



Results Presentation

H1 2022

28 July 2022

**“CREATE
OPPORTUNITIES
TO PROSPER”**

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Rounding

Rounding differences may appear throughout the presentation.

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 AED 5.3bn



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

AED 5.3bn

+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 (AED bn)	Emirates NBD			DenizBank		
	H1-22	H1-21	Better / (Worse)	H1-22	H1-21	Better / (Worse)
Net interest income	9.4	8.1	16%	6.4	5.6	14%
Non-funded income	4.8	3.4	40%	3.1	2.6	18%
Total income	14.2	11.5	23%	9.5	8.2	15%
Operating expenses	(4.1)	(3.8)	(8)%	(3.0)	(2.6)	(13)%
Pre-impairment operating profit	10.1	7.8	30%	6.5	5.6	16%
Impairment allowances	(1.9)	(2.6)	28%	(1.6)	(1.7)	5%
Tax and others	(1.1)	(0.4)	(199)%	(0.1)	(0.1)	(37)%
Profit after tax and before hyperinflation	7.2	4.8	50%	4.7	3.8	26%
Hyperinflation adjustment	(1.9)	-	n/m	-	-	-
Net profit	5.3	4.8	11%	4.7	3.8	26%
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
- AED 0.6 bn net profit from DenizBank despite AED 1.9 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 (AED bn)	Q2-22	Q2-21	Better / (Worse)	Q1-22*	Better / (Worse)
Net interest income	5.1	4.1	27%	4.3	21%
Non-funded income	2.7	1.3	101%	2.1	25%
Total income	7.8	5.4	45%	6.4	22%
Operating expenses	(2.1)	(1.9)	(10)%	(2.0)	(6)%
Pre-impairment operating profit	5.7	3.5	64%	4.4	30%
Impairment allowances	(0.5)	(0.9)	46%	(1.4)	67%
Tax and others	(0.7)	(0.2)	(439)%	(0.3)	(184)%
Profit after tax and before hyperinflation	4.5	2.5	83%	2.7	64%
Hyperinflation adjustment	(1.0)	-	n/m	-	n/m
Net profit	3.5	2.5	42%	2.7	28%
Cost: income ratio	26.7%	35.3%	8.6%	30.8%	4.1%
NIM	3.09%	2.44%	0.65%	2.60%	0.49%

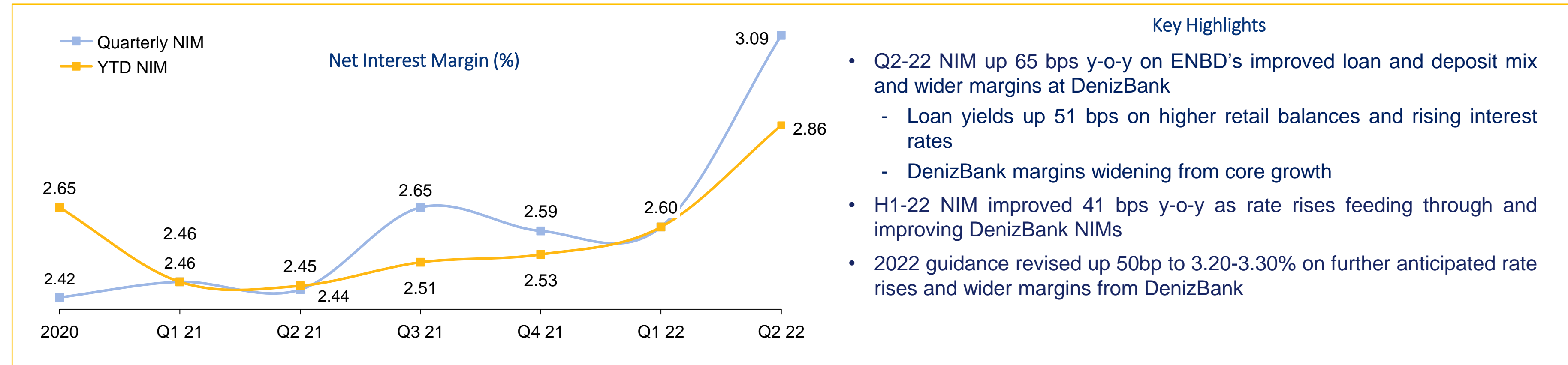
Balance Sheet (AED bn)	30-Jun-22	31-Dec-21	Inc / (Dec)	31-Mar-22	Inc / (Dec)
Total assets	711	687	3%	694	2%
Loans	425	422	1%	425	-
Deposits	468	457	2%	469	-
CET-1 (%)	15.0%	15.1%	(0.1)%	15.0%	-
LCR (%)	154.8%	177.6%	(22.8)%	157.4%	(2.6)%
NPL ratio (%)	6.1%	6.3%	(0.2)%	6.4%	(0.3)%

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

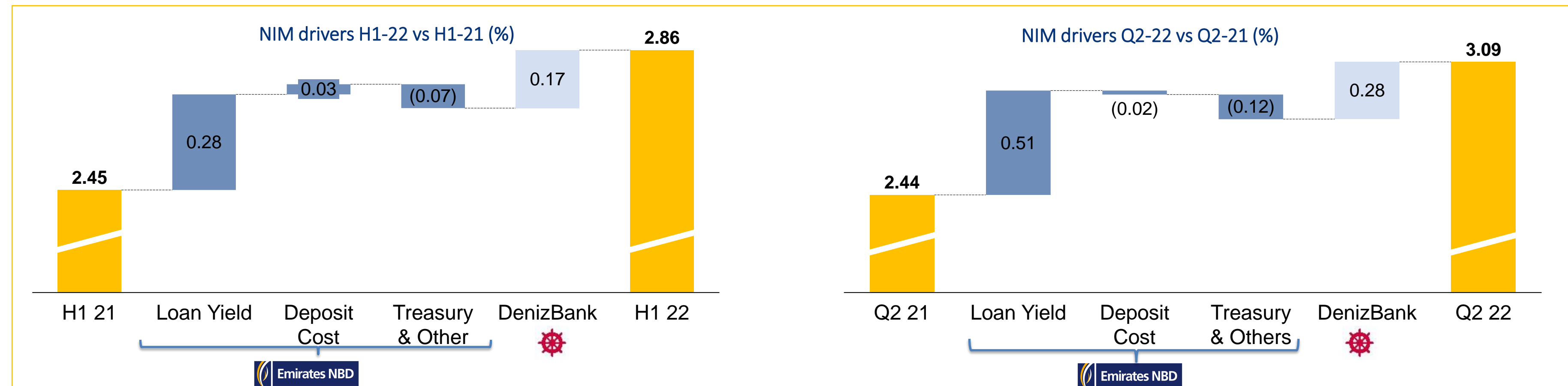
* As reported. If hyperinflation had been applied in Q1, net profit would be AED 0.9 billion lower in Q1-22

