



# Investor Presentation

Q1 2022

*May-June 2022*



**“CREATE  
OPPORTUNITIES  
TO PROSPER”**

## Important Information

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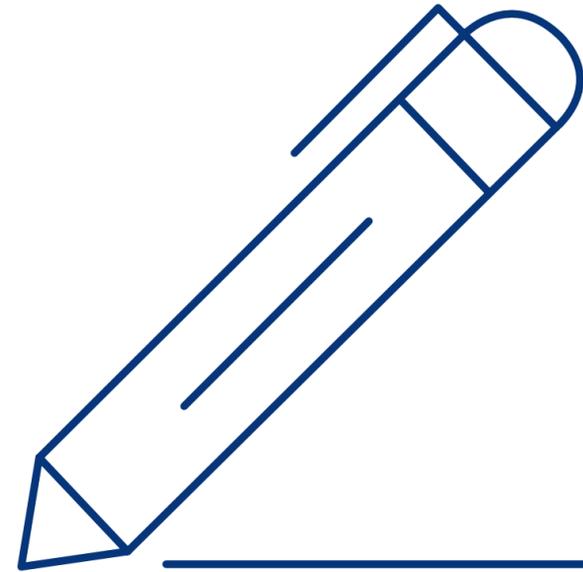
There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political,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

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### **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

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Key Highlights as of March 2022

### Emirates NBD at a Glance

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**USD 189 Bn**  
*Total Assets*

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

**USD 128 Bn**  
*Total Customer Deposits*

**13**  
*Countries*

**901**  
*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**  
*12.3% foreign owners\**

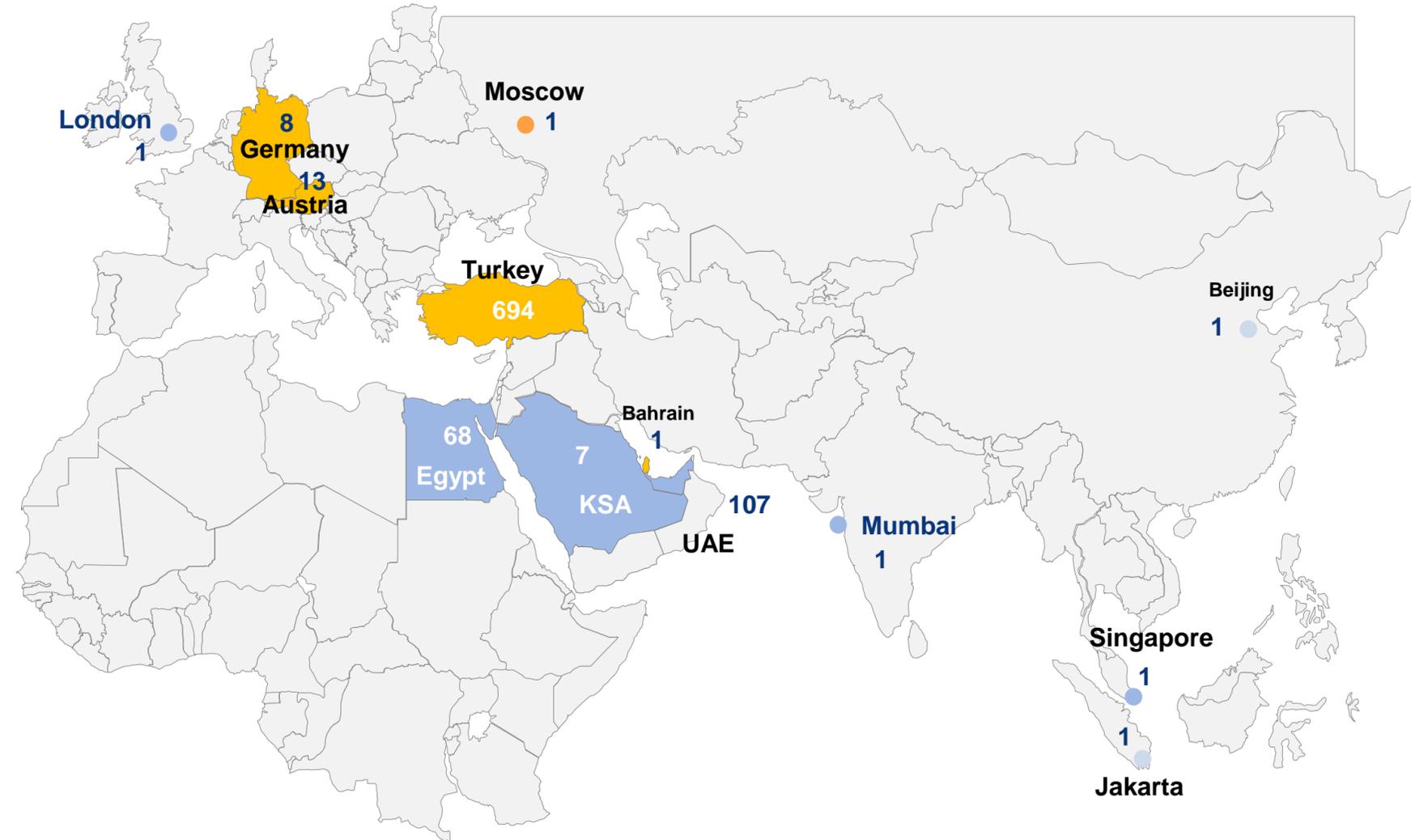
**USD 26 Bn**  
*Market*  
*Capitalization\**

