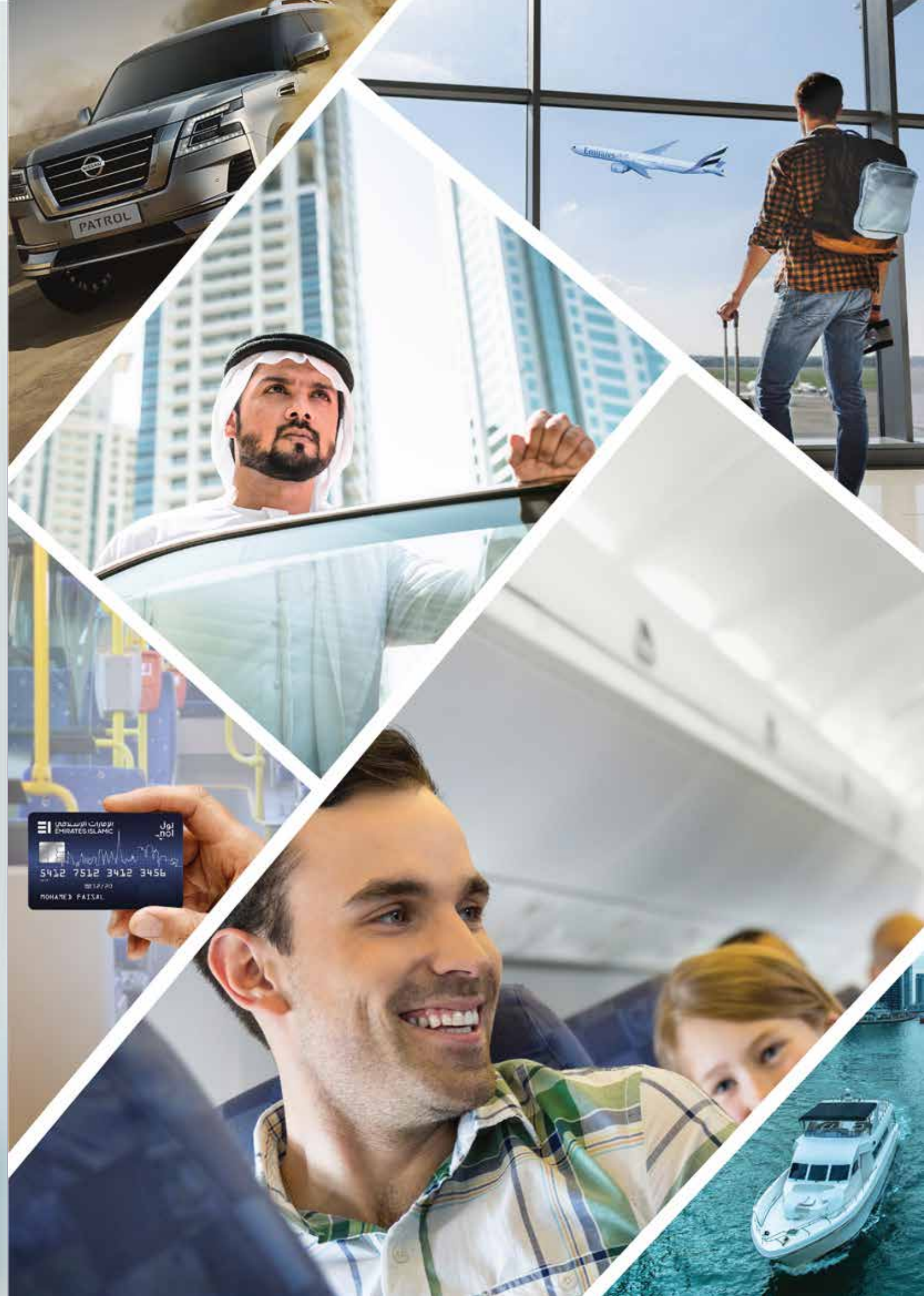
The Bank considers its people as its strongest asset. Emirates Islamic will continue to strengthen organisational culture, promote agility and empowerment, invest in upskilling of its staff, redesign organisation structure, roles and responsibilities, and invest in human capital tools that will support its strategic aspirations. Emirates Islamic remains committed in supporting the UAE Government's Emiratisation agenda through various initiatives to increase Emirati penetration in critical roles within the organisation and award-winning learning and development programmes.