Net interest income – NIM guidance revised up 50 bps

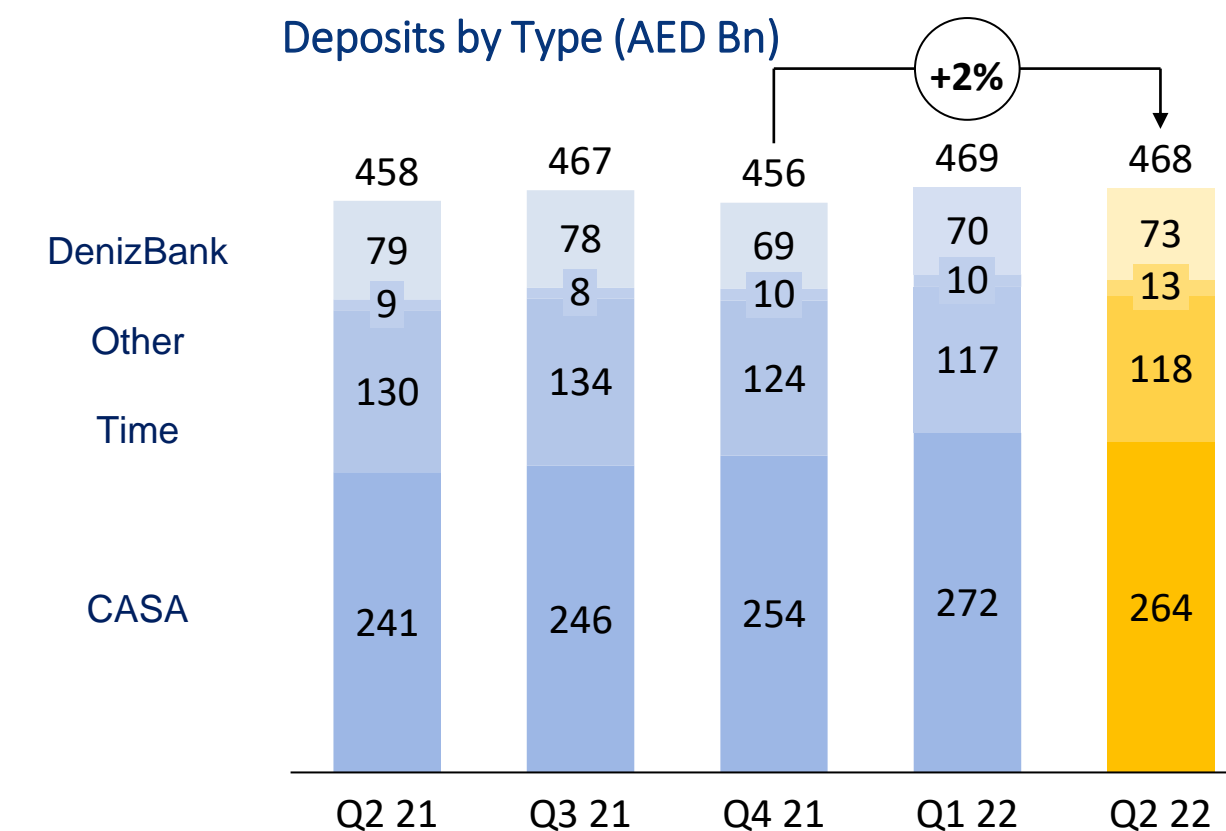
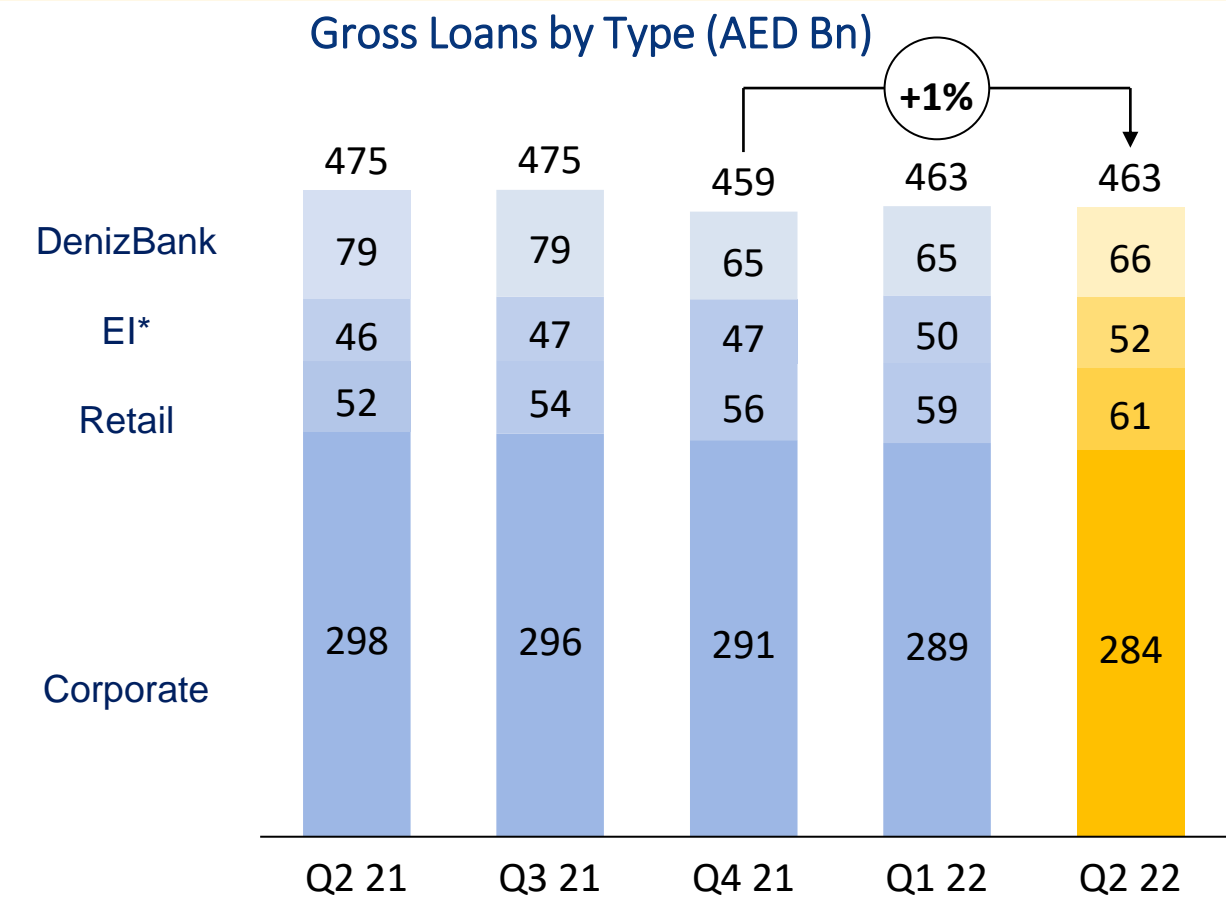


