



# Investor Presentation

H1 2022

*October 2022*



**“CREATE  
OPPORTUNITIES  
TO PROSPER”**



## Important Information

### **Disclaimer**

The material in this presentation is general background information about Emirates NBD's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take in to account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

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### **Forward Looking Statements**

It is possible that this presentation could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

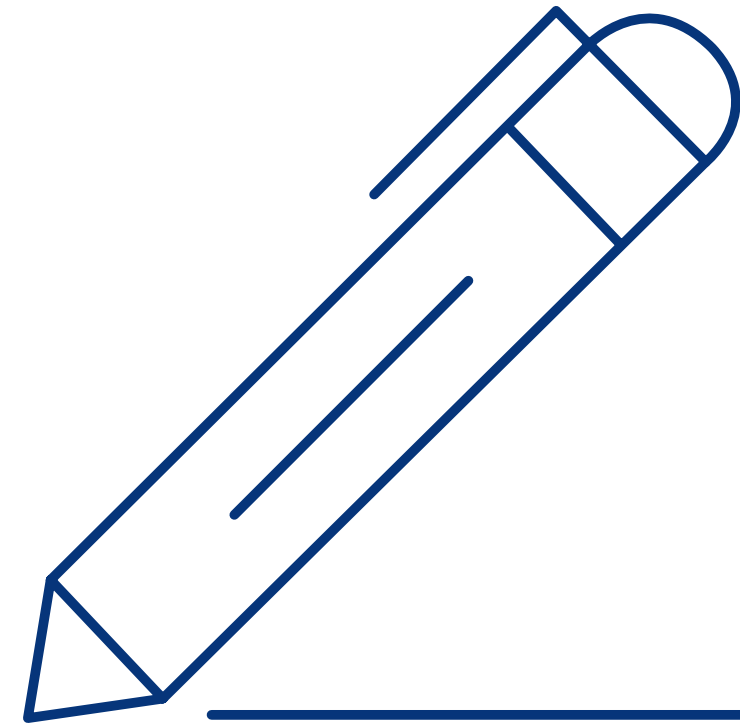
There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Emirates NBD undertakes no obligation to revise or update any forward-looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.

### **Rounding**

Rounding differences may appear throughout the presentation.

- 1. Emirates NBD Profile**
- 2. Economic Environment**
- 3. Financial & Operating Performance**
- 4. Divisional Performance**



# Emirates NBD is a leading bank in the MENAT Region

Key Highlights as of June 2022

## Emirates NBD at a Glance

**USD 194 Bn**  
*Total Assets*

**USD 126 Bn**  
*Gross Customer Loans*

**USD 127 Bn**  
*Total Customer Deposits*

**13**  
*Countries*

**900**  
*Branches*

**17+ million**  
*Customers*

**4<sup>th</sup>**  
*Largest in GCC*

**2<sup>nd</sup>**  
*Largest in UAE*

**~20%**  
*Market Share in UAE*  
*(Assets, Loans, Deposits)*

**56%**  
*Government of Dubai*  
*Shareholding*

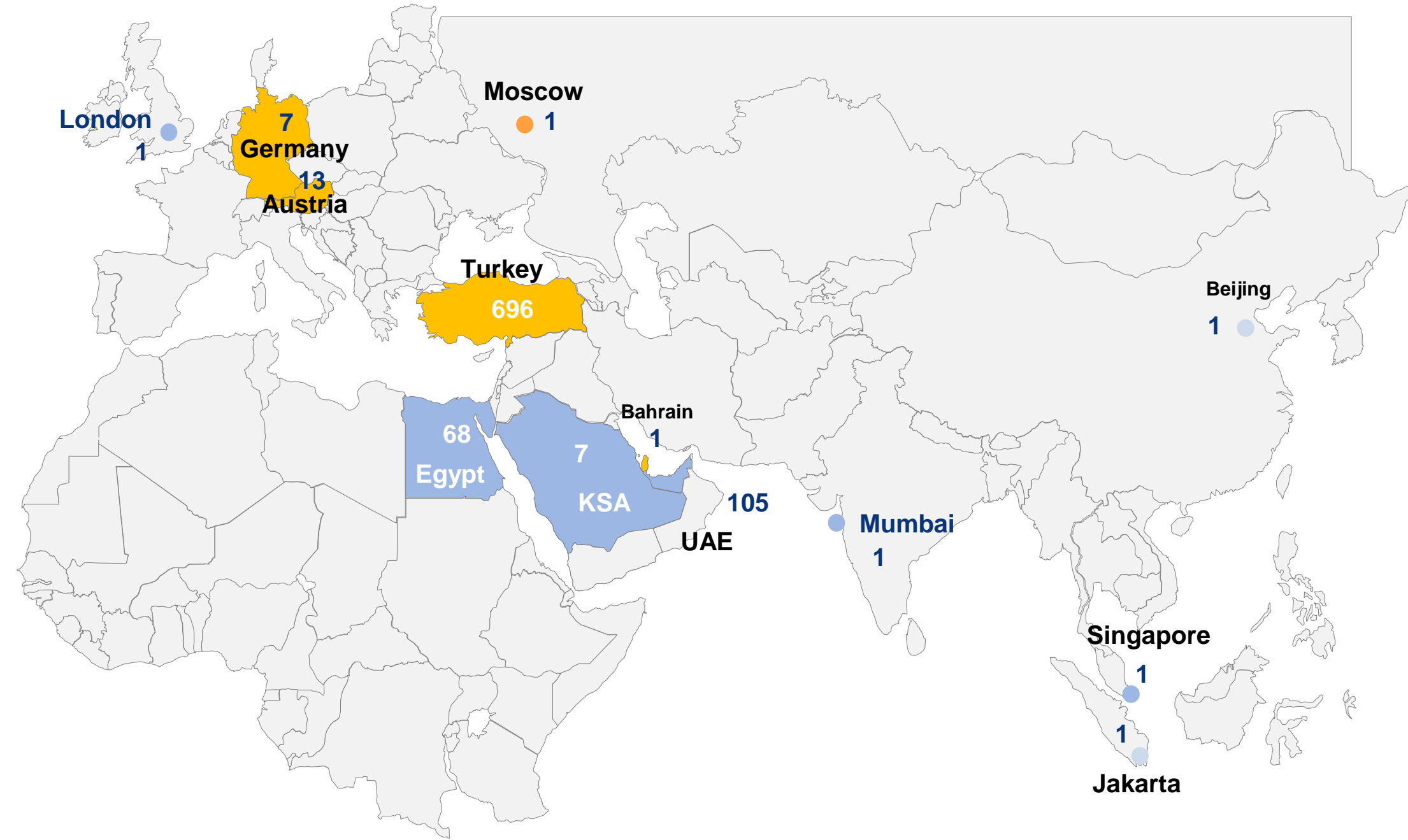
**40% FOL**  
*12.4% foreign owners\**

**USD 23 Bn**  
*Market*  
*Capitalization\*\**

# Emirates NBD at a glance

Emirates NBD's International Presence

- **Market share** in the UAE\*
  - Assets 17.8%; Loans 21.8%; Deposits 19.7%
- **Largest financial institution in Dubai**, 4th largest in the GCC
- **Leading retail banking franchise** with a branch network of 900 branches throughout the MENAT region with operations in 13 countries
- **Leader in digital banking:** largest digital lifestyle bank in the region
- **55.8%** indirectly owned by the Government of Dubai through ICD



➤ **Stable credit ratings**

	Short-Term	Long-Term	Outlook
Moody's	P-1	A2	Stable
Fitch	F1	A+	Stable
CI	A1	A+	Stable

- Emirates NBD
- Emirates NBD Rep. Offices
- DenizBank

\*Emirates NBD as at 30-Jun-22 excluding DenizBank

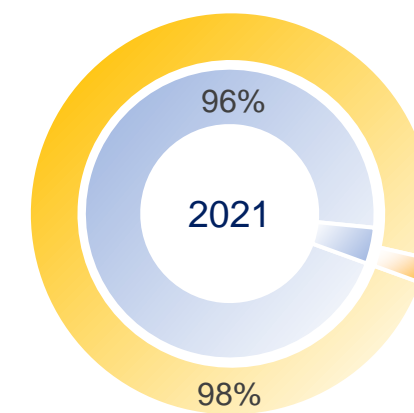


- Liv., the digital bank by Emirates NBD further strengthened its proposition growing its customer base to more than 660,000 customers in UAE & KSA
- Liv. during 2022 has launched **Liv. Young**, the region's first banking app and debit card for kids aged 8-18 years. Liv. Young helps kids build good money habits with features such as saving with goal accounts, tracking their spends, and earning by completing tasks/ chores assigned by parents
- **Liv. Prime** the subscription-based membership programme, offering customers an enhanced banking and lifestyle experience & **Liv. credit cards** which offers customers the flexibility to choose and easily switch between reward programmes along with added lifestyle benefits continued to gain traction in the year
- Liv. continued to engage customers through various marketing campaigns including the roll out of Liv. Blog to help customers stay up-to-date on money matters

## Key Digital Developments

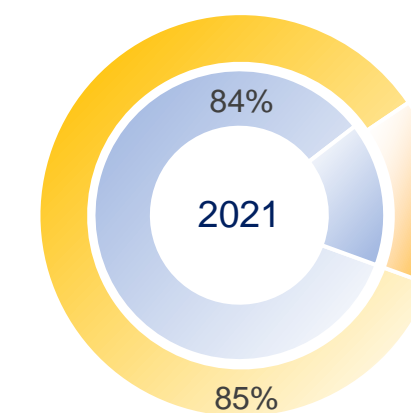
- 90% of all face-to-face card payment transactions now 'contactless' through Mobile wallet
- Continued to develop its digital platforms with enhancements to the mobile digital account opening process in UAE and roll out of a self-service tablet banking proposition for account opening & credit cards in KSA
- The mobile app was enhanced with new features for payments and transfers
- An enhanced tablet banking solution for new credit card sourcing was launched
- Launched DEWA & TECOM IPO portal on Emirates NBD website with real time direct integration with Dubai Financial Market (DFM)

Transactions via digital channels



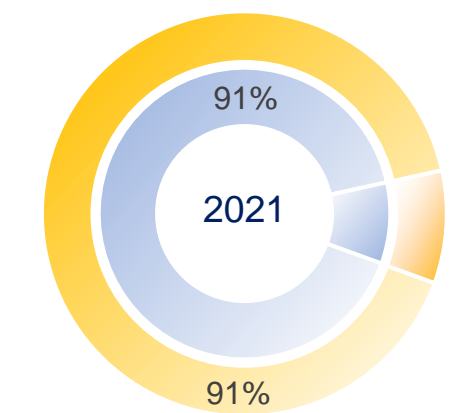
H1 2022

Eligible Retail Business customers digitally active



H1 2022

Eligible Corporate clients opting for digital platform



H1 2022

# ESG Performance – Key Highlights

## Key developments

**First female director** elected to the Board in February 2022.

First UAE banking Group to commit to female leadership target, aiming for **25% women in senior management by 2027**

## Environmental Sustainability



- **4 LEED\* GOLD** certified branches in the UAE
- **First LEED GOLD** certified bank branch in Saudi Arabia
- **6 LEED** certified engineers in Procurement & Facility Mgmt

## Energy efficiency



**ISO 14001:2015** certified for our environmental management system

- **4%** reduction in **electricity consumption** compared to 2021
- **3%** reduction in **Greenhouse Gas (GHG) emissions**

## Social Impact



- **78 nationalities** make up diverse workforce of full-time employees
- **41%** of our employees are Women
- Contributed **AED 64m** to **local community** in 2021
- **605 volunteer deployments** via corporate volunteering programme

For more about ESG report, please visit:



EmCap raised USD 9 bn of **sustainable capital from 14 syndicated loan and debt capital market transactions**

for clients in UAE, Saudi Arabia, India, China, Singapore and Turkey

Raised **first Sustainability-linked loan** from a bank from the Gulf region:

- KPI 1: Women in Senior Management
- KPI 2: Reduction in Water Consumption



**ESG Certification** for 130 employees across the UAE, KSA, Singapore, and London

ENBD Asset Management won contract to create and manage **Masdar Green REIT** - UAE's first 'green' REIT

