

Emirates NBD's profit surges 92% to AED 17.5 billion in 9M'23

Quarterly profit exceeds AED 5 billion for third consecutive quarter

Emirates NBD's profit surges 92% to AED 17.5 billion in the first nine months of 2023 on significant loan growth, a stable low-cost funding base, increased transaction volumes and substantial recoveries. Q3-23 profit exceeded AED 5 billion for the third consecutive quarter reflecting a buoyant regional economy. Emirates NBD's market-leading deposit franchise grew AED 67 billion, including AED 33 billion of low-cost Current and Savings Accounts in 2023. Strong Retail lending momentum, coupled with landmark multinational-customer deals drove a healthy 8% loan growth. All business units delivered higher income. Emirates NBD is the Principal Banking Partner for COP28. The Group successfully launched its Sustainable Finance Framework and raised USD 750 million with the largest green bond ever issued by a regional bank, helping our customers align to UAE Vision 2030.

Income AED 32.7 billion ↑ 44% y-o-y	Expenses AED 8.4 billion ↑ 31% y-o-y	Provisions AED 1.5 billion ↓ 54% y-o-y	Net Profit AED 17.5 billion ↑ 92% y-o-y
NIM 4.00%	Cost: Income ratio 25.5%	NPL Ratio 5.5%	CET-1 Ratio 16.9%

Key Highlights – 9M'23

- **92% increase in profit on significant loan growth, a stable low-cost funding base, increased transaction volumes and substantial recoveries**
 - **Total income** up 44% to **AED 32.7 billion** on excellent deposit mix, solid loan growth and strong fee & commission growth across all business segments
 - **Solid Loan growth**, up an impressive 8% on strong Retail lending momentum with Corporate Banking closing landmark deals for large multinational customers
 - **Deposit mix is a key strength.** Deposits grew AED 67 billion in 9M'23 including AED 33 billion of low-cost Current and Savings Accounts
 - **Net interest margin** rose 90 basis points y-o-y to 4.00% on improved loan & deposit mix and higher interest rates
 - **Impairment allowances** substantially down 54% y-o-y as credit quality improved, reflecting the Group's prudent approach to credit provisions
 - **Balance Sheet** grew 13% to **AED 836 billion** at Q3-23
 - **Earnings per share** up significantly by 96% to **271 fils**
 - **One of only three UAE banks** to have an investment grade unsupported Fitch Viability Rating

➤ **Emirates NBD's investment in customer focused services & products is propelling business growth**

- **SME lending** boosted 34% in UAE, supporting this bedrock sector of the economy
- **One-third market share** of UAE Credit Card spend as card spend grew 28 % y-o-y
- **'ENBD X'** mobile banking app successfully rolled out, using latest technology, security and user experience trends propelling it to the #1 banking app in the region
- **Digital wealth platform** expanded giving customers access to more than 11,000 global and regional equities, elevating ENBD X as a one-stop solution for both everyday banking and wealth management
- **Signature** by Priority Banking introduced, offering ultra-high-net-worth customers unrivalled benefits, services and privileges
- **AUMs** grew by an impressive 28% in 2023, reflecting Emirates NBD's full service platform
- **Landmark corporate deals** including AED 10 billion hybrid Credit Facilities and USD 3.5 billion revolving Credit Facility for large multinational customers
- **'Emirates NBD Pay'**, our Merchant Acquiring service, onboarded more than 20 clients, with over AED 3.5 billion transaction value since launch
- **Innovation Fund** makes exciting investment in Komgo to revolutionise its digital trade finance offering
- **First Repo** transaction executed with a KSA Asset Manager and first Islamic Repo with a UAE bank
- **KSA loan growth** up 26% y-o-y as both Corporate and Retail lending accelerating as branch network expands to 13

➤ **Looking to the future as the UAE hosts COP28, Emirates NBD is delivering ESG solutions to customers as their Net Zero ambitions and sustainability goals drive economic activity**

- **Principal Banking Partner of COP28**, marking Emirates NBD's commitment to UAE's Year of Sustainability
- **ESG-Linked** Supply Chain Finance Programme pioneered in collaboration with Emirates Global Aluminium
- **Best Bank for ESG in the UAE** at the Euromoney Excellence Awards 2023
- **Sustainable Finance Framework** published allowing green and sustainability-linked bond issuance
- **USD 750 million green-bond** issued, the largest ever from a regional bank
- **Net Zero Goals commitment** by signing UAE Climate-Responsible Companies Pledge
- **Gender equality commitment** by signing UAE Gender Balance Pledge
- **Accelerator programme launched** with Green FinTechs to boost sustainability-focused finance solutions
- **Carbon Trading** introduced as Emirates NBD becomes first UAE bank to offering carbon emission offsetting solution to customers
- **Deniz Ventures** makes Innovation Fund investment in sustainability start-up Erguvan



Hesham Abdulla Al Qassim, Vice Chairman and Managing Director said:

- “Emirates NBD’s profit hit a record high of AED 17.5 billion for the first nine months of 2023, reflecting the Group’s increasing regional presence and leading digital capabilities.
- The buoyant economy, coupled with our focus on service excellence through new product and service delivery, is propelling growth.
- We expanded our branch network to 13 in the Kingdom of Saudi Arabia which is helping drive a 26% y-o-y increase in lending across Corporate and Retail banking.
- We boosted lending to Small and Medium Enterprises by 34% in the UAE, supporting this important sector and bedrock of the economy.
- We pledged our commitment to Net Zero 2050 and Gender Balance goals in the UAE and are proud to be the Principal Banking Partner of COP28.”



