

For immediate release

Emirates NBD's 9M'22 profit rises 25% to AED 9.1 billion

Strong growth in new lending and deposits

Dubai, 27 October 2022

Emirates NBD's profits jumped 25% in the first nine months of 2022, close to the level reported for the whole of 2021. Q3 profit was exceptionally strong at AED 3.8 billion, up 51% y-o-y, exceeding US\$ 1 billion equivalent. Another record quarter for retail lending and customer transactions, together with improving margins, drove income 31% higher y-o-y. New corporate lending grew by AED 24 billion in the first nine months of 2022 reflecting increased business optimism and the deposit mix further improved on strong sector liquidity. Credit quality remains healthy reflecting the region's strong economy with impairment down 12%. We are extremely well positioned to accelerate investment in our international and digital capabilities to support further growth. Emirates NBD's fully digital platform successfully provided an integrated 'one-stop' solution for recent IPO subscriptions.

Total Income AED 22.7 billion ↑ 31% y-o-y	Expenses AED 6.4 billion ↑ 12% y-o-y	Provisions AED 3.3 billion ↓ 12% y-o-y	Net Profit AED 9.1 billion ↑ 25% y-o-y
NIM 3.10%	Cost: Income ratio 28.2%	NPL Ratio 5.8%	CET-1 Ratio 15.5%

Key Highlights – First nine months of 2022

- **Strong improvement in operating performance on record demand for retail financing and new corporate lending, an improved deposit mix and a substantially lower cost of risk**
 - **Total income** up 31% y-o-y to AED 22.7 billion on improved loan and deposit mix with higher interest rates feeding through to margins
 - **Net interest margin** significantly rose to 3.10% and trending towards top end of guidance
 - **Expenses** well controlled, as the Group accelerates investment in Advanced Analytics and international network to drive future growth
 - **Impairment allowances** substantially down 12% y-o-y reflecting robust operating environment
 - **Net profit** of AED 9.1 billion up by a healthy 25% y-o-y
 - **Earnings per share** up 28% to 138 fils, underlying up 63%

- **Emirates NBD's strength empowers its customers to benefit from a growing economy**
 - **Total assets:** up 5% at AED 721 billion
 - **Customer loans:** steady as strong Retail and Islamic financing coupled with renewed demand for corporate lending offset Sovereign repayments
 - **Deposit mix:** CASA grew AED 18 billion in 9M'22 reflecting strong UAE liquidity, enabling the Group to benefit from interest rates rises
 - **Credit quality:** NPL ratio improved by 0.5% to 5.8% in 9M'22 on healthy writebacks and recoveries as regional economies remain robust. Coverage ratio very strong at 142.6%
 - **Capital and Liquidity:** 152% Liquidity Coverage Ratio and 15.5% Common Equity Tier-1 ratio reflect the Group's solid balance sheet, used to empower customers and create opportunities to prosper

- **Emirates NBD's digital transformation enables agile delivery of new services and increased straight through processing**
 - **30% market share:** Emirates NBD and Emirates Islamic have a 30% market share of UAE Debit and Credit Card spend, bigger than next three banks combined
 - **One million daily credit and debit card transactions:** Emirates NBD process over 1 million transactions per day, equivalent to 11 every second
 - **IPO:** leading role in recent IPOs, delivering customers a fully digital, one-stop, seamless solution
 - **Digital:** Launched the region's most comprehensive and ready-to-use financial Application Programming Interface (API) developer portal, providing FinTechs, developers and corporate clients with an all-in-one ecosystem to rapidly develop innovative financial solutions
 - **Egypt:** Emirates NBD Egypt recorded 50% growth in the volume of e-transactions in 2022 as it successfully harnesses the Group's IT infrastructure
 - **International** revenue diversifies income, representing 40% of total revenue
 - **Talent:** Launched the second cohort of our elite graduate program, Ruwad, comprising more than 30 UAE Nationals. Participants successfully completed the University of Oxford's Leadership Development Program, enhancing the Group's long-term leadership pipeline



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

- “Emirates NBD’s profits jumped 25% y-o-y to AED 9.1 billion for the first nine months of 2022, reflecting strong regional economic growth and the success of the Group’s diversified business model.
- Emirates NBD played a leading role in the country’s recent IPOs, enabling new and existing customers to access and trade shares on the Dubai Financial Markets.
- Emirates NBD continues to develop its pool of Emirati talent. More than 30 UAE Nationals successfully completed the University of Oxford’s Leadership Development Program, enhancing the Group’s long-term leadership pipeline.
- As a pioneer in Information Technology, we launched the region’s most comprehensive Application Programming Interface developer portal, providing FinTechs, developers and corporate clients with an all-in-one ecosystem to rapidly develop innovative financial solutions.”