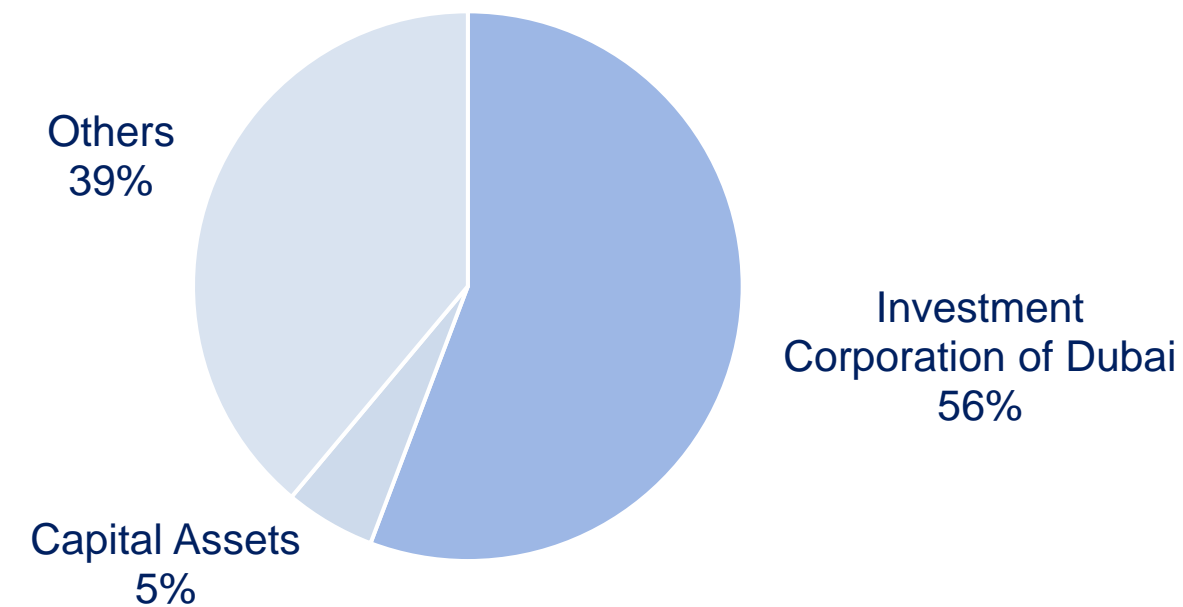
**Wealth Management and Sustainable Investment Framework** development

ENBD Asset Management signed up to **UN PRI - Principles for Responsible Investment**

## Stable Shareholder Base and Diversified Business Model

### Split of ownership – Anchored by the Government of Dubai

Ownership structure as at 30 June 2022

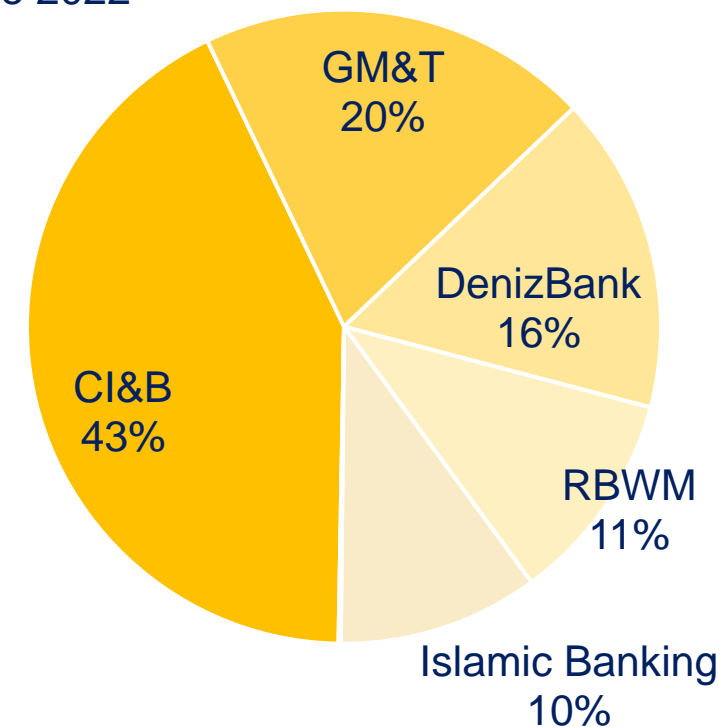


### Key Highlights

- A flagship bank for the Government of Dubai and the UAE
- Strong and supportive shareholder base from the Government of Dubai via Investment Corporation of Dubai
- International presence in Asia, Europe and MENAT across 13 countries. DenizBank acquisition further enhanced geographic profile
- Well diversified and balanced asset composition between corporate, consumer and Islamic banking
- Foreign ownership limit raised to 40% from 20% in July 2020 with foreign ownership at 12.4% at 30-June-2022

### Balanced asset composition

% by segment as at 30 June 2022



### Equity Analysts Coverage

Recommendation	Buy	Hold	Sell
	11	1	-

### In AED































Target Price	17.1
Price at 28-Jul-2022	13.25
EPS 30-Jun-2022	0.80



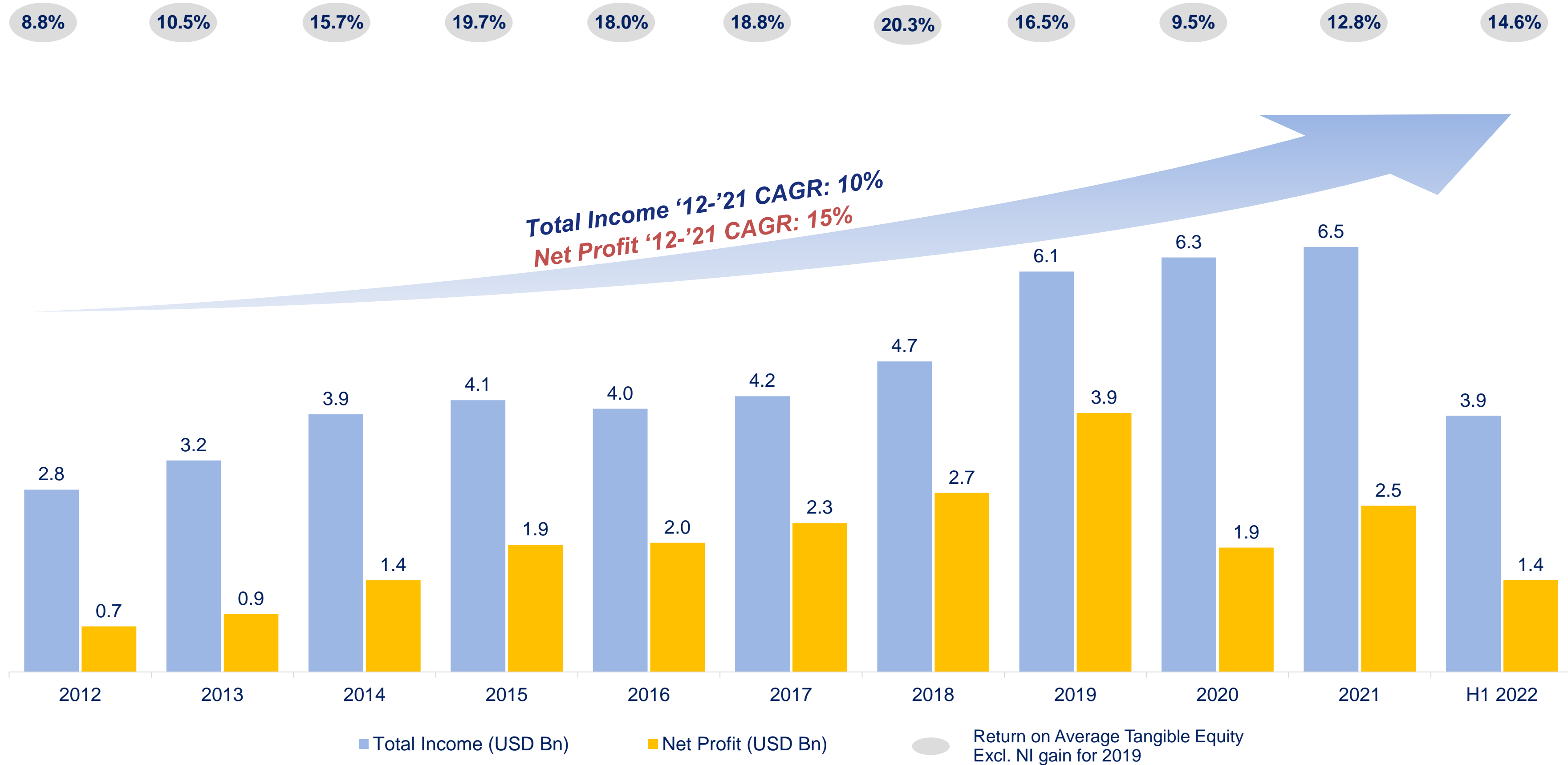
## Emirates NBD is one of the largest banks in the GCC...



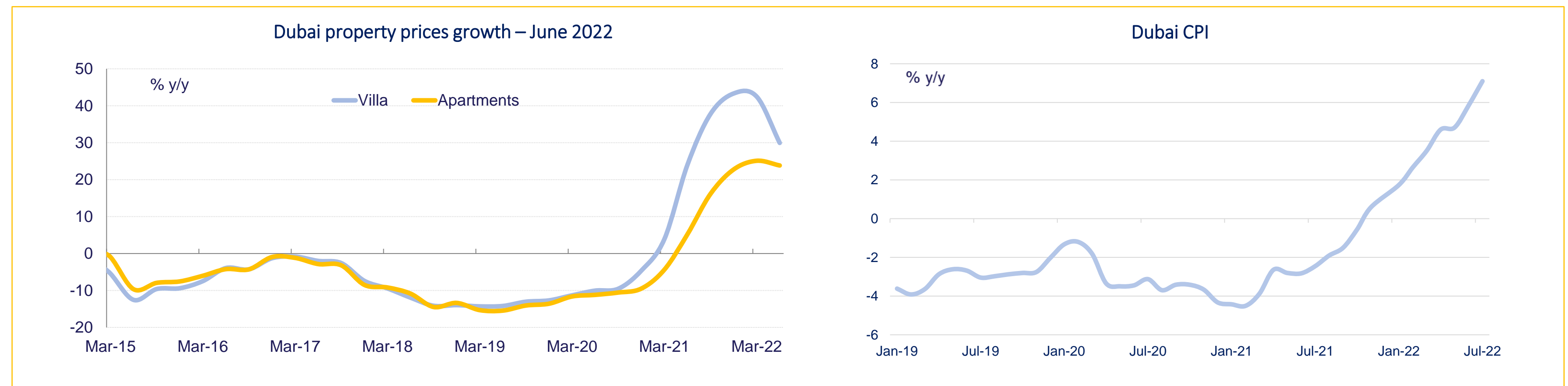
...and one of the largest banks in the UAE

	Total Income USD Mn, H1 2022	Net Profit USD Mn, H1 2022	Total Loans USD Bn, H1 2022	Coverage Ratio & NPLs (%) 30-June-2022	CET-1 Ratio (%) 30-Jun-2022
				NPL%	
	3,871	 2,188	 129	 133 6.1	 14.5
	3,414	 1,449	 126	 132 4.6	 13.2
	1,752	 833	 69	 100 3.6	 12.8
	1,707	 736	 55	 90 5.6	 12.6
	900	 393	 26	 74 6.5	 12.4
	820	 393	 26	 73 6.8	 12.4

## Consistently profitable due to diversified and resilient business model

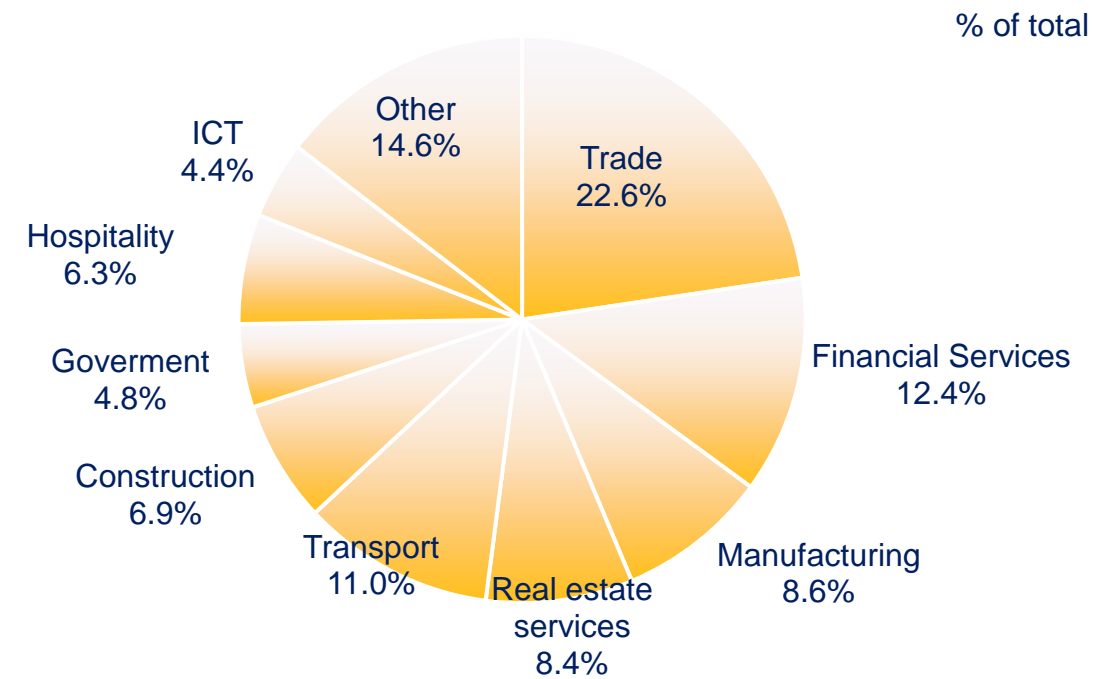


## UAE economy rebounding with 5.7% growth expected in 2022



# Dubai: Positioning for future growth

Key contributors to Dubai GDP (Q1 2022)