In addition to Emirates Islamic's focus on its strategic agendas, the Bank has always endeavored to support the community and those in need. Emirates Islamic will continue to support charitable initiatives in areas such as health, food, education and shelter through the Emirates Islamic Charity Fund.



Together we  
create the future  
of mobility

From encouraging public transportation through the use of the Emirates Islamic RTA credit card to our auto finance solutions and our partnerships with flagship airlines, mobility means a lot to us. Let's come together and help create the future of mobility.





# CONSUMER BANKING & WEALTH MANAGEMENT

The Bank's Consumer Banking & Wealth Management Division (CWMD) was a solid contributor to Emirates Islamic's success in 2019 as it grew 36.9% over 2018, contributing 67.9% to the Bank's 2019 net profit. CWMD's focus on Customer Experience and Digital innovation resulted in higher customer satisfaction scores. In addition to numerous digital initiatives, CWMD continued to develop strong value propositions across its products and services. Looking ahead to 2020, CWMD's focus will revolve around a Digital & Customer First strategy – key areas that have been integral to the Bank's year on year growth.

## Distribution

Emirates Islamic's extensive branch network includes 55 branches and spans strategic locations across all the seven emirates of the UAE. Emirates Islamic's branch network continued to be a strong customer acquisition channel for account, card and finance products.

The Bank strengthened its presence in Dubai by adding a new branch in Palm Jumeirah, Nakheel Mall, expanding its network in Dubai to 30 branches.

As part of Emirates Islamic's digital first strategy, the Bank transformed its branch in Mirdif City Center, making it the Bank's first 'Digital Teller' Branch – Customers will experience interacting with a Digital Teller and enjoy

many services including cashing cheques & cheque deposit, cash deposit & withdrawal, payments & fees collection, inquiries on accounts and much more.

As part of the Bank's strategic focus to provide the best in banking services and innovations, and be easily accessible to customers, its Bani Yas Road and Jumeirah Lakes Towers branches were relocated to larger premises, whilst 7 branches underwent refurbishment.

The Bank expanded its ATM network to provide more convenience for its customers, having added 19 new ATMs across the UAE of which 11 are in non-branch locations, taking the total ATMs/CDMs network to 206.



## Business Banking

Emirates Islamic's Business Banking Division (BBD) grew its revenue by 18% and Net Profit by 32% in 2019. Overall contribution of BBD to the Bank's total operating income stood at 35%. Net fee income was up 21% compared to 2018 with the main contributor being foreign exchange & commission income. Tighter controls and monitoring of the financing portfolio resulted in higher recoveries and lower impairments. Emirates Islamic BBD became the first Islamic bank to partner with Emirates Development Bank (EDB) to support the financing needs of Emarati owned SMEs. To further support Emarati owned businesses, BBD worked closely with government authorities especially Dubai Economic Department and Abu Dhabi Department of Economic Development to offer customised account solutions to SME startups. With Emirates Islamic being the Official Islamic Banking Partner for Expo 2020 Dubai, BBD introduced a special account package for SMEs operating in or providing services to Expo 2020 Dubai. Moreover, the Division's performance resulted in winning the "SME BANK OF THE YEAR" award at the Enterprise Agility Awards 2019 – Entrepreneur of the Year, Presented by du.

## Digital Banking

Emirates Islamic is dedicated to provide the latest digital banking solutions and an enhanced banking experience for its customers with a number of firsts to its name.

### Highest rated Islamic Banking Mobile App

Emirates Islamic's customers have recognized the world-class features of the Mobile Banking App, which has received over 33,000 ratings on the Apple store, with an excellent rating of 4.5 stars. The App now offers over 250 services, including key features:

- Change of User Name, this feature enables online banking/app customers to change their existing username as per their liking.
- In App Provisioning of Apple Pay: Customers can onboard a card onto their Apple Pay wallet through the App.
- SmartPass: Enhanced security for the Bank's customers, without them having to use a One Time Password.

### Many 'Firsts' in Mobile Wallets

Emirates Islamic continues to pioneer innovations in the Islamic banking sector, becoming the first & only Islamic bank in the UAE to offer its cardholders all 3 digital wallets, namely Apple Pay, Samsung Pay, and Google Pay.

### Another 'First' in Chat Banking

The Bank launched WhatsApp Banking services, becoming the first Islamic bank in the world to do so. The chat banking service via WhatsApp enables customers to conduct daily banking activities in a seamless and hassle-free manner. This service further enhances Emirates Islamic's suite of digital banking channels and allows customers to use features such as checking account balances and temporarily blocking or unblocking of an existing card.