Shayne Nelson, Group Chief Executive Officer said:

- “Emirates NBD’s profit surges 92% in the first nine months of 2023 on significant loan growth, a stable low-cost funding base, increased transaction volumes and substantial recoveries.
- We delivered an impressive 8% loan growth on strong Retail lending momentum coupled with the Corporate Bank closing landmark deals for large multinational customers.
- Our market-leading deposit franchise grew AED 67 billion including AED 33 billion of low-cost Current and Savings Accounts.
- We successfully rolled out the ‘ENBD X’ mobile banking app using latest technology, security and user experience trends, propelling it to the number one banking app in the region.
- We expanded our digital wealth platform, giving customers access to more than 11,000 global equities, and enhanced our Priority offering for ultra-high-net-worth customers, which helped drive 28% growth in Assets Under Management.”



Patrick Sullivan, Group Chief Financial Officer said:

- “Quarterly profit exceeded AED 5 billion for the third consecutive quarter as all business units generated a substantial increase in income.
- The Group’s low-cost Current and Savings Account deposit base was stable in the third-quarter, enabling the Bank to benefit from higher interest rates.
- The Group’s strong capital base enabled the balance sheet to grow 13%, to AED 836 billion, in 2023.
- Emirates NBD’s strength is recognised by Fitch, being one of only three UAE banks to have an investment grade unsupported Viability Rating.
- The Group successfully launched its Sustainable Finance Framework and raised USD 750 million with the largest green bond ever issued by a regional bank, helping our customers align to UAE Vision 2030.”

Financial Review

Income Statement						
<i>All figures are in AED billion</i>				Q3 23	%Δ YoY	Δ QoQ
	9M 23	9M 22	%Δ YoY			
Net interest income	22.3	15.5	43%	7.8	29%	8%
Non-funded income	10.5	7.2	46%	3.6	49%	0%
Total income	32.7	22.7	44%	11.4	35%	6%
Operating expenses	(8.4)	(6.4)	31%	(2.9)	24%	3%
Operating profit before impairment	24.4	16.3	50%	8.5	39%	7%
Impairment allowances	(1.5)	(3.3)	(54)%	(0.6)	(60)%	16%
Profit before tax & others	22.9	13.0	75%	8.0	67%	6%
Hyperinflation adjustment	(3.2)	(2.4)	31%	(1.8)	236%	248%
Tax	(2.2)	(1.5)	44%	(0.9)	102%	22%
Profit	17.5	9.1	92%	5.2	38%	(16)%

Key Metrics						
Cost to income ratio	25.5%	28.2%	(2.7)%	25.3%	(2.1)%	(0.7)%
Net interest margin	4.00%	3.10%	90 bps	4.08%	51 bps	21 bps
Cost of Risk (bps)	42	97	(55) bps	45	111	(66) bps
EPS (AED)	2.71	1.38	133 fils	0.81	0.58	23 fills
Return on Tangible Equity	27.1%	16.4%	10.7%	23.6%	20.4%	3.2%

Balance Sheet						
<i>All figures are in AED billion</i>				As of 31-Dec-22	%Δ YTD	Δ QoQ
	As of 30-Sep-23	As of 30-Sep-22	%Δ YoY			
Total Assets	836	721	16%	742	13%	3%
Gross Loans	494	457	8%	456	8%	3%
Deposits	570	481	19%	503	13%	3%

Key Metrics						
NPL Ratio	5.5%	5.8%	(30) bps	6.0%	(50) bps	(10) bps
Impaired Loan Coverage Ratio	145%	143%	2%	145%	-	(2)%
Liquidity Coverage Ratio	190%	152%	38%	182%	8%	(27)%
Capital Adequacy Ratio	19.7%	18.5%	120 bps	18.3%	140 bps	20 bps
Tier 1 Ratio	18.6%	17.4%	120 bps	17.2%	140 bps	20 bps
Common Equity Tier 1 Ratio	16.9%	15.5%	140 bps	15.4%	150 bps	30 bps

