

Emirates NBD’s H1 2023 profit surge 130% to a record AED 12.3 billion Quarterly profit of AED 6.2 billion is highest ever

Emirates NBD’s profit surge 130% to a record AED 12.3 billion in the first half of 2023 on strong Current and Savings Accounts growth coupled with a healthy increase in lending. Q2-23 is also a record quarter with income growing to AED 10.8 billion and profit rising to AED 6.2 billion, reflecting the buoyant regional economy. The exceptional profitability reflects higher margins, growing non-funded income and a lower cost of risk on significant recoveries. Emirates NBD’s market-leading deposit franchise added AED 53 billion of deposits including AED 37 billion of low-cost Current and Savings Accounts. Success in record Retail Lending growth and Corporate Lending closing key deals across the region drove 5% loan growth, with guidance revised positively upwards. All business units delivered higher income and profit. The Group’s investment in technology and AI enabled the agile launch of new digital products and services which is driving business growth. The rock-solid balance sheet makes Emirates NBD a regional powerhouse leading to Emirates NBD being recognised as ‘Best Bank in the Middle East’ and ‘Best Bank in the UAE’ at the Euromoney Excellence Awards 2023.

Total Income AED 21.3 billion ↑ 50% y-o-y	Expenses AED 5.5 billion ↑ 34% y-o-y	Provisions AED 0.9 billion ↓ 50% y-o-y	Net Profit AED 12.3 billion ↑ 130% y-o-y
NIM 3.96%	Cost: Income ratio 25.6%	NPL Ratio 5.6%	CET-1 Ratio 16.6%

Key Highlights – First Half 2023

- **130% profit growth on higher margins, improved deposit & loan mix and substantial recoveries**
 - **Total income** up 50% to **AED 21.3 billion** on excellent deposit mix with higher interest rates feeding through to margins and strong growth across all business segments and products
 - **Deposit mix is a key strength.** Deposits grew AED 53 billion in H1-23 including AED 37 billion of low-cost Current and Savings Accounts
 - **Loans** up an impressive **5%** in H1-23 with record Retail lending and Corporate closing key deals across the region leading to guidance revised positively upwards
 - **Net interest margin** rose significantly by 110 basis points y-o-y to **3.96%**
 - **Impairment allowances** substantially down 50% y-o-y as credit quality improved, reflecting the Group’s prudent approach to credit provisions
 - **Balance Sheet** surpasses **AED 800 billion** milestone for the first time ever
 - **Earnings per share** up significantly by 138% to **190 fils**, underlying up 92% to **211 fils**
 - **Awarded ‘Best Bank in the Middle East’** and **‘Best Bank in the UAE’** at the Euromoney Excellence Awards 2023

➤ **Emirates NBD's investment in technology, AI and Advanced Analytics is driving new customer focused services & products, and propelling future business growth**

- **Real-time FX** rates offered to customers, reinforcing our position as the UAE's frontrunner in FX
- **'ENBD X'** enhanced mobile banking app rolling out, delivering a new standard in customer service
- **Liv** refreshed, offering Gen Now an exciting all-purpose digital-banking companion
- **One-third market share** of UAE Credit Card spend
- **'Emirates NBD Pay'**, our Merchant Acquiring service, collected over AED 1 billion in first 100 days
- **First local currency issuer** of Dirham bonds and sukuks following the Ministry of Finance's development of local yield curve
- **Trade API** integration with DEWA completed, becoming the only UAE bank to digitize this process, offering customers simplified end-to-end Straight Through Processing
- **Global Custody Services** launched on DFM and ADX, providing regional and overseas clients with secure and efficient safekeeping of assets across multiple geographies
- **Instant trading on ADX.** Emirates NBD Securities provides digital onboarding and instant trading access to ADX's listed companies
- **Project Finance** facility provided for one of UAE's largest corporates

➤ **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**

- **Carbon Trading** introduced as Emirates NBD becomes first UAE bank to empower customers to manage carbon emissions offsetting, helping align with UAE's Net Zero action plan
- **Innovative green financing solutions** provided to our regional and global clients
- **ESG** 75% of cards issued now eco-friendly bio-cards, reducing plastic consumption
- **ESG commitment reinforced** with four further branches in the UAE and KSA achieving LEED Platinum and LEED Gold certifications
- **UAE Gender Balance Pledge** signed further solidifying Group's commitment to gender equality and diversity



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

- “Emirates NBD’s profit hit a record high of AED 12.3 billion for the first half of 2023 reflecting the Group’s growing regional presence and visionary investment in technology & AI which is driving new product delivery and propelling growth.
- Emirates NBD proudly celebrates its 60th anniversary, having grown to be one of the region’s leading banks, serving over 20 million customers across 13 countries. We are committed to playing a key role in driving further economic growth and development across the region.
- Emirates NBD looks forward to welcoming COP28 to the UAE and we are pleased to offer exciting ESG solutions to our customers to empower them to meet their net-zero ambitions and sustainability goals.
- I am delighted that Emirates NBD was recognized as the ‘Best Bank in the Middle East’ and ‘Best Bank in the UAE’ at the Euromoney Excellence Awards 2023.”