### First Islamic bank to offer Dynamic Currency Conversion for Visa cards

2019 saw Emirates Islamic become the UAE's first Islamic bank to offer dynamic currency conversion for visitors to the UAE using a non-UAE Visa card. When making cash withdrawals using their Visa card at any Emirates Islamic ATM across the country, they will be able to view the exact conversion amount and fees in their home currency before making a cash withdrawal.



## Assets Digitization & Transformation

The Bank is dedicated to enhancing the digital experience of its customers. By creating a paperless, digital sourcing experience in both Branches and through its Direct Sales Agents. Using dedicated applications on tablets, Emirates Islamic is making it easier and more importantly faster for its customers to apply and use its products and services.

## Branch Digitization & Transformation

Emirates Islamic launched its first teller-less branch, which caters for customer's cash related transactions without a physical teller as well as assisting them with other transactions – through the use of a virtual teller, thanks to the most advanced Interactive Teller Machines (ITM) installed at the branch.



# WHOLESALE BANKING DIVISION

During 2019, Emirates Islamic's Wholesale Banking Division (WBD) played a pivotal role in partnering with large and mid-size corporates, financial institutions, sovereigns and government-related entities, offering them an extensive range of products and services to support their business activities. Despite a rapidly changing and challenging market environment, WBD was able to deliver strong results and recorded a total income of AED 792 million.

WBD continued with its focus to be the "Islamic Wholesale Bank of choice" and has invested and built internal infrastructure and capabilities to deliver a world class banking experience for its customers. In line with the Bank's strategy to increase focus on fee based income, significant investments were made to build capabilities in Transaction Banking, Treasury and Global Markets as well as enhancing the underlying technology infrastructure.

Despite focusing on growth, WBD continued to exercise stringent controls, focused on implementing improved governance standards and a strict compliance culture.

## Corporate Banking

Growth in Corporate Banking was primarily attributable to increasing presence in under-penetrated target segments, and increasing the overall wallet size from individual customers through cross-sell opportunities. Despite general weakening demand of corporate financing in the market, Corporate Banking recorded an increase of 16% in revenue.



## Financial Institutions

Financial Institutions focused 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 Shari'a-compliant financing and transactional solutions.

Financial Institutions has been successful in deepening existing relationships as well as establishing new relationships in the Middle East, African and Asian markets.

## 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.

During the year, Transaction Banking launched several new products and capabilities such as smartTrade - a class leading trade finance online platform offering import, export, guarantee and financing products, businessONLINE (smartBUSINESS 3.0), a next generation online banking platform delivering enhanced cash & liquidity management capabilities and a bespoke Enterprise Resource Planning integration solution that enables clients to channel payments through the bank's core banking systems. Several customer events held during the year, contributed to increasing the brand awareness and Transaction Banking proposition for the Bank.

## Syndication & Structured Finance

2019 witnessed a renewed focus on the Syndication and Structured Finance business. Growth in Syndication and Structured Finance business was driven on the back of strong corporate and financial institution relationships, resulting in the team being awarded leading roles in a number of mandates in the UAE and overseas markets. Overall the team capitalized on its strong origination and distribution capabilities and completed a sizeable number of transactions for Corporates and Financial Institutions.

Going ahead, the focus will continue to remain on strengthening the origination and distribution capabilities resulting in lead arranging large ticket syndicated and club transactions.

## Treasury & Markets

Treasury & Markets (T&M) delivered another strong year with 18% growth in revenue in 2019.

The Asset Liability Management business delivered excellent results by positioning the balance sheet in the current interest rates scenario.

Treasury Sales witnessed higher volumes in from Corporate & Consumer Wealth Management Clients in Derivatives & Foreign Exchange due to enhanced product capability and delivered extraordinary growth for the year.

T&M also implemented Calypso configuration of Hedging & other new sales Derivative products enhancing T&M's readiness for new products & services for clients.

# AWARDS

Emirates Islamic received a number of local and international awards in 2019, in recognition of its focus on customer excellence, robust performance, and innovation in Islamic banking. The Bank was awarded 'Best Islamic Bank, UAE' at the World Finance Awards 2019, as well as 'Best Islamic Bank' at the Global Islamic Finance Awards 2019. Emirates Islamic was also recognised as 'SME Bank of the Year' by Enterprise Agility Awards.