# Emirates NBD at a glance

Emirates NBD's International Presence

- **Market share** in the UAE\*
  - Assets 18%; Loans 23%; Deposits 20%
- **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 31-Dec-21 excluding DenizBank

## Leader in Digital Banking and Innovation

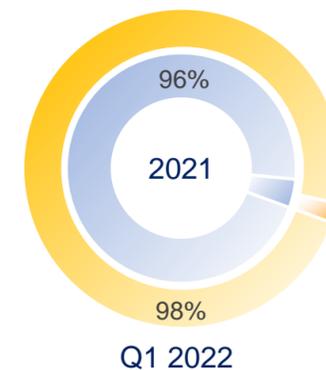


- Liv. is now over **640,000** customer strong in UAE & KSA, making it the largest digital lifestyle bank in the region.
- Liv. has expanded its product offering to add 2 products:
  - **Liv. USD account:** Keeping investors in mind, Liv. USD account allows customers to save in USD with attractive interest rates and transfer funds globally to their investment platforms for free.
  - **Liv. Cash:** One-click overdraft facility for customers to meet their short-term needs.
- Liv. has also 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 first lifestyle-banking subscription plan in the region) and **Liv. Sure** (General Insurance products) continue to be strong revenue generators for Liv.

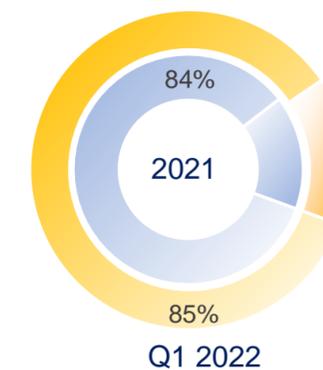
## Key Digital Developments

- 90% of all face-to-face card payment transactions now 'contactless' through Mobile wallet
- An enhanced tablet banking solution for new credit card sourcing was launched
- Launched DEWA IPO portal on Emirates NBD website with real time direct integration with Dubai Financial Market (DFM)
- A self-service tablet banking proposition for account opening was rolled out in KSA

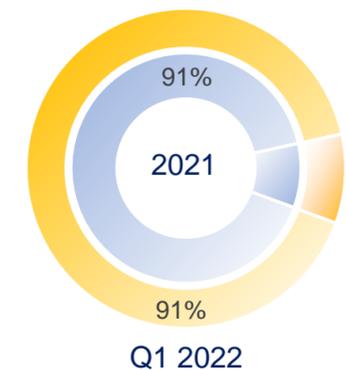
Transactions via digital channels



Eligible Retail Business customers digitally active



Eligible Corporate clients opting for digital platform



# 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

- **12%** reduction in **electricity consumption**
- **22%** reduction in **water consumption**
- **6%** 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
- **902 volunteer deployments** via corporate volunteering programme

For more about ESG report, please visit:



EmCap raised USD 18.75 bn of **sustainable capital from loan and debt capital markets** for clients in China, Egypt, India, Russia and UAE

