



Results Presentation

Q1 2022

21 April 2022

**“CREATE
OPPORTUNITIES
TO PROSPER”**

Important Information

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Rounding

Rounding differences may appear throughout the presentation.

Emirates NBD delivers higher profits and maintains strong balance sheet in Q1 2022

Key Highlights



Strong momentum continues with Q1-22 profit up 18% to AED 2.7bn



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 37% of diversified income, with DenizBank's profit in dirhams stable y-o-y despite challenging operating environment



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

Key Metrics & Guidance

Net Profit

AED 2.7bn

+18% y-o-y

CET 1

15.0%

NIM

2.60%

2022 guidance / Revised:
2.55-2.65% / 2.70-2.80%

LCR

157.4%

Cost to Income

30.8%

2022 guidance / Revised:
Within 35% : Within 33%

Loan Growth

1%

2022 guidance: Low-single digit

NPL

6.4%

2022 guidance: mid 6%

NPL Cover

128.5%

2022 CoR guidance: 100-125 bps

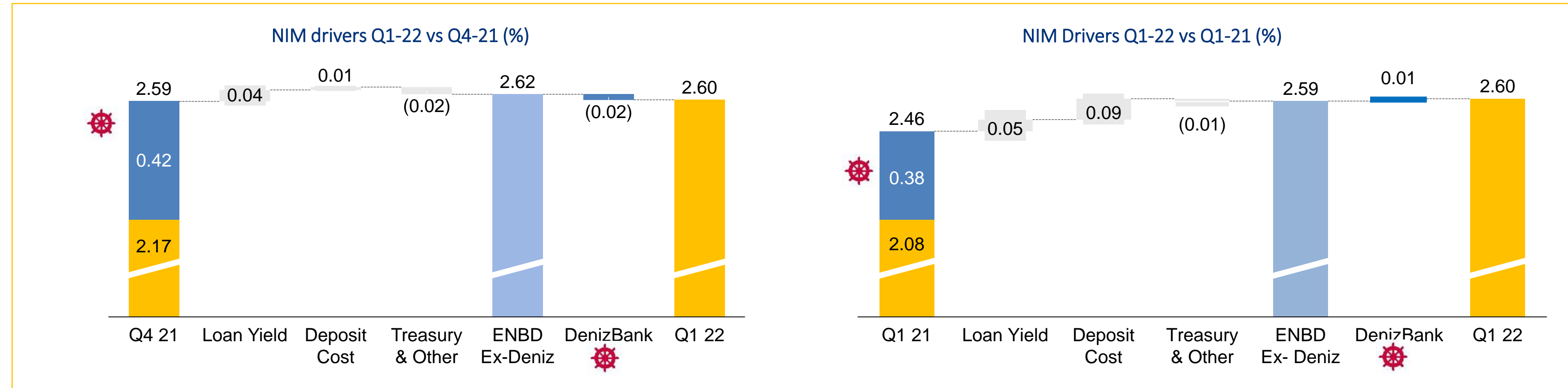
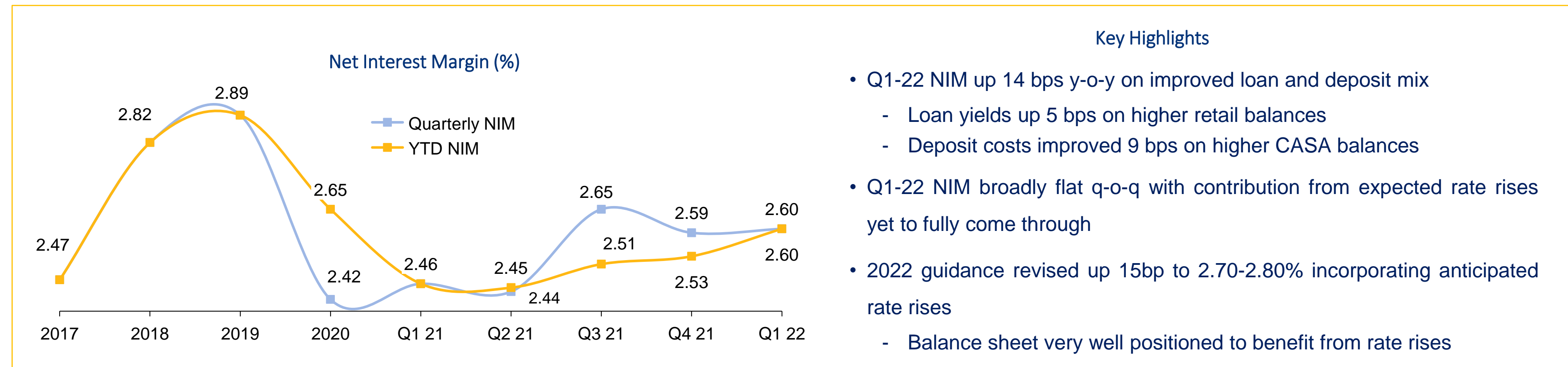
Financial results highlights Q1 2022

Income Statement (AED bn)	Q1-22	Q1-21	Better / (Worse)	Q4-21	Better / (Worse)
Net interest income	4.3	4.1	4%	4.3	(2)%
Non-funded income	2.1	2.1	2%	2.2	(3)%
Total income	6.4	6.2	3%	6.5	(2)%
Operating expenses	(2.0)	(1.9)	(5)%	(2.3)	14%
Pre-impairment operating profit	4.4	4.3	3%	4.2	4%
Impairment allowances	(1.4)	(1.8)	20%	(2.2)	36%
Operating profit	3.0	2.5	19%	2.1	45%
Taxation charge and others	(0.3)	(0.2)	(24)%	(0.1)	(378)%
Net profit	2.7	2.3	18%	2.0	36%
Cost: income ratio (%)	30.8%	30.3%	(0.5)%	34.8%	4.0%
Net interest margin (%)	2.60%	2.46%	0.14%	2.59%	0.01%
Balance Sheet (AED bn)	31-Mar-22	31-Mar-21	Inc / (Dec)	31-Dec-21	Inc / (Dec)
Total assets	694.0	695.1	-	687.4	1%
Loans	425.4	436.1	(2)%	422.3	1%
Deposits	469.0	459.1	2%	456.5	3%
CET-1 (%)	15.0%	15.6%	(0.6)%	15.1%	(0.1)%
LCR (%)	157.4%	165.1%	(7.7)%	177.6%	(20.2)%
NPL ratio (%)	6.4%	6.1%	0.3%	6.3%	0.1%

Key Highlights

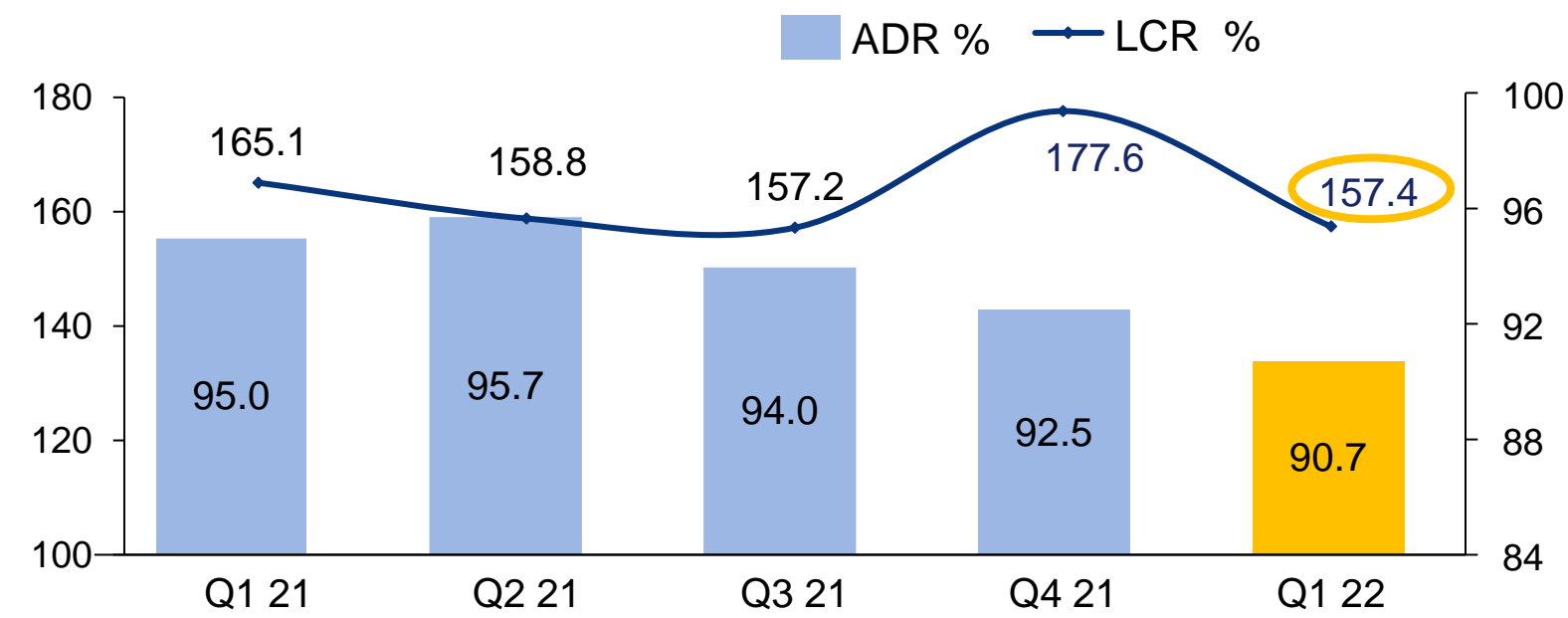
- Strong Q1-22 results with net profit up 18% y-o-y on higher income and lower impairments
- Net interest income up 4% y-o-y on improved loan and deposit mix
 - Initial signs of higher rates feeding through to margins
 - Record CASA balances improving funding costs
- Non-funded income up 2% y-o-y from increased transaction activity
 - Increased local and international card transactions
 - Growth in client flow FX & Derivative transaction income
- Expenses well controlled in Q1-22 with CI ratio within guidance
 - Higher staff cost y-o-y driving an increase in underlying earnings and future growth
 - Other costs lower due to seasonality from earlier campaigns
- Q1-22 cost of risk of 116 bps lower y-o-y and q-o-q reflecting improving operating environment
- 1% Loan growth in Q1-22
 - EI lending up 6%, Retail lending up 4% and DenizBank's net loans up 11%
- Group maintains strong Capital and Liquidity with coverage ratio highest amongst regional peers