In recognition of its commitment to digital transformation and innovation, the Bank was named 'Most Innovative Islamic Retail Bank in the UAE' and awarded 'Excellence in Digital Banking' at the 5th Islamic Retail Banking Awards 2019. Emirates Islamic also secured the 'Best Retail Bank' and 'Best Digital Banking Proposition' awards from Islamic Business & Finance Magazine. Meanwhile, Islamic Finance News magazine named Emirates Islamic 'Most Innovative Islamic Bank'.

As a consistent champion of Emiratization in the banking sector, Emirates Islamic was named the recipient of the 'Human Resources Development' award by Emirates Institute for Banking and Financial Studies (EIBFS).

Emirates Islamic's Kunooz Savings Account was awarded 'Best Banking Product' by Global Banking & Finance Review. The Bank was also recognised for 'Most Improved Website' at the Service Olympian Awards.





# HUMAN RESOURCES



Emirates Islamic values and considers its people as its strongest asset. The Bank strengthened organisational culture through upskilling of its staff, redesigning organisation structure and roles and responsibilities, realigning KPIs, and investing in performance management infrastructure to enhance productivity and support the Bank's strategic aspirations. Emirates Islamic remains committed to the UAE's Emiratization agenda by exceeding its Nationalisation targets and investing heavily in the development of UAE National staff, particularly in critical and leadership roles. In 2019, the Bank demonstrated its commitment to diversity and inclusion through 'Kuwwati' - a female leadership empowerment programme, and 'Project You' - an outreach initiative with high schools across Dubai run in conjunction with Expo 2020 Dubai.

In 2020, the Bank's Human Resources Department is committed to providing incredible experiences with recognised impact. It will do this by working as a strategic partner and adding value across four strategic priorities: Governance, Performance, Development and Talent Life Cycle. The Department will continue to advance the UAE National Value Proposition to attract, retain and develop the best Emirati Talent, thus ensuring the sustained success of Emirates Islamic.

# 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 Shari'a Authority issued risk management standards & guidelines, in alignment with group risk governance & risk management framework, the Bank's strategy and the Board approved risk appetite statement. In 2019, RMD harnessed its various achievements and learnings to ensure that it focusses on enhanced optimal governance. In 2020 and beyond, in line with the evolving nature of various risks faced by the Bank, RMD will look to evolve its outlook and change the thinking of not just to view risk division as a control and mitigation team, but to use Risk as a tool to create value and achieve higher levels of performance.

## Risk Governance

Emirates Islamic has a well-established risk governance framework that can easily be applied based on nature, size and complexity of the Bank's business structure. In 2020, Emirates Islamic will look to enhance its governance framework to withstand changing regulatory expectations. Additionally, Risk Governance is also being enhanced to factor in the constant changing of business landscape, as a result of which new risks emerge, giving relatively less time for an organization to respond.

## Credit Risk

The Credit Risk function of the Bank is commensurate with the scope and sophistication of the Bank's activities and also meeting all supervisory, regulatory and Shari'a guidelines and requirements. The function has established a robust credit risk environment wherein the Bank's credit risk strategy is aligned to the revised Board approved risk appetite statement, and it continues robust monitoring which resulted in significant rationalisation of exceptions. The function also maintains an effective credit administration, early alert process and

suitable information systems to efficiently monitor and mitigate various credit risks. The Bank also ensures that the best regional 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 2020, the function is further looking to enhance its risk infrastructure to support Emirates Islamic in its growth objective.

## 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 organization. Key Risk Indicators (KRI) are used to monitor the level of operational risks across the Bank and subsidiaries.

Business continuity management framework is in place which 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 Emirates Islamic's 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 framework and limits are approved by the Board of Directors and established within the Risk Appetite Statement (RAS) subject to regular review and consistent with the Bank's approach to strict compliance with Shari'a rules and principles.

The Bank's Asset Liability Committee (ALCO), Group Risk Committee (GRC) and Board Risk Committee (BRC) are the Senior Management committees that support Emirates Islamic in managing market risk.



Together  
we create a  
sustainable  
future

From creating an eco-friendly e-savings account to encouraging the purchase of electric cars and developing an award-winning mobile banking app, sustainability means a lot to us. Let's come together and help create a sustainable future.