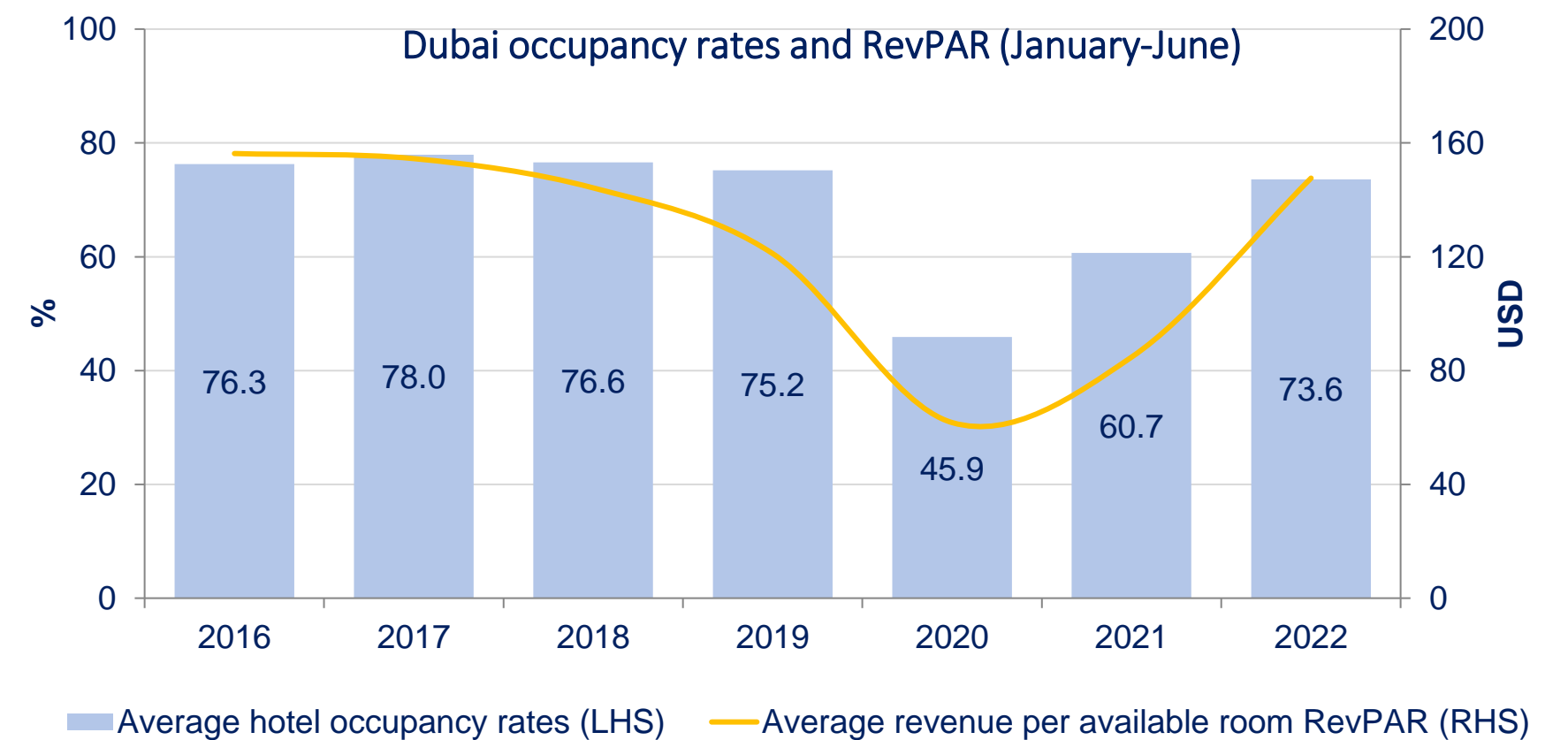
Key Highlights

- ENBD Research expects Dubai’s economy to grow by 4.5% in 2022
- Strong visitor numbers have given grounds for optimism, and Dubai Airports expects that pre-Covid levels could be achieved as soon as 2024.
- Hotel occupancy averaged 73.6% in Dubai for H1-22, a significant improvement on 2020 and 2021

Visitors (January-June)



Dubai occupancy rates and RevPAR (January-June)



# Emirates NBD delivers strong results and maintains solid balance sheet in H1-22

## Key Highlights



**Strong momentum continues** with H1-22 profit up 11% to USD 1.4bn



**Improved loan & deposit mix with higher interest rates** enabling Group to raise margin guidance



**Record demand** for retail financing and loan growth emerging amongst corporate customers



**International** contributing 41% of diversified income, with DenizBank delivering particularly strong income growth



**Diversified balance sheet, strong operating profits and solid capital base** remain core strengths of the Group

## Key Metrics & Guidance

### Net Profit

**USD 1.4bn**

+11% y-o-y

### CET 1

**15.0%**

### NIM

**2.86%**

2022 guidance / Revised:  
2.70-2.80% / 3.20-3.30%

### LCR

**154.8%**

### Cost to Income

**28.7%**

2022 guidance: Within 33%

### Loan Growth

**1% in H1-22**

2022 guidance: Low-single digit

### NPL

**6.1%**

2022 guidance: mid 6%

### NPL Cover

**133.3%**

2022 CoR guidance: 100-125 bps

# Strong diversified income and profit growth in H1-22



## Key Highlights

Income Statement (USD bn)	Emirates NBD			DenizBank		
	H1-22	H1-21	Better / (Worse)	H1-22	H1-21	Better / (Worse)
Net interest income	2.6	2.2	16%	1.7	1.5	14%
Non-funded income	1.3	0.9	40%	0.8	0.7	18%
<b>Total income</b>	<b>3.9</b>	<b>3.1</b>	<b>23%</b>	<b>2.6</b>	<b>2.2</b>	<b>15%</b>
Operating expenses	(1.1)	(1.0)	(8)%	(0.8)	(0.7)	(13)%
<b>Pre-impairment operating profit</b>	<b>2.8</b>	<b>2.1</b>	<b>30%</b>	<b>1.8</b>	<b>1.5</b>	<b>16%</b>
Impairment allowances	(0.5)	(0.7)	28%	(0.4)	(0.5)	5%
Tax and others	(0.3)	(0.1)	(199)%	(0.04)	(0.03)	(37)%
<b>Profit after tax and before hyperinflation</b>	<b>2.0</b>	<b>1.3</b>	<b>50%</b>	<b>1.3</b>	<b>1.0</b>	<b>26%</b>
Hyperinflation adjustment	(0.5)	-	n/m	-	-	-
<b>Net profit</b>	<b>1.4</b>	<b>1.3</b>	<b>11%</b>	<b>1.3</b>	<b>1.0</b>	<b>26%</b>
Cost: income ratio	28.7%	32.6%	3.9%	31.4%	32.0%	0.6%
NIM	2.86%	2.45%	0.41%	2.31%	2.07%	0.24%

- Group net profit up by 11% and strong diversified income absorbs new hyperinflation adjustment
- ENBD income higher from improving margins and increased transaction volumes
- DenizBank income higher from increased lending, wider margins and hedging
- Lower provisions with strong writebacks and recoveries as H1 cost of risk improved to 79bp reflecting improving operating environment
- USD 0.2 bn net profit from DenizBank despite USD 0.5 bn hyperinflation adjustment
- Higher income enables accelerated investment in international growth and digital
- NIMs revised upwards by 50bp on rising interest rates and improving DenizBank margins
- 1% loan growth in H1-22 with healthy new lending on continued strong retail and renewed corporate lending demand

# Q2-22 results highlights

Income Statement (USD bn)	Q2-22	Q2-21	Better / (Worse)	Q1-22*	Better / (Worse)
Net interest income	1.4	1.1	27%	1.1	21%
Non-funded income	0.7	0.4	101%	0.6	25%
<b>Total income</b>	<b>2.1</b>	<b>1.5</b>	<b>45%</b>	<b>1.7</b>	<b>22%</b>
Operating expenses	(0.6)	(0.5)	(10)%	(0.5)	(6)%
<b>Pre-impairment operating profit</b>	<b>1.6</b>	<b>1.0</b>	<b>64%</b>	<b>1.2</b>	<b>30%</b>
Impairment allowances	(0.1)	(0.2)	46%	(0.4)	67%
Tax and others	(0.2)	(0.1)	(439)%	(0.07)	(184)%
<b>Profit after tax and before hyperinflation</b>	<b>1.2</b>	<b>0.7</b>	<b>83%</b>	<b>0.8</b>	<b>64%</b>
Hyperinflation adjustment	(0.3)	-	n/m	-	n/m
<b>Net profit</b>	<b>1.0</b>	<b>0.7</b>	<b>42%</b>	<b>0.7</b>	<b>28%</b>
Cost: income ratio	26.7%	35.3%	8.6%	30.8%	4.1%
NIM	3.09%	2.44%	0.65%	2.60%	0.49%

Balance Sheet (USD bn)	30-Jun-22	31-Dec-21	Inc / (Dec)	31-Mar-22	Inc / (Dec)
Total assets	194	187	3%	189	2%
Loans	116	115	1%	119	-
Deposits	127	124	2%	125	-
CET-1 (%)	15.0%	15.1%	(0.1)%	15.0%	-
LCR (%)	154.8%	177.6%	(22.8)%	157.4%	(2.6)%
NPL ratio (%)	6.1%	6.3%	(0.2)%	6.4%	(0.3)%

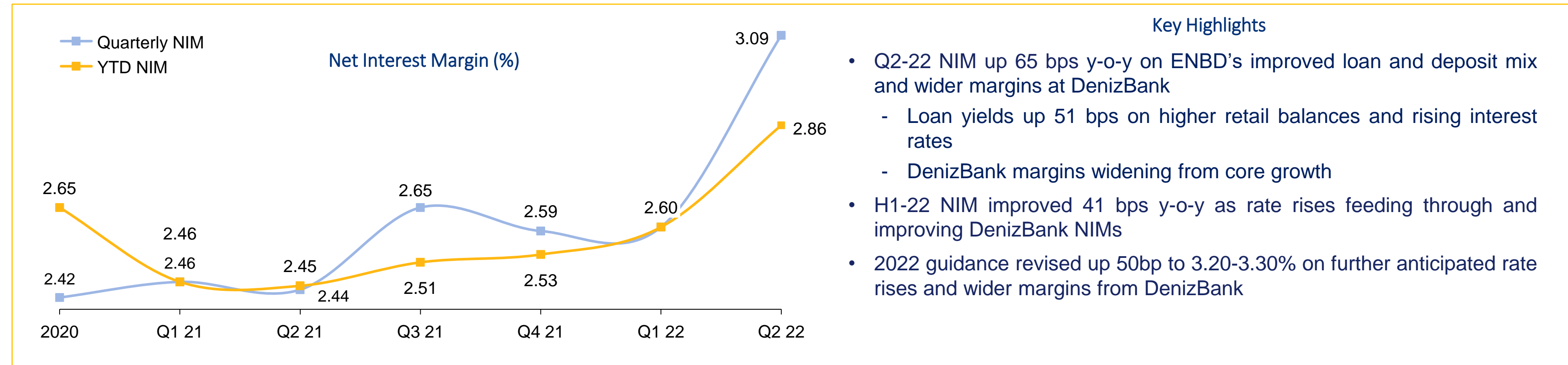
## Key Highlights

- Strong Q2-22 results with net profit up 42% y-o-y on higher income and lower impairments
- Net interest income up 27% y-o-y on improved loan and deposit mix
  - Higher interest rates feeding through to margins
  - DenizBank experiencing strong loan growth and widening margins
- Non-funded income up 101% y-o-y from increased transaction activity
  - Increased local and international card transactions
  - Growth in client flow FX & Derivative transaction income
- Expenses well controlled in Q2-22 with positive jaws
  - Higher income enables Group to accelerate investment in international footprint and digital capabilities
- Q2-22 cost of risk 41 bps on writeback and recoveries reflecting improving operating environment
- Healthy new lending on continued strong retail and renewed corporate lending demand
- Group maintains strong Capital and Liquidity with coverage ratio highest amongst regional peers

\* As reported. If hyperinflation had been applied in Q1, net profit would be USD 0.2 billion lower in Q1-22