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

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



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

**Wealth Management and Sustainable Investment Framework** development

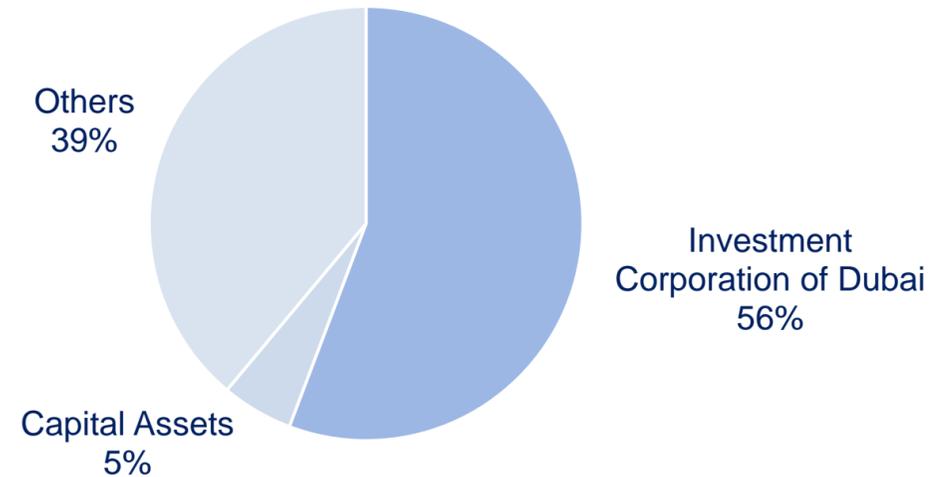
**ESG Certification** for 130 employees across the UAE, KSA, Singapore, and London

