

Emirates NBD's profit surge 67% to a record AED 6.7 billion in Q1-24 Assets surpass AED 900 billion milestone

Emirates NBD's profit surged 67% to a record AED 6.7 billion in the first quarter of 2024 compared to the previous quarter and up a strong 12% y-o-y, propelled by regional growth, increased transaction volumes, a low-cost funding base and substantial impaired loan recoveries. The Group's asset base surpassed AED 900 billion as Retail lending had its strongest ever quarter and Corporate lending closed landmark deals across the region. The branch presence in the Kingdom of Saudi Arabia more than doubled to 18 branches over the last year and we refreshed our Egyptian franchise, as our enhanced international footprint and digital capabilities drove further growth.

Emirates NBD's market-leading deposit franchise grew AED 26 billion in the first quarter, with customer campaigns, digital banking and promotions delivering a remarkable AED 21 billion increase in low-cost Current and Savings Accounts. Credit quality improved significantly, and the Group registered an impairment credit on regularisation of payments as clients benefited from a buoyant economy. All business units delivered an outstanding performance. Retained earnings boosted capital ratios and the rock-solid balance sheet makes Emirates NBD a regional powerhouse, providing the platform for future growth.

Income AED 10.7 billion ↑ 3% q-o-q	Expenses AED 3.1 billion ↓ 8% q-o-q	Impairment Credit AED 0.9 billion n/m	Net Profit AED 6.7 billion ↑ 67% q-o-q
NIM 3.52%	Cost: Income ratio 28.8%	NPL Ratio 4.4%	CET-1 Ratio 15.2%

Key Highlights – First Quarter 2024

- **67% surge in profit q-o-q on significant balance sheet growth, a stable low-cost funding base, increased transaction volumes and substantial recoveries**
 - **Total income** up 3% q-o-q to **AED 10.7 billion** on excellent deposit mix, solid loan growth and strong fee & commission growth across all business segments
 - **5% asset growth** as balance sheet surpasses **AED 900 billion** milestone
 - **Solid loan growth**, up 2.3% in the first quarter on record AED 9 billion Retail financing with Corporate gross lending up AED 24 billion as landmark deals across the region were successfully closed
 - **Deposit mix is a key strength** growing AED 26 billion in the first quarter, including a remarkable AED 21 billion of low-cost Current and Savings Accounts
 - **Net interest margin** remains very strong at 3.52%
 - **Impairment credit** of AED 0.9 billion on regularisation of loan payments as clients benefit from a buoyant economy with impaired loan ratio improving to 4.4%
 - **Earnings per share** up significantly to **104 fils** from 93 fils in the first quarter of 2023

➤ **Emirates NBD's investment in customer focused services & products is propelling business growth**

- **AUMs** grew by an impressive 37% y-o-y, reflecting early success of our ongoing wealth management strategy
- **AED 500 million of competitive financing allocated to SMEs** to support 'Dubai International Growth Initiative', facilitating Dubai based SMEs' global expansion
- **Extended inward cut-off time for USD payments** from 6:30pm to 10pm – collected more than USD 33 billion through 100,000+ transactions in extended hours
- **Aviation Desk** established to facilitate Aviation Financing across the region
- **First Synthetic USD Structured Investment** successfully concluded, providing client with yield-enhancing investment opportunity
- **Enhancing transport infrastructure** through innovative AED 735 million Green Term Loan Facility
- **Advanced analytics** data-mining project well established with 24 live use cases, improving customer service and monetising Emirates NBD's 20-million daily customer data points
- **smartGUARANTEES** solution provided to Corporate customers utilising Robotics to automatically read inward text and process guarantee, completely eliminating paper usage and making process easier, faster & more accurate

➤ **Looking to the future, Emirates NBD is transforming into a data-first, digital-focused and environmentally responsible regional powerhouse**