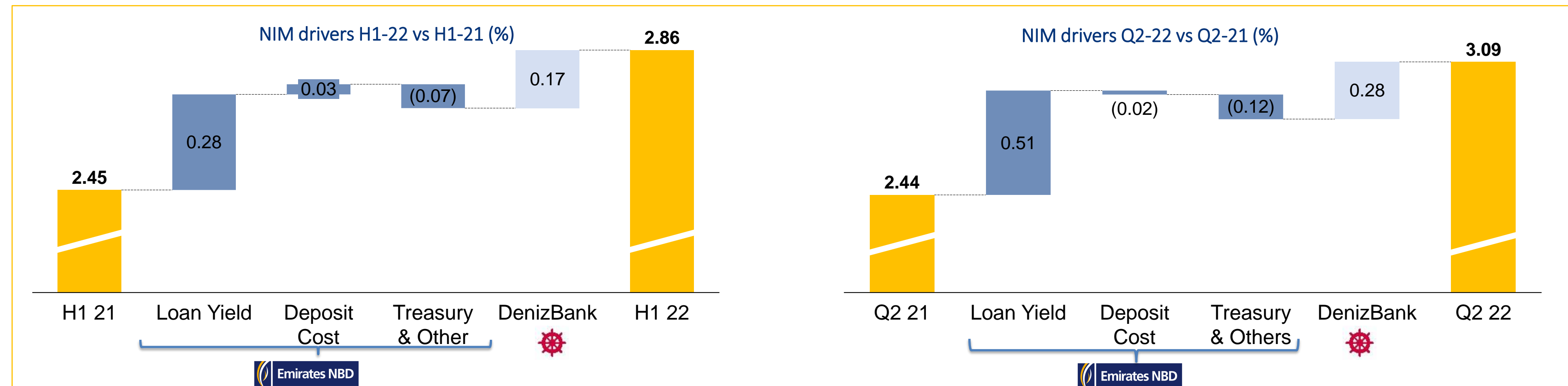


# Net interest income – NIM guidance revised up 50 bps



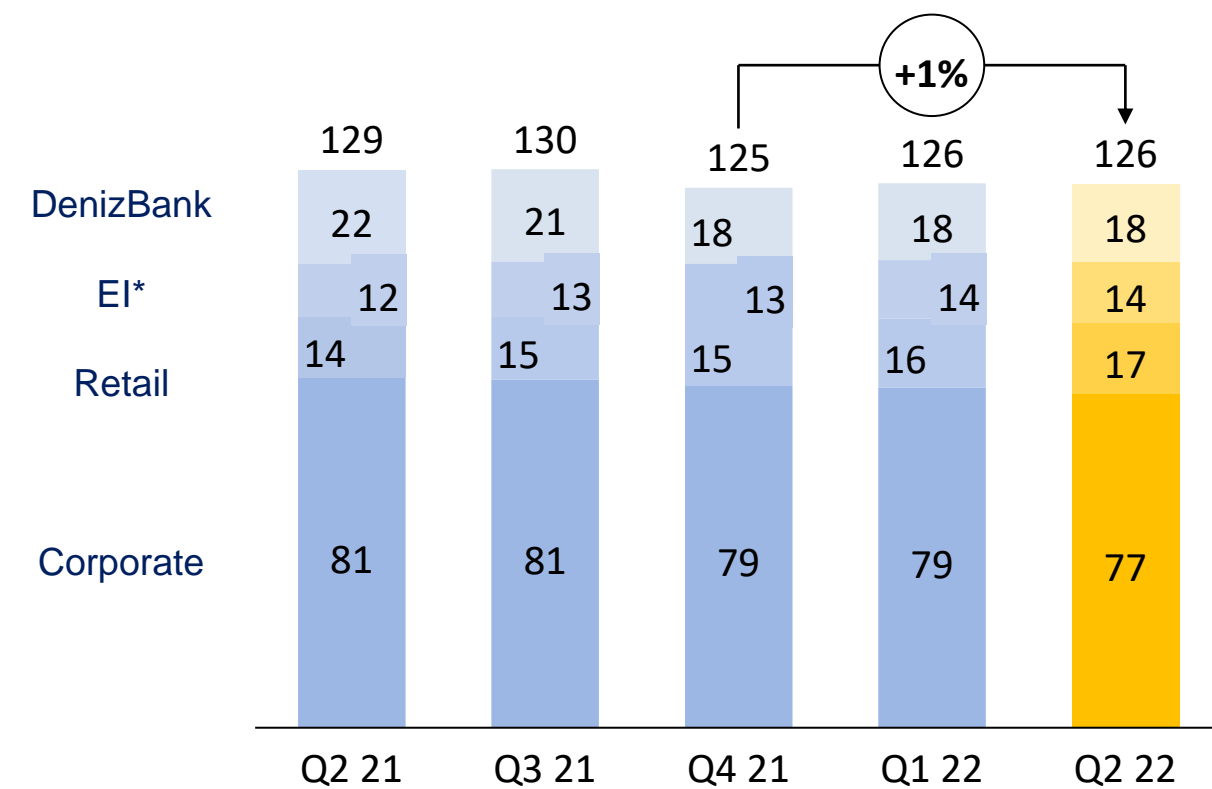
### Key Highlights

- Q2-22 NIM up 65 bps y-o-y on ENBD’s improved loan and deposit mix and wider margins at DenizBank
  - Loan yields up 51 bps on higher retail balances and rising interest rates
  - DenizBank margins widening from core growth
- H1-22 NIM improved 41 bps y-o-y as rate rises feeding through and improving DenizBank NIMs
- 2022 guidance revised up 50bp to 3.20-3.30% on further anticipated rate rises and wider margins from DenizBank

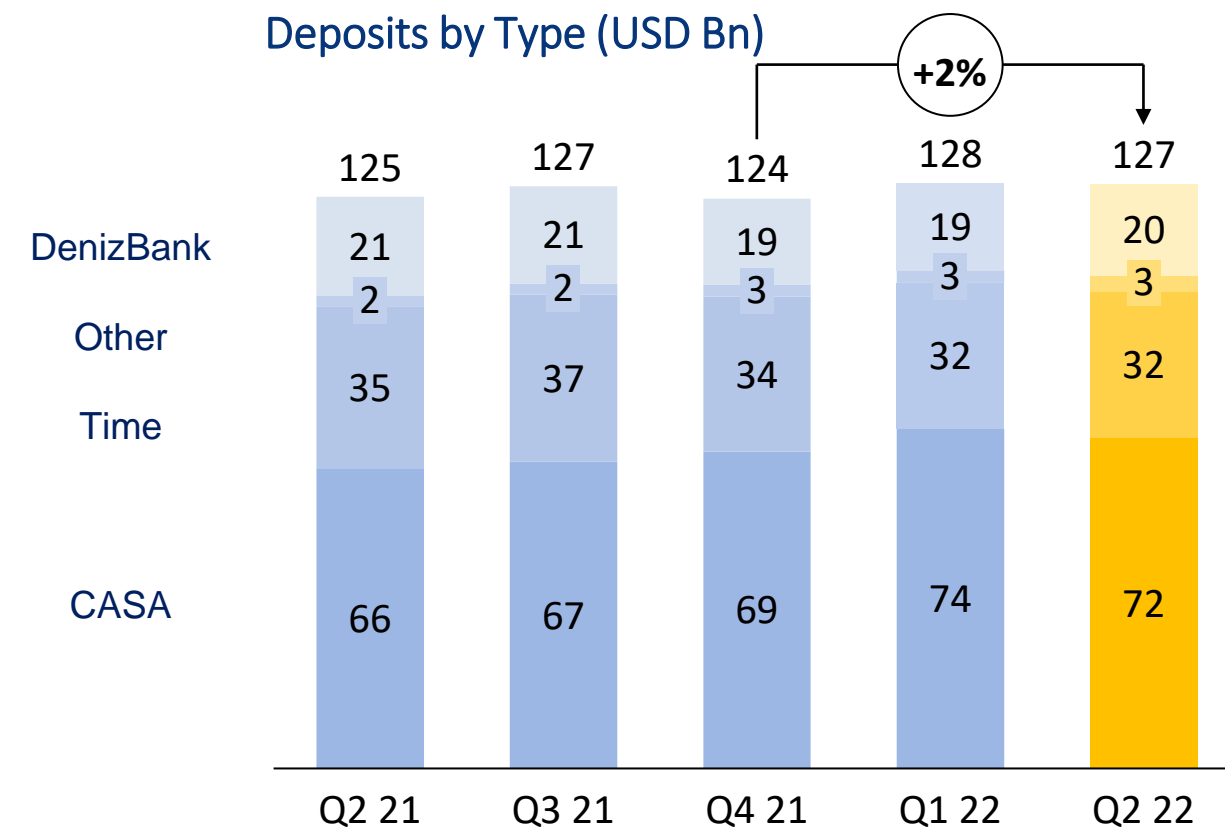


# Loans and deposits trends

Gross Loans by Type (USD Bn)



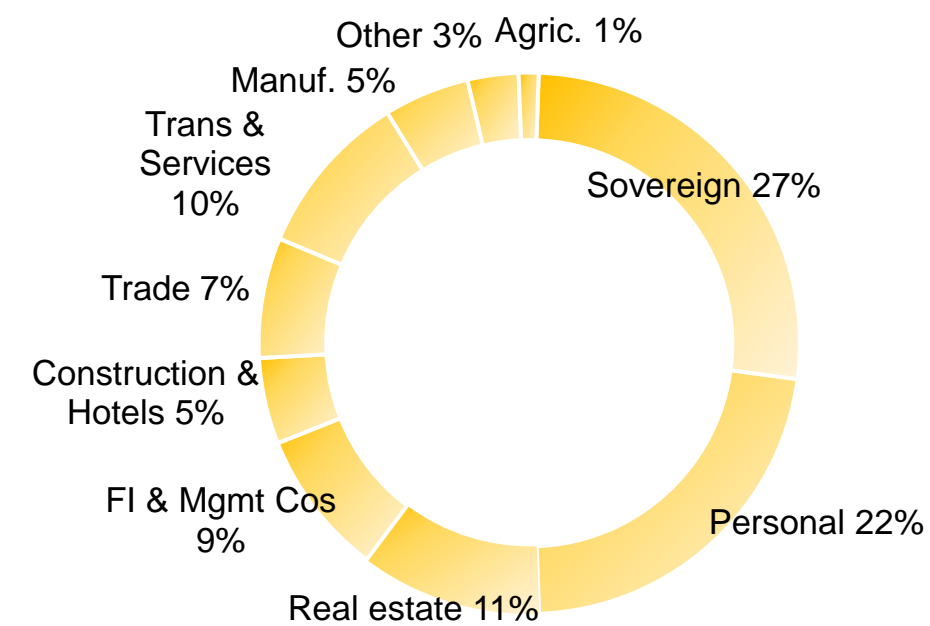
Deposits by Type (USD Bn)



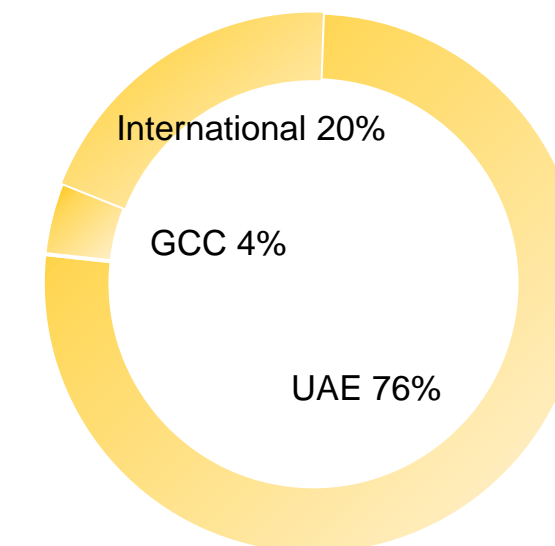
## Key Highlights

- Gross loans grew 1% (USD 1bn) in H1-22
  - Retail lending up 8% (USD 1 bn) with strong demand across all products
  - EI Financing and Receivables up 11% (USD 1 bn)
  - DenizBank's gross loans up 26% in H1-22
- Deposit mix improved in H1-22 with USD 3bn increase in CASA balance
  - CASA represents 62% of total Group deposits
  - DenizBank's deposits up 32% in H1-22

Gross Loans by Sector (%)



Net Loans by Geography (%)



