

Emirates NBD delivers record AED 13.8 billion profit in H1-24, up 12% y-o-y

Loans surpass AED 500 billion milestone

Emirates NBD delivered a record profit of AED 13.8 billion in the first half of 2024, driven by increased lending across its regional network and substantial impaired loan recoveries. Quarterly profit topped AED 7 billion for the first time ever, helped by the strongest ever results from Emirates Islamic, improving margins in DenizBank and sizeable recoveries bolstered by a buoyant economy. Lending grew 6% in the first half of 2024 to surpass the half-a-trillion dirham milestone on strong regional demand.

All business units achieved an outstanding performance, delivering record retail lending, a one-third market share of UAE credit card spend and growing Assets Under Management by an incredible 41% y-o-y. Corporate lending originated AED 48 billion of gross new loans, securing landmark deals across the network as it leverages the Group's regional presence. Retained earnings boosted capital ratios and the rock-solid balance sheet, coupled with a market leading banking infrastructure, makes Emirates NBD a regional powerhouse to drive future growth.

Income AED 21.4 billion ↑ 0.4% y-o-y	Expenses AED 6.1 billion ↑ 12% y-o-y	Impairment Credit AED 2.2 billion n/m	Net Profit AED 13.8 billion ↑ 12% y-o-y
NIM 3.65%	Cost: Income ratio 28.6%	NPL Ratio 4.2%	CET-1 Ratio 15.4%

Key Highlights – First Half 2024

- **12% profit growth on significant loan growth, a stable low-cost funding base and substantial recoveries**
 - **Total income** up to **AED 21.4 billion** on strong loan growth across all business segments coupled with an excellent stable, low-cost funding mix
 - **Strong loan growth** with lending up 6% in H1-24, surpassing AED 500 billion for the first time
 - **Deposit mix is a key strength** growing AED 39 billion in the first half, evenly split between Current & Savings Accounts and Fixed Deposits
 - **Net interest margin** improved to 3.65% in the second quarter of 2024 as DenizBank NIMs increased on favourable loan pricing and stable funding costs
 - **Impairment credit** of AED 2.2 billion on regularisation of loan payments as clients benefit from a buoyant economy with impaired loan ratio improving to 4.2%
 - **Emirates Islamic** delivered **record profit of AED 1.7 billion** in H1-24 as balance sheet surpasses AED 100 billion
 - **Earnings per share** up significantly by 13% to **214 fils** in the first half of 2024

- **Emirates NBD's investment in customer focused services & products is propelling business growth**
 - **Assets Under Management** grew by an impressive **41% y-o-y** to **USD 25 billion**, reflecting ongoing success of our wealth management strategy
 - **Fractional Bonds and Sukuk** available through ENBD X, broadening investment opportunities for customers
 - **Aani** instant payment platform, launched by the Central Bank of the UAE, available on ENBD X and EI + as a simple and fast way to move money domestically using mobile numbers
 - First **Trade Commodity Murabaha** transaction provided to customers
 - **Emirates NBD Capital** successfully advised on the AED 1.38 billion **Spinneys IPO**
 - **AED 500 million of competitive financing allocated to SMEs** to support 'Dubai International Growth Initiative', facilitating Dubai based SMEs' global expansion
 - **Kingdom of Saudi Arabia branch network doubling to 18** in last year, driving 33% loan growth in H1-24
 - **Moody's** improved the **Outlook** on Emirates NBD's **credit rating** to '**Positive**'

- **Looking to the future, Emirates NBD is transforming into a data-first, digital-focused and environmentally responsible regional powerhouse**
 - **First UAE bank to publish Climate Strategy** through assured **Task Force on Climate-Related Financial Disclosures (TCFD)** report
 - **Leading GCC bank in ESG** ranked by Sustainalytics and rated 5th out of 311 diversified banks globally
 - **Emirates Islamic** successfully issued its debut **USD 750 million Sustainability Sukuk**
 - **Global SustainTech Accelerator Programme** launched, empowering Green FinTech companies to develop innovative solutions and support a climate-resilient future
 - **Generative AI** implementation across business operations in partnership with Microsoft
 - Emirates NBD **strengthens Merchant Acquiring Solutions** in partnership with Pine Labs
 - Emirates NBD and Nium join forces to **transform global cross-border payments** in the Middle East, to offer a seamless, instantaneous, cost-effective remittance experience
 - Continued **growth in SWIFT for Corporates solution**, with 120 active clients facilitating over AED 100 billion in transactions

Shayne Nelson, Group Chief Executive Officer said:



- “Quarterly profit surpassed AED 7 billion for the first time ever, helped by the strongest ever results from Emirates Islamic, improving margins in DenizBank and sizeable recoveries bolstered by a buoyant economy.
- All business units achieved an outstanding performance with record retail lending, a one-third market share of UAE credit card spend and Corporate lending originating AED 48 billion of gross new loans as it leverages the Group’s regional presence.
- We are extremely proud that Emirates Islamic generated its highest ever profit of AED 1.7 billion in the first half of 2024 as its balance sheet surpassed the AED 100 billion landmark.
- We are leaders in customer security and services with the implementation of Generative AI in partnership with Microsoft and the launch of the Global SustainTech Accelerator Programme, empowering Green FinTech companies to develop innovative ESG solutions.
- Retained earnings boosted capital ratios and the rock-solid balance sheet, coupled with a market leading banking infrastructure, makes Emirates NBD a regional powerhouse to drive future growth.”

Patrick Sullivan, Group Chief Financial Officer said:



- “Total income of AED 21.4 billion on strong loan growth across all business segments coupled with an excellent stable, low-cost funding mix.
- The Group’s net interest margin improved to 3.65% in the second quarter of 2024 as DenizBank NIMs increased on favourable loan pricing and stable funding costs.
- The credit environment remains healthy and clients continue to benefit from a buoyant economy with further regularisation of loan payments, leading to a net impairment credit of AED 2.2 billion.
- Loan growth guidance was revised upwards on strong regional demand while cost of risk guidance was positively revised downwards on a healthy credit environment.
- The Group’s exceptional performance and strong balance sheet was recognised by Moody’s who improved Emirates NBD’s credit rating outlook to Positive.”

Financial Review

Income Statement <i>All figures are in AED billion</i>				Q2 24	Q1 24	Δ QoQ
	H1 24	H1 23	%Δ YoY			
Net interest income	15.4	14.4	6%	7.9	7.4	7%
Non-funded income	6.0	6.9	(12)%	2.8	3.3	(15)%
Total income	21.4	21.3	0.4%	10.7	10.7	1%
Operating expenses	(6.1)	(5.5)	12%	(3.0)	(3.1)	(1)%
Operating profit before impairment	15.3	15.8	(4)%	7.7	7.6	1%
Impairment allowances	2.2	(0.9)	n/m	1.3	0.9	56%
Profit before tax & others	17.5	14.9	17%	9.0	8.5	7%
Hyperinflation adjustment	(1.6)	(1.4)	20%	(0.7)	(0.9)	(16)%
Tax	(2.1)	(1.3)	64%	(1.2)	(0.9)	42%
Profit	13.8	12.3	12%	7.1	6.7	5%

Key Metrics						
Cost to income ratio	28.6%	25.6%	3.0%	28.5%	28.8%	(0.3)%
Net interest margin	3.59%	3.96%	(37) bps	3.65%	3.52%	13 bps
Cost of Risk (bps)	(91)	41	(132)	(113)	(69)	(44)
EPS (AED)	2.14	1.90	24 fils	1.10	1.04	6 fils
Return on Tangible Equity	27.5%	29.7%	(2.2)%	28.5%	28.0%	0.5%

Balance Sheet <i>All figures are in AED billion</i>				As of 31-Dec-23	%Δ YTD	Δ QoQ
	As of 30-Jun-24	As of 30-Jun-23	%Δ YoY			
Total Assets	931	811	15%	863	8%	3%
Gross Loans	508	479	6%	481	6%	3%
Deposits	624	556	12%	585	7%	2%

Key Metrics						
NPL Ratio	4.2%	5.6%	(1.4)%	4.6%	(0.4)%	(0.2)%
Impaired Loan Coverage Ratio	145%	147%	(2)%	163%	(18)%	(9)%
Liquidity Coverage Ratio	199%	217%	(18)%	210%	(11)%	13%
Capital Adequacy Ratio	18.0%	19.5%	(1.5)%	17.6%	0.4%	0.2%
Tier 1 Ratio	16.9%	18.4%	(1.5)%	16.5%	0.4%	0.2%
Common Equity Tier 1 Ratio	15.4%	16.6%	(1.2)%	14.9%	0.5%	0.2%