Key Highlights

- 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



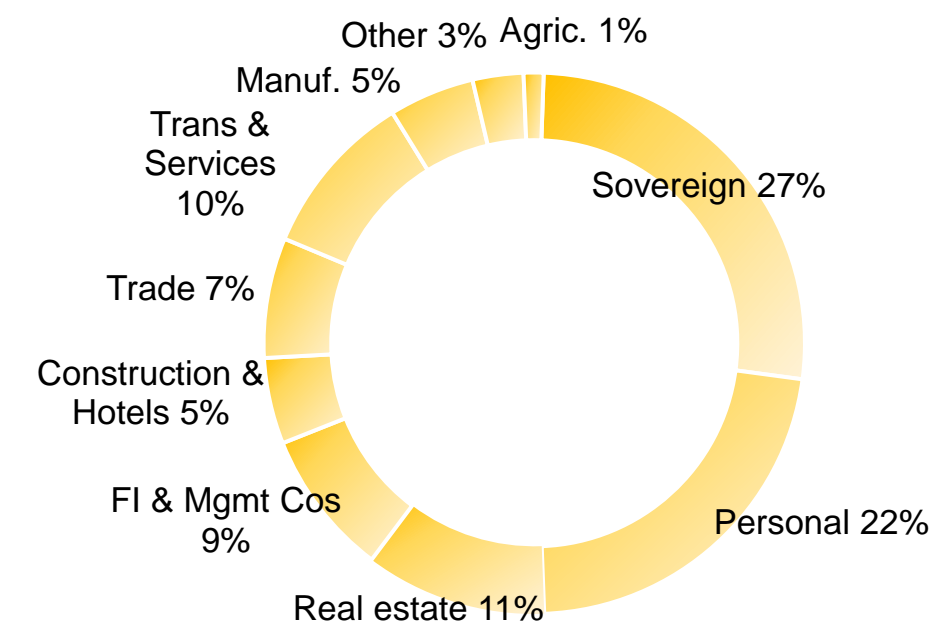
Loans and deposits trends



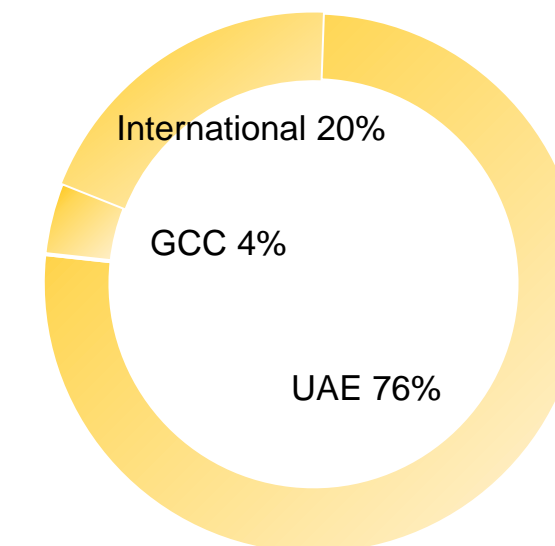
Key Highlights

- Gross loans grew 1% (AED 4bn) in H1-22
 - Retail lending up 8% (AED 5 bn) with strong demand across all products
 - EI Financing and Receivables up 11% (AED 5 bn)
 - DenizBank's gross loans up 26% in H1-22
- Deposit mix improved in H1-22 with AED 10bn increase in CASA balance
 - CASA represents 62% of total Group deposits
 - DenizBank's deposits up 32% in H1-22

Gross Loans by Sector (%)

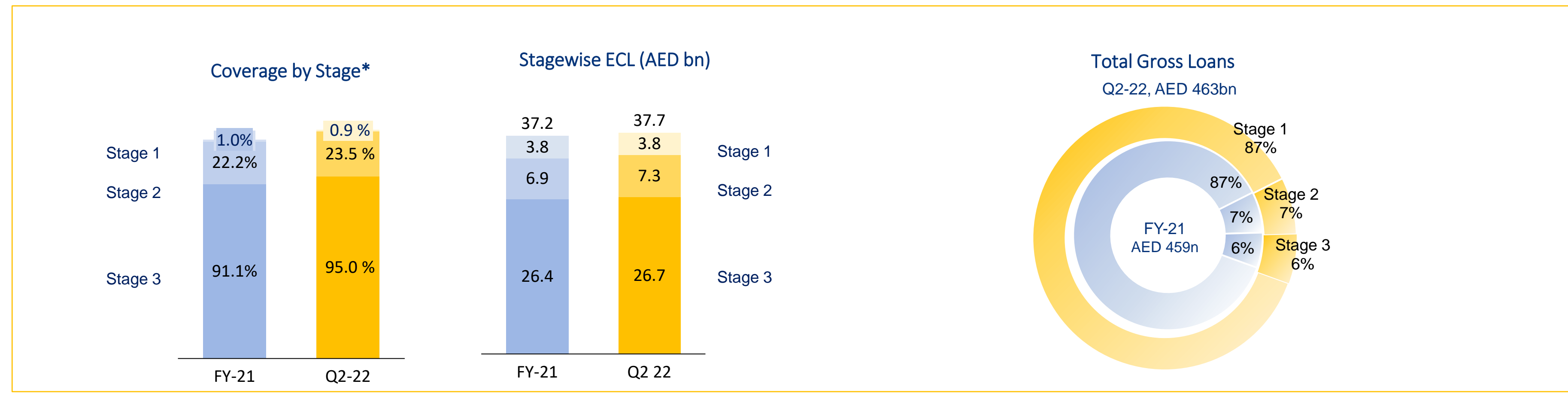
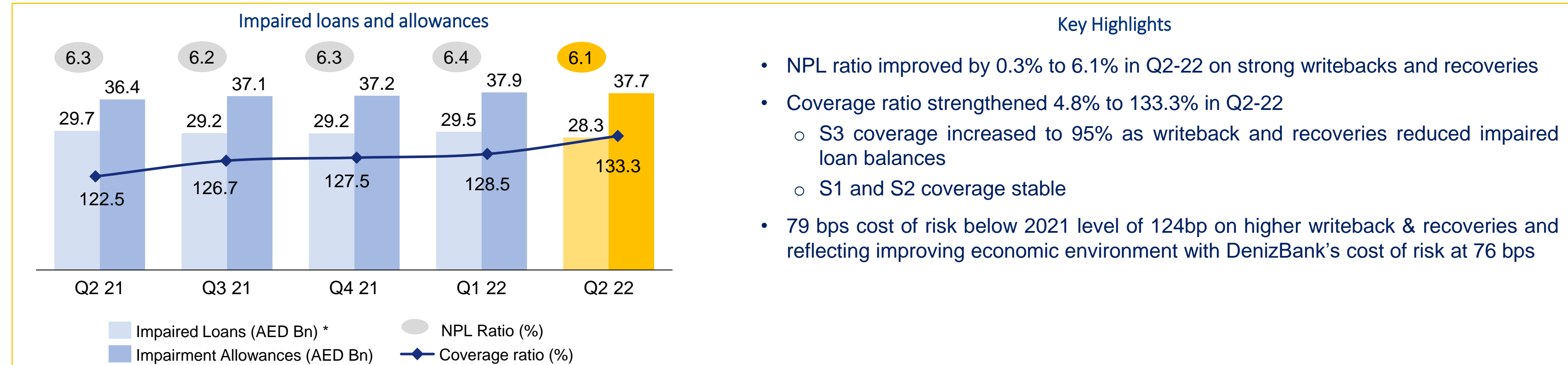


Net Loans by Geography (%)



* Gross Islamic Financing Net of Deferred Income

Credit quality



*Includes purchase originated credit impaired loans of AED 1.0bn (Dec-21: AED 1bn) acquired at fair value / **Stage 3 coverage adjusted for POCI acquired at FV