Net interest income



Funding and liquidity

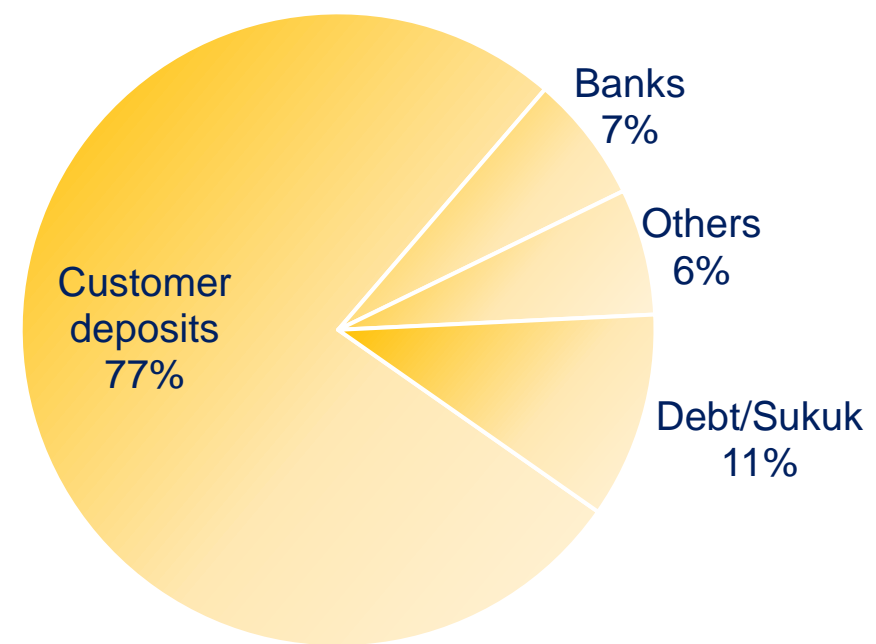
Advances to Deposit and Liquidity Coverage Ratio (%)



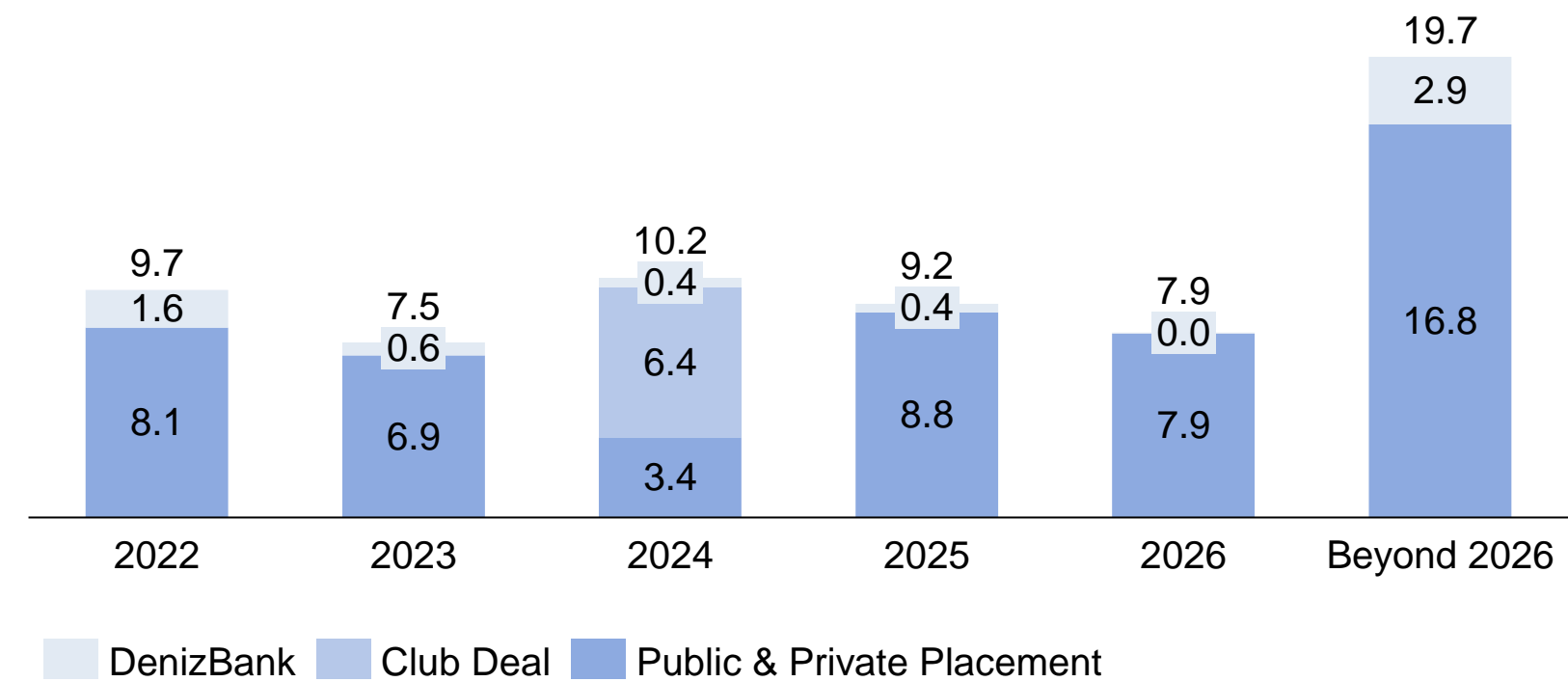
Key Highlights

- LCR of 157.4% and ADR of 90.7% demonstrate healthy liquidity
- Liquid assets* of AED 67.7 billion cover 11% of total liabilities, 14% of deposits
- AED 9.7 bn maturities in remainder of 2022 comfortably within Group's capabilities compared to average issuance of AED 22 bn over last four years

Composition of Liabilities and Debt Issued (%)