- 20-year presence in **Kingdom of Saudi Arabia** with **branch network doubling to 18** in last year driving 19% loan growth in Q1-24
- **Emirates Islamic celebrates 20-years** of providing innovative Sharia'h compliant banking, serving over 650,000 customers as it delivered a record profit of AED 811 million in Q1-24
- Emirates NBD Capital ('**EmCap**') **Top-3 league table** position in International Sukuk and **Top-5** in CEEMEA USD Public Bonds & Sukuk in Q1-24, raising capital for regional customers
- **Generative AI** implementation across business operations in partnership with Microsoft
- **Leading GCC bank in ESG** ranked by Sustainalytics and rated 5 out of 311 diversified banks globally
- **ESG Report 2023** published in Q1-24 reinforcing our commitment to transparency in ESG reporting
- **Global SustainTech Accelerator Programme** launched, empowering Green FinTech companies to develop innovative solutions and support a climate-resilient future
- **Carbon future contract trading facility** launched, giving clients access to this rapidly growing asset class and align with the UAE's Net Zero action plan



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

- “Emirates NBD’s profit surged 67% to a record AED 6.7 billion in the first quarter of 2024, propelled by regional growth, increased transaction volumes, a low-cost funding base and substantial impaired loan recoveries.
- I am extremely proud that Emirates Islamic celebrates 20-years of providing innovative Sharia’h compliant banking to over 650,000 customers across the UAE, as it delivered a record profit of AED 811 million in Q1-24.
- In support of the Government of Dubai’s 'Dubai International Growth Initiative', we have allocated AED 500 million of competitively priced financing to Dubai based SMEs to facilitate their global expansion
- With the UAE’s economy thriving, and the nation an attractive destination for ultra-high net-worth individuals from across the world, Emirates NBD continues to innovate with market leading products and services to competently cater to all sectors of the wealth spectrum.”



Shayne Nelson, Group Chief Executive Officer said:

- “The Group reached a major milestone as the asset base grew 5% in the first quarter to surpass the AED 900 billion mark for the first time.
- We have been present in the Kingdom of Saudi Arabia for 20-years and the branch network has doubled to 18 in last year, driving 19% loan growth in the first quarter of 2024.
- Retail Banking had a record quarter, extending AED 9 billion of financing while Corporate lent AED 24 billion of new lending as landmark deals across the region were successfully closed.
- Our market-leading deposit franchise grew AED 26 billion in the first quarter with customer campaigns, digital banking and promotions delivering a remarkable AED 21 billion increase in low-cost Current and Savings Accounts.
- Our leading IT architecture enabled us to onboard all UAE Retail Banking & Wealth Management customers onto our award winning ‘ENBD X’ and ‘EI +’ mobile banking apps, which integrates our digital wealth platform, making it a convenient and secure one-stop, complete banking services solution.”



Patrick Sullivan, Group Chief Financial Officer said:

- “Quarterly profit reached a record AED 6.7 billion in the first quarter of 2024, on higher income coupled with an impairment credit.
- The Group’s low-cost Current and Savings Account deposit base grew again in the first quarter, enabling us to benefit from higher interest rates.
- 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 0.9 billion.
- Retained earnings boosted capital ratios and the rock-solid balance sheet makes Emirates NBD a regional powerhouse, providing the platform for future growth.”

Financial Review

Income Statement <i>All figures are in AED billion</i>	3 months ended 31-Mar-24	3 months ended 31-Mar-23	%Δ YoY	Q4 23	Δ QoQ
Net interest income	7.4	7.2	3%	7.8	(5)%
Non-funded income	3.3	3.3	(1)%	2.5	30%
Total income	10.7	10.5	2%	10.3	3%
Operating expenses	(3.1)	(2.6)	16%	(3.3)	(8)%
Operating profit before impairment	7.6	7.8	(3)%	7.0	9%
Impairment allowances	0.9	(0.5)	n/m	(1.9)	n/m
Profit before tax & others	8.5	7.3	15%	5.0	68%
Hyperinflation adjustment	(0.9)	(0.8)	6%	(1.1)	(17)%
Tax	(0.9)	(0.5)	74%	0.1	n/m
Profit	6.7	6.0	12%	4.0	67%

Balance Sheet <i>All figures are in AED billion</i>	As at 31-Mar-24	As at 31-Mar-23	%Δ YoY	As of 31-Dec-23	Δ QoQ
Total Assets	902	782	15%	863	5%
Gross Loans	492	470	5%	481	2%
Deposits	610	538	13%	585	4%