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 31 March 2022

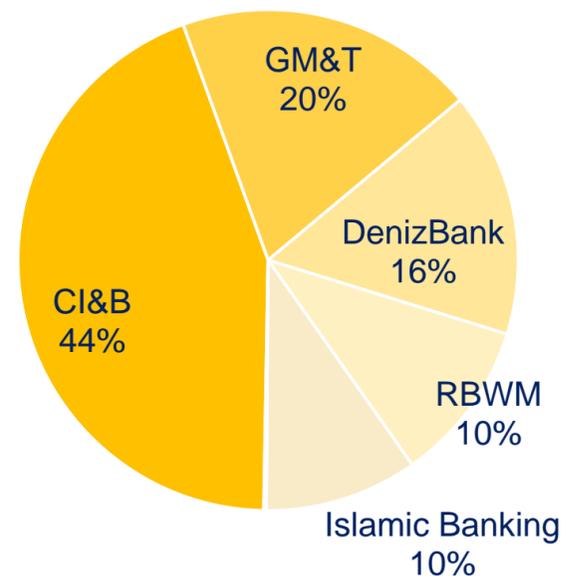


## Key Highlights

- 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 12.3% at 21-Apr-2022

## Balanced asset composition

% by segment as at 31 March 2022



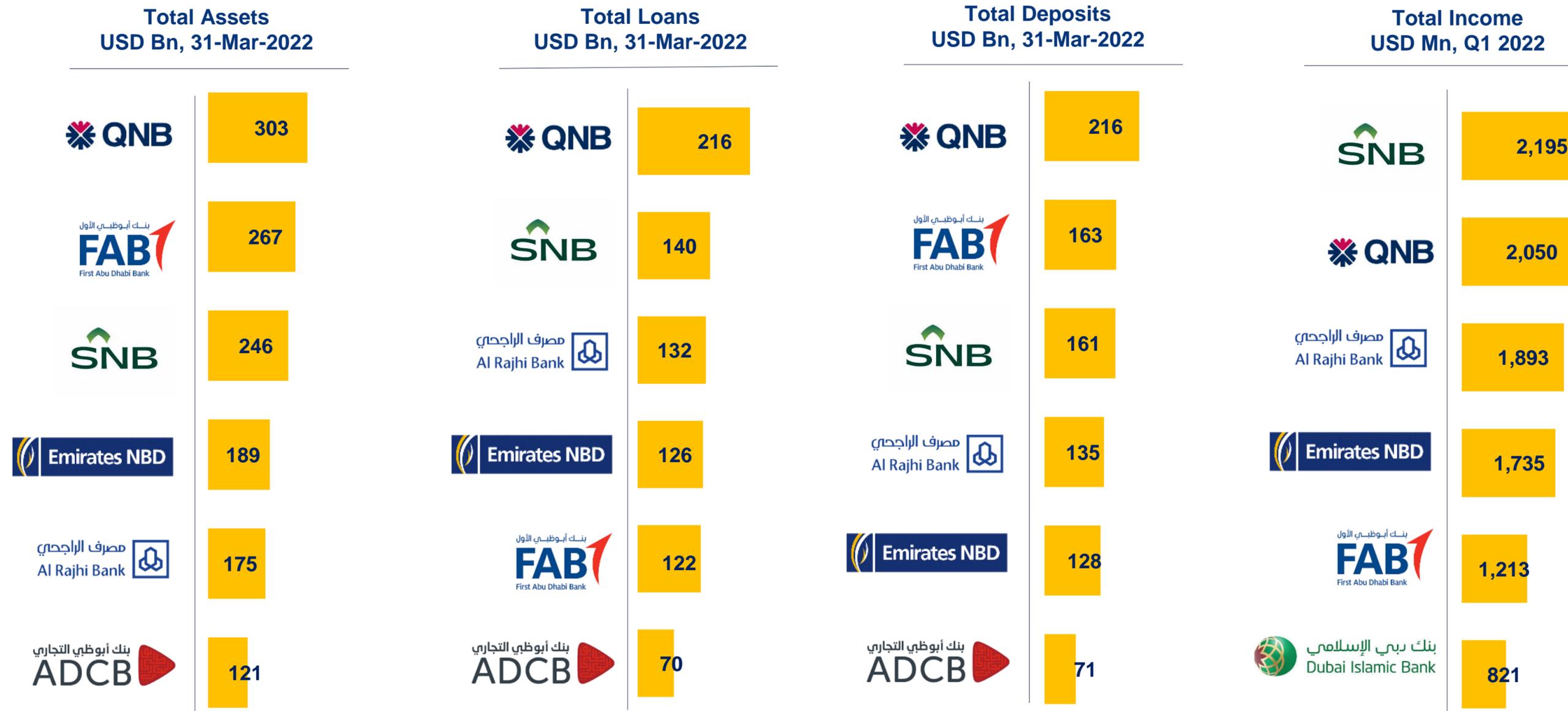
## Equity Analysts Coverage

Recommendation	Buy	Hold	Sell
	13	1	-

## In AED

Target Price	16.9
Price at 21-Apr-2022	15.0
EPS 31-Mar-2022	0.41

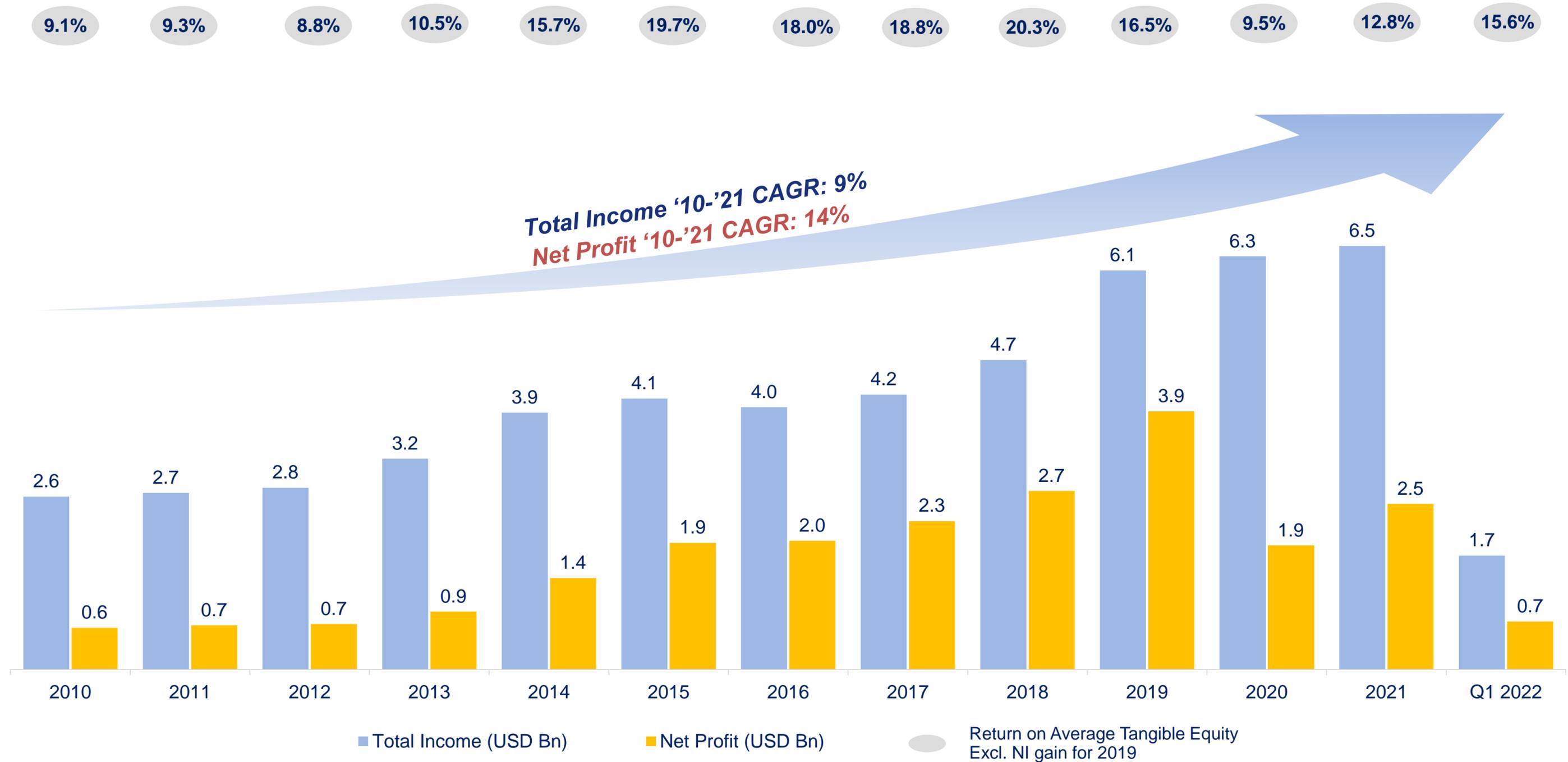
## Emirates NBD is one of the largest banks in the GCC...



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

Total Income USD Mn, Q1 2022		Net Profit USD Mn, Q1 2022		Total Loans USD Bn, Q1 2022		Coverage Ratio & NPLs (%) 31-Mar-2022		CET-1 Ratio (%) 31-Mar-2022		
						NPL%				
	1,735		1,394		126		128	6.3		15.0
	1,213		747		122		98	4.0		14.5
	821		404		70		93	5.4		13.0
	799		366		54		72	6.8		13.0
	426		195		26		67	8.9		12.8
	383		171		25		63	7.0		12.7