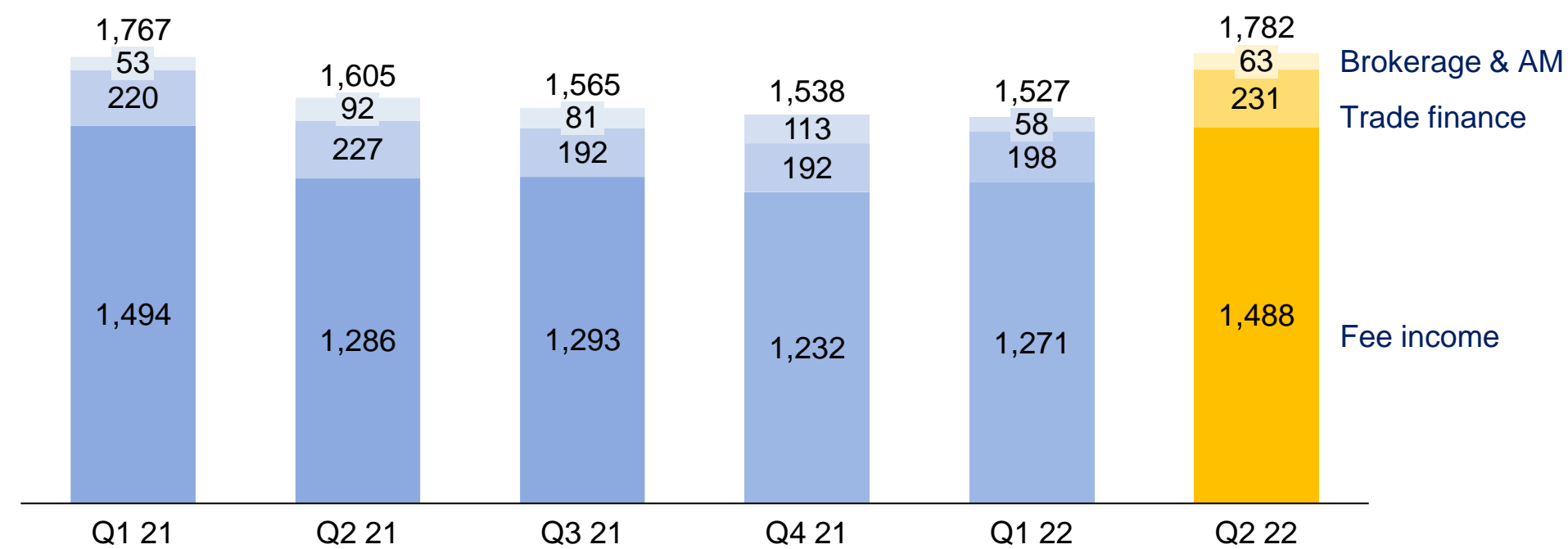
Non-funded income

Key Highlights

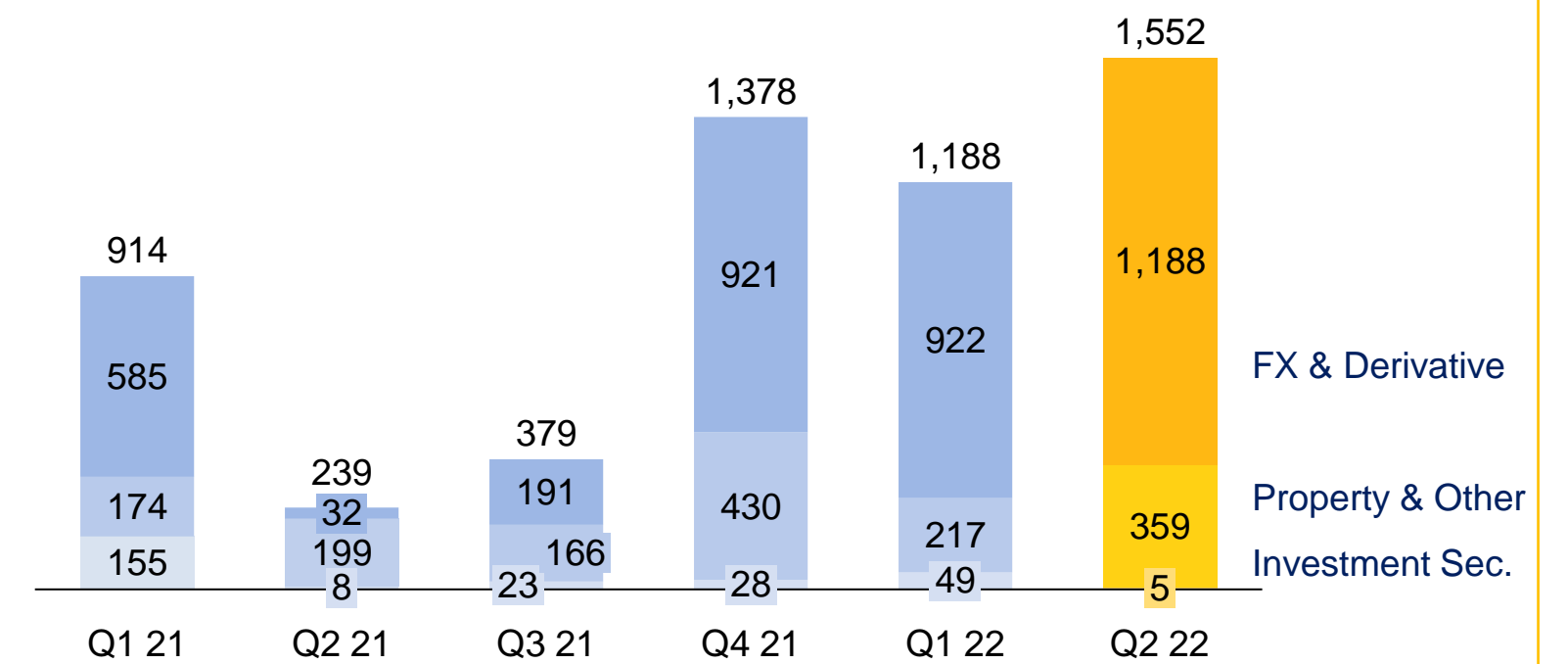
- Q2-22 fee and commission income 11% higher y-o-y from increased local and international retail card business at both ENBD and DenizBank and strong investment banking revenue
- Other operating income up substantially y-o-y due to
 - higher Retail FX volumes as customers took advantage of strong dollar 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 (AED mn)	Q2-22	Q2-21	Better / (Worse)	Q1-22	Better / (Worse)
Fee and Commission income	1,782	1,605	11%	1,527	17%
Fee and Commission expense	(714)	(583)	(22)%	(607)	(18)%
Net Fee and Commission Income	1,068	1,022	4%	920	16%
Other operating income	1,552	239	549%	1,189	30%
Gain / loss on trading securities	32	55	(42)%	10	216%
Total Non-funded income	2,652	1,316	101%	2,118	25%

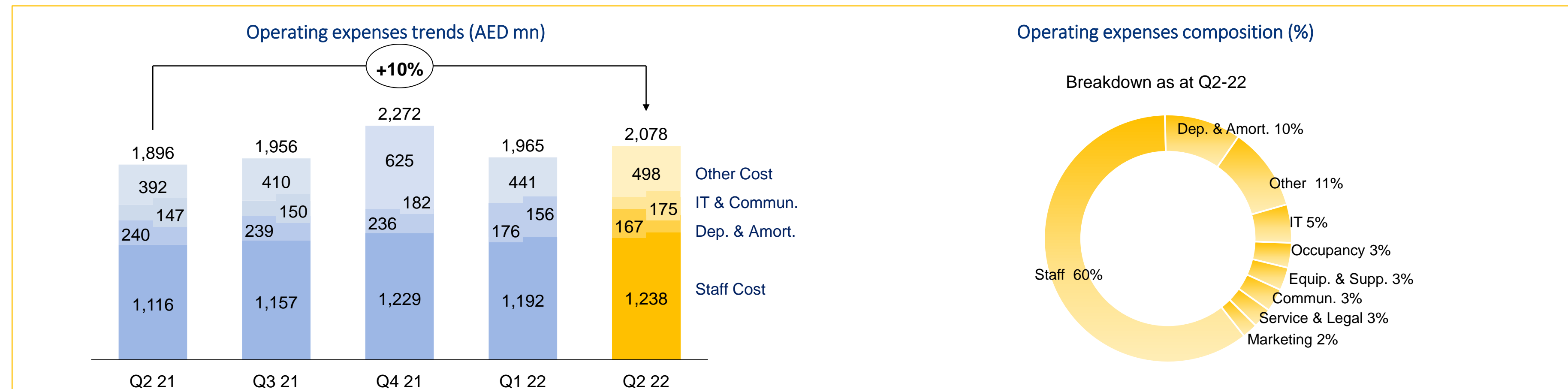
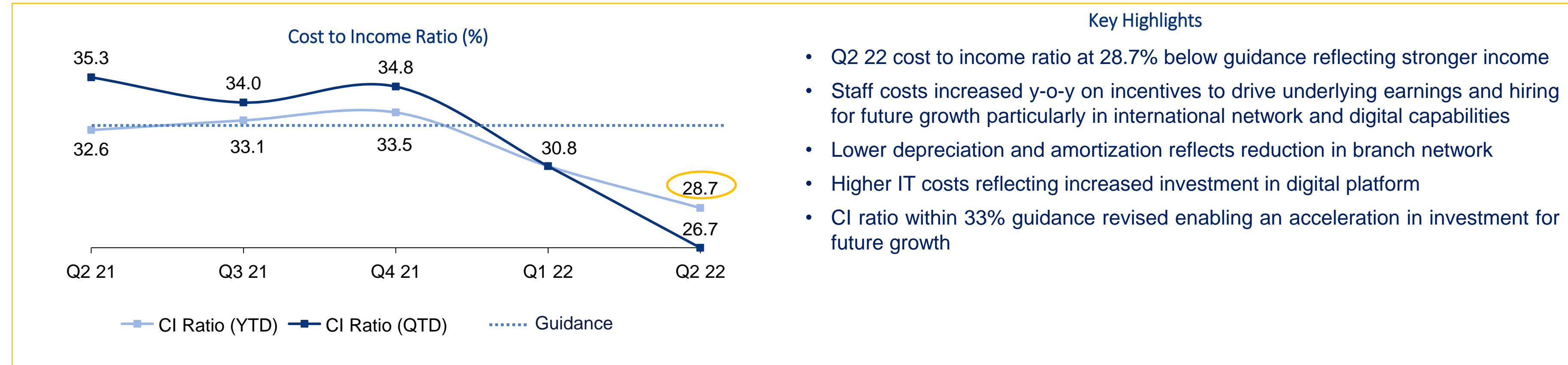
Fee and Commission Income (AED mn)