\* Gross Islamic Financing Net of Deferred Income

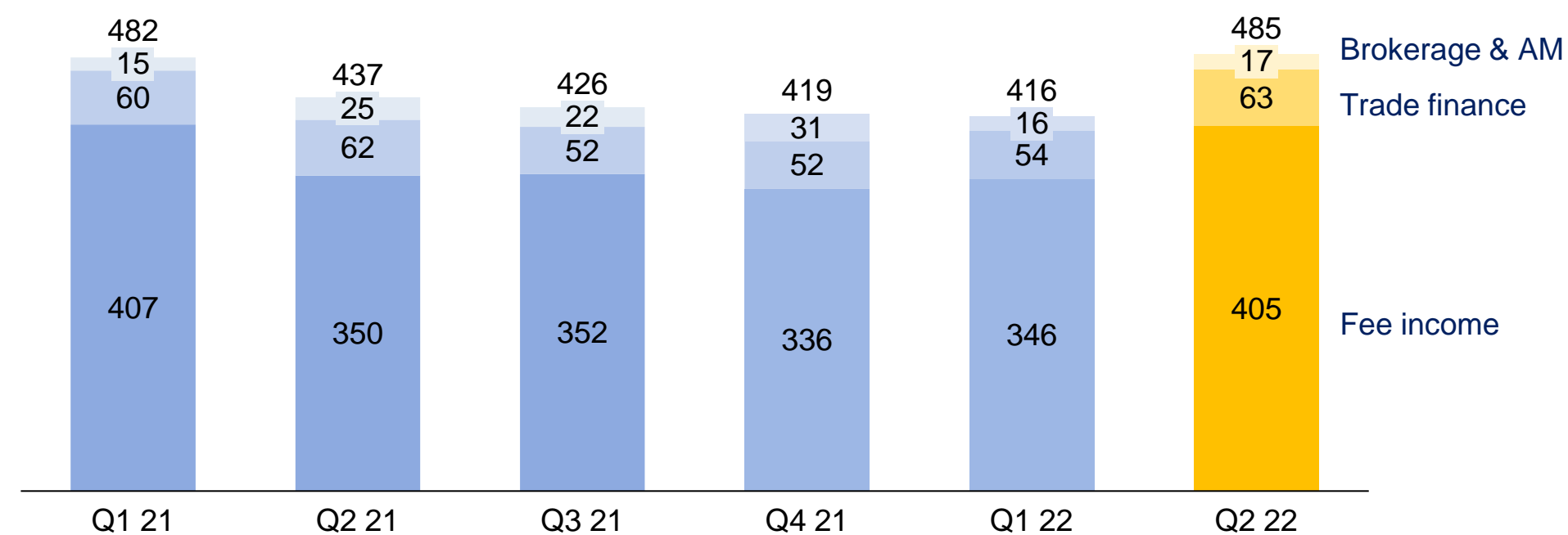
# Non-funded income

## Key Highlights

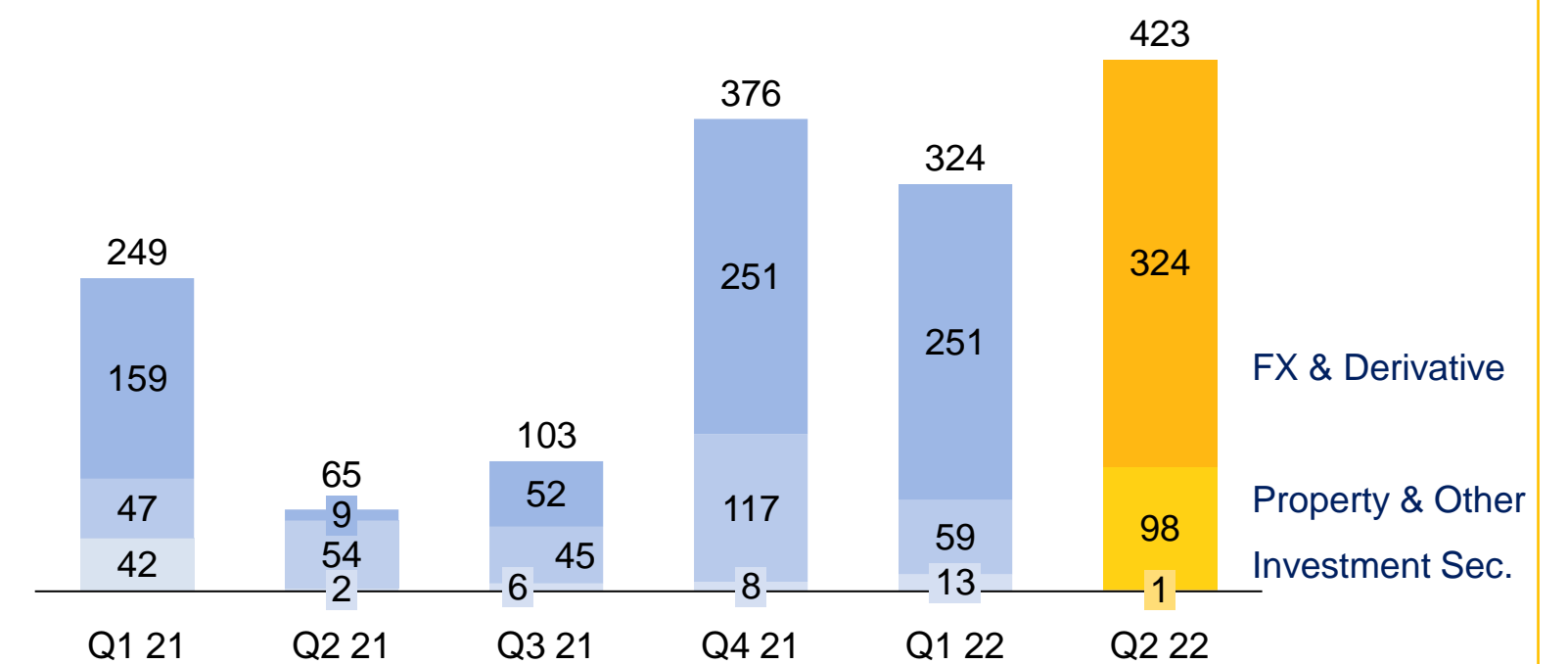
- Q2-22 fee and commission income 11% higher y-o-y from increased local and international retail card business at both ENBD and DenizBank and strong investment banking revenue
- Other operating income up substantially y-o-y due to
  - higher Retail FX volumes as customers took advantage of strong dollar and increased remittance
  - Increased activity from SMEs and increased flows due to change to the Saturday-Sunday weekend
  - gains from DenizBank balance sheet hedges

Non-funded income (USD mn)	Q2-22	Q2-21	Better / (Worse)	Q1-22	Better / (Worse)
<b>Fee and Commission income</b>	<b>486</b>	<b>437</b>	<b>11%</b>	<b>416</b>	<b>17%</b>
Fee and Commission expense	(195)	(159)	(22)%	(165)	(18)%
<b>Net Fee and Commission Income</b>	<b>291</b>	<b>279</b>	<b>4%</b>	<b>251</b>	<b>16%</b>
Other operating income	423	65	549%	324	30%
Gain / loss on trading securities	9	15	(42)%	3	216%
<b>Total Non-funded income</b>	<b>723</b>	<b>359</b>	<b>101%</b>	<b>578</b>	<b>25%</b>

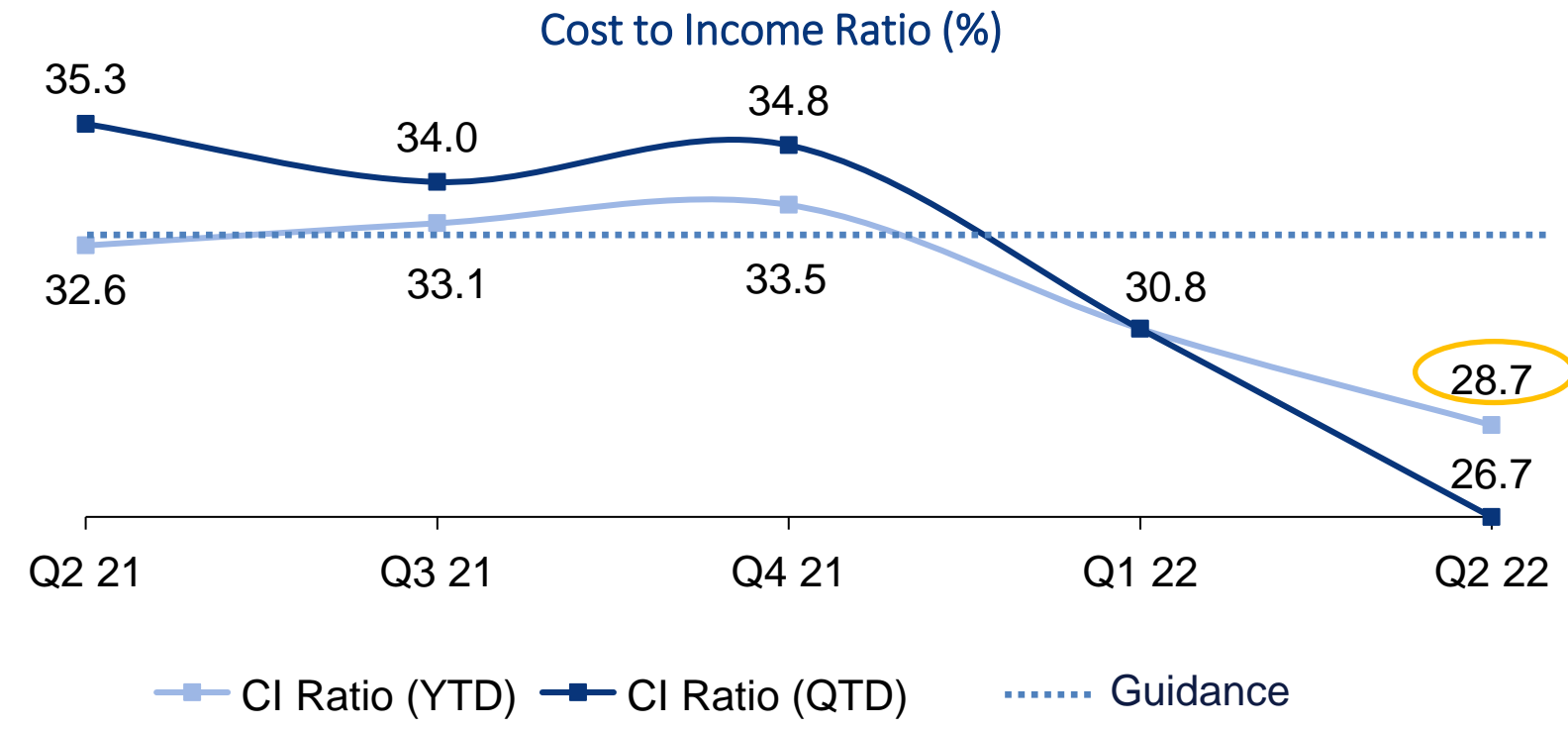
Fee and Commission Income (USD mn)



Other Operating Income (USD mn)