Shayne Nelson, Group Chief Executive Officer said:

- “Emirates NBD delivered strong results with income rising 25% to AED 22.7 billion on increased transaction volumes and higher margins from an efficient funding base and higher interest rates.
- Net profit of AED 9.1 billion increased substantially by 25% y-o-y, almost reaching the Group’s profit level for the whole of 2021.
- International operations provide diversification and growth opportunities, contributing 40% of total income.
- New lending increased substantially in both retail and renewed demand for corporate lending.
- Emirates NBD processes over 1 million credit and debit card transactions per day, equivalent to 11 every second.
- Emirates NBD Egypt recorded 50% growth in e-transactions in 2022 as it successfully harnesses the Group’s IT infrastructure.
- These strong results, healthy profitability and positive economic outlook for the region enable us to accelerate our investment for future growth.”



Patrick Sullivan, Group Chief Financial Officer said:

- “We maintained strong income growth momentum, kept a firm control of costs and are benefiting from writebacks and recoveries, reflecting a healthy regional economy.
- Net profit of AED 3.8 billion for Q3 was 51% higher y-o-y, and exceeds US\$1 billion equivalent.
- Liquidity in the UAE banking sector remains healthy, helped by the high oil price. In 2022, we grew CASA balances by AED 18 billion, enabling the Group to benefit from interest rates rises.
- We expect to finish the year with margins at the top end of guidance and cost of risk within guidance.
- Non-funded income grew significantly, with substantial contributions from both Emirates NBD and DenizBank, helped by an increase in transaction volumes and growth in customer FX and derivative business.
- The diversified balance sheet, solid capital base and strong operating profitability are core strengths of the Group.”

Financial Review

AED billion	9-month period ended	9-month period ended	Better / (Worse) (%)
	30-Sep-22	30-Sep-21	
Net interest income	15.5	12.6	23%
Non-funded income	7.2	4.7	52%
Total income	22.7	17.3	31%
Operating expenses	(6.4)	(5.7)	(12)%
Pre-impairment operating profit	16.3	11.6	41%
Impairment allowances	(3.3)	(3.7)	12%
Tax and others	(1.5)	(0.6)	(168)%
Profit after tax and before hyperinflation	11.5	7.3	58%
Hyperinflation adjustment Tax and others	(2.4)	-	n/m
Net profit	9.1	7.3	25%

Key Metrics

Cost to income ratio (%)	28.2%	33.1%	490 bps
Net interest margin (%)	3.10%	2.51%	59 bps
Cost of Risk (bps)	90	106	16 bps
EPS (AED)	1.38	1.08	0.30
Return on Tangible Equity (%)	16.4%	13.2%	320 bps

AED billion	as at	as at	Inc / (Dec)
	30-Sep-22	31-Dec-21	
Total assets	721	687	5%
Loans	419	422	(1)%
Deposits	481	456	5%
Key Metrics			
NPL Ratio (%)	5.8%	6.3%	(50) bps
Impaired Loan Coverage Ratio (%)	142.6%	127.5%	1,510bps
Liquidity Coverage Ratio (%)	152.2%	177.6%	(2,540) bps
Capital Adequacy Ratio (%)	18.5%	18.3%	20 bps
Tier 1 Ratio (%)	17.4%	17.2%	20 bps
Common Equity Tier 1 Ratio	15.5%	15.1%	40 bps

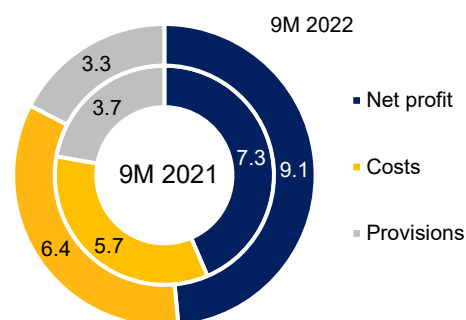
Rounding differences may appear throughout the document

Operating Performance

Total income for 9M'22 was up 31% y-o-y to AED 22.7 billion. Net interest income was up 23% y-o-y on improved loan and deposit mix with higher rates feeding through to margins. Further CASA growth improved funding costs and the balance sheet is well positioned to continue benefiting from rate rises. Non-funded income was up 52% y-o-y from increased local and international card transactions, coupled with growth in FX & Derivative income.

Expenses remain well controlled and within guidance. Higher income enables accelerated investment in Advanced Analytics and the international network to drive future growth.

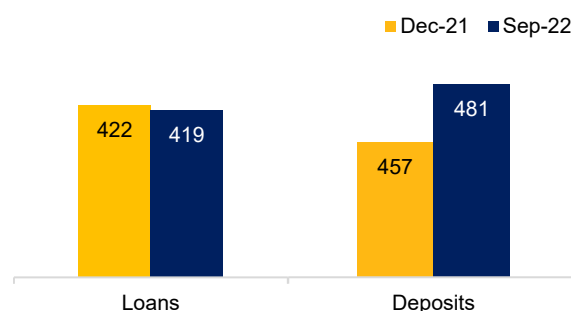
Impairment allowances in 9M'22 were substantially down 12% y-o-y reflecting higher recoveries and writebacks and the improving operating environment, with 90 bps cost of risk within guidance.