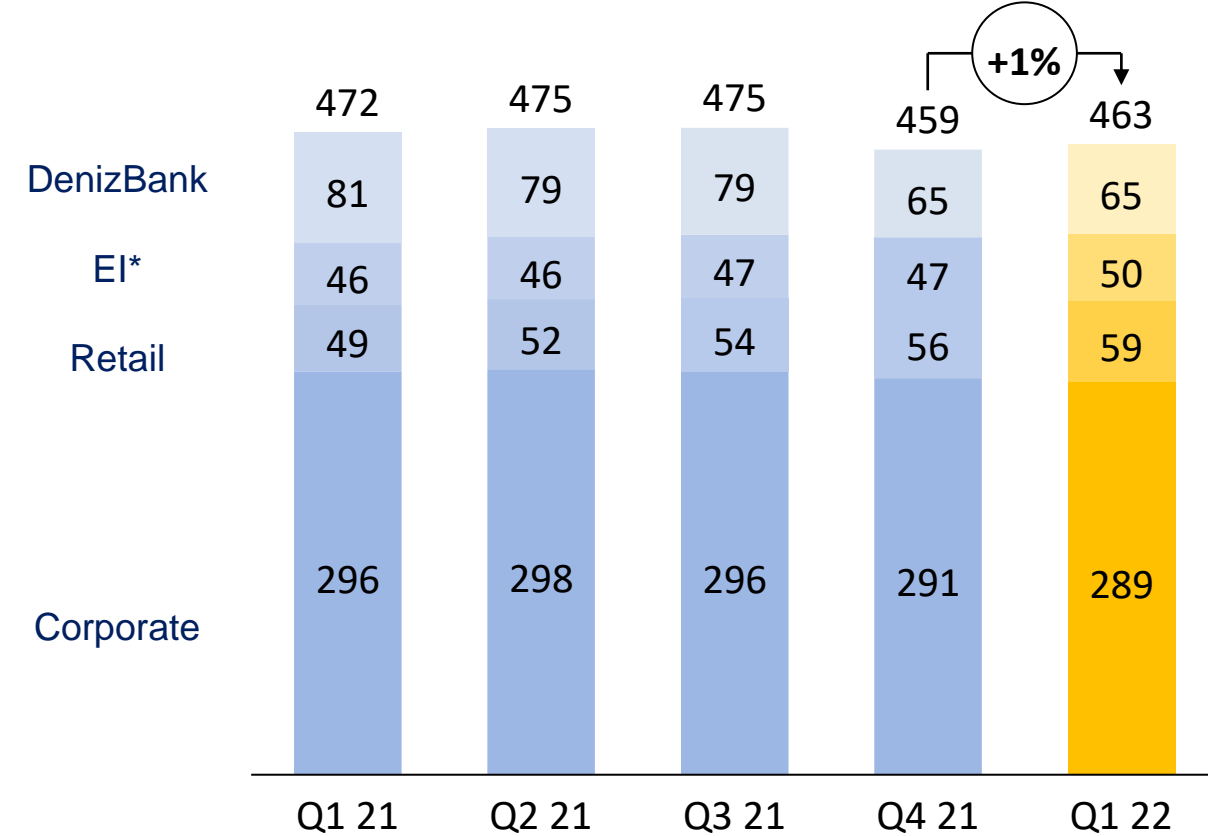
Maturity Profile of Debt/ Sukuk Issued AED 62.5bn



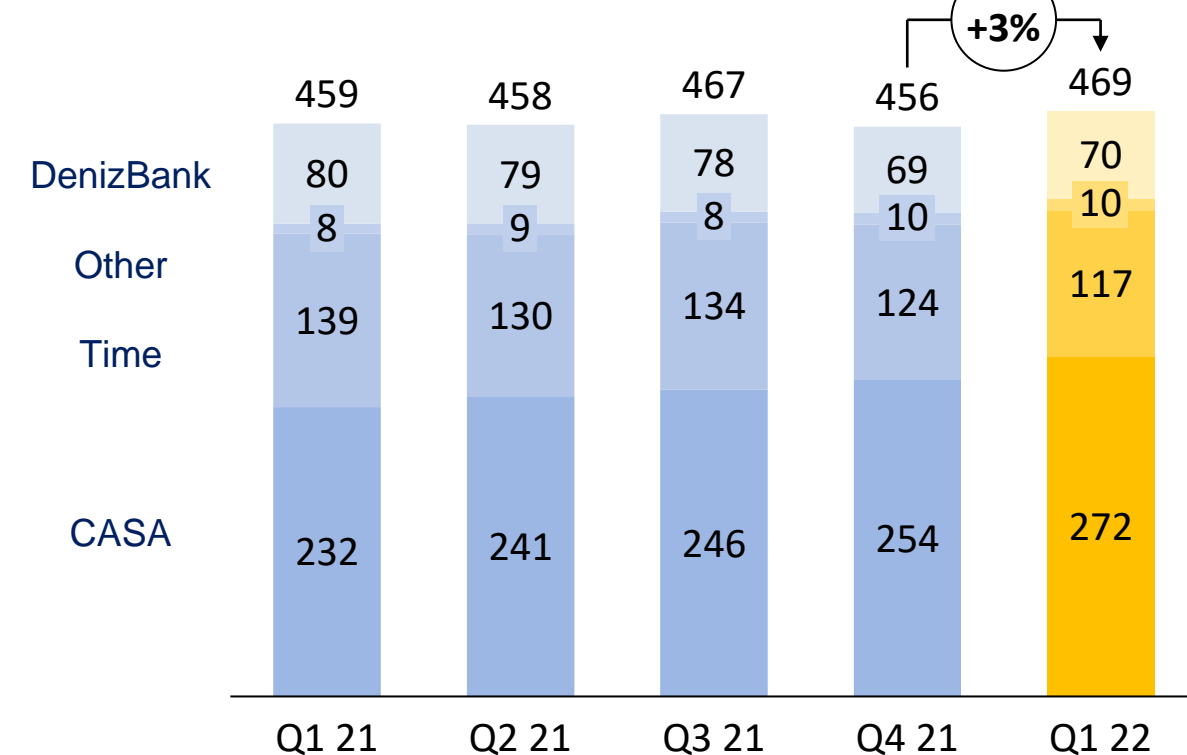
*Includes cash and deposits with Central Banks, excludes interbank balances and liquid investment securities

Loans and deposits trends

Gross Loans by Type (AED Bn)



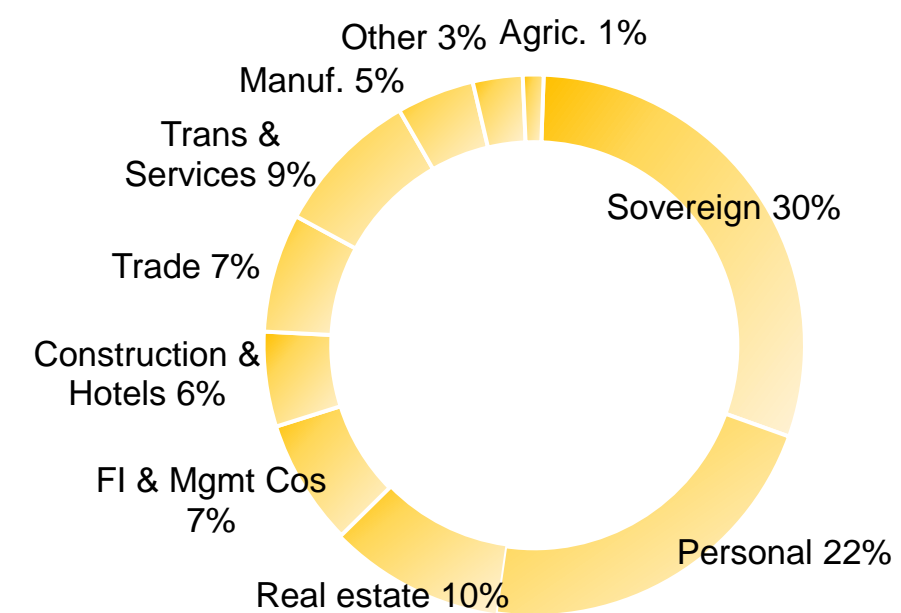
Deposits by Type (AED Bn)



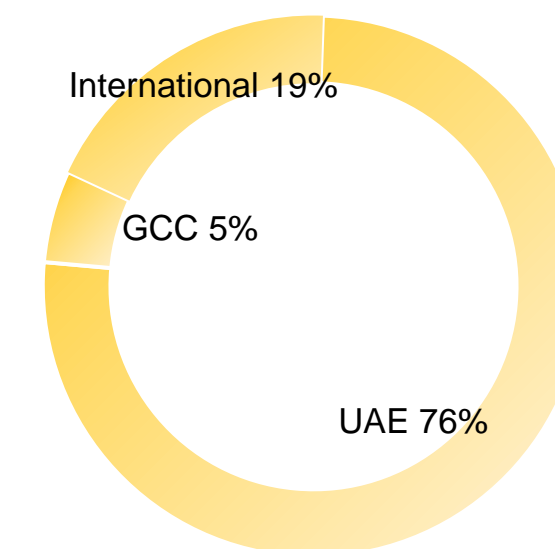
Key Highlights

- Gross loans grew 1% (AED 4bn) in Q1-22
 - Retail lending up 4% (AED 3bn) with strong demand across all products
 - EI Financing and Receivables up 6% (AED 3bn)
 - DenizBank's gross loans up 11%
- Deposit mix further improved in 2022 with AED 18bn increase in CASA balance
 - CASA represents 64% of total Group deposits
 - DenizBank's deposits up 11%

Gross Loans by Sector (%)