Other Operating Income (AED mn)

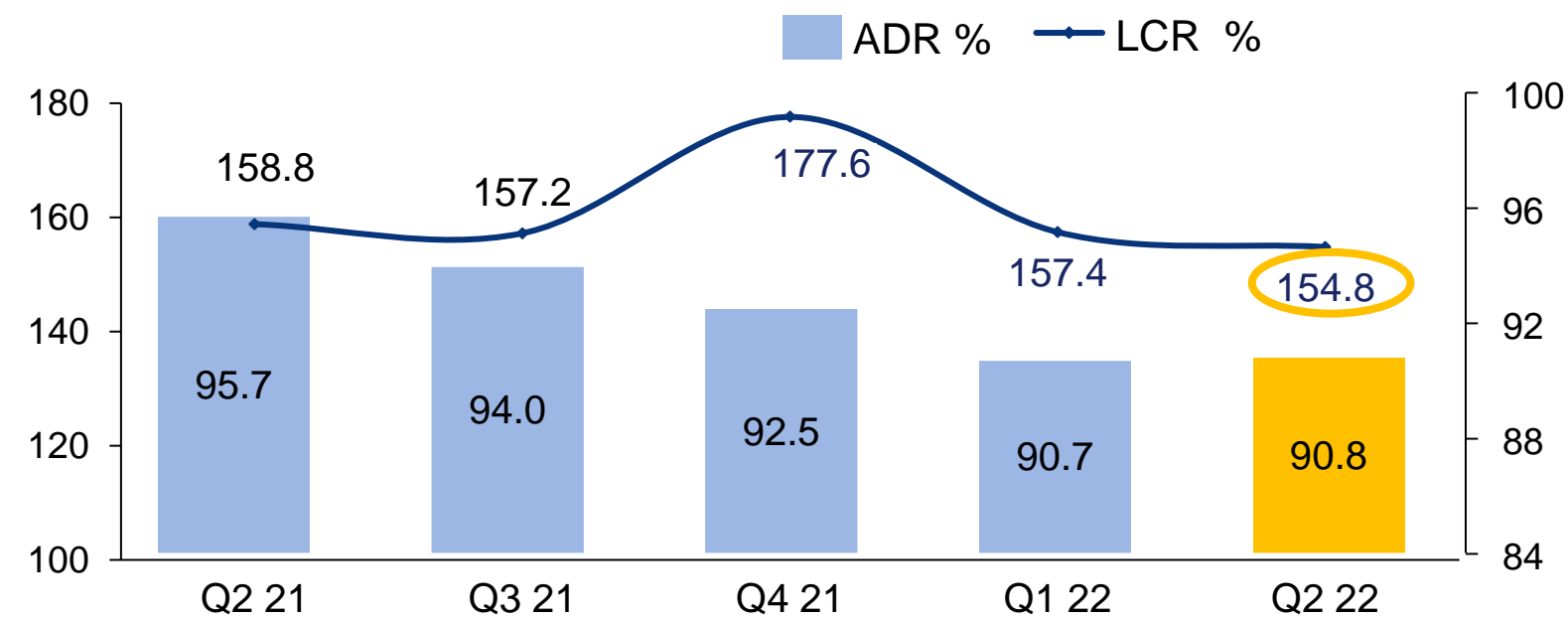


Operating expenses



Funding and liquidity

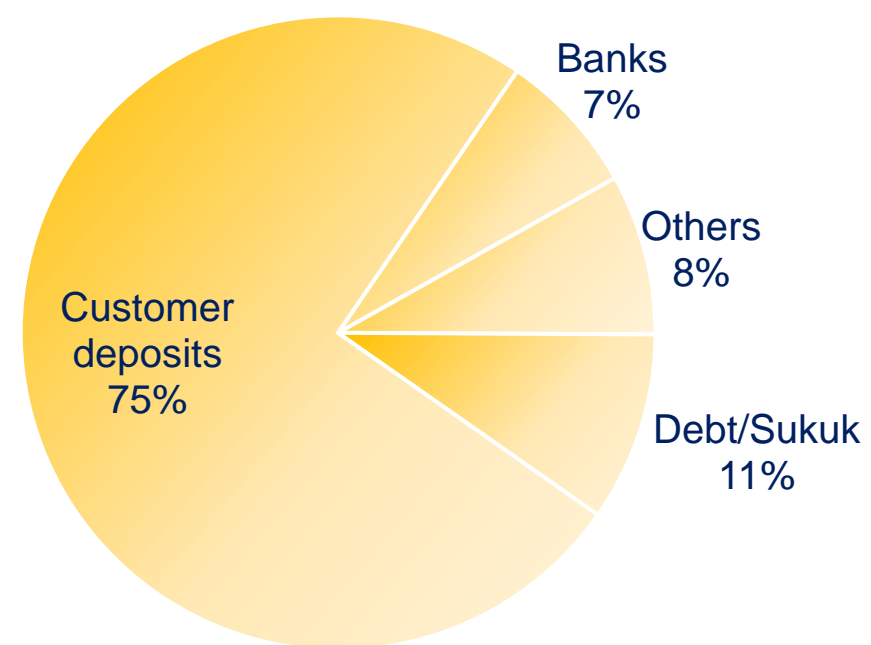
Advances to Deposit and Liquidity Coverage Ratio (%)