Balance Sheet Trends

Lending was stable in the first nine months of 2022 as solid loan growth for Corporate, Retail, Emirates Islamic and DenizBank offset strong Sovereign repayments.

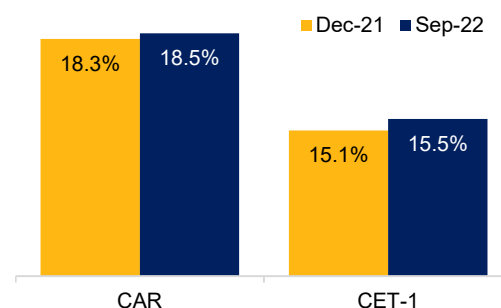
Deposit mix improved in 9M'22 with AED 18 billion growth in CASA enabling the Group to benefit further from interest rate rises.



Liquidity remains strong with the Liquidity Coverage Ratio at 152.2% and the Advances to Deposits Ratio at 87.2%.

During the first nine months of 2022, the Non-Performing Loan ratio improved by 0.5% to 5.8% on significant writeback and recoveries whilst the Coverage ratio strengthened to 142.6%, demonstrating the Group's continued prudent approach towards credit risk management.

As at 30 September 2022, the Group's Common Equity Tier 1 ratio is 15.5%, Tier 1 ratio is 17.4% and Capital Adequacy ratio is 18.5%.



Business Performance

- **Retail Banking and Wealth Management (RBWM)** continued its excellent performance with its highest ever nine-month revenue, strongest ever acquisition of loans and credit cards, and a record growth in balance sheet.
 - Lending increased by AED 6.5 billion, whilst CASA grew by a record AED 20 billion in first nine months of 2022
 - Launched the Emirates NBD Etihad Guest Credit Card offering one of the highest Etihad Guest earning and reward opportunities in the market as well as a 5-year strategic partnership with RSA Middle East covering general insurance products
 - Successfully launched a series of UAE Strategic Investment Funds supporting investments into IPOs in UAE
 - Extended tablet banking to credit cards allowing customers to apply for bundled products, and get instant credit decisioning
 - Launched DEWA, TECOM and Salik IPO portal on the Emirates NBD website with real time direct integration with DFM for new investors

- **Corporate and Institutional Banking (C&IB)** capitalised its strategic partnership with major Government entities and Corporates by further offering digitized service platforms.
 - Launched state-of-the-art fully digital platform to manage end-to-end IPO subscription website offering real-time on-boarding
 - Implemented cutting-edge new platform for businessONLINE
 - Net Profit is 1% higher on lower impairment allowances and higher fee income as increased equity capital market activity offsetting lower debt capital market volumes
 - Strong growth in new lending offset substantial contractual repayments
 - Funding costs improved on CASA growth and retirement of expensive deposits

- **Global Markets and Treasury (GM&T)** delivered a strong performance with income growing 136% y-o-y in 9M'22 mainly due to higher net interest income from balance sheet positioning, hedges and an increase in banking book investment income.
 - Non funded income was 69% higher with a significant performance delivered by Rates, Credit and Foreign Exchange Trading
 - International Treasury functions made a significant contribution, growing revenue by 75% y-o-y
 - Robust client FX flows seen with revenue increase of 70% during the first nine months of 2022

- **Emirates Islamic's** net profit jumped 31% to AED 1,054 million for 9M'22 on higher funded and non-funded income with a significant reduction in the cost of risk reflecting improved business sentiment.

- **DenizBank** income up by AED 2.5 billion (52%) and Impairment allowances AED 0.5 billion lower on strong writebacks and recoveries helping offset AED 2.4 billion hyperinflation adjustment.

Outlook

The outlook for the Middle East remains positive despite the weak global backdrop. Higher oil prices in 2022 have pushed GCC budgets into surplus and strengthened sovereign balance sheets. Emirates NBD Research revised up its UAE GDP growth forecast for 2022 to 7.0% whilst revising down their 2023 forecast to 3.9% on the weaker global backdrop, a stronger US dollar and higher borrowing costs.

Inflation in many countries continues to remain at multi-decade highs, leading to global interest rates rising at a faster pace than had been earlier anticipated.

Egypt and Turkey have seen a strong surge in services inflow and tourism revenue offsetting some of the impact from rising energy costs on the current account deficit.