Shayne Nelson, Group Chief Executive Officer said:

- “Emirates NBD delivered record income for the first half of 2023, rising by 50% to AED 21.3 billion, driven by an excellent deposit mix and strong lending growth.
- Our market-leading deposit franchise added AED 53 billion of deposits including AED 37 billion of low-cost Current and Savings Accounts.
- Record Retail lending and success in closing key Corporate lending deals across the region drove loan growth 5% higher, underlining the strength of our regional presence.
- The Group’s earlier investment in technology provides a bedrock to launch many exciting new products & services and harness the power of generative AI to further transform Emirates NBD’s operations and enhance productivity.”



Patrick Sullivan, Group Chief Financial Officer said:

- “All business units generated a substantial increase in income, helping Emirates NBD deliver its strongest ever half-year for both income and profit.
- The Group’s success in growing an inexpensive and diversified funding base has positioned the Bank to continue benefiting from higher interest rates.
- The Group is forward looking as it invests higher income to drive future efficiencies and new revenue streams.
- Impairment allowances are substantially lower, with a 50% y-o-y improvement reflecting the Group’s prudent approach to credit provisions
- Strong lending growth of 5% in the first half of 2023 enables the Group to revise loan growth guidance positively upwards.
- The UAE’s economy continues to perform strongly, and the Group’s solid balance sheet is supporting its customers and help them grow both locally and internationally.”

Financial Review

Income Statement <i>All figures are in AED billion</i>				H1 23	H1 22	%Δ YoY	Q2 23	Q1 23	Δ QoQ
Net interest income		14.4	9.4	53%	7.2	7.2	1%		
Non-funded income		6.9	4.8	44%	3.6	3.3	10%		
Total income		21.3	14.2	50%	10.8	10.5	3%		
Operating expenses		(5.5)	(4.1)	34%	(2.8)	(2.6)	7%		
Operating profit before impairment		15.8	10.1	56%	8.0	7.8	2%		
Impairment allowances		(0.9)	(1.9)	(50%)	(0.5)	(0.5)	1%		
Profit before tax & others		14.9	8.3	80%	7.5	7.3	2%		
Hyperinflation adjustment		(1.4)	(1.9)	(28%)	(0.5)	(0.8)	(37%)		
Tax		(1.3)	(1.1)	19%	(0.8)	(0.5)	56%		
Profit		12.3	5.3	130%	6.2	6.0	4%		

Key Metrics						
Cost to income ratio	25.6%	28.7%	(3.1%)	26.0%	25.3%	0.7%
Net interest margin	3.96%	2.86%	110 bps	3.87%	4.05%	(18) bps
Cost of Risk (bps)	41	79	(38) bps	40	41	(1) bps
EPS (AED)	1.90	0.80	110 fils	0.97	0.93	4
Return on Tangible Equity	29.7%	14.6%	15.1%	29.8%	30%	(0.2)%

Balance Sheet <i>All figures are in AED billion</i>				As of 30-Jun-23	As of 30-Jun-22	%Δ YoY	As of 31-Dec-22	%Δ YTD	Δ QoQ
Total Assets		811	711	14%	742	9%	4%		
Gross Loans		479	425	13%	456	5%	2%		
Deposits		556	468	19%	503	11%	3%		

Key Metrics						
NPL Ratio	5.6%	6.1%	(50) bps	6.0%	(40) bps	0 bps
Impaired Loan Coverage Ratio	147%	133%	14%	145%	2%	(5%)
Liquidity Coverage Ratio	217%	155%	62%	182%	34%	30%
Capital Adequacy Ratio	19.5%	18.0%	148 bps	18.3%	118 bps	78 bps
Tier 1 Ratio	18.4%	16.9%	148 bps	17.2%	118 bps	78 bps
Common Equity Tier 1 Ratio	16.6%	15.0%	160 bps	15.4%	120 bps	80 bps

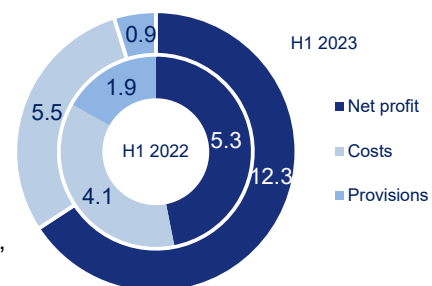
Rounding differences may appear throughout the document

Operating Performance

Total income for H1-23 is up 50% y-o-y and up 3% q-o-q to AED 21.3 billion. Net interest income is up 53% y-o-y on an excellent deposit mix with higher interest rates feeding through to margins and strong growth across all business segments and products. Non-funded income is up 44% y-o-y from increased local and international card transactions, coupled with growth in FX & Derivative income.

Expenses remain well controlled with the H1-23 cost to income ratio within guidance at 25.6% reflecting stronger income enabling accelerated investment in AI and international growth to drive future business growth.