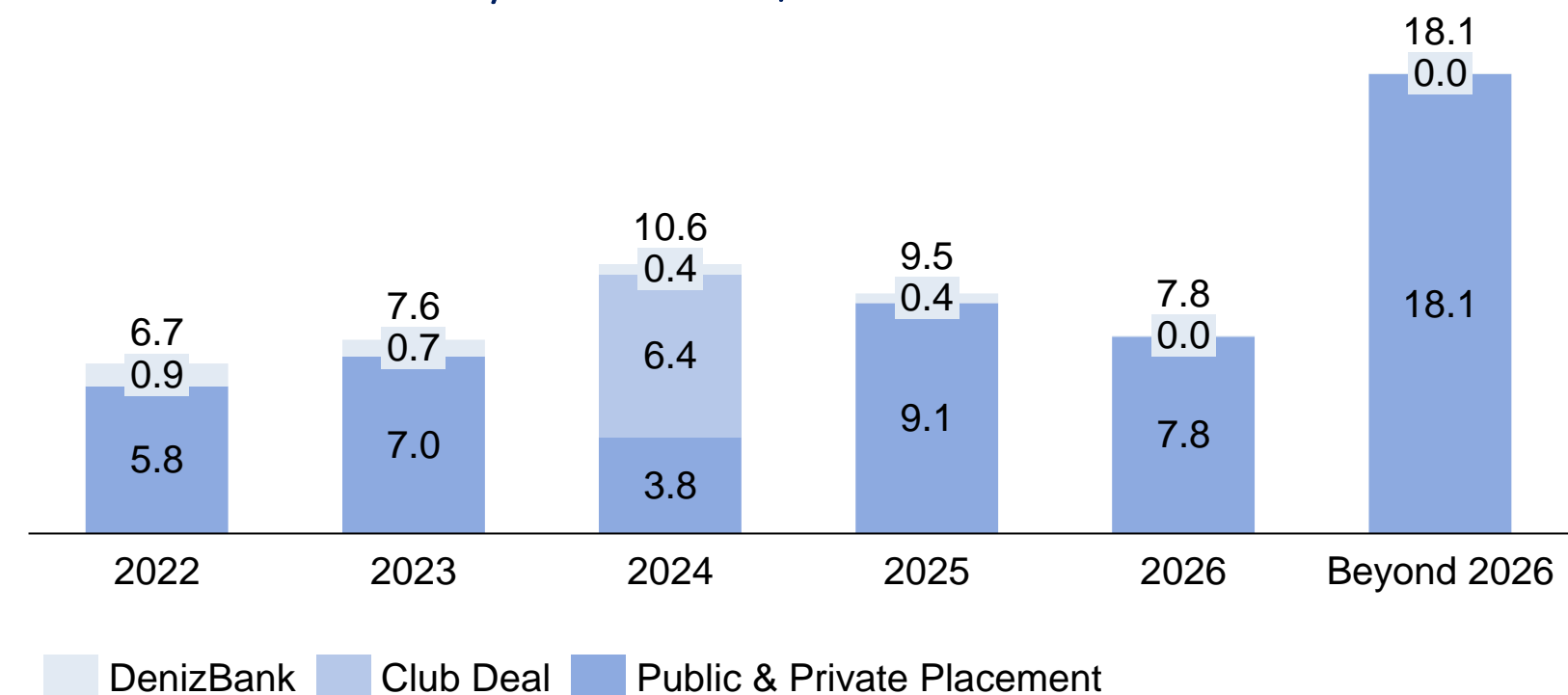
Key Highlights

- LCR of 154.8% and ADR of 90.8% demonstrate healthy liquidity
- Liquid assets* of AED 63 billion cover 10% of total liabilities, 13% of deposits
- AED 3.7 bn of term debt issued in H1-22
- DenizBank successfully upsized its 1-year rolling syndicated loan in June to AED 1.7 bn with issuance in three currencies
- AED 6.7 bn maturities for remainder of 2022 covered through excess issuance in 2020 and 2021

Composition of Liabilities and Debt Issued (%)



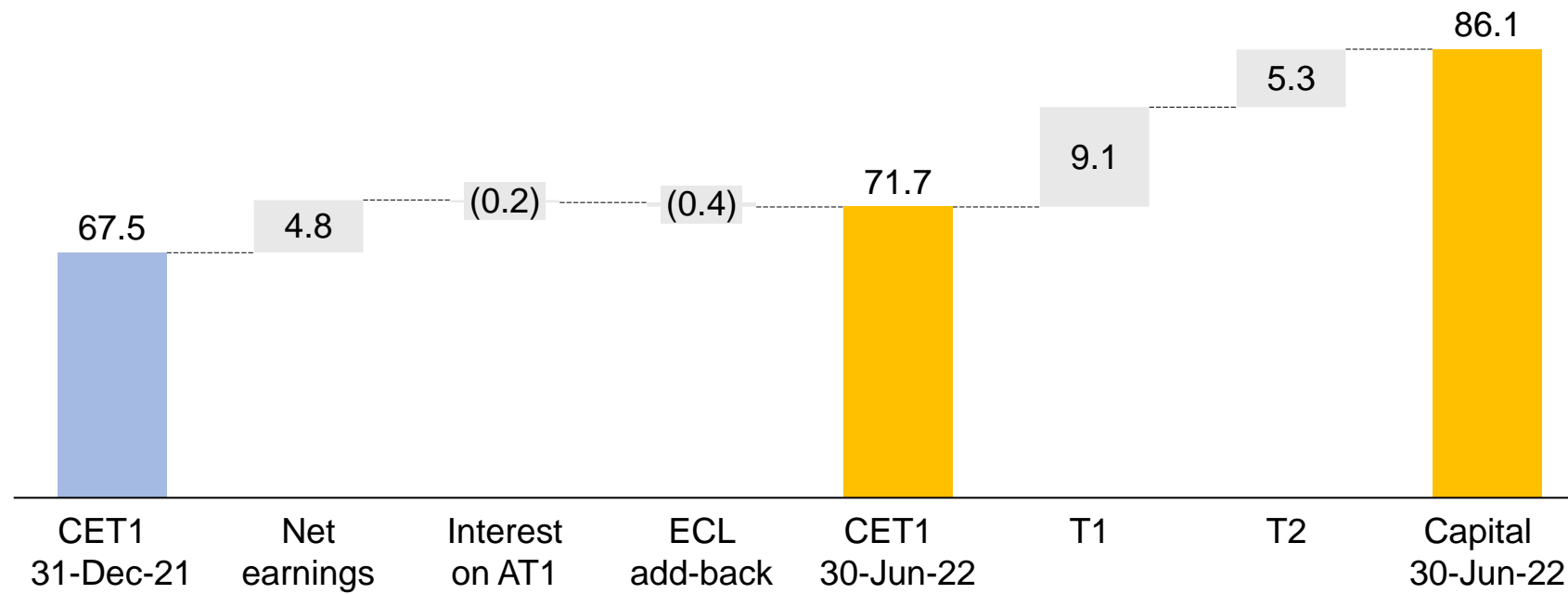
Maturity Profile of Debt/ Sukuk Issued AED 60.3 bn



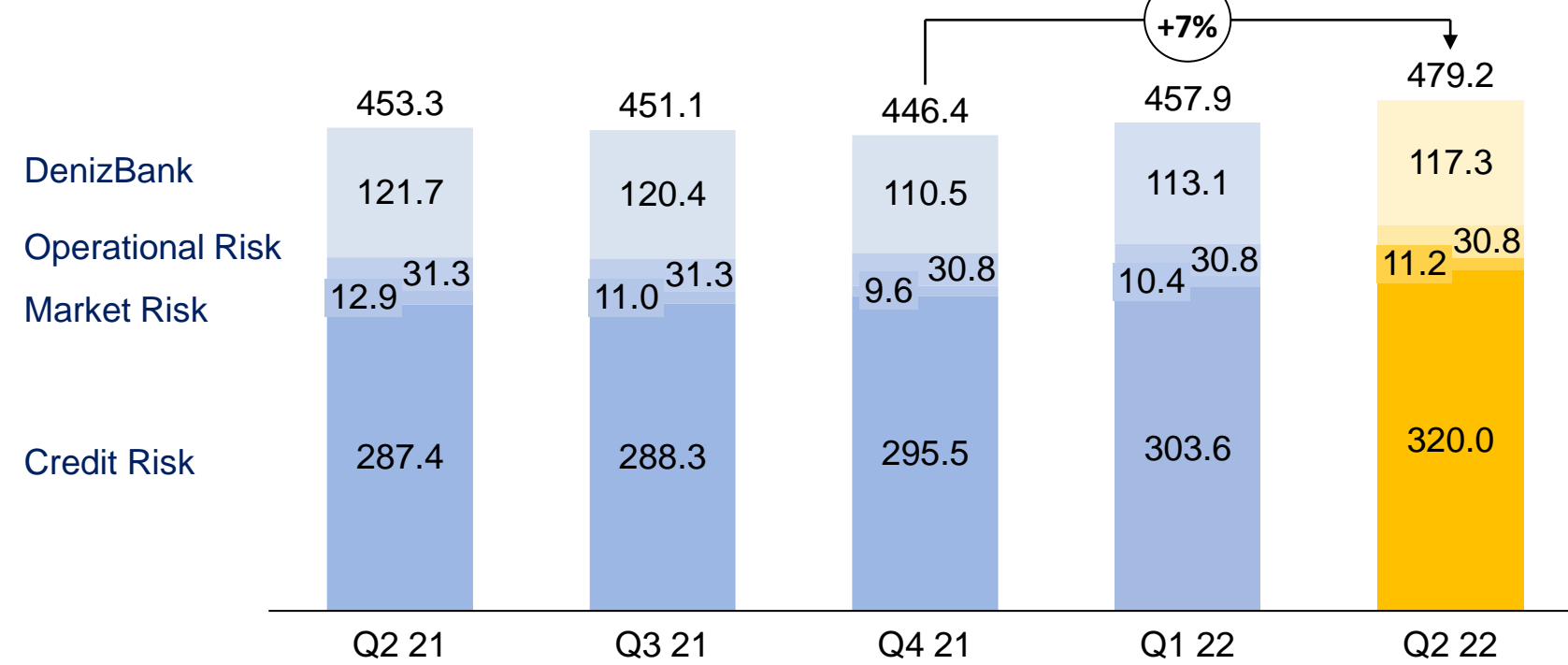
*Includes cash and deposits with Central Banks, excludes interbank balances and liquid investment securities