## BOARD COMMITTEES

### Board Audit Committee

Mr. Mohamed Hamad Obaid Al Shehi	Chairman
Mr. Shoaib Mir Hashim Khoory	Member
Mr. Mohammad Hadi Ahmad Al Hussaini	Member
Mr. Shayne Nelson	Member

### Board Risk Committee

Mr. Ali Humaid Al Owais	Chairman
Mr. Hesham Abdulla Al Qassim	Member
Mr. Buti Obaid Buti Al Mulla	Member
Mr. Shayne Nelson	Member

### Board Nomination and Remuneration Committee

Mr. Buti Obaid Buti Al Mulla	Chairman
Mr. Mohammad Hadi Ahmad Al Hussaini	Member
Mr. Ali Humaid Al Owais	Member
Mr. Shayne Nelson	Member

### Board Credit and Investment Committee

Mr. Shoaib Mir Hashem Khoory	Chairman
Mr. Hesham Abdulla Al Qassim	Member
Mr. Mohammad Hamad Obaid Al Shehi	Member
Mr. Mohamed Hadi Ahmad Al Hussaini	Member
Mr. Ali Humaid Al Owais	Member
Mr. Shayne Nelson	Member

## PROFIT AND BALANCE SHEET GROWTH IN HISTORY

### Revenues and Costs (AED Mn)



### Profits (AED Mn)

#### Pre-Provision Operating Profits

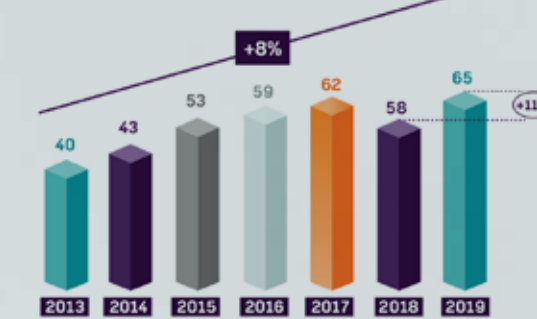


#### Net Profits

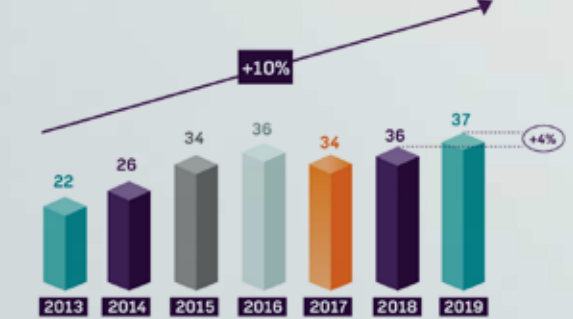


### Assets and Financing (AED Bn)

#### Assets



#### Financing Receivables (Net)

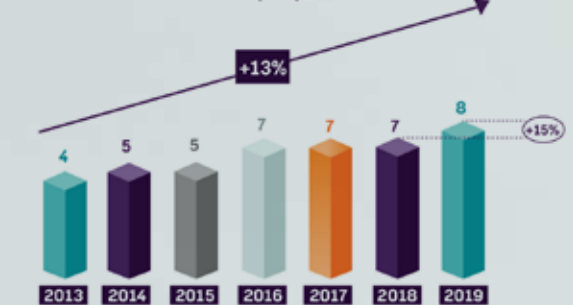


### Customer Accounts and Equity (AED Bn)

#### Customer Accounts



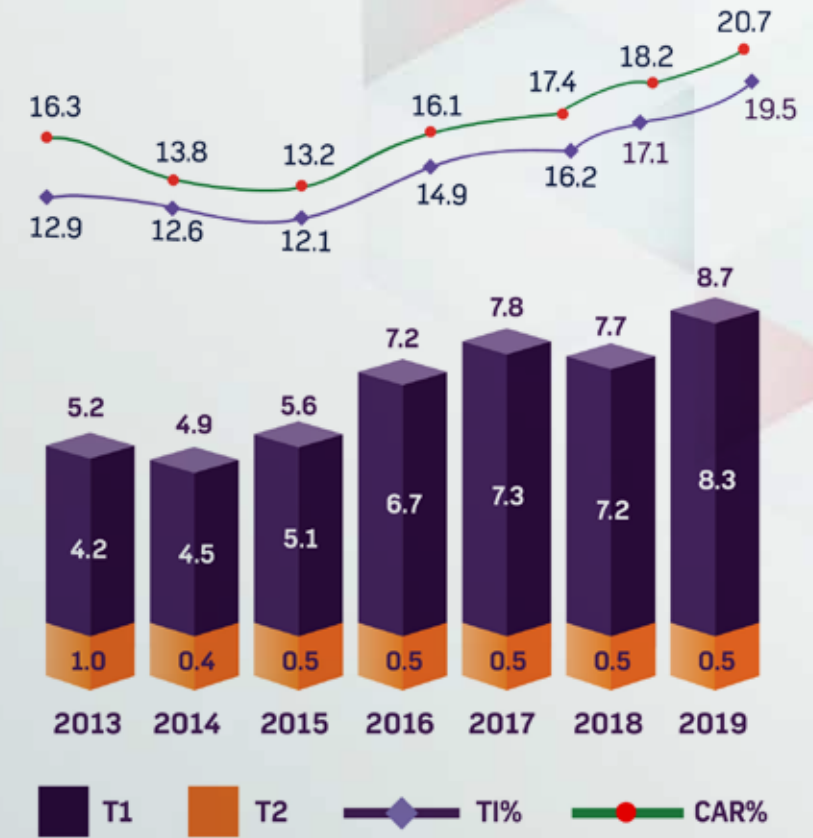
#### Equity



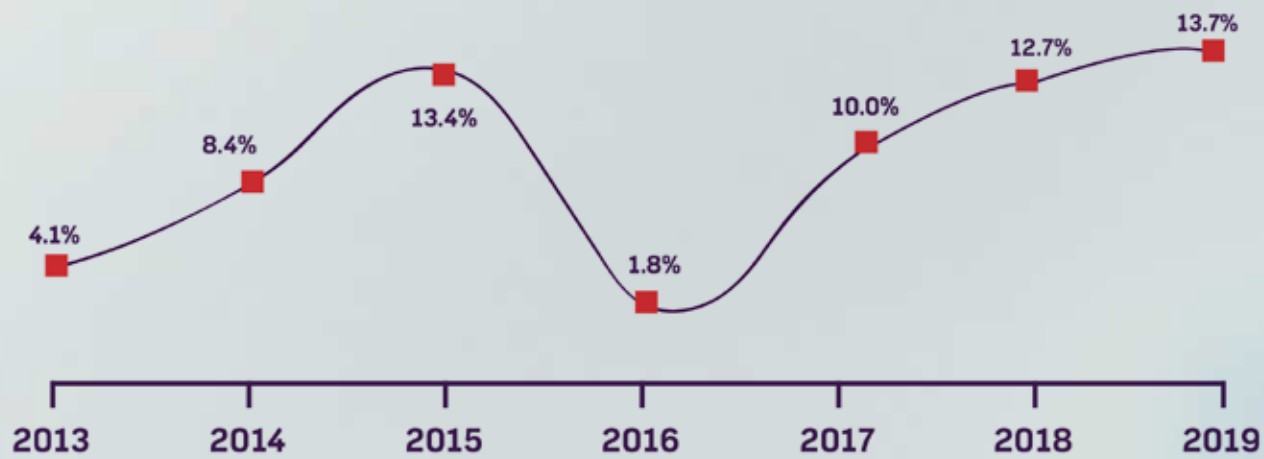
### Sources of Operating Income (AED Mn)



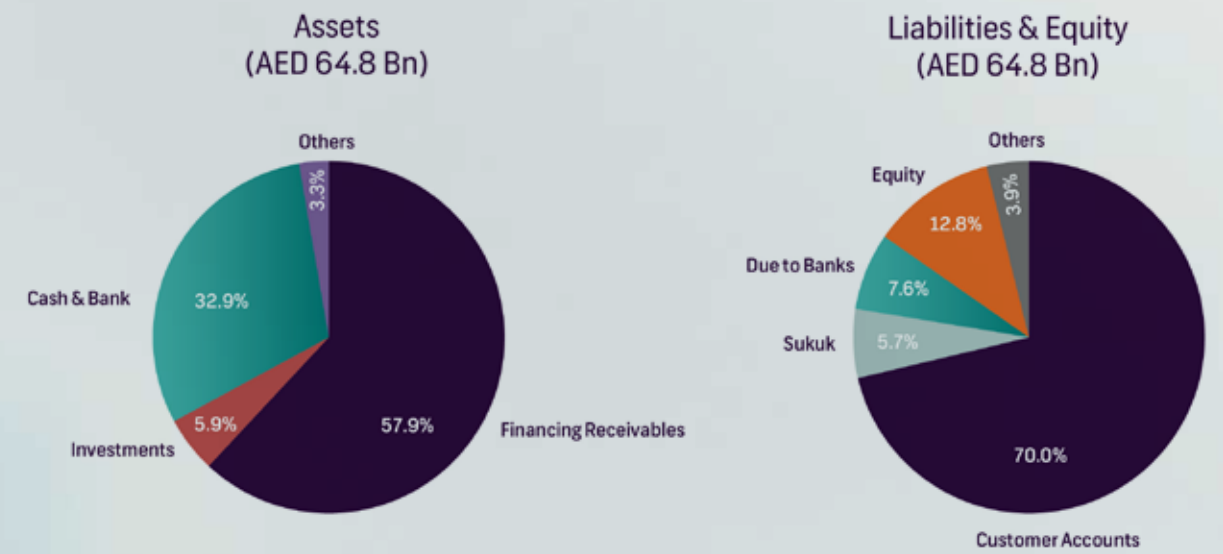
### Capitalisation (AED Bn)