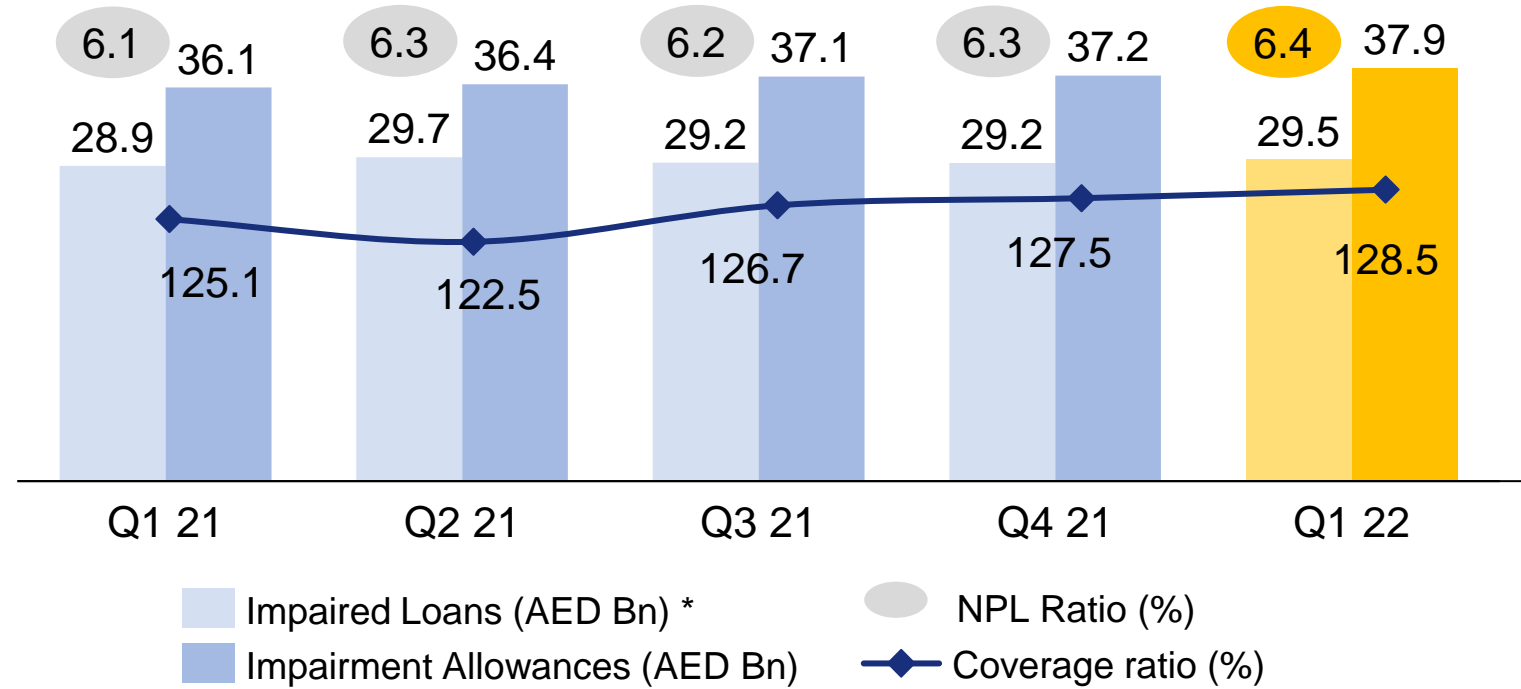


Net Loans by Geography (%)



* Gross Islamic Financing Net of Deferred Income

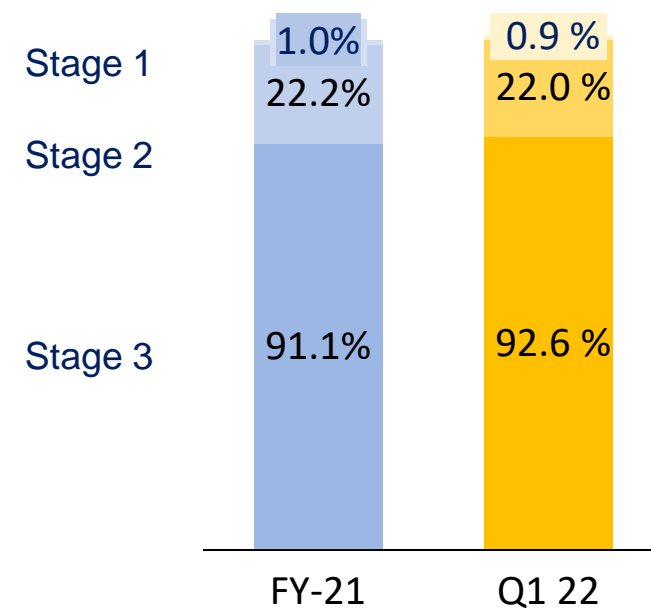
Impaired loans and allowances



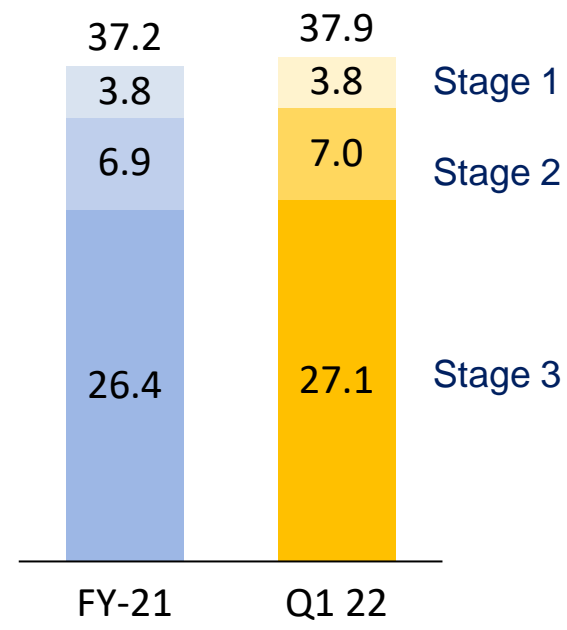
Key Highlights

- NPL ratio increased marginally by 2 bps to 6.4% in Q1-22
- Coverage ratio strengthened 1% to 128.5% in Q1-22
 - S3 coverage up to 92.6% on higher provisions during the quarter
 - S1 and S2 coverage broadly stable
- 116 bps cost of risk back in middle of guidance range and below 2021 level of 124bp
- AED 2.1 bn out of original AED 10.7 bn of deferral support remains outstanding

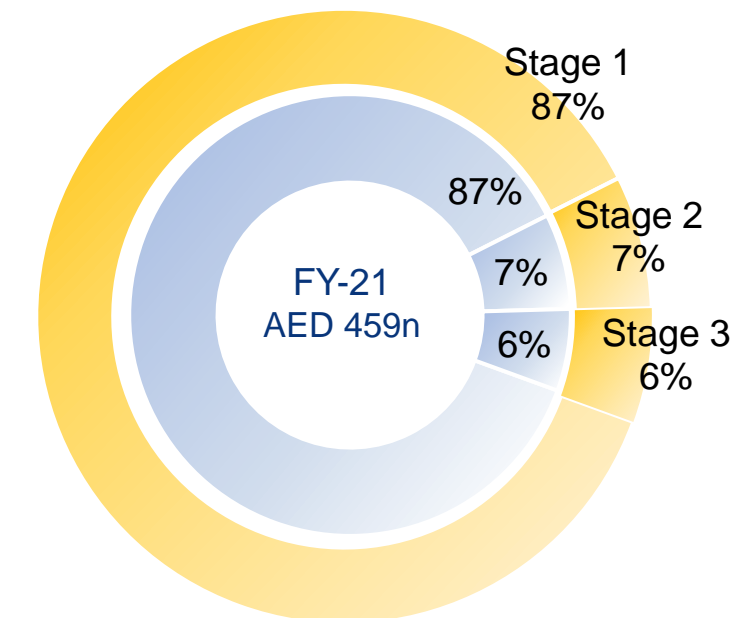
Coverage by Stage**



Stagewise ECL (AED bn)