## Consistently profitable due to diversified and resilient business model

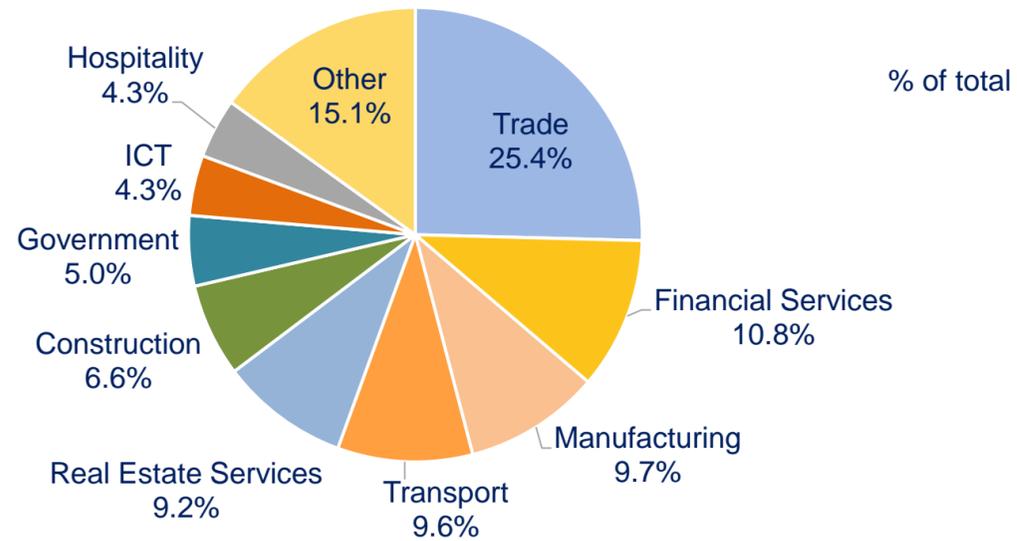


## UAE economy rebounding with 5.7% growth expected in 2022



# Dubai: Positioning for future growth

Key contributors to Dubai GDP (Jan-Sep 2021)



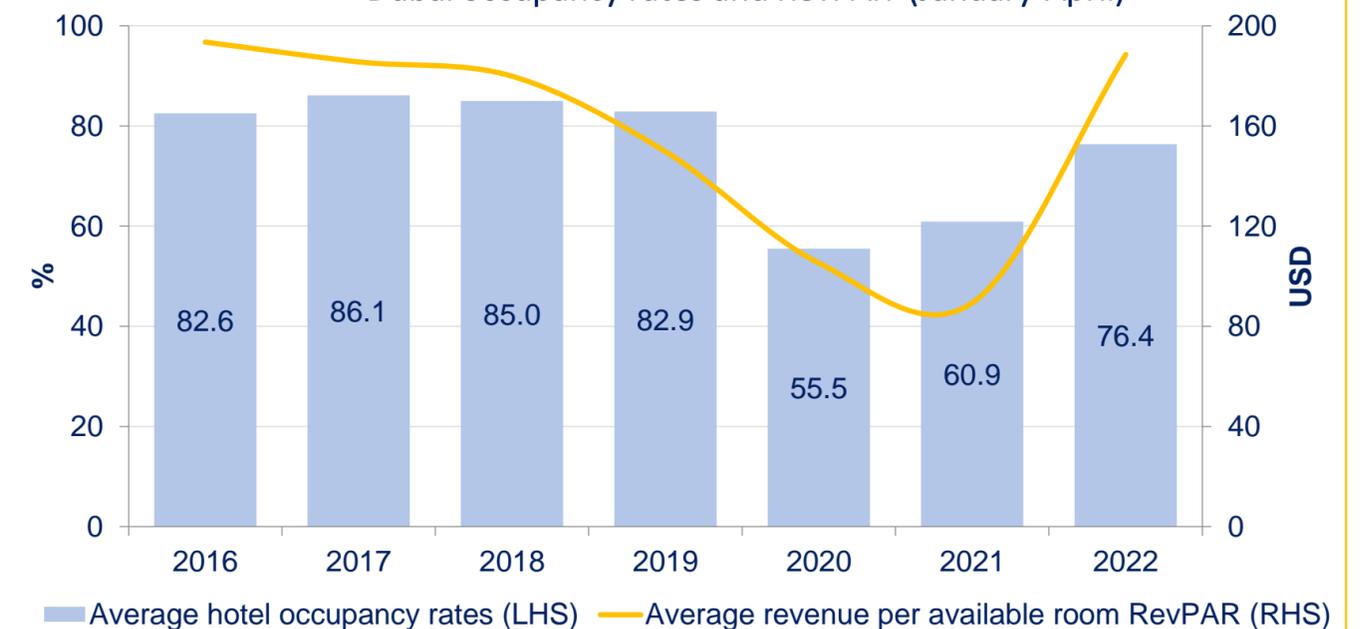
Key Highlights

- ENBD Research expects Dubai’s economy to grow by 4.5% in 2022
- Visitor numbers expected to grow from 7.3 million in 2021, towards 2019 level of 16.7 million
- Hotel occupancy and RevPAR expected to continue to improve in 2022
- Dubai rapidly established itself as a leading hub for fintech start-ups in MENA
- UAE Net Zero by 2050 strategic initiative provides exciting ESG opportunities

Visitors (January-April)



Dubai occupancy rates and RevPAR (January-April)