### Return on Tangible Equity (%)



### Balance Sheet Analysis



## LIST OF BRANCHES

Branch Name	Branch Location	P. O. Box	Branch Telephone Number
<b>Abu Dhabi &amp; Al Ain</b>			
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
Al Khalidiya	Street No.26, intersecting with Zayed 1st Street	108330 Abu Dhabi	02-6134710
Al Muroor	Almaqtaa Tower, Sultan Bin Zayed 1st Street	46077 Abu Dhabi	02-6134727
Al Mutaradh	Arabian Centre, Al Mutaradh Area, Al Ain	15095 Al Ain	03-7559840
Al Wahda Tower	Ground Floor, Al Wahda City 1, Commercial Tower, Hazaa Bin Zayed Street	46077 Abu Dhabi	02-6134713
Bawabat Al Sharq Mall	Bawabat Al Sharq Mall, Ground Floor, Baniyas	46077 Abu Dhabi	02-6134734
Boutik Mall	Sana'iyya - Khalid Ibn Sultan Street. Next to Etisalat - Beside LuLu	15095 Al Ain	03-7034590
Khalifa City	Villa No. 104, Sector SE-02, Khalifa City 'A'	46077 Abu Dhabi	02-6134711
<b>Dubai - Bur Dubai</b>			
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 Silicon Oasis	SIT Tower, Ground Floor, Dubai Silicon Oasis	6564 Dubai	04-3733054
Dubai Souq	Al Souq Al Kabbeer Area, Al Falah Street. Toronto Building, Bur Dubai	6564 Dubai	04-3192200
Oud Metha	Eleganza Apartments	6564 Dubai	04-3733208
Umm Suqeim	Villa A, Jumeirah Beach Road, near Jumeirah Beach Park	6564 Dubai	04-3733209
<b>Dubai - Deira</b>			
Al Garhoud	Sunshine Building, Next to Al Tayer Showroom, Garhoud	6564 Dubai	04-2822454
Al Mamzar	Arabila Building, Ground Level, Next to Grand Service Station	6564 Dubai	04-2622444
Al Mizher	Aswaq Centre, Near Al Mizhar Mall, Al Mizhar 1	6564 Dubai	04-2845799
Al Riqqa	Omar Bin Al Khattab Street, Near Ibis Hotel, Riqqa, Deira	6564 Dubai	04-2248442
Al Twar	Dubai Municipality Building, Ground Level, opp Al Twar Centre	6564 Dubai	04-7023880
Al Twar Centre	Al Nahda Road, Near Al Twar Centre	6564 Dubai	04-2575983
Baniyas	Baniyas Road, Al Sabkha Area, Al Sabkha Building	6564 Dubai	04-2023900