Capital adequacy

Capital (AED billion)



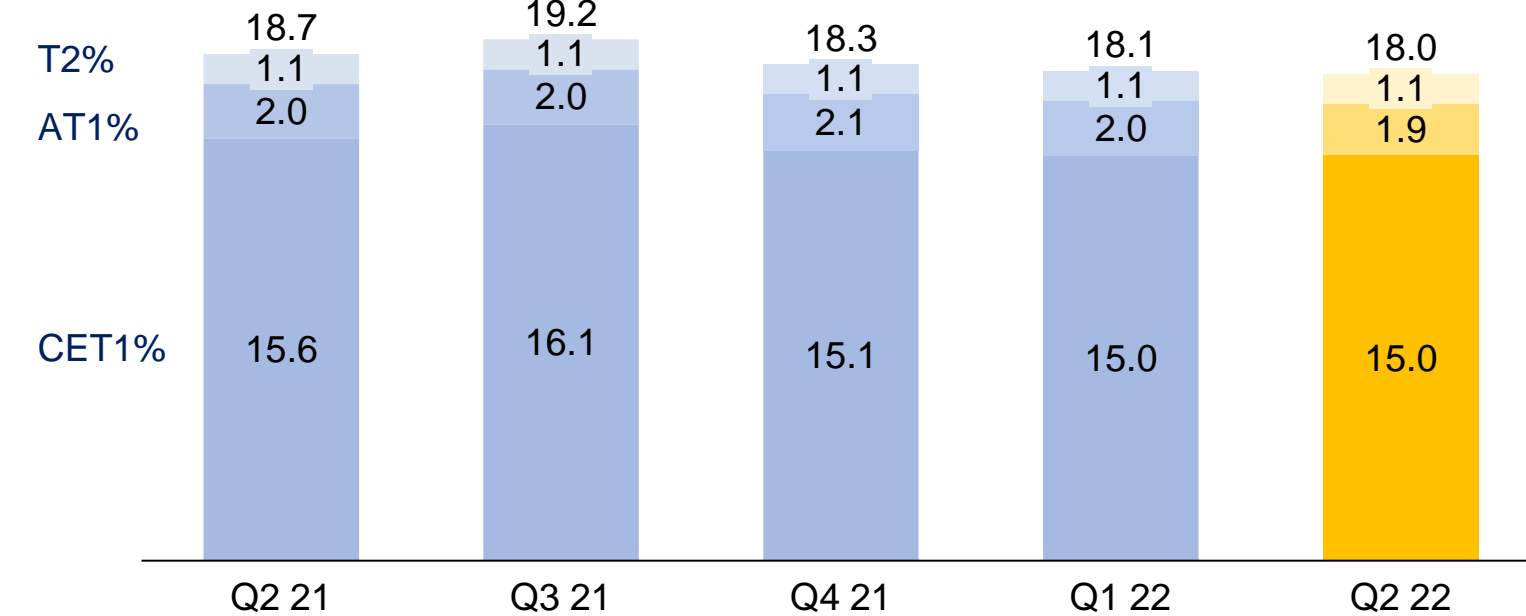
Risk Weighted Assets (AED billion)



Key Highlights

- CET-1 ratio stable at 15.0% during 2022 as
 - AED 4.8bn of net earnings largely offset
 - AED 0.4bn 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 %



Divisional performance

Operating Segment	Metrics	H1-22	Increase / (Decrease)
Retail Banking and Wealth Management	Income (mn)	4,653	17%
	Expenses (mn)	1,218	-16%
	Loans (bn)	58.8	9%
	Deposits (bn)	194.8	9%
Corporate and Institutional Banking	Income (mn)	2,726	-6%
	Expenses (mn)	274	-2%
	Loans (bn)	255.9	-3%
	Deposits (bn)	145.9	-9%
Emirates Islamic	Income (mn)	1,370	16%
	Expenses (mn)	594	-13%
	Loans (bn)	47.4	11%
	Deposits (bn)	54.3	15%
Global Markets and Treasury	Income (mn)	420	>100%
	Expenses (mn)	79	-1%
	Assets (bn)	142.0	21%
	Liabilities (bn)	32.0	14%
DenizBank	Income (mn)	4,715	42%
	Expenses (mn)	1,102	3%
	Loans (bn)	62.9	3%
	Deposits (bn)	73.0	6%

Key Highlights

Retail Banking and Wealth Management

- Record half-year for income, loans & cards acquisitions and balance sheet growth
- Lending grew by AED4.9 bn, whilst CASA grew by a record AED 15.5bn 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 AED 701m on higher income and lower provisions
- Customer financing at AED 47.4 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%.