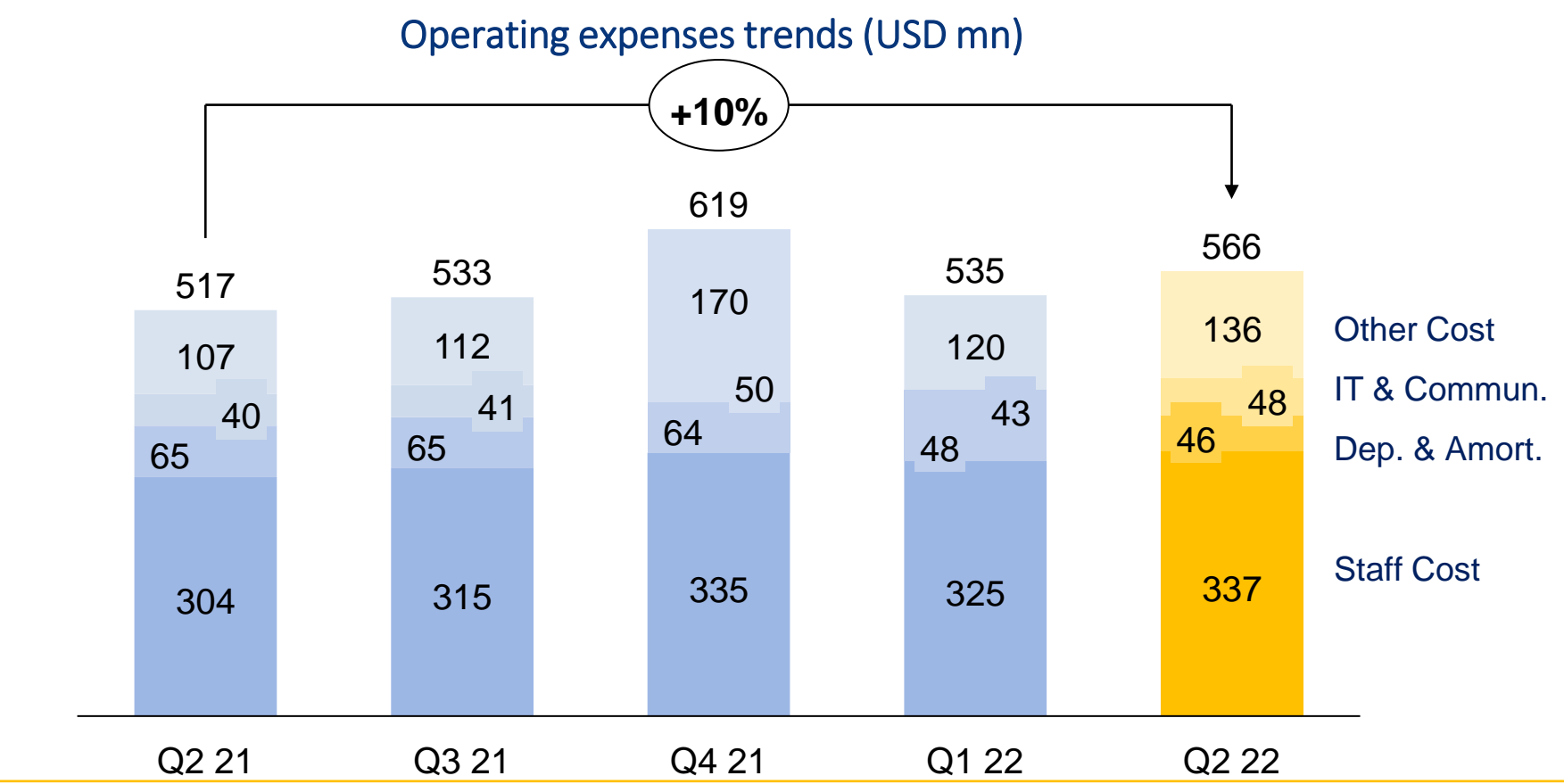


# Operating expenses

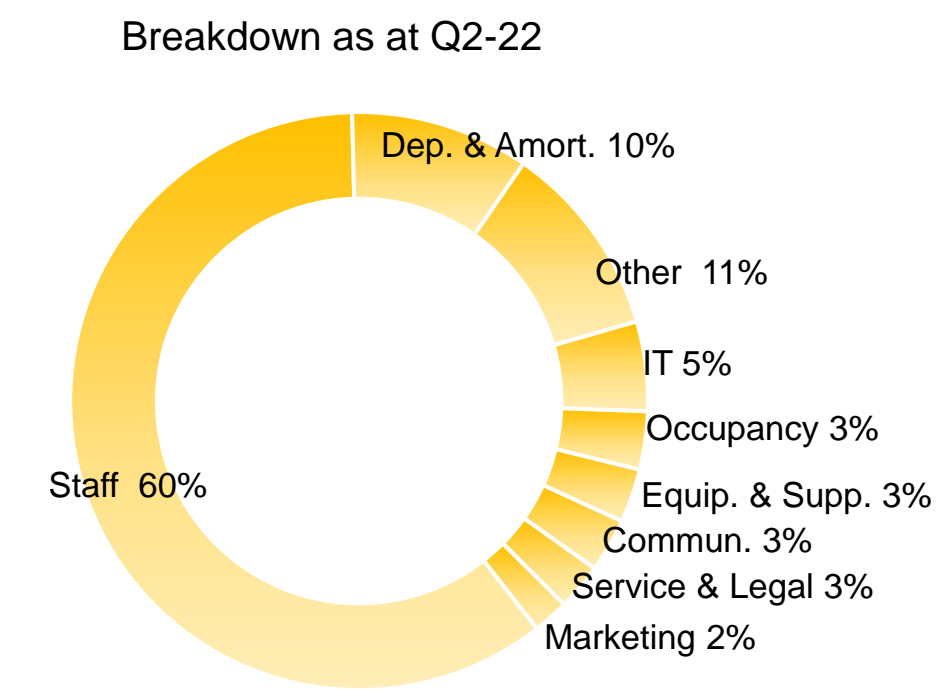


### Key Highlights

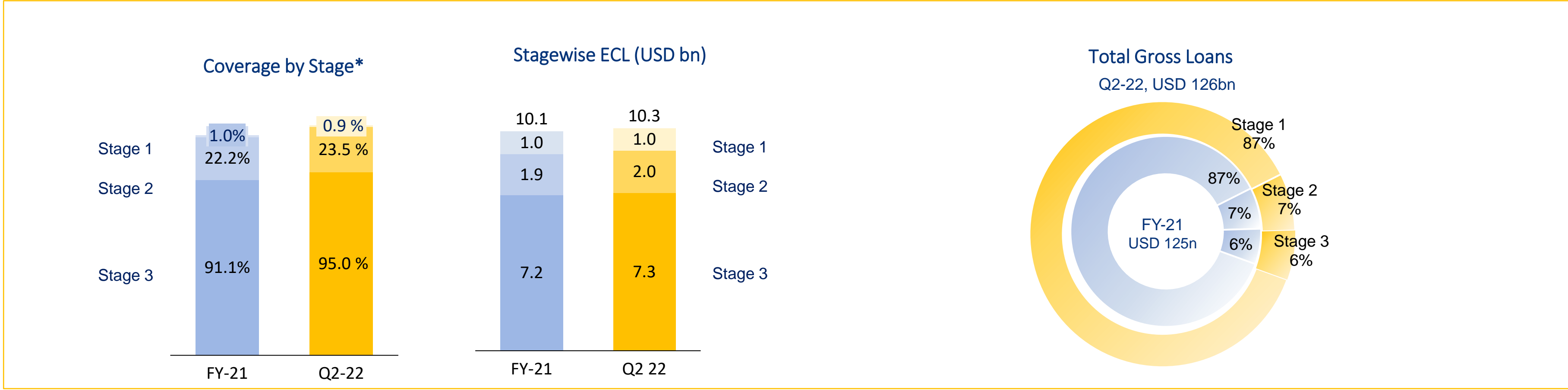
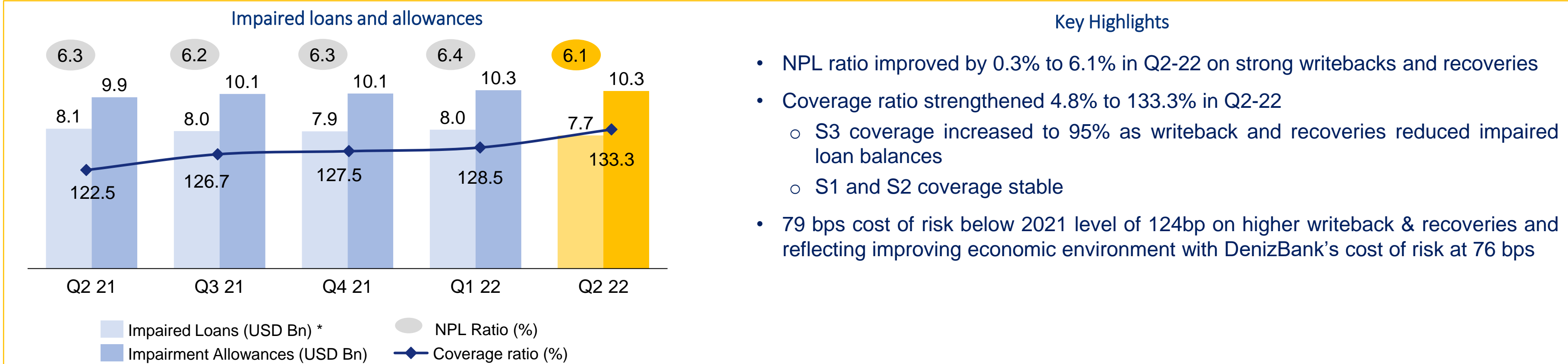
- Q2 22 cost to income ratio at 28.7% below guidance reflecting stronger income
- Staff costs increased y-o-y on incentives to drive underlying earnings and hiring for future growth particularly in international network and digital capabilities
- Lower depreciation and amortization reflects reduction in branch network
- Higher IT costs reflecting increased investment in digital platform
- CI ratio within 33% guidance revised enabling an acceleration in investment for future growth



### Operating expenses composition (%)



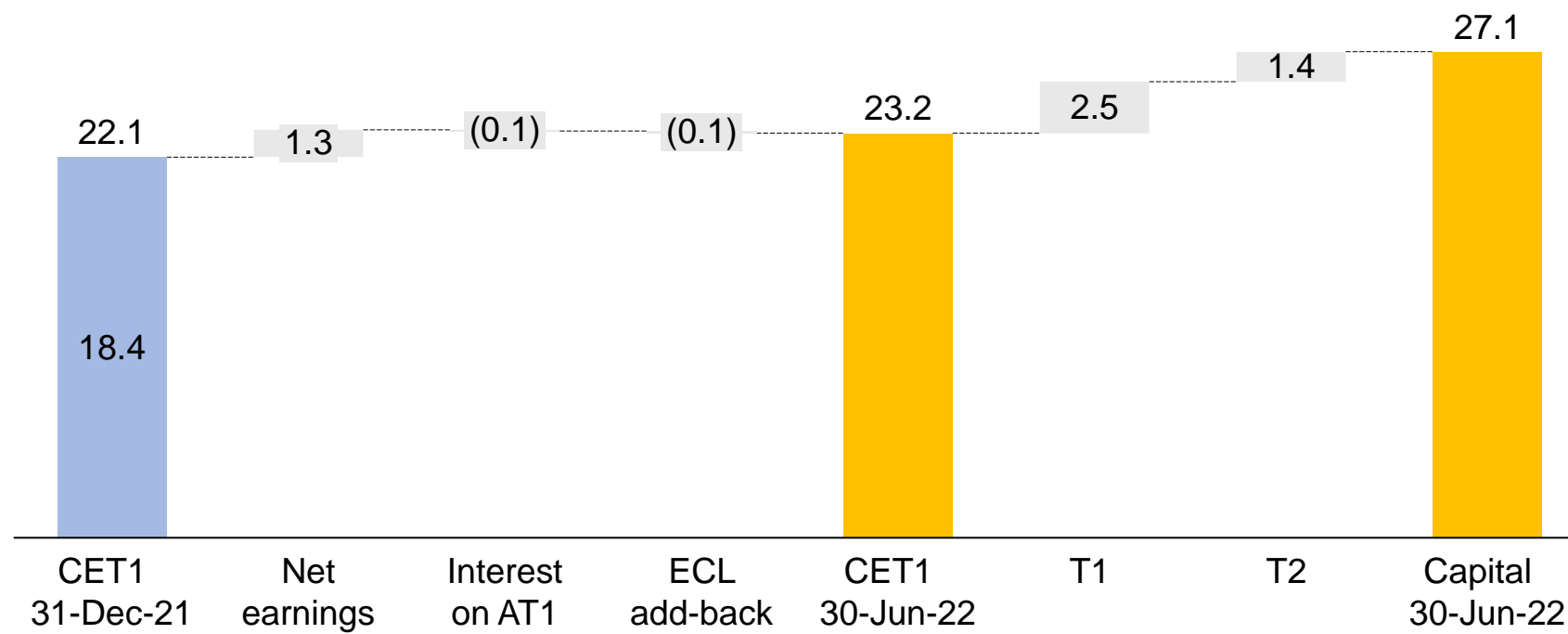
# Credit quality



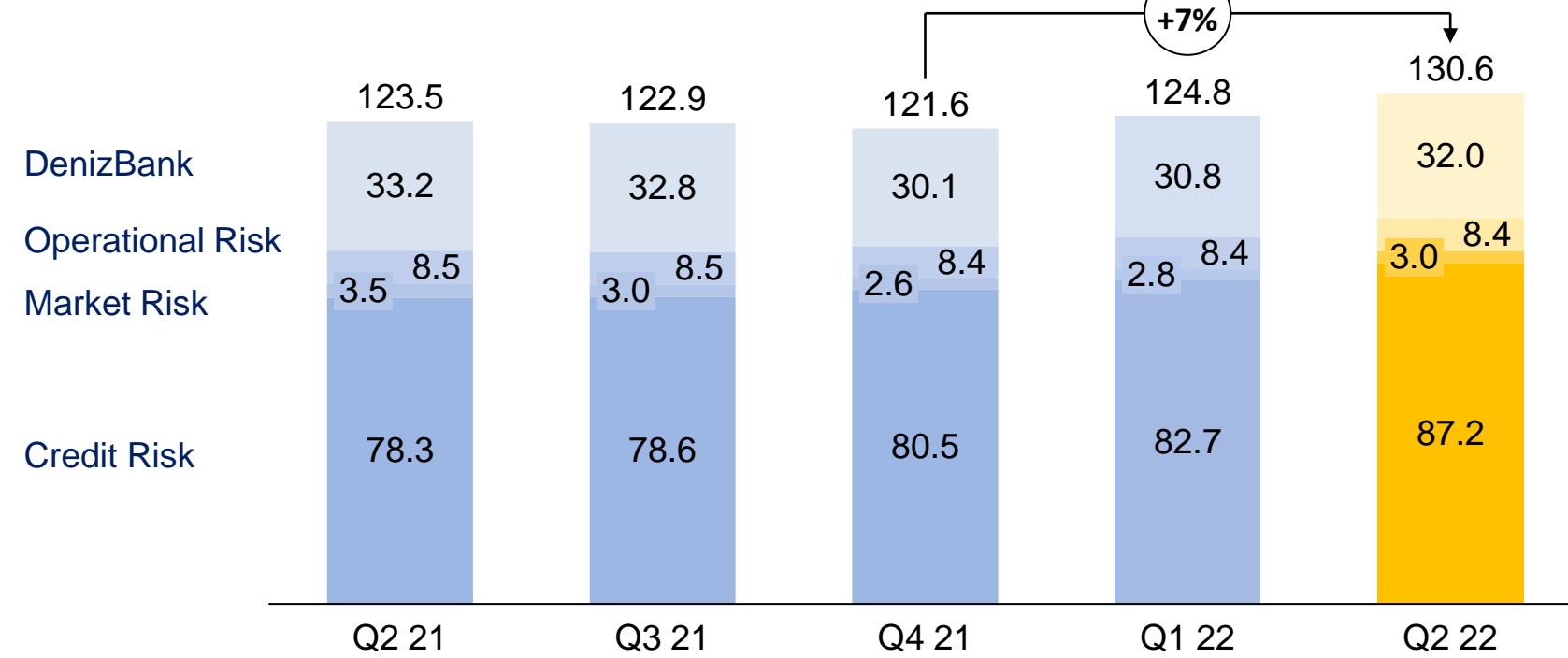
\*Includes purchase originated credit impaired loans of USD 0.3bn (Dec-21: USD 0.4bn) acquired at fair value / \*\*Stage 3 coverage adjusted for POCI acquired at FV