Total Gross Loans Q1-22, AED 463bn



*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

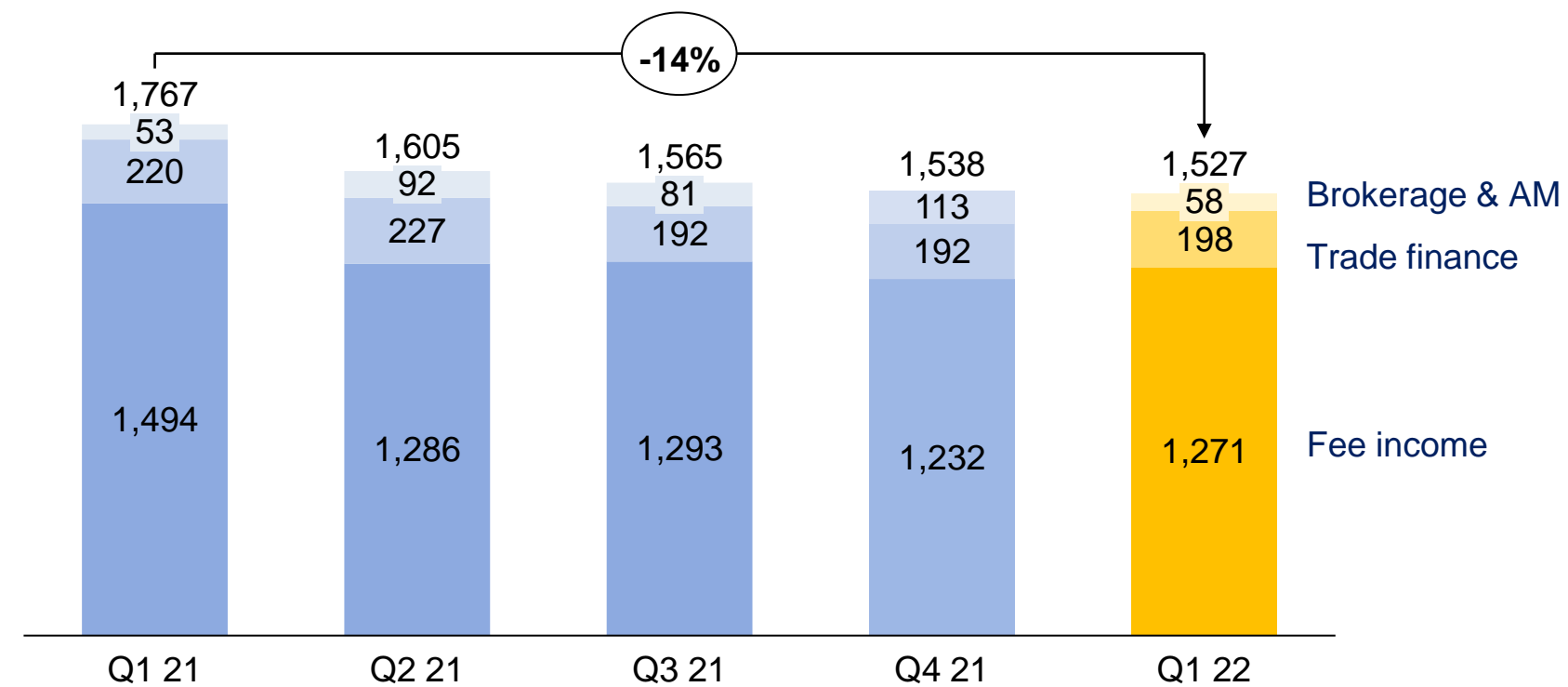
Non-funded income

Non-funded income (AED mn)	Q1-22	Q1-21	Better / (Worse)	Q4-21	Better / (Worse)
Fee and Commission income	1,527	1,767	(14)%	1,538	(1)%
Fee and Commission expense	(607)	(666)	9%	(736)	18%
Net Fee and Commission Income	920	1,101	(16)%	801	15%
Other operating income	1,189	914	30%	1,378	(14)%
Gain / loss on trading securities	10	60	(83)%	13	(21)%
Total Non-funded income	2,118	2,075	2%	2,193	(3)%

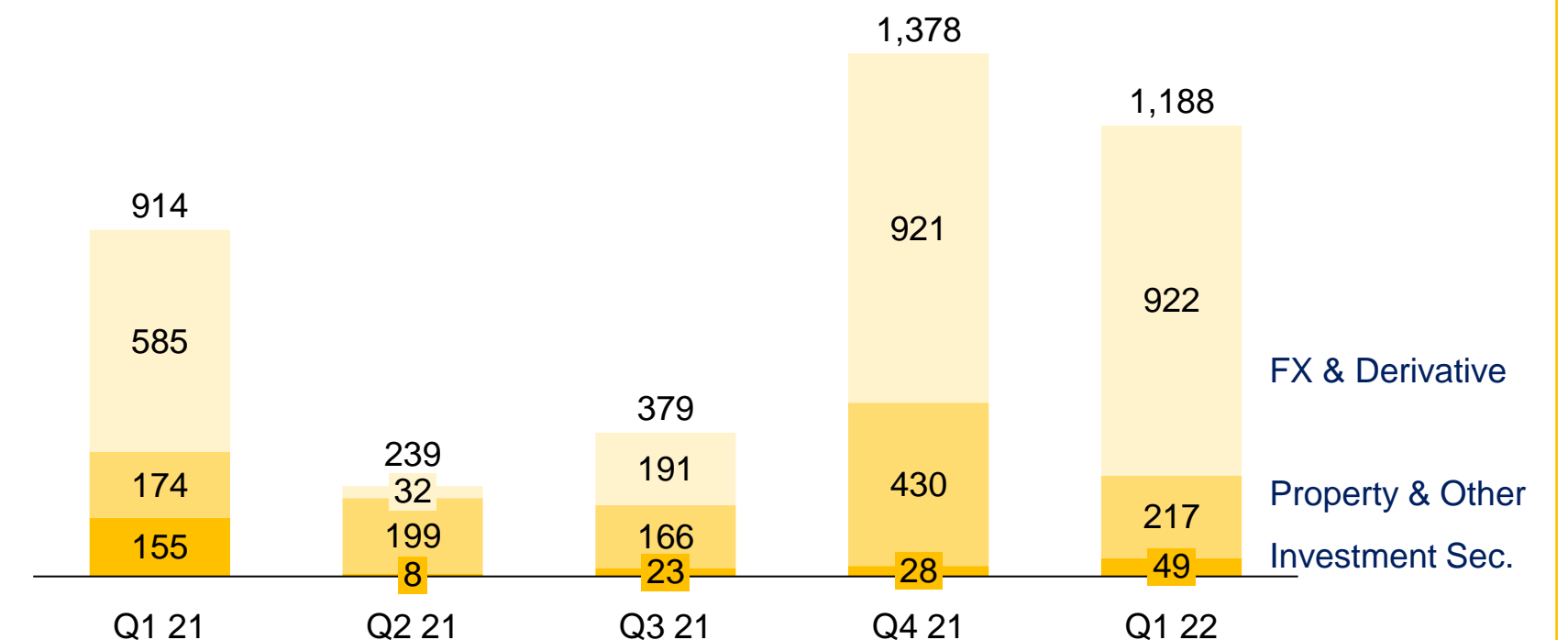
Key Highlights

- Q1-22 fee and commission income 14% lower y-o-y mainly from Turkish Lira depreciation, partially offset by higher income from increased retail card business at ENBD
- Other operating income up 30% y-o-y
 - Mainly due to higher Retail FX volumes and increased derivative business as customers hedged against rising interest rates
 - 75% of FX & Derivative income from ENBD
- Other operating income lower q-o-q as Q4 includes Dubai Bank gain

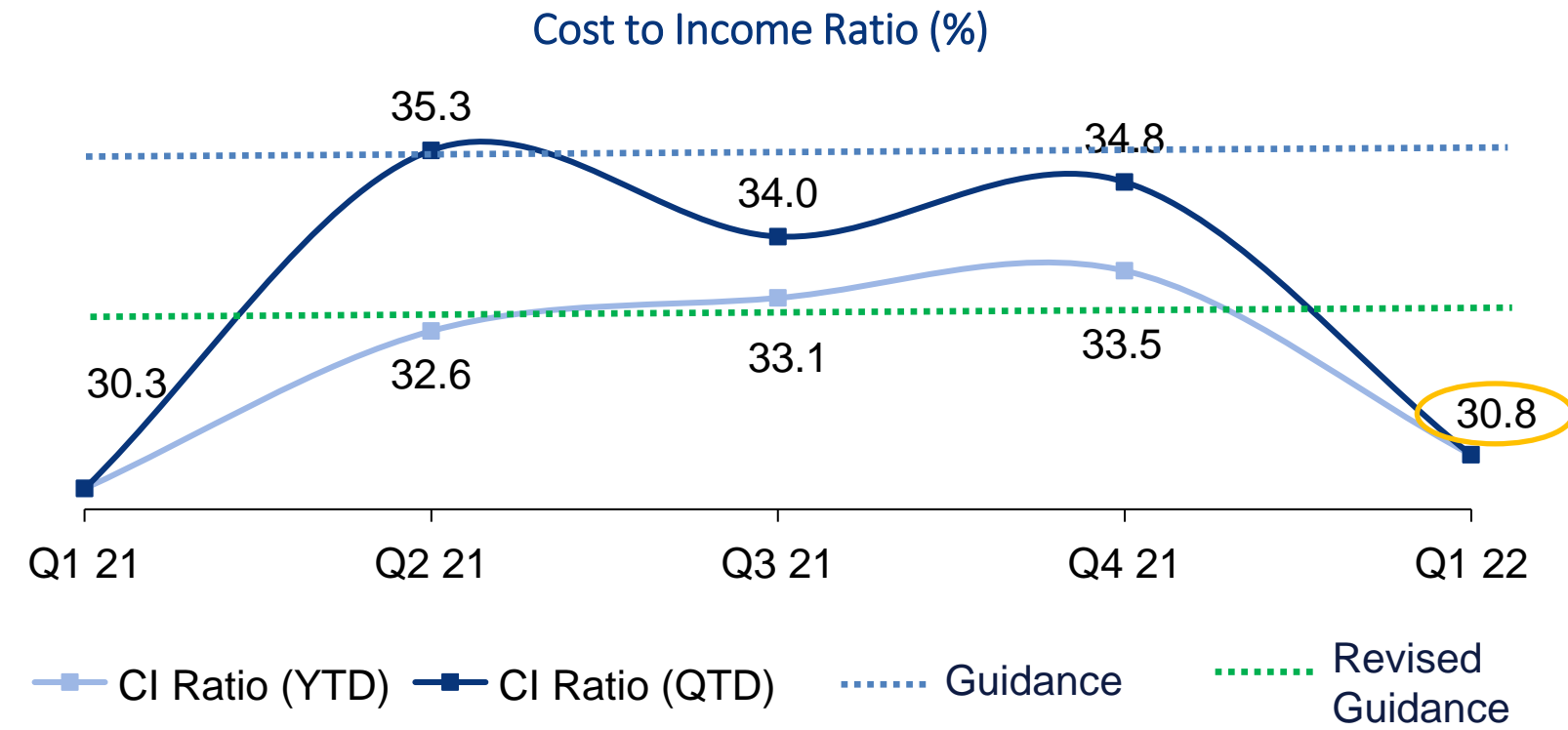
Fee and Commission Income (AED mn)