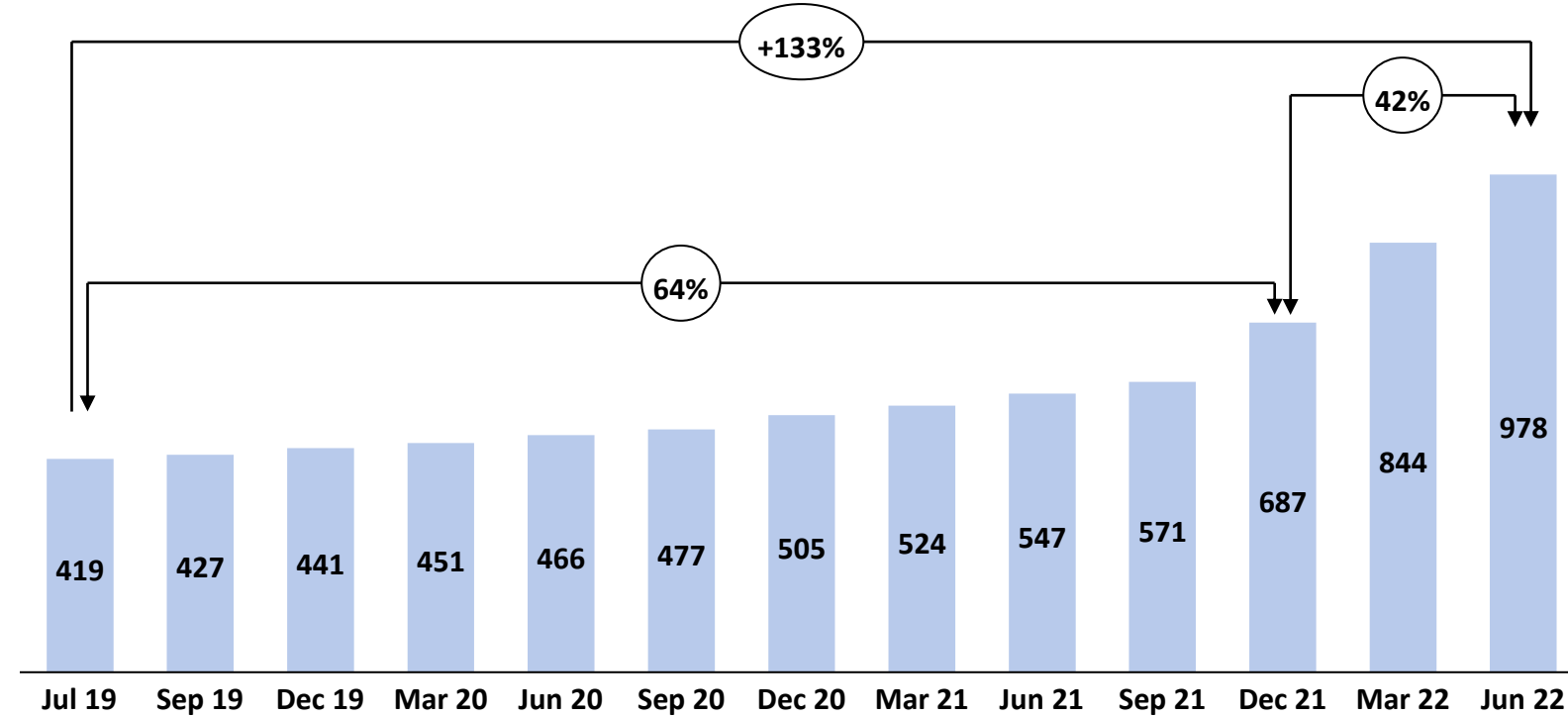
DenizBank

- Income up 42% (AED 1.4bn) helping offset AED 1.9bn hyperinflation adjustment.
- Impairment allowances AED 0.6 bn lower on strong writebacks and recoveries
- Total loans & deposits up 3% & 6% respectively in AED on strong growth

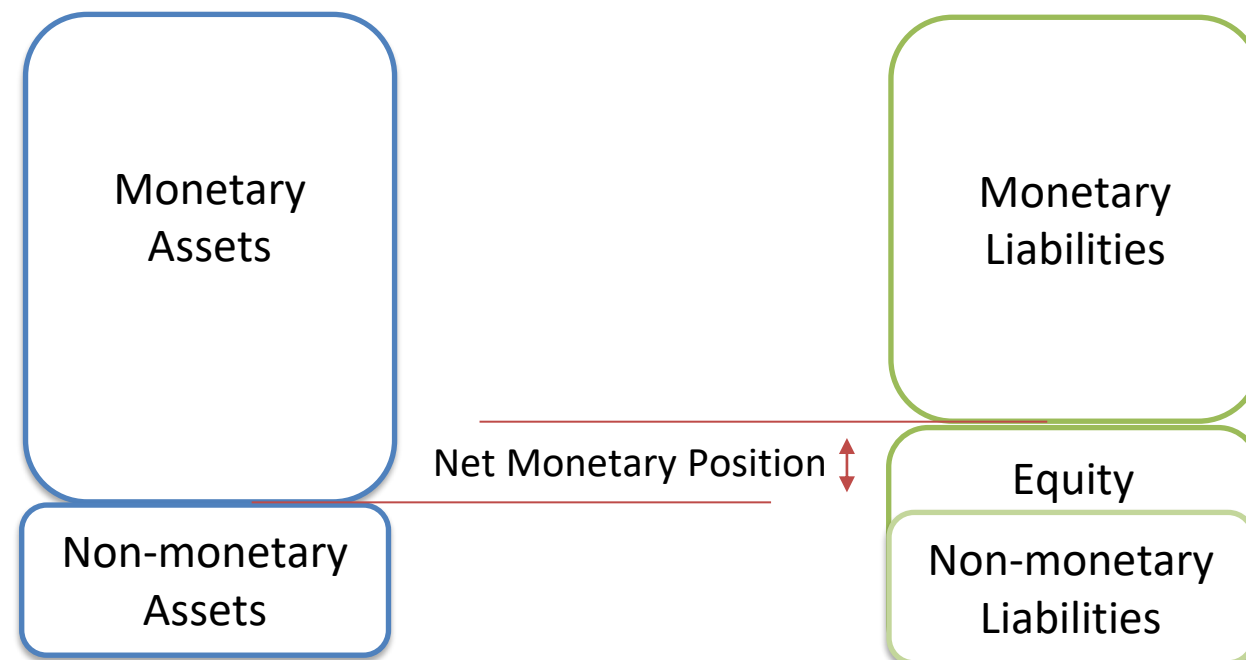
Appendix 1:

Hyperinflation

Türkiye Consumer Price Index

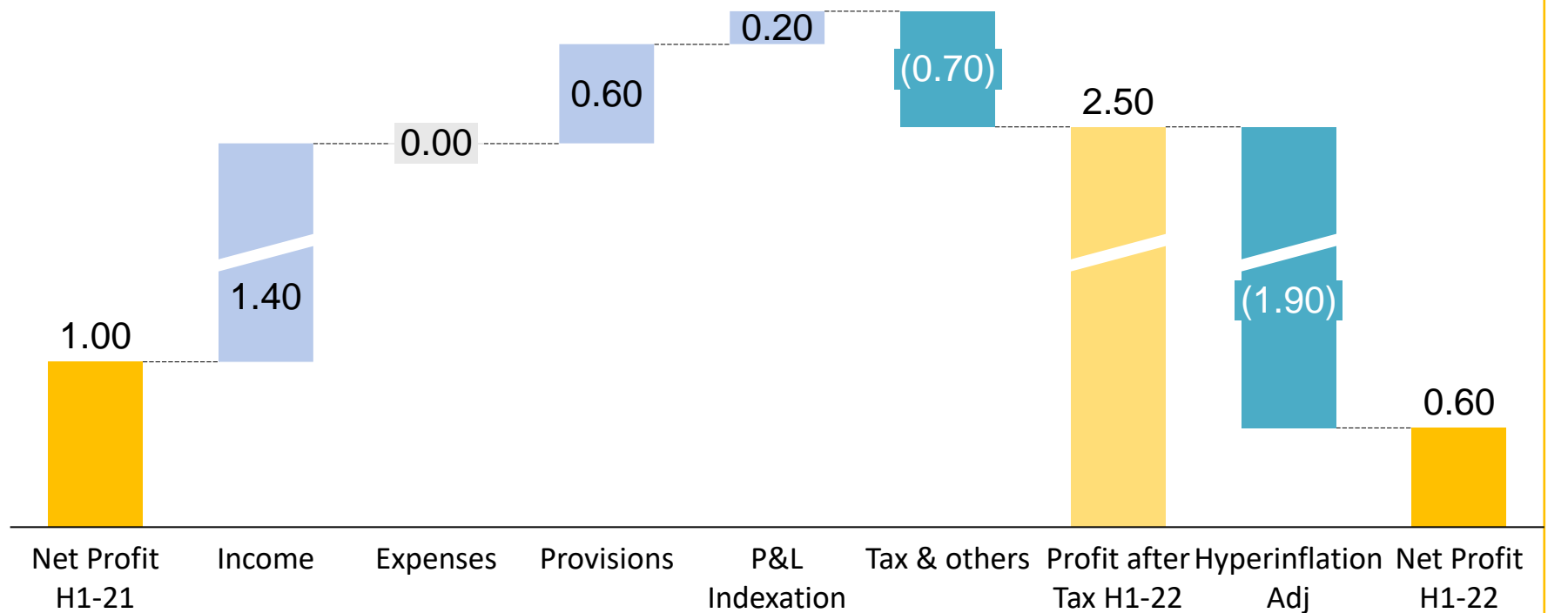


- Turkish CPI grew by 133% over preceding three-years and by 42% in 2022
- In accordance with IAS 29 – Financial Reporting in Hyperinflationary Economies, DenizBank’s results and financial position included within ENBD’s consolidated Financial Statements are adjusted with effect from 1-Jan-22



Key Highlights

- Loss on net monetary position for DenizBank was AED 1.9 bn for first six months of 2022
- AED 1.9 bn debit P&L charge with corresponding credit offset to OCI making it capital neutral



- AED 0.6 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 AED 1.10 compared to 0.70 for H1 2021
- IAS 29 is not applied to local accounts in H1-22



Thank you

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