Rounding differences may appear throughout the document

Business Performance

- **Retail Banking and Wealth Management (RBWM)** had an excellent first half of the year with the highest ever revenue, strongest ever loan acquisition and a substantial growth in balance sheet
 - Lending increased by a record AED 23 billion y-o-y, growing 21% to AED 130 billion
 - Deposits grew AED 30 billion y-o-y with a healthy CASA to Deposits ratio of 75%
 - One-third market share of UAE Credit Card spend as card spend grew 15% y-o-y
 - Income grew 12% y-o-y as RBWM delivered its highest ever half-yearly funded & non-funded income
 - AUMs grew by an incredible 41% y-o-y, reflecting ongoing success of our wealth management strategy
 - 'ENBD X' and 'EI +' very highly rated on both Play Store and App Store
- **Corporate and Institutional Banking** achieved an excellent 64% increase in profit before tax, primarily on higher income and increased recoveries
 - Non-funded income grew 21% due to higher fee income on increased lending, a strong contribution from investment banking and improved cross-sell across Foreign Exchange, Derivatives and Trade Finance
 - Corporate lending up 7% in the first half of 2024, driven by AED 48 billion of new lending throughout the region, partly offset by Sovereign, Real Estate and other scheduled repayments
 - Continued CASA growth was backed by the Group's best-in-class digital escrow capabilities, including APIs and virtual accounts
 - Higher International revenues across locations on capitalisation of network opportunities
 - Improved cost of risk due to continued recoveries and enhanced lending credit quality
- **Global Markets and Treasury** delivered another solid performance, generating AED 1.3 billion of income in the first half of 2024
 - Net Interest Income continues to be strong at AED 1.4 billion despite the general increase in cost of wholesale funding and term deposits due to higher interest rates
 - Trading income was lower y-o-y due to volatility associated with the Egyptian currency devaluation
 - Sales delivered strong results, driven by an expanded product offering and new innovative structured solutions for clients
 - Fractional Bonds and Sukuk available through ENBD X, broadening investment opportunities for customers
 - Expanded suite of commodities now actively traded for customers
- **DenizBank** delivered an impressive AED 0.8 billion profit in H1-24 providing fresh funding to the Turkish economy as their balance sheet grew to AED 161 billion

Outlook

The UAE and Saudi Arabia's non-oil sectors continue to register healthy growth, offsetting lower hydrocarbon production. This non-oil growth is underpinned by strong infrastructure investment from both the private and public sectors, with a substantial pipeline of new projects in both countries. In Egypt, the increased support from the UAE and multilateral partners since February has helped drive a turnaround in the country's fortunes with the economic outlook stabilising, while Türkiye's monetary policy successfully curbed inflation, registering a larger than expected fall in inflation in June. Regional geopolitical developments have had some effect on supply chains but businesses have not been unduly affected and tourism numbers in the UAE remain healthy.

-ENDS-

Awards:

- ✧ Emirates NBD awarded **Middle East's Best Bank for SMEs, UAE's Best Bank for SMEs, Middle East's Best Bank for Wealth Management and UAE's Best Bank for Corporates** at the Euromoney Awards for Excellence 2024
- ✧ Emirates NBD ranked as a **Market Leader in Corporate Banking, Digital Solutions, ESG and Investment Banking** categories within Euromoney Market Leaders
- ✧ Emirates NBD won **Middle East's Best Regional Private Bank, Middle East's Best for Ultra High-Net-Worth, Middle East's Best for Digital Solutions, UAE's Best Domestic Private Bank, UAE's Best Domestic Private Bank and UAE's Best for Digital Solutions** by Euromoney Global Private Banking Awards 2024
- ✧ Emirates NBD won **Best Bank in the UAE** by Global Finance World's Best Banks
- ✧ Emirates NBD won **Best Supply Chain Finance Provider in the Middle East 2024 and Best Trade Finance Provider in the UAE 2024** by Global Finance
- ✧ Emirates NBD and Emirates NBD Capital awarded top honours for Green Financing and Sukuk Leadership as the **Financial Institutions Bond Deal of the Year, Sukuk House of the Year and High Yield Debt House of the Year** at the Bonds, Loans & Sukuk Middle East Awards 2024
- ✧ Emirates NBD won **Best Private Bank in the Middle East for Digital Portfolio Management** at the Financial Times & PWM Wealth Tech Awards 2024
- ✧ Emirates NBD ranked #1 amongst 50 Middle East Banks for **Market Share, Banking Quality, Ease of Doing Business, Frequency of Contact and Proactive Provision of Advice** by Greenwich Coalition Awards 2024
- ✧ Emirates NBD Capital won **Most Innovative Islamic Deal - Türkiye** at the Euromoney Islamic Finance Awards 2024

Emirates NBD has a leading retail banking franchise, with 859 branches and 4,491 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

For more information:

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

Patrick Clerkin
Head of Group Funding & Investor Relations
Emirates NBD
Telephone: +971 4 609 3007
E-mail: IR@EmiratesNBD.com / PatrickE@EmiratesNBD.com

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