Other Operating Income (AED mn)



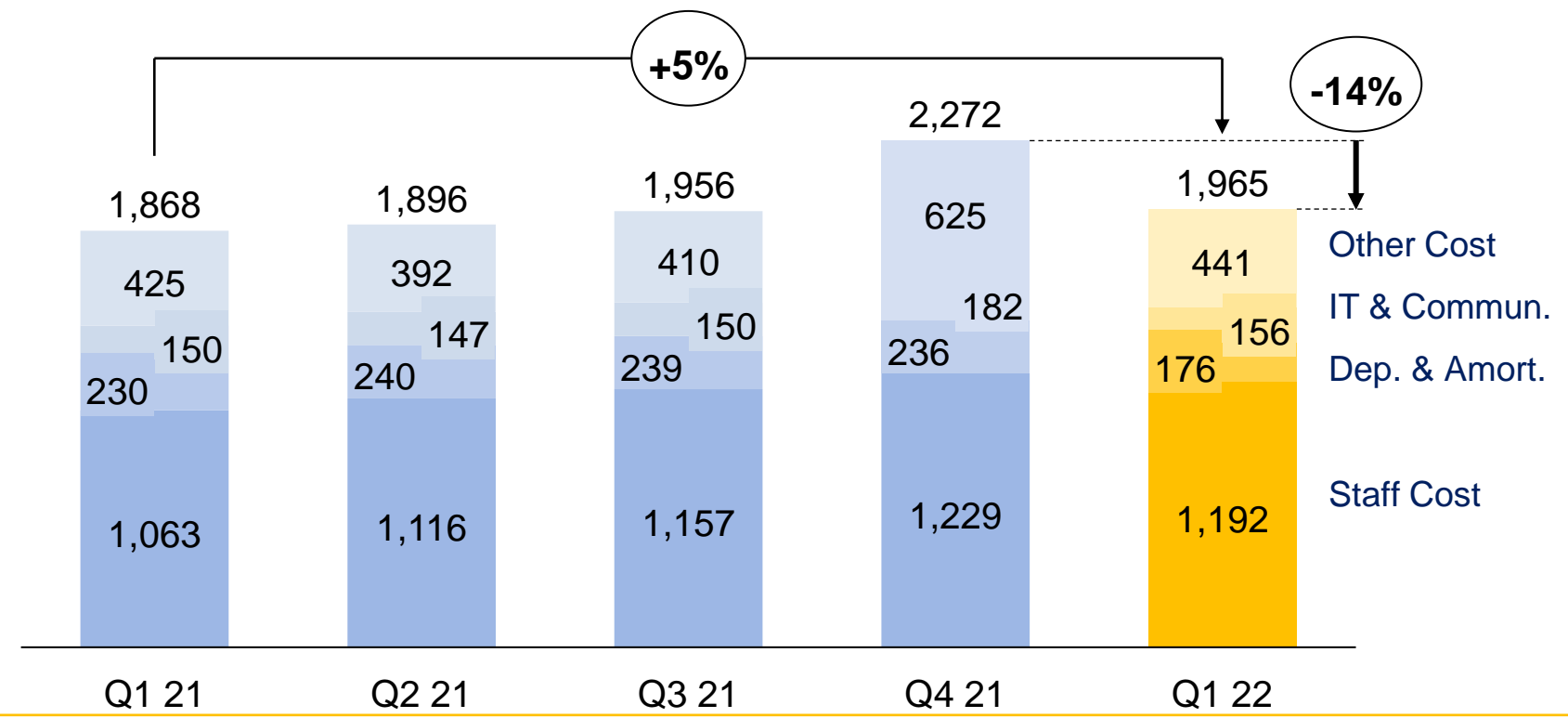
Operating expenses



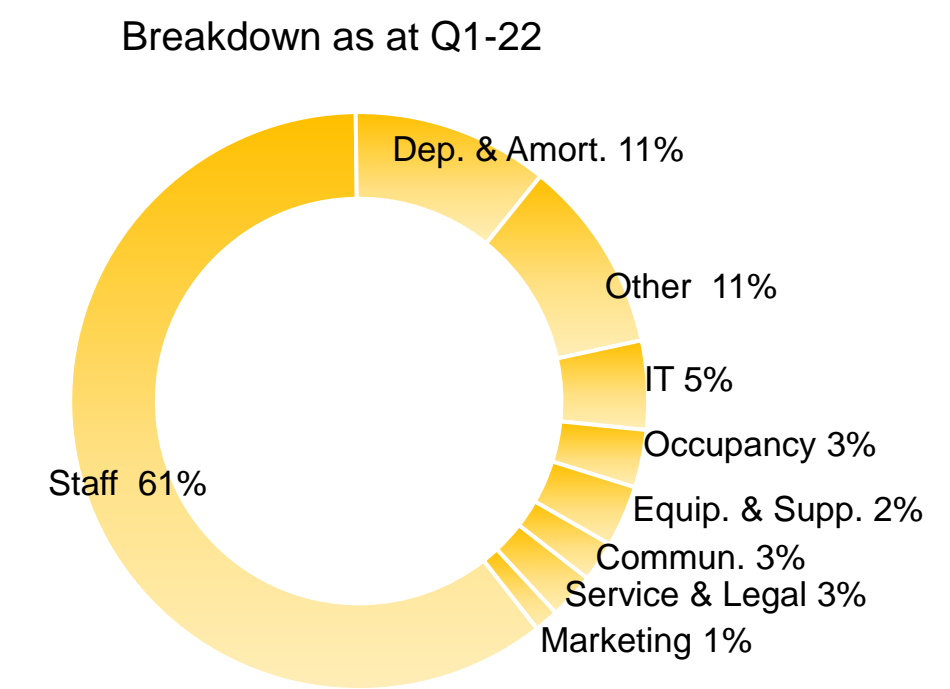
Key Highlights

- Q1 22 cost to income ratio at 30.8% well below guidance reflecting seasonal trend of investment in Q4 to 'hit the ground running' in Q1
- 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 branches in 2020
- Other costs lower q-o-q reflecting higher campaign spend in Q4-21 coupled with lower legal and service fees
- CI ratio guidance revised to 'within 33%' on higher income from anticipated rate rises

Operating expenses trends (AED mn)