-ENDS-

Awards:

Best Bank and Best Regional Bank Awards – Emirates NBD

- ✧ Emirates NBD has ranked as a Market Leader in Corporate Banking, ESG and Investment Banking categories and as Highly Regarded in the Digital Solutions category within Euromoney Market Leaders
- ✧ Emirates NBD ranked 2nd in Tier One Capital and 2nd by Total Assets by The Banker Top 100 Arab Bank Rankings 2022
- ✧ Emirates NBD won 'Best Bank in the UAE' by Global Finance World's Best Banks 2022 Awards
- ✧ Emirates NBD won 'Best Innovation in Retail Banking', 'Best Domestic Private Bank in the UAE' and 'Best Bancassurance Implementation' by MEA Finance Awards 2022
- ✧ Emirates NBD won the 'Best Foreign Bank in KSA' and the 'Best Credit Card in KSA' award at the 2021 International Finance Awards
- ✧ Emirates NBD won Best AI Use-Case in the Private Sector for the Banking segment at the World AI Show & Awards
- ✧ Emirates NBD won 'Best Use of Big Data in Customer Strategy' at the Retail Banker International Asia Trailblazer Awards 2022
- ✧ Emirates NBD Private Banking won 'Outstanding NRI/Global Indians Offering' by Private Banker International Global Wealth Awards 2022
- ✧ Emirates NBD Capital won 'Structured Finance Bank of the Year', 'Islamic Syndication House of the Year' and 8 deal awards by Bonds, Loans & Sukuk Middle East Awards 2022, and 'Saudi Arabia Deal of the Year', 'Hybrid Deal of the Year', 'Kuwait Deal of the Year', 'Sovereign & Multilateral Deal of the Year' and 'Turkey Deal of the Year' by Islamic Finance News 2022 Awards

Marketing, Social Media and Customer Engagement Awards – Emirates NBD

- ✧ Emirates NBD was named the UAE's most valuable banking brand and MENA's third most valuable banking brand, with a value of USD 3.6 billion, in The Banker's 2022 brand valuation
- ✧ Emirates NBD won 'Excellence in Customer Service Innovation' in the Strategy Awards category at the Digital CX Awards 2022 by The Digital Banker

Emirates Islamic

- ✧ Emirates Islamic was named 'Best Islamic Bank in UAE', 'Best Islamic Bank for Customer Experience' and 'Best Credit Card in UAE' for its Etihad Guest Credit Cards at the World Finance Islamic Finance Awards 2022

Emirates NBD has a leading retail banking franchise, with 885 branches and 4,113 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, Turkey, 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

For more information:

Ibrahim Sowaidan
SVP, Head - Group Corporate Affairs
Emirates NBD
Telephone: +971 4 609 4113 / +971 50 6538937
e-mail: ibrahims@emiratesnbd.com

Patrick Clerkin
Senior Managing Director, Group Funding & Investor Relations
Emirates NBD
Telephone: +971 4 609 3007
e-mail: IR@EmiratesNBD.com / PatrickE@EmiratesNBD.com

This document has been prepared by Emirates NBD Bank PJSC (ENBD) for information purposes only. The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of an offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments. This document is not intended for distribution in any jurisdiction in which such distribution would be contrary to local law or reputation. The material contained in this press release is intended to be general background information on ENBD and its activities and does not purport to be complete. It may include information derived from publicly available sources that have not been independently verified. No representation or warranty is made as to the accuracy, completeness or reliability of the information. It is not intended that this document be relied upon as advice to investors or potential investors, who should consider seeking independent professional advice depending on their specific investment objectives, financial situation or particular needs. In the event that the press release contains any pro forma financial information on ENBD, that information has been prepared for illustrative purposes only, may address a hypothetical situation and may not give a true picture of the financial performance of the ENBD group. Furthermore, any pro forma financial information may only be meaningful where read in conjunction with the historical audited consolidated financial statements of ENBD. Unless expressly disclosed to the contrary, any pro forma financial information has been compiled based on the accounting policies of the group as disclosed in its most recent consolidated financial statements. This document may contain certain forward-looking statements with respect to certain of ENBD's plans and its current goals and expectations relating to future financial conditions, performance and results. These statements relate to ENBD's current view with respect to future events and are subject to change, certain risks, uncertainties and assumptions which are, in many instances, beyond ENBD's control and have been made based upon management's expectations and beliefs concerning future developments and their potential effect upon ENBD. By their nature, these forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond ENBD's control, including, among others, the UAE domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory and Governmental authorities, the impact of competition, the timing impact and other uncertainties of future acquisition or combinations within relevant industries. As a result, ENBD's actual future condition, performance and results may differ materially from the plans, goals and expectations set out in ENBD's forward-looking statements and persons reading this document should not place reliance on forward-looking statements. Such forward-looking statements are made only as at the date on which such statements are made and ENBD does not undertake to update forward-looking statements contained in this document or any other forward-looking statement it may make.