## LIST OF BRANCHES

<b>Dubai - Deira (continued)</b>			
Business Village	Business Village Building, Block A, Ground Level, Next to Clock Tower, Deira	6564 Dubai	04-2367878
Dubai Festival City	Dubai Festival Centre, opp Ikea, Next to Hyper Panda, 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 Rumaitha Club Building, Al Rebat Street	6564 Dubai	04-2845999
Nakheel Road	Ahmed Abdul Rahim Hafez Building, Naif Street	6564 Dubai	04-3733278
<b>Dubai - New Dubai</b>			
Al Quoz	Khalifa Bin Dismal Building, Al Quoz 3 Area	6564 Dubai	04-3809952
Convention Centre	World Trade Centre, Exhibition Hall 1	6564 Dubai	04-3830020
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
Media City	Business Central Towers, Dubai Media City, Sheikh Zayed Road	6564 Dubai	04-4380200
Sheikh Zayed Road	Al Wasl Tower	6564 Dubai	04-3312020
Sheikh Zayed Road 2	Al Kharbash Building	6564 Dubai	04-3438882/ 04-3439192
Palm Jumeirah	Palm Jumeirah - Nakheel Mall	6564 Dubai	04-3733275
<b>Sharjah &amp; Northern Emirates</b>			
Ajman	Sheikh Khalifa Bin Zayed Road	6688 Ajman	06-5064012
Al Nadiyah	Ali Abdulla Al Nuaimi Building, Al Nadiyah	5198 Ras Al Khaimah	07-2359482
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	My City Center, Nasseriya	67622 Sharjah	06-5064018
Qasimiyah	Al Otaiba Building, King Abdul Aziz Road, Sharjah	67622 Sharjah	06-5720002
Ras Al Khaimah	Emirates Islamic Bank Tower, Ground Floor, Al Muntaser Street, Al Nakheel Area	5198 Ras Al Khaimah	07-2260044
Sahara Centre	Al Nahda Street, Sahara Centre, Basement	5169 Sharjah	06-5255532
Sharjah	Al Bourj Avenue, Al Arooba Bank Street, Near Rolla Square	5169 Sharjah	06-5064015
Sharjah Court Pay Office	Al Meena Street	5169 Sharjah	06-5282248
Umm Al Quwain	Near Umm Al Quwain Broadcasting Station, King Faisal Road	315 Umm Al Quwain	06-5064020



## LIST OF OFFSITE ATMS

<b>Abu Dhabi</b>
Awqaf Abu Dhabi
The Galleria Mall
Capital Mall
Yas Mall
HH Mohammed bin Zayed Pvt. Office
<b>Ajman</b>
Union Co-operative
Ajman Police
Ajman City Center
FEWA Ajman
Last Chance Wholesale Market
<b>Al Ain</b>
Al Ain Mall
Bawadi Mall ATM 1 – Near Carrefour
Bawadi Mall ATM 2 – Near Style Studio
<b>Dubai</b>
Union Co-operative – Jumeirah
Union Co-operative – Al Twar
Union Co-operative- Al Aweer
Dubai Airport Terminal 1
Souk Al Wasl
Sheikh Ahmed Mosque
Al Bustan Center
Union Co-operative Hamriya
Dubai Immigration
Lulu Hypermarket, Al Qusais
Bin Sougat Center, Airport Road
Union Co-operative, Al Wasl, Satwa
Dubai Taxi
Saudi German Hospital
Mirdiff City Centre near Etisalat
Etihad Mall
Dubai Municipality – Al Manara Centre
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
Deira City Centre Near New Look
Aswaaq Super Market Umm Sequim
Dubai Mall – Food Court SF
El Head Office, Building 16
Sky Gardens DIFC
Al Ghurair Centre

<b>Dubai (Continues)</b>
Al Mulla Plaza
Union Coop, Umm Suqueim
Hyatt Creek Heights
Nawaes Madina Al Nahda
Mei'aisem City Centre
Dubai Taxi, Jebel Ali
RITAJ-DIRC
Mall of Emirates, Near Metro Link
My City Center Barsha
DLD Rental Area
Dubai World Central
Dubai Police Qusais
Hatta Hospital
Dewa Head Office
Dewa Al Quoz
Dubai Mall Fashion Avenue
Villagio Al Nahda
Meydan-M Building
Belhoul Speciality Hospital
Union Co-operative – Abu Hail
Falcon City of Wonders
Al Barsha Mall
Emirates Auction
Dar Al Wasl
SIRA
Union Co-operative – Nad Al Sheba
Al Nasr Sports Club
Dubai Police – Al Qusais
<b>Fujairah</b>
Emirates Exchange
<b>Ras Al Khaima</b>
Al Murjan Resort
FEWA – RAK
<b>Sharjah</b>
Sharjah Pay Office
Ansar Mall
Rolla Mall
Sharjah International Airport
Mega Mart
Sahara Center
FEWA-Dhaid
<b>Umm Al Quawain</b>
FEWA – UAQ