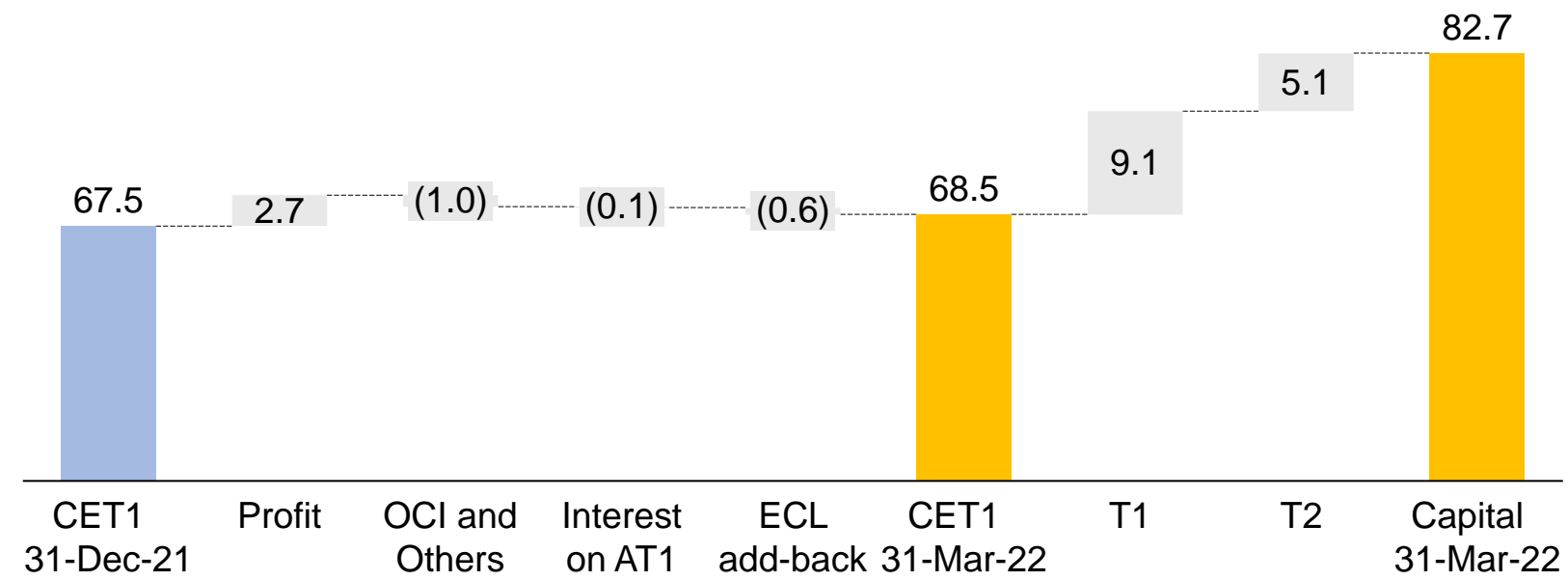


Operating expenses composition (%)

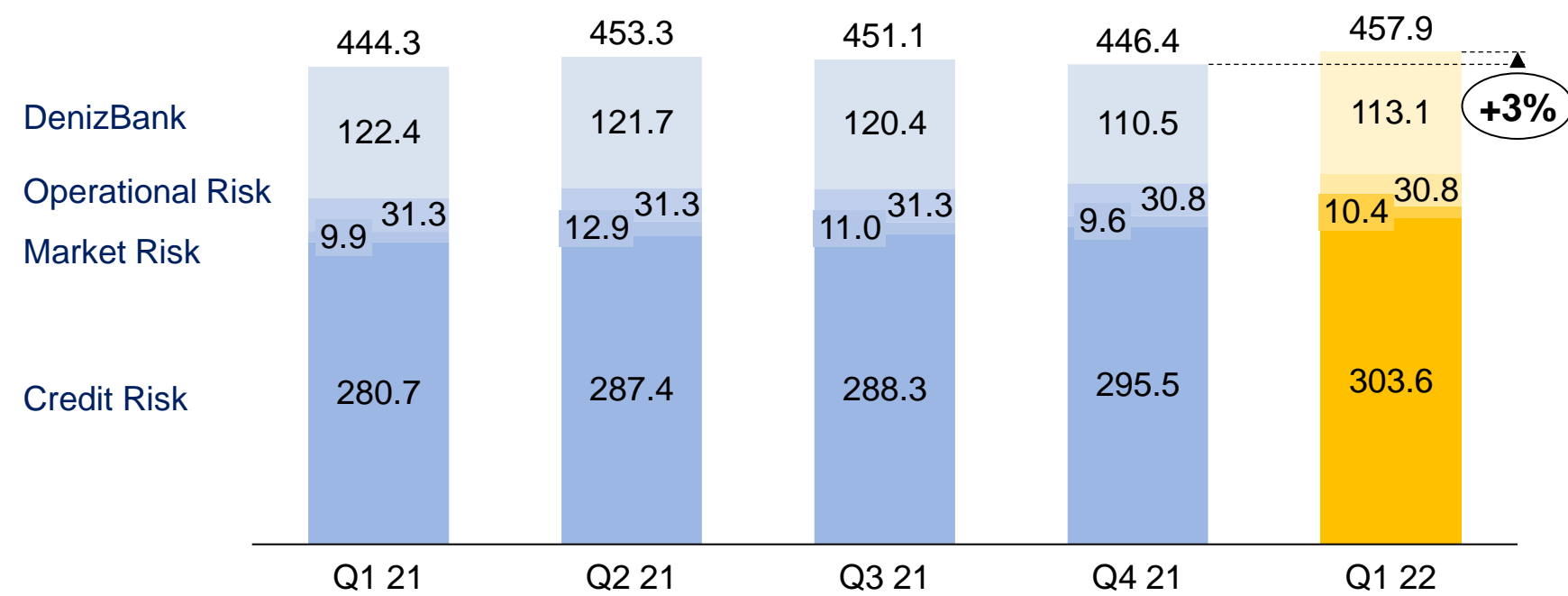


Capital adequacy

Capital (AED billion)



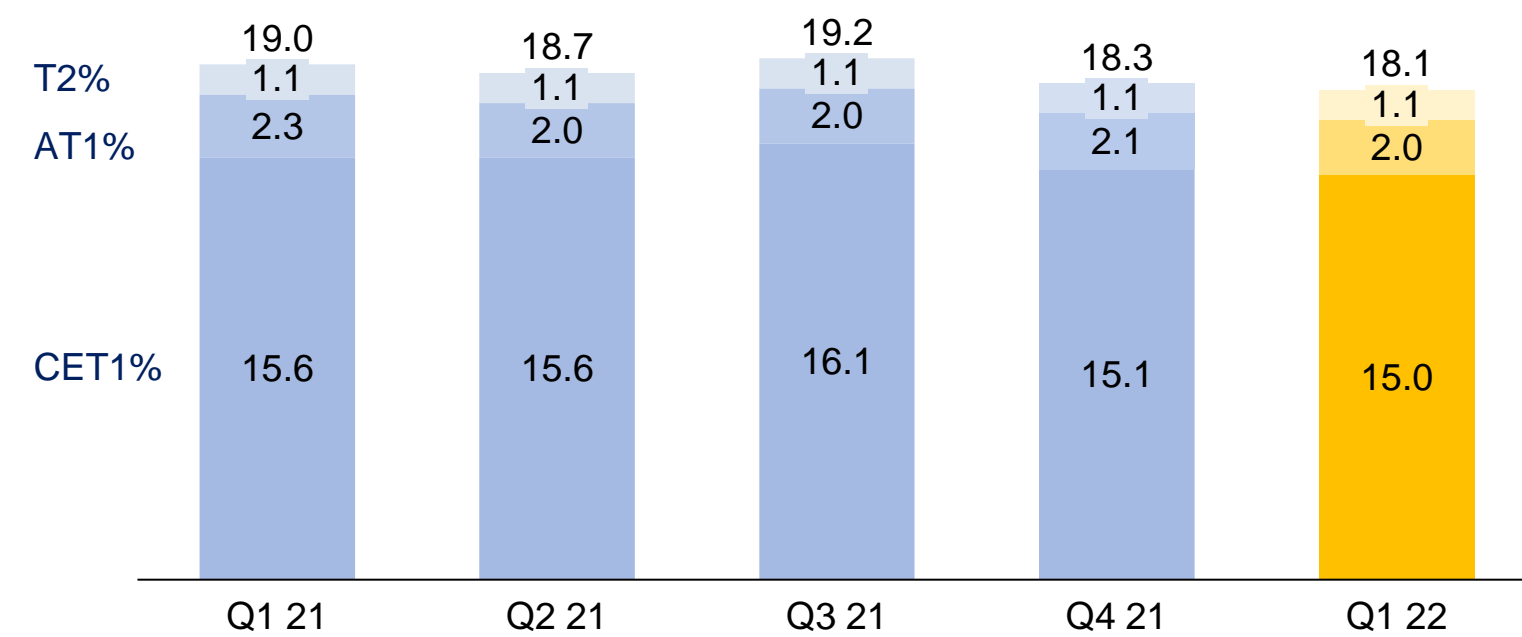
Risk Weighted Assets (AED billion)



Key Highlights

- CET-1 ratio marginally lower by 0.1% during 2022 as
 - AED 2.7bn of retained earnings largely offset
 - AED 1.0bn impact on currency translation reserve and others
 - AED 0.6bn reduction in ECL addback
 - 3% increase in RWAs
- Capital ratios well above 11% / 12.5% / 14.5% CBUAE min. requirement
- ECL add-back phased out by 25% in 2022
- CET-1 at 14.6% excluding ECL regulatory add-back