Impairment allowances in H1-23 are substantially lower, down 50% y-o-y, reflecting strong recoveries and the healthy operating environment.



Quarterly profit rises to AED 6.2 billion on the back of higher income, the highest ever quarterly profit delivered by a UAE bank.

Balance Sheet Trends

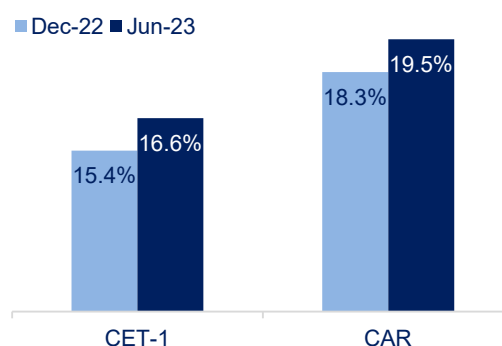
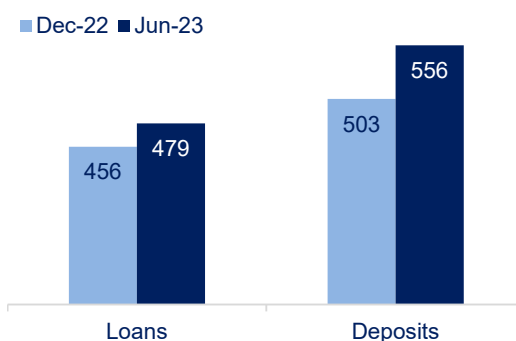
Lending increased during H1-23 by AED 23 billion with the conventional and Islamic retail franchise having its strongest ever half-year for acquisition of loans

Deposits grew by AED 53 billion in the first half of 2023, including a AED 37 billion increase in Current and Savings Account balances helping maintain a stable, efficient funding base.

Liquidity remains strong with the Liquidity Coverage Ratio at 217% and the Advances to Deposits Ratio at 79%.

During the half year, the Non-Performing Loan ratio improved to 5.6% on significant writeback and recoveries whilst the Coverage ratio strengthened to 147%, demonstrating the Group's continued successful approach to loan management and its prudent approach towards credit risk management.

As at 30 June 2023, the Group's Common Equity Tier 1 ratio is 16.6%, Tier 1 ratio is 18.4% and Capital Adequacy ratio is 19.5%



Business Performance

- **Retail Banking and Wealth Management (RBWM)** had an excellent first half with highest ever revenue, strongest ever acquisition of loans and a substantial growth in balance sheet
 - Robust business momentum continues with loan origination up 23% y-o-y and Credit Card acquisitions up 31% y-o-y
 - One-third market share of UAE Credit Card spend as card spends grew 30% y-o-y
 - Lending increased by a record AED 12 billion and Deposits grew by AED 24 billion in first half of 2023
 - Income grew 40% y-o-y as RBWM delivered its highest ever half yearly revenue and non-funded income
 - 'ENBD X' enhanced mobile banking app rolling out, delivering a new standard in customer service
 - Liv refreshed, offering Gen Now an exciting all-purpose digital-banking companion

- **Corporate and Institutional Banking** capitalised its strategic partnership with major Government entities and Corporates by enhancing digitized service platforms
 - Profitability jumped 116% on increased customer hedging, higher Trade Finance, CASA and Investment Banking income and strong recoveries
 - Strong new lending and CASA growth
 - Emirates NBD Securities provides digital onboarding and instant trading access to ADX's listed companies
 - BusinessONLINE services expanded and launched in India and KSA

- **Global Markets and Treasury** delivered an outstanding performance, contributing AED 2 billion in revenue during the first half of 2023.
 - Income rose fivefold driven by favourable balance sheet positioning coupled with a significant increase in banking book investment income
 - Emirates NBD took the lead in offering carbon futures trading ahead of COP28, empowering customers to offset their carbon emissions
 - The product offering was further enhanced with real-time FX rates now available to customers
 - The trading desk delivered another solid performance despite volatile market conditions
 - Sales revenue increased by 54% with income from structured products growing by 63%

- **DenizBank** profit up 234% 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 their forecast for UAE growth in 2023 to 2.9% from 3.2% on the expectation of a contraction in hydrocarbon GDP although we revised up our forecast for UAE non-oil GDP growth to 5.0% this year, from 3.5% previously. 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 close to pre-pandemic levels. In the wider MENAT region, Egypt made successful 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** and **Best Bank in the UAE** at the Euromoney Excellence 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 **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 won **Best Investment Bank in the Middle East, Best Local Investment Bank in the UAE, Best Debt House in the UAE, Best Loan House in the UAE and Best Foreign Bank in the KSA** by EMEA Finance - Middle East Banking Awards 2022
- ❖ Emirates NBD Capital won **Best Islamic Investment Bank (Global), IFN Syndicated Deal of the Year, IFN Turkiye Deal of the Year and Best Investment Bank in the UAE** by the Islamic Finance News Awards 2022
- ❖ 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 NBD has a leading retail banking franchise, with 854 branches and 4,173 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

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.