# Capital adequacy

Capital (USD billion)



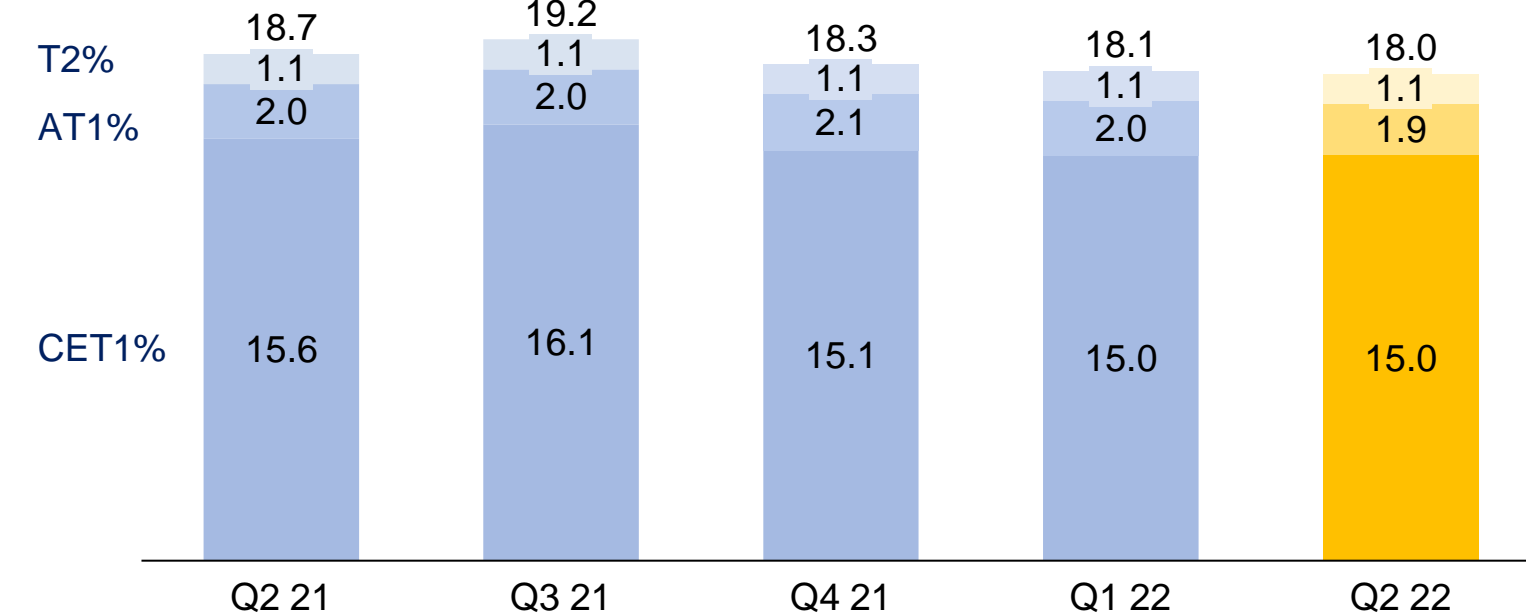
Risk Weighted Assets (USD billion)



## Key Highlights

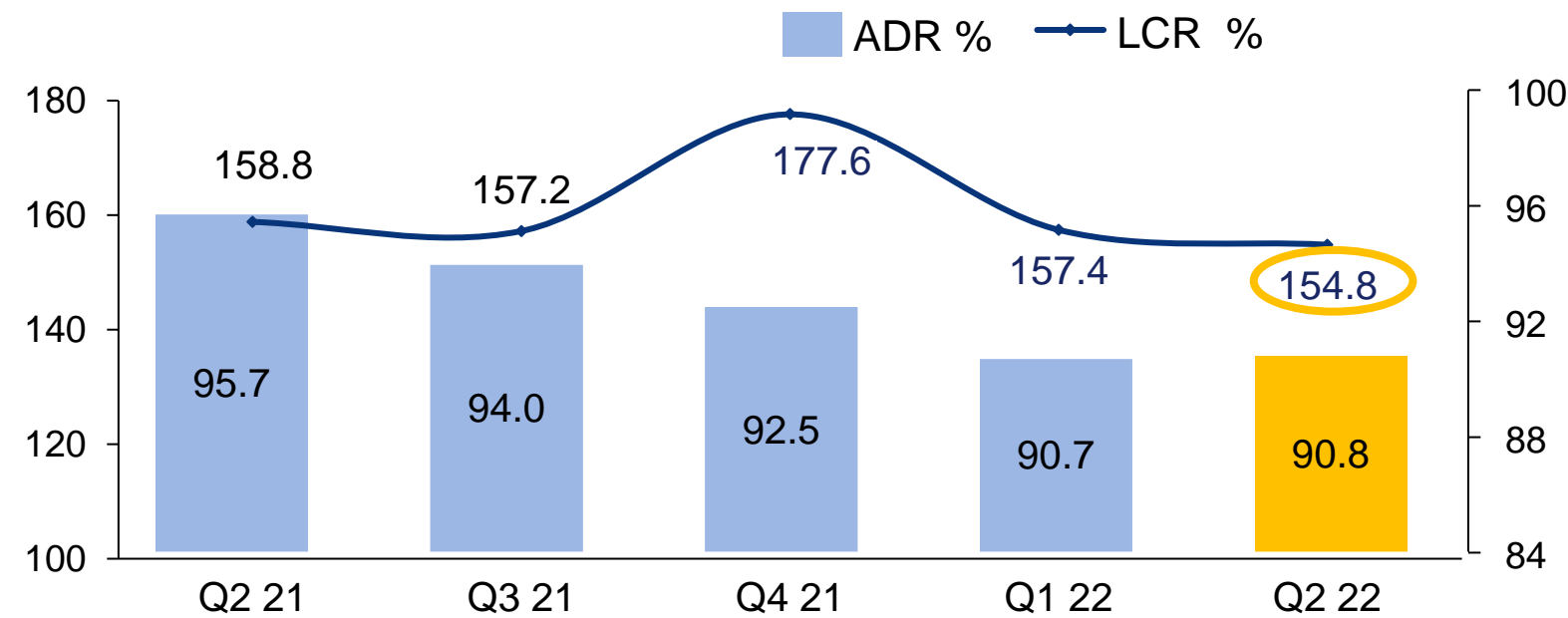
- CET-1 ratio stable at 15.0% during 2022 as
  - USD 1.3bn of net earnings largely offset
  - USD 0.1bn reduction in ECL addback
  - 7% increase in RWAs as strong growth in retail and a range of corporate sectors more than offset Sovereign repayments
- Capital ratios well above 11% / 12.5% / 14.5% CBUAE min. requirement
- CET-1 at 14.5% excluding ECL regulatory add-back
- IAS 29 hyperinflation adjustment is capital neutral

Capital Ratios %



# Funding and liquidity

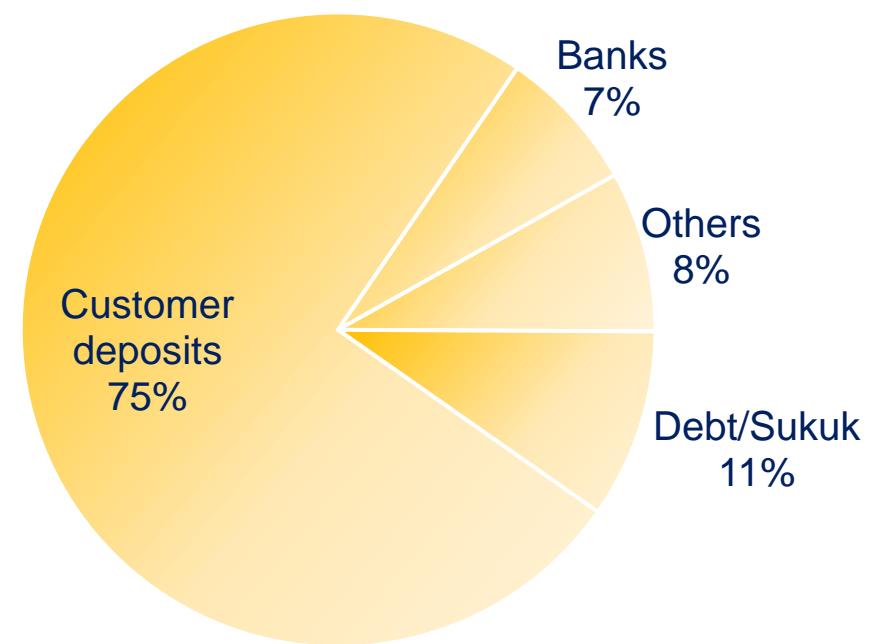
Advances to Deposit and Liquidity Coverage Ratio (%)



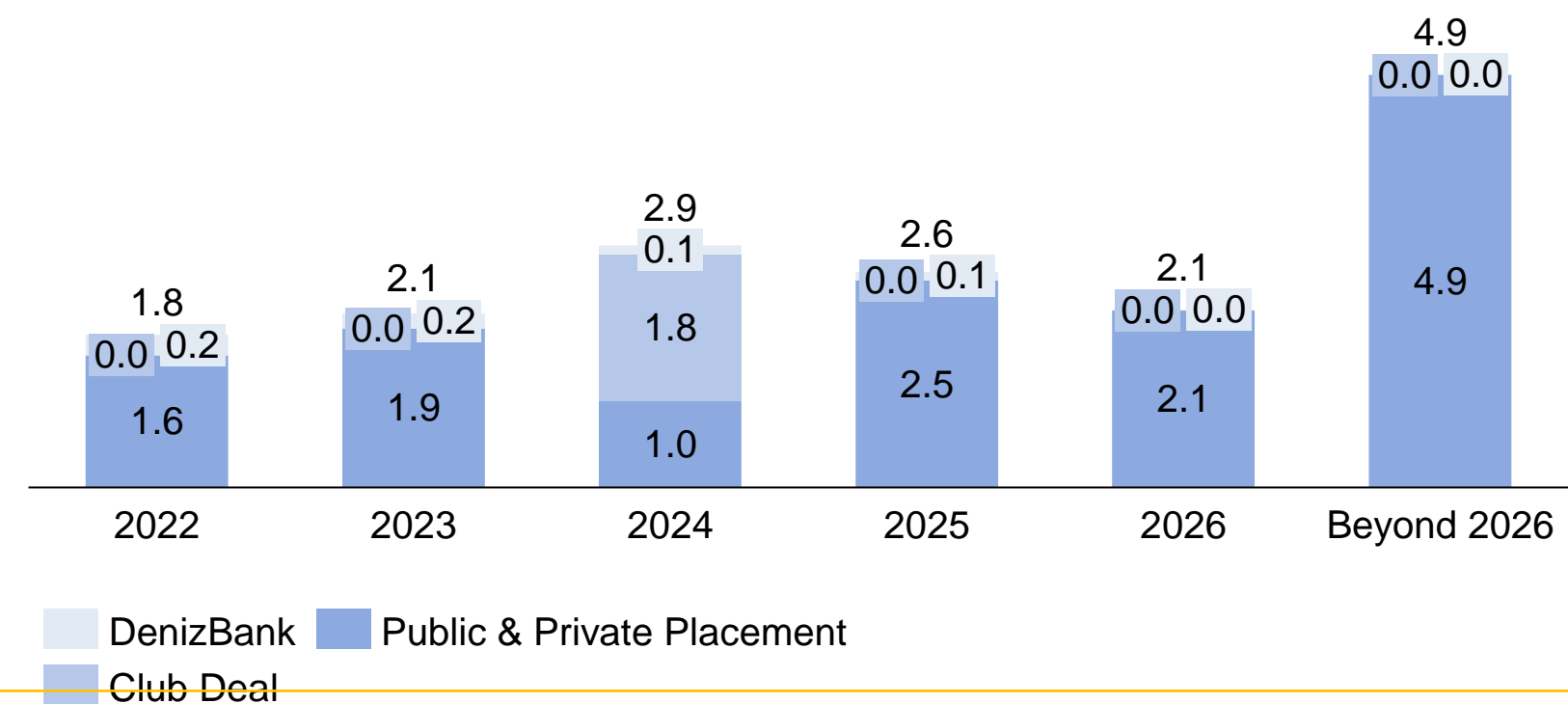
## Key Highlights

- LCR of 154.8% and ADR of 90.8% demonstrate healthy liquidity
- Liquid assets\* of USD 17 billion cover 10% of total liabilities, 13% of deposits
- USD 1.0 bn of term debt issued in H1-22
- DenizBank successfully upsized its 1-year rolling syndicated loan in June to USD 0.5 bn with issuance in three currencies
- USD 1.8 bn maturities for remainder of 2022 covered through excess issuance in 2020 and 2021

Composition of Liabilities and Debt Issued (%)