Rounding differences may appear throughout the document

Business Performance

- **Retail Banking and Wealth Management (RBWM)** continued its excellent performance with its highest ever nine-month revenue, strongest ever acquisition, and substantial growth in balance sheet.
 - Lending increased 16% by AED 15 billion and Deposits grew by AED 29 billion in first nine months of 2023 with a strong CASA to Deposits ratio of 78%
 - One-third market share of UAE Credit Card spend as card spend grew 28% y-o-y
 - Income grew 36% on the back of record volumes, improved margins and highest ever non-funded income
 - 'ENBD X' mobile banking app successfully rolled out, using latest technology, security and user experience trends, propelling it to the #1 banking app in the region
 - Signature by Priority Banking launched offering ultra-high-net-worth customers unrivalled benefits, services and privileges
 - AUMs grew by an impressive 28% in 2023 on the back of the Digital wealth platform expansion, reflecting Emirates NBD's full-service platform giving customers access to over 11,000 global equities

- **Corporate and Institutional Banking** strengthened its strategic partnership with major Government entities and Corporates by enhancing digitized service platforms
 - Profitability jumped 104% due to significant growth in revenue on increased lending activity, higher cross-sell across products and strong recoveries
 - Corporate lending (ex. Sovereign) up 15% on strong origination throughout region in Manufacturing, Trade, Transport, Communication and conglomerates
 - Landmark corporate deals including AED 10 billion hybrid Credit Facilities and USD 3.5 billion revolving Credit Facility closed for large multinational customers
 - 'Emirates NBD Pay', our Merchant Acquiring service, onboarded more than 20 clients, with over AED 3.5 billion transaction value since launch
 - ESG-Linked Supply Chain Finance Programme launched in collaboration with Emirates Global Aluminium

- **Global Markets and Treasury** delivered an outstanding performance, generating almost AED 3 billion in income in the first nine months of 2023.
 - Income grew by 186% driven by favourable Balance Sheet positioning coupled with a significant increase in banking book investment income
 - The trading desk reported robust numbers with Foreign Exchange trading posting 89% growth
 - Sales delivered strong growth, driven by Foreign Exchange and Structured products
 - Group Funding issued a USD 750 million green bond, the largest ever from a regional bank

- **DenizBank** profit up 63% to AED 1.9 billion helped by higher income and strong recoveries

Outlook

GCC economies have been resilient against a weaker global backdrop and higher interest rates. PMI surveys indicate robust activity in non-oil sectors in the first half of 2023 across the region. Emirates NBD Research revised up their forecast for UAE non-oil GDP growth to 5.0% this year, from 3.5% previously, with their forecast for UAE growth in 2023 adjusted to 2.9% on the expectation of a contraction in hydrocarbon GDP. The UAE's national energy strategy expects up to AED 200 billion of investment as it triples the contribution of renewable energy by 2030. Other economic sectors such as tourism are flourishing with Dubai tourist numbers recovering to pre-pandemic levels. In the wider MENAT region, Egypt continues to explore asset sales reflecting their commitment to revamp the economy and Türkiye increased interest rates to help address inflation.

-ENDS-

Awards:

- ✧ Emirates NBD won **Best Bank in the Middle East, Best Bank in the UAE and Best Bank for ESG in the UAE** at the Euromoney Excellence Awards 2023
- ✧ Emirates NBD won **Best Bank in the Middle East** by **Euromoney's Real Estate Awards 2023**
- ✧ Emirates NBD won **Middle East's Best Private Bank for Digital and Best Domestic Private Bank in the UAE** by Euromoney Global Private Banking Awards 2023
- ✧ Emirates NBD won **Innovation in Digital Banking Awards in the Middle East Category** by The Banker
- ✧ Emirates NBD won **Best Private Bank Digital Solutions for Clients in the Middle East and UAE** by Global Finance World's Best Private Banks Awards 2023
- ✧ Emirates NBD KSA won **Best Foreign Bank in KSA** by International Finance Awards, **Most Innovative Retail Bank – Saudi Arabia 2022** by Global Economics Awards and **Best Green Building Initiative – Banking KSA 2022** by the International Finance Awards
- ✧ Emirates NBD Capital secured 16 prestigious awards at the Bonds, Loans and Sukuk Awards 2023
- ✧ Emirates NBD was named the **UAE's most valuable banking brand** and MENA's third most valuable banking brand, with a value of USD 3.89 billion, in The Banker's 2023 brand valuation
- ✧ Emirates NBD won **Grand Prix in Glass: The Award for Change** for Emirati Women's Day Campaign at the Dubai Lynx Awards 2023
- ✧ Emirates Islamic won Best Islamic Real Estate Deal at the Euromoney Islamic Finance Awards 2023
- ✧ Emirates Islamic won Most Innovative Islamic Bank in the UAE and Best Islamic SME Bank in the UAE at the International Finance Awards 2023

Emirates NBD has a leading retail banking franchise, with 853 branches and 4,213 ATMs / SDMs in the UAE and overseas. It is a major player in the UAE corporate and retail banking arena, and has strong Islamic banking, investment banking, private banking, asset management, global markets & treasury and brokerage operations. The bank has operations in the UAE, Egypt, India, Türkiye, the Kingdom of Saudi Arabia, Singapore, the United Kingdom, Austria, Germany, Bahrain, Russia and representative offices in China and Indonesia. For more information, please visit: www.emiratesnbd.com

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