Key Metrics	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Cost to income ratio	28.8%	25.3%	3.5%	32.4%	(3.6)%
Net interest margin	3.52%	4.05%	(53) bps	3.81%	(29) bps
Risk Credit/(Cost of Risk) (bps)	69	(41)	110 bps	(71)	140 bps
EPS (AED)	1.04	0.93	11 fils	0.61	43 fils
Return on Tangible Equity	28.0%	29.7%	(1.7)%	24.3%	3.7%
NPL Ratio	4.4%	5.6%	(120) bps	4.6%	(20) bps
Impaired Loan Coverage Ratio	153%	152%	1%	163%	(10)%
Liquidity Coverage Ratio	186%	187%	(1)%	210%	(24)%
Capital Adequacy Ratio	17.8%	18.7%	(90) bps	17.6%	20 bps
Tier 1 Ratio	16.7%	17.6%	(90) bps	16.5%	20 bps
Common Equity Tier 1 Ratio	15.2%	15.8%	(60) bps	14.9%	30 bps

Rounding differences may appear throughout the document

Business Performance

- **Retail Banking and Wealth Management (RBWM)** had an excellent first quarter with the highest ever revenue, strongest ever loan acquisition and a substantial growth in balance sheet
 - Lending increased by a record AED 9 billion in first three months of 2024, with loan origination up 40 % y-o-y
 - Strongest ever quarterly Deposit growth of AED 17 billion with a healthy CASA to Deposits ratio of 76%
 - One-third market share of UAE Credit Card spend as card spend grew 16% y-o-y
 - Income grew 15% y-o-y as RBWM delivered its highest ever quarterly funded & non-funded income
 - 'ENBD X' & 'EI +' mobile banking app successfully rolled out in the UAE with all RBWM customers being onboarded on the new app
 - AUMs grew by an impressive 37% y-o-y, reflecting early success of our ongoing wealth management strategy

- **Corporate and Institutional Banking** delivered strong results with profit before tax up 44% mainly due to higher income and higher recoveries
 - Net Interest Income remained flat with a significant AED 24 billion in gross lending and impressive growth in low-cost deposits, helping offset Sovereign and other scheduled repayments
 - Continued CASA growth was backed by the Group's best-in-class digital escrow capabilities, including APIs and virtual accounts
 - Non-funded income grew on higher Capital Market Activity, increased cross-sell across all products including Foreign Exchange and Derivatives and higher fee income on increased lending
 - Higher International revenues across locations on capitalisation of network opportunities
 - Healthy impairment reversals due to continued recoveries and improved lending credit quality

- **Global Markets and Treasury** delivered another solid performance, generating AED 618 million of income in the first quarter
 - Net Interest Income is strong at AED 666 million and lower than Q1-23 due to the y-o-y increase in the cost of wholesale funding and term deposits
 - Trading desk income was lower due to volatility associated with the Egyptian currency devaluation
 - Sales delivered strong income growth, driven by new innovative structured solutions for clients
 - Product offering enhanced with Carbon future contract trading facility and first green repo executed

- **DenizBank** delivered an impressive AED 0.5 billion profit in Q1-24 providing fresh funding to the Turkish economy as their balance sheet grew to AED 150 billion

Outlook

The non-oil sector growth in the UAE and the Kingdom of Saudi Arabia remained resilient in the first quarter of 2024, driven largely by domestic demand. Emirates NBD Research expects non-oil growth to remain relatively robust this year, underpinned by continued investment and consumption. In the wider MENAT region, the IMF has approved the first and second reviews of Egypt's Extended Fund Facility and increased the size of the facility, while Türkiye continues to take policy measures to help address inflation. We have not seen an adverse impact on the operating environment from geopolitical developments in the region, but remain mindful of the potential risks.

-ENDS-

Awards:

- ✧ Emirates NBD has 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 ranked 1st in the **Best Service category in Africa** in Euromoney's Trade Finance Survey
- ✧ 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 Capital won **Best Investment Bank in the UAE 2024** by Global Finance
- ✧ Emirates NBD won **Best Use Case of AI & Analytics in Security and Compliance** and **Best Use Case of Data Analytics in an Islamic Bank** at the Middle East Banking AI & Analytics Summit Awards 2024
- ✧ Emirates NBD Capital won **Best Investment Bank in the Middle East, Best Local Bank in the UAE, Best Local Investment Bank in the UAE** and **Best Foreign Bank in Saudi Arabia** at the emefinance Middle East Banking Awards 2023

Emirates NBD has a leading retail banking franchise, with 858 branches and 4,450 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.