Maturity Profile of Debt/ Sukuk Issued USD 16.4 bn



\*Includes cash and deposits with Central Banks, excludes interbank balances and liquid investment securities

# Divisional performance

Operating Segment	Metrics	H1-22	Increase / (Decrease)
Retail Banking and Wealth Management	Income (mn)	1,268	17%
	Expenses (mn)	332	-16%
	Loans (bn)	16	9%
	Deposits (bn)	53.1	9%
Corporate and Institutional Banking	Income (mn)	743	-6%
	Expenses (mn)	75	-2%
	Loans (bn)	70	-3%
	Deposits (bn)	40	-9%
Emirates Islamic	Income (mn)	373	16%
	Expenses (mn)	162	-13%
	Loans (bn)	12.9	11%
	Deposits (bn)	15	15%
Global Markets and Treasury	Income (mn)	114	>100%
	Expenses (mn)	21	-1%
	Assets (bn)	38.7	21%
	Liabilities (bn)	8.7	14%
DenizBank	Income (mn)	1,285	42%
	Expenses (mn)	300	3%
	Loans (bn)	17.1	3%
	Deposits (bn)	19.9	6%

## Key Highlights

### Retail Banking and Wealth Management

- Record half-year for income, loans & cards acquisitions and balance sheet growth
- Lending grew by USD1.3 bn, whilst CASA grew by a record USD 4.2bn in H1
- Launched DEWA & TECOM IPO portal on Emirates NBD website with real time direct integration with DFM
- Launched Emirates NBD Etihad Guest Credit Card with one of the highest Etihad Guest earning and rewards opportunities; signed a strategic partnership with RSA

### Corporate and Institutional Banking

- Supporting IPOs, with end-to-end IPO subscription website offering real-time on-boarding through a state-of-the-art fully digital platform
- Implemented cutting-edge new BusinessONLINE platform
- Profitability boosted by higher fee income and lower impairment allowances
- Strong growth in new lending offset substantial contractual repayments
- Developing strategic partnership with major Government entities and Corporates by digitizing service platforms

### Emirates Islamic

- Net profit up 23% y-o-y to USD 193m on higher income and lower provisions
- Customer financing at USD 12.9 bn, increased 11% in H1-22
- Customer deposits increased 15% in H1-22 with CASA now 76% of total deposits

### Global Markets and Treasury

- Net interest income grew 264% y-o-y in H1-22 due to higher income from balance sheet positioning, hedges and an increase in banking book investment income.
- Non funded income was 289% higher with a significant performance delivered by Rates, Credit and Foreign exchange Trading.
- International Treasury functions grew their revenue contribution by 186%.

### DenizBank

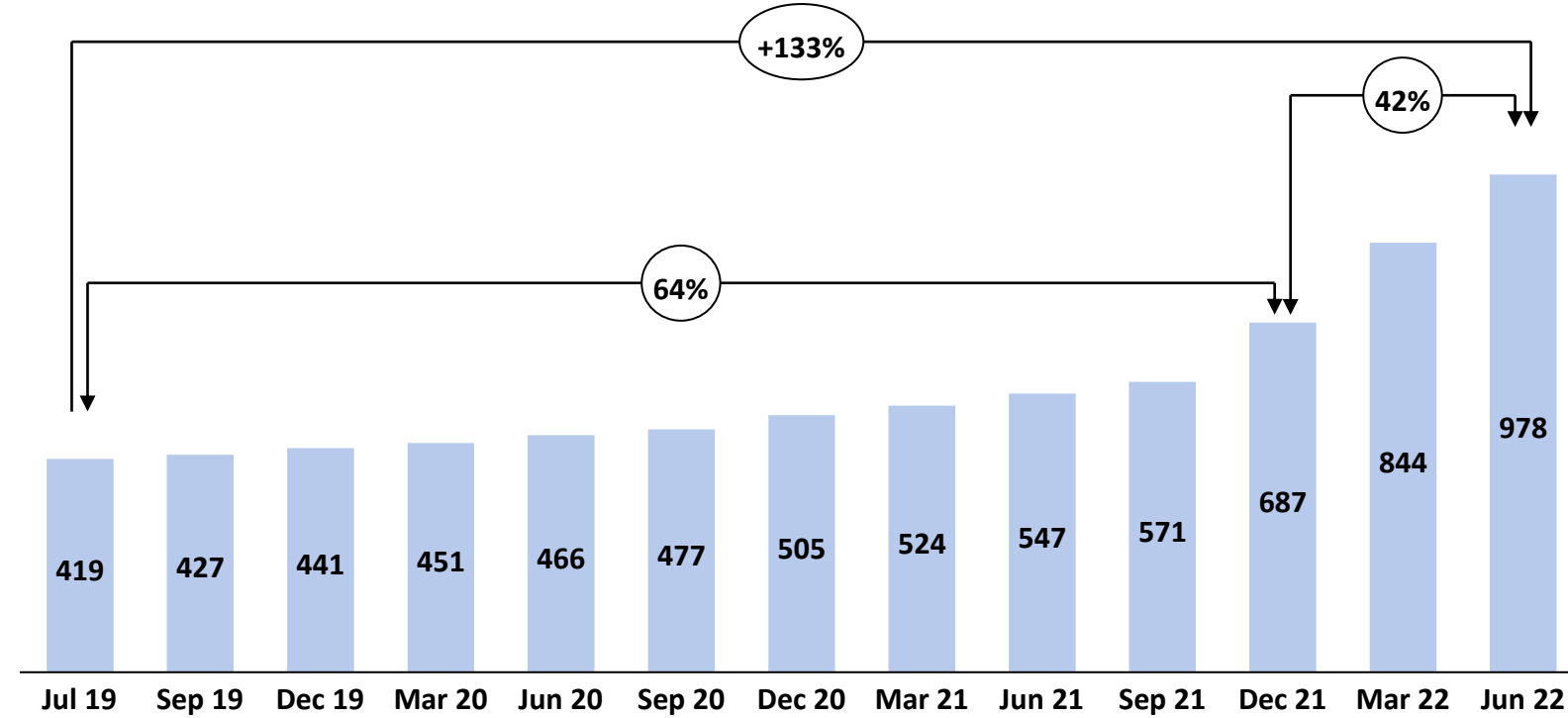
- Income up 42% (USD 0.4bn) helping offset USD 0.5bn hyperinflation adjustment.
- Impairment allowances USD 0.2 bn lower on strong writebacks and recoveries
- Total loans & deposits up 3% & 6% respectively in USD on strong growth



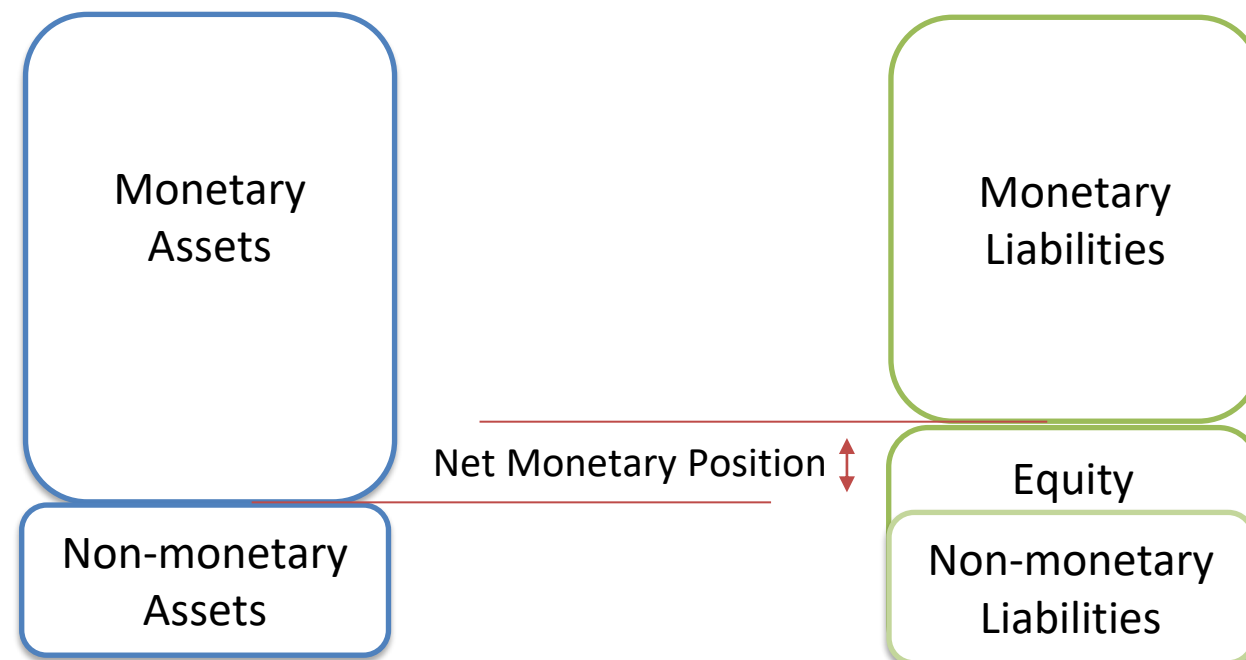
# Appendix 1:

# Hyperinflation

Türkiye Consumer Price Index

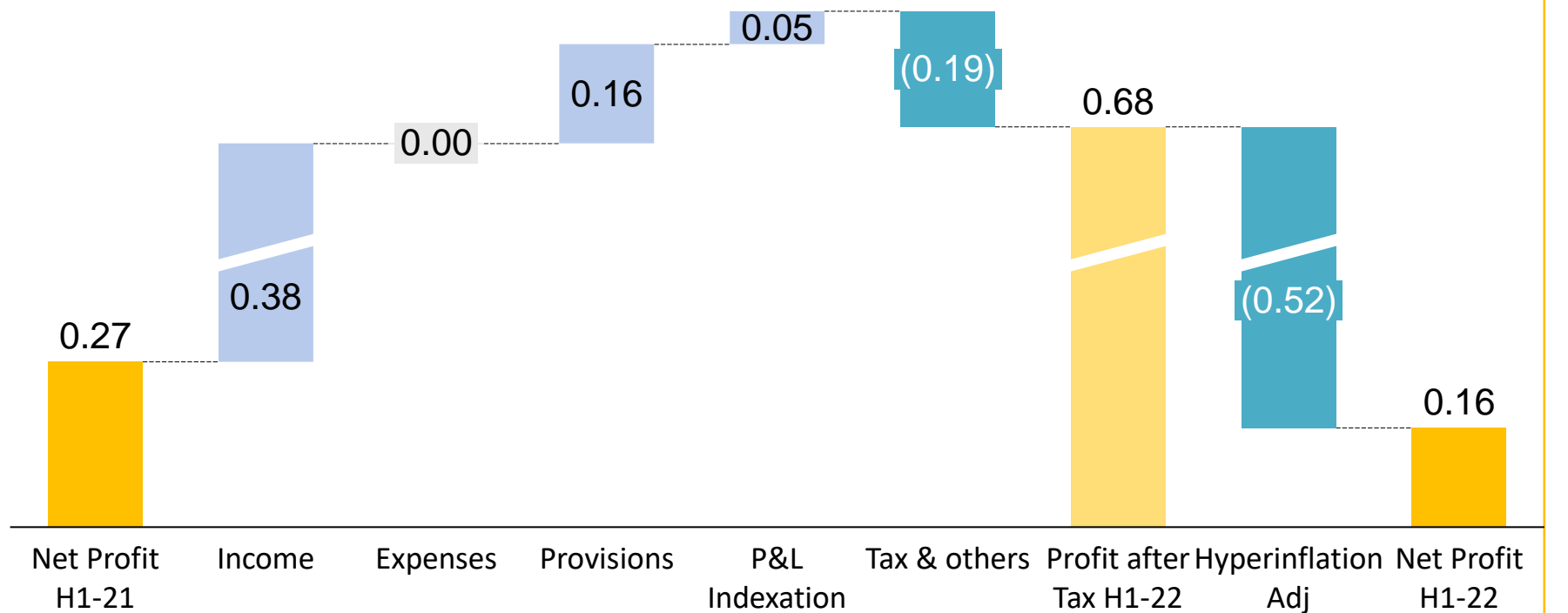


- Turkish CPI grew by 133% over preceding three-years and by 42% in 2022
- In accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies, DenizBank’s results and financial position included within ENBD’s consolidated Financial Statements are adjusted with effect from 1-Jan-22



Key Highlights

- Loss on net monetary position for DenizBank was USD 0.5 bn for first six months of 2022
- USD 0.5 bn debit P&L charge with corresponding credit offset to OCI making it capital neutral



- USD 0.2 bn credit to equity representing the impact of indexing non-monetary items from date of acquisition until 31-Dec-21
- The positive impact on capital of 21 bps from hyperinflation adjustment is excluded from capital adequacy computations
- EPS for first six months of 2022, excluding hyperinflation adjustment is 57% higher at USD 0.30 compared to 0.19 for H1 2021
- IAS 29 is not applied to local accounts in H1-22



Thank you

## Investor Relations

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**“CREATE  
OPPORTUNITIES  
TO PROSPER”**