



## **Rating Action: Moody's Ratings upgrades Emirates NBD Bank PJSC's long-term deposit ratings to A1 from A2; changes outlook to stable**

---

13 May 2025

Limassol, May 13, 2025 -- Moody's Ratings (Moody's) has today upgraded to A1 from A2 the long-term deposit and senior unsecured ratings of Emirates NBD Bank PJSC (ENBD), changed their outlook to stable from positive, and affirmed at P-1 the bank's short-term deposit ratings. We also upgraded the long-term Counterparty Risk Ratings (CRRs) and Counterparty Risk (CR) Assessment of the bank to Aa3 from A1 and Aa3(cr) from A1(cr), respectively. The short-term CRRs and CR Assessment were affirmed at P-1 and P-1(cr), respectively. The rating upgrades were driven by our decision to upgrade the bank's Baseline Credit Assessment (BCA) and Adjusted BCA to baa2 from baa3. At the same time, the bank's foreign-currency senior unsecured MTN and subordinate MTN program ratings have been upgraded to (P)A1 and (P)A3 from (P)A2 and (P)Baa1, respectively, while its foreign-currency commercial paper and other short-term ratings have been affirmed at P-1 and (P)P-1, respectively. Concurrently, we upgraded the backed senior unsecured MTN program foreign currency rating assigned to the bank's funding vehicle EIB Sukuk Company Ltd. to (P)A1 from (P)A2.

### **RATINGS RATIONALE**

#### **RATIONALE FOR BCA UPGRADE**

The upgrade of ENBD's BCA to baa2 is driven by sustained improvements in asset quality while maintaining solid profitability and strong capital. The revised BCA also considers the bank's further material reduction in related-party credit concentration, while maintaining strong liquidity buffers and a granular funding profile.

ENBD's baa2 BCA captures improving asset quality. The bank's stage 3 loans reduced to 3.1% as of March 2025 (4.6% as of December 2023) on the back of continued recoveries and write-offs amid benign operating conditions in the United Arab Emirates (UAE). We note that the bank's loan loss reserves remain ample at 158.2% of the bank's existing stock of problem loans while stage 3 coverage is high at 88.9% as of March 2025. Over the next 12 to 18 months, we expect ENBD's loan performance to remain broadly stable balancing healthy domestic operating conditions in the UAE against anticipated asset quality deterioration in Turkiye (B1, positive) – ENBD's second-largest market, accounting for 16% of group assets – that presents more challenging credit conditions. In addition, we note that the UAE economy has proved resilient to lower oil prices in the past and the current regional geopolitical turmoil, however, heightened geopolitical tensions or significantly lower oil prices remain potential risks.

The BCA upgrade also takes into account a material and continued decline in related party exposure. ENBD saw related-party loans to the Dubai government and its related entities further decrease to AED50.9 billion as of March 2025 (44.0% of Tier 1 capital) from AED76 billion as of December 2023 (78.9%) after a peak of AED158 as of December 2020. We view this continued decline positively as it reduces the bank's exposure to credit concentration risk.

The BCA upgrade also reflects the bank's strong profitability. ENBD's net income to tangible banking assets ratio held broadly steady at 2.3% during 2024 (2.4% during the first three months of 2025) and 2.5% in 2023. ENBD's solid profitability is driven by its strong and growing

domestic franchise, which supports the bank's retail business (30% of loans and 55% of deposits as of March 2025). This underpins the bank's solid net interest margin (NIM) which stood at 3.5% during 2024 (3.4% during the first three months of 2025). We expect the bank's net income to tangible assets to inch lower in 2025 on the back of expected interest rate cuts, normalizing cost of risk and a higher corporate tax rate, albeit remaining at healthy levels as the bank continues to grow at high single digits.

ENBD's standalone assessment continues to reflect strong funding and liquidity underpinned by an established deposit-gathering franchise and dominant retail footprint. The bank has a diversified funding base while its moderate market funding at 16.0% of tangible banking assets as of March 2025 is mitigated by a strong level of liquid assets, which stood at 43.0% of total assets as of the same period. ENBD's reported tangible common equity to risk weighted assets stood at a solid 16.3% as of December 2024 (15.6% as of March 2025), broadly stable since 2023. We expect the bank's capitalization to remain strong over the next 12-18 months supported by ENBD's conservative dividend payout track record and moderate credit growth.

#### GOVERNMENT SUPPORT PROVIDES FOUR NOTCHES OF UPLIFT TO THE BANK'S DEPOSIT RATINGS

The upgrade in the long-term deposit and senior unsecured ratings reflects the bank's improved baa2 BCA with a continued assumption of a very high probability of government support, resulting into four notches of rating uplift. This is underpinned by (1) the Dubai government's 55.7% ownership stake in ENBD; (2) the bank's importance to the local financial system (with a 23% market share of deposits as of December 2024), as captured by its designation as a domestic systemically important bank (D-SIB) by the Central Bank of the UAE with a granular funding base; as well as (3) the UAE's strong track record of supporting banks in times of stress.