Capital Ratios %



Divisional performance

Operating Segment	Metrics	Q1-22	Increase / (Decrease)
Retail Banking and Wealth Management	Income (mn)	2,277	16%
	Expenses (mn)	596	16%
	Loans (bn)	56.3	4%
	Deposits (bn)	188.5	5%
Corporate and Institutional Banking	Income (mn)	1,340	-9%
	Expenses (mn)	138	1%
	Loans (bn)	263.1	-1%
	Deposits (bn)	160.4	0%
Emirates Islamic	Income (mn)	652	14%
	Expenses (mn)	281	10%
	Loans (bn)	45.2	6%
	Deposits (bn)	51.3	9%
Global Markets and Treasury	Income (mn)	176	>100%
	Expenses (mn)	39	-1%
	Assets (bn)	135.1	-7%
	Liabilities (bn)	23.2	0%
DenizBank	Income (mn)	1,820	-11%
	Expenses (mn)	521	-7%
	Loans (bn)	61.7	1%
	Deposits (bn)	69.8	1%

Key Highlights

Retail Banking and Wealth Management

- Record quarter for cards acquisitions, fee income and balance sheet growth
- Lending grew AED 2.4bn, whilst CASA increased by a record AED 9.3bn
- Close to 25% market share of UAE debit and credit card spends
- Launched DEWA IPO portal on website with real time direct integration with DFM
- Introduced Emirates NBD Etihad Guest Credit Cards offerings some of the highest Etihad Guest earning and rewards opportunities in the market

Corporate and Institutional Banking

- Supporting IPOs, with end-to-end IPO subscription website offering real-time onboarding through a state-of-the-art fully digital platform
- Profitability boosted by higher fee income and lower impairment allowances
- CASA balances grew, enabling Group to retire more expensive time deposits
- Developing strategic partnership with major Government entities and Corporates by digitizing service platforms and leading landmark ESG transactions

Emirates Islamic

- Net profit up 62% y-o-y to AED 342m on higher income and lower provisions
- Customer financing at AED 45.2 bn, increased 6% in Q1-22
- Customer deposits increased 9% in Q1-22 with CASA now 80% of total deposits

Global Markets and Treasury

- Net interest income grew 171% y-o-y in Q1-22 due to higher income from balance sheet hedges and an increase in banking book investment income.
- Non-funded income up 31% y-o-y:
 - Strong quarter from Rates, Credit and FX trading
 - Sales & Structuring helped customers lock in favorable borrowing costs & FX rates

DenizBank

- Net profit of AED 629m stable y-o-y despite 48% depreciation in FX translation
- CoR improved to 294 bps in Q1
- Total assets in Turkish Lira grew 11% in Q1-22

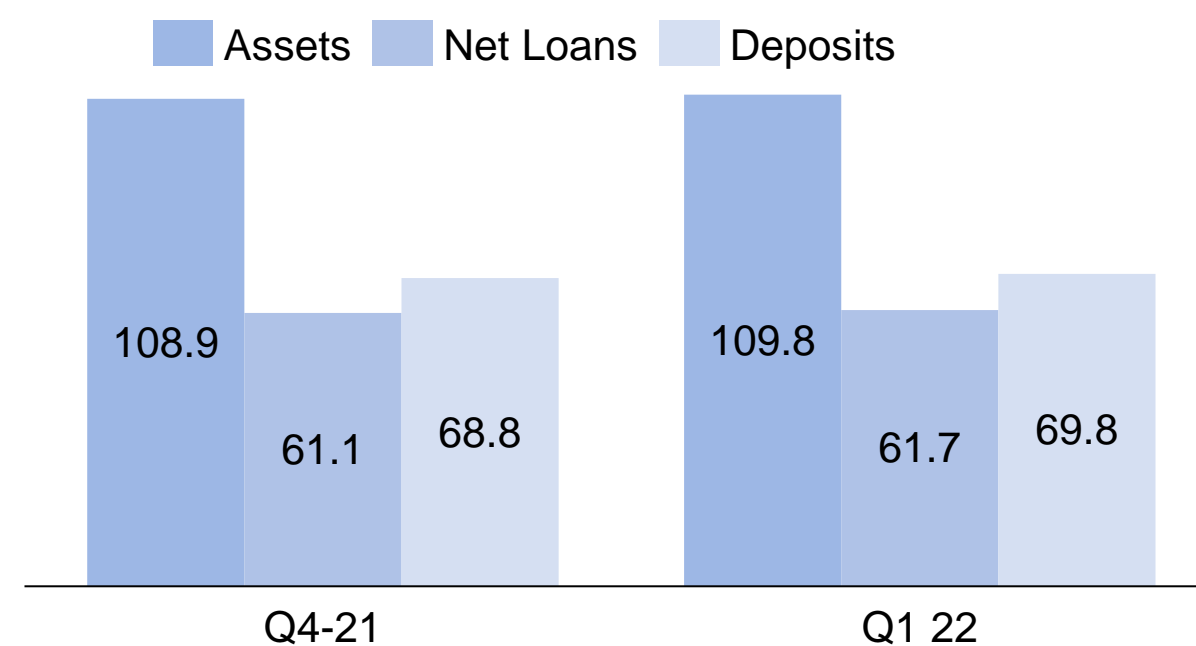
DenizBank business overview

Income Statement (AED Mn)	Q1-22	Q1-21	Better / (Worse)	Q4-21	Better / (Worse)
Net interest income	1,226	1,285	(5)%	1,319	(7)%
Non-funded income	594	754	(21)%	823	(28)%
Total income	1,820	2,039	(11)%	2,142	(15)%
Operating expenses	(521)	(558)	7%	(535)	3%
Pre-impairment operating profit	1,299	1,481	(12)%	1,607	(19)%
Impairment allowances	(487)	(659)	26%	(1,430)	66%
Operating profit	812	822	(1)%	177	358%
Taxation charge	(183)	(180)	(2)%	(54)	239%
Net profit	629	642	(2)%	123	410%
Cost: income ratio	28.3%	27.5%	(0.8)%	25.0%	(3.3)%
Net interest margin	4.66%	4.13%	0.53%	4.60%	0.06%

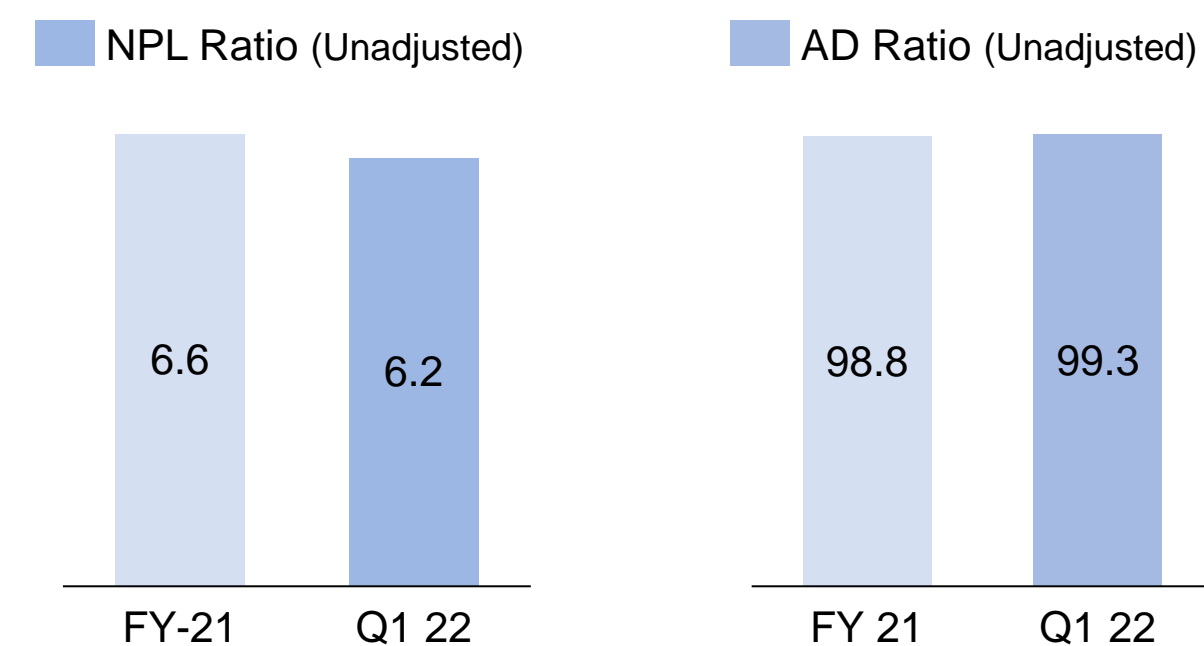
Key Highlights

- Net profit of AED 629 million in Q1-22 stable y-o-y despite 48% depreciation in currency translation
- Cost of risk improved to 294 bps in Q1-22 from 343 bps in 2021
- Total assets in Turkish Lira grew 11% in Q1-22

Balance Sheet Metrics (AED bn)



NPL and AD Ratio (As per local reporting guidelines)





Thank you

Investor Relations

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