

NOOR BANK'S PROFIT RISES 12% TO AED 595 MILLION

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Dubai-UAE: 24th October, 2019 – Noor Bank, one of the leading Shari'ah-compliant banks in the UAE, today announced its financial results for the period ending September 30 2019, recording a net profit of AED 595 million and notching up a 12 per cent increase over the corresponding period last year, driven by solid income growth and stringent cost management.

Noor Bank's revenue increased six per cent year on year, with strong contributions from non-funded income, generated through diversified performance across business lines in accordance with 2019 growth plans. Continued discipline in expense management resulted in one per cent reduction over the corresponding period in 2018, leading to a substantial improvement in the cost-to-income ratio to 32.9 per cent.

Noor Bank achieved a 15.2 per cent annualised return on shareholders' equity. Reinforcing the strong performance, customer financing was up by two per cent while customer deposits were maintained at September 2018 levels. The Bank's balance sheet remained healthy with improving asset quality, and strong liquidity and capital ratios. The impaired financing ratio improved to 4.2 per cent, with provision coverage increasing to 165 per cent. Meanwhile, the capital adequacy ratio reached 17.4 per cent, and the common equity Tier 1 ratio stood at 11.7 per cent, a 1.3 per cent improvement during 2019.

John Iossifidis, CEO of Noor Bank, said: "Our strong returns against the backdrop of a challenging global environment are underpinned by our robust balance sheet and diversified performance across our businesses. Disciplined cost management and de-risking of certain parts of the business have significantly contributed to the surge in net profit with an improved cost-to-income ratio. The stable impaired financing ratio and high provision coverage are a testament to the enhanced quality of our financing book."

He added: "We have continued to make progress on our transformation agenda with an unwavering focus on digitisation and innovation. This has helped us deliver on our mandate of achieving outstanding customer experiences, thereby driving the positive business outcomes."

Financial Highlights – 9 months ending 30th September 2019

- YTD profit of AED 595 million: up 12.4% year on year
- Operating profit growth: 9.5%
- Operating income growth: 6%
- Operating expenses reduction: 1%

- Annualised return on shareholders' equity: 15.2% (Dec 2018: 11.9%)
- Annualised return on assets: 1.7% (Dec 2018: 1.3%)
- Impaired financing ratio: 4.2% (Dec 2018: 4.4%)
- Provision coverage ratio: 165.1% (Dec 2018: 151.7%)
- Capital adequacy ratio: 17.4% (2018: 16.2%)
- Common equity Tier 1 ratio: 11.7% (2018: 10.4%)