#### STABLE OUTLOOK

The stable outlook on the long-term deposit and senior unsecured ratings reflects our expectation that the bank's profitability, capital, funding and liquidity will remain broadly stable over the next 12 to 18 months.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

Upward pressure on the bank's BCA could emerge from (1) a larger international footprint into markets with stronger operating conditions; and (2) substantially stronger solvency and liquidity indicators. An upgrade of the bank's standalone assessment would not necessarily result in an upgrade of the bank's supported long term deposit rating.

Conversely, downward pressure on ENBD's rating could develop from (1) significant expansion in markets with weaker operating conditions compared to the UAE; (2) material deterioration in asset quality resulting in significantly lower profitability; (3) a material increase in related party lending; and/or (4) high credit growth pressuring core capitalization. Sizeable and growing operations abroad could also lead to a revision of our government support uplift considerations.

#### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2024 and available at <https://ratings.moodys.com/rmc-documents/432741>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

The local market analyst for these ratings is Badis Shubailat, +971 (423) 795-05.

#### REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

These ratings are solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moody.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the UK and is(are) endorsed for use in the UK in accordance with the UK CRA Regulation.

Please see <https://ratings.moody.com> for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on <https://ratings.moody.com> for additional regulatory disclosures for each credit rating.

Melina Skouridou, CFA  
Vice President - Senior Analyst

Nitish Bhojnagarwala  
Associate Managing Director

Releasing Office:  
Moody's Investors Service Cyprus Ltd.  
Porto Bello Building  
1, Siafi Street, 3042 Limassol  
PO Box 53205  
Limassol, CY 3301  
Cyprus  
JOURNALISTS: 44 20 7772 5456  
Client Service: 44 20 7772 5454

---

© 2025 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR**

**CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED OR OTHERWISE MADE AVAILABLE BY MOODY'S (COLLECTIVELY, "MATERIALS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S MATERIALS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S MATERIALS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES OR OTHERWISE MAKES AVAILABLE ITS MATERIALS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND MATERIALS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR MATERIALS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. FOR CLARITY, NO INFORMATION CONTAINED HEREIN MAY BE USED TO DEVELOP, IMPROVE, TRAIN OR RETRAIN ANY SOFTWARE PROGRAM OR DATABASE, INCLUDING, BUT NOT LIMITED TO, FOR ANY ARTIFICIAL INTELLIGENCE, MACHINE LEARNING OR NATURAL LANGUAGE PROCESSING SOFTWARE, ALGORITHM, METHODOLOGY AND/OR MODEL.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND MATERIALS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable

including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the credit rating process or in preparing its Materials.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it. MCO and all MCO entities that issue ratings under the "Moody's Ratings" brand name ("Moody's Ratings"), also maintain policies and procedures to address the independence of Moody's Ratings' credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service, Inc. and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at [ir.moody's.com](http://ir.moody's.com) under the heading "Investor Relations — Corporate Governance — Charter and Governance Documents - Director and Shareholder Affiliation Policy."

Moody's SF Japan K.K., Moody's Local AR Agente de Calificación de Riesgo S.A., Moody's Local BR Agência de Classificação de Risco LTDA, Moody's Local MX S.A. de C.V., I.C.V., Moody's Local PE Clasificadora de Riesgo S.A., and Moody's Local PA Calificadora de Riesgo S.A. (collectively, the "Moody's Non-NRSRO CRAs") are all indirectly wholly-owned credit rating agency subsidiaries of MCO. None of the Moody's Non-NRSRO CRAs is a Nationally Recognized Statistical Rating Organization.

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657 AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer,

not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for India only: Moody's credit ratings, Assessments, other opinions and Materials are not intended to be and shall not be relied upon or used by any users located in India in relation to securities listed or proposed to be listed on Indian stock exchanges.

Additional terms with respect to Second Party Opinions and Net Zero Assessments (as defined in Moody's Ratings Rating Symbols and Definitions): Please note that neither a Second Party Opinion ("SPO") nor a Net Zero Assessment ("NZA") is a "credit rating". The issuance of SPOs and NZAs is not a regulated activity in many jurisdictions, including Singapore. JAPAN: In Japan, development and provision of SPOs and NZAs fall under the category of "Ancillary Businesses", not "Credit Rating Business", and are not subject to the regulations applicable to "Credit Rating Business" under the Financial Instruments and Exchange Act of Japan and its relevant regulation. PRC: Any SPO: (1) does not constitute a PRC Green Bond Assessment as defined under any relevant PRC laws or regulations; (2) cannot be included in any registration statement, offering circular, prospectus or any other documents submitted to the PRC regulatory authorities or otherwise used to satisfy any PRC regulatory disclosure requirement; and (3) cannot be used within the PRC for any regulatory purpose or for any other purpose which is not permitted under relevant PRC laws or regulations. For the purposes of this disclaimer, "PRC" refers to the mainland of the People's Republic of China, excluding Hong Kong, Macau and Taiwan.