# 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 USD 0.7bn



**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

**USD 0.7bn**

+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

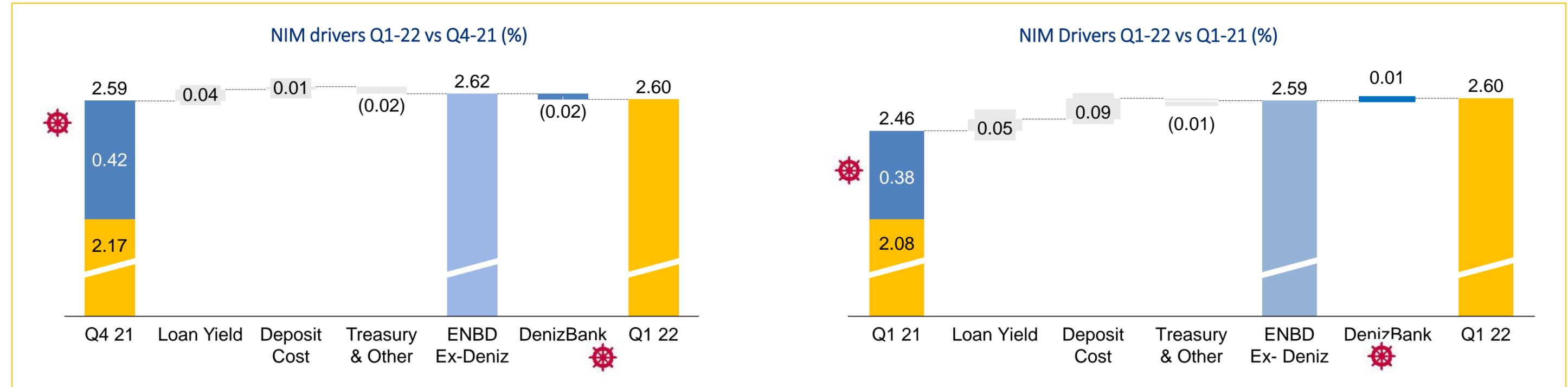
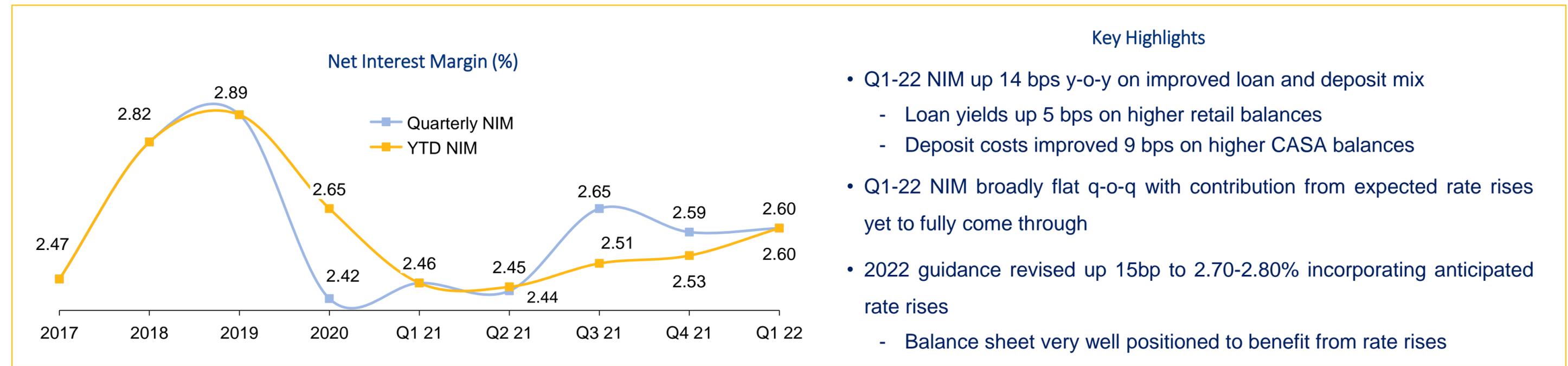
## Financial results highlights Q1 2022

Income Statement (USD bn)	Q1-22	Q1-21	Better / (Worse)	Q4-21	Better / (Worse)
Net interest income	1.2	1.1	4%	1.2	(2)%
Non-funded income	0.6	0.6	2%	0.6	(3)%
<b>Total income</b>	<b>1.7</b>	<b>1.7</b>	<b>3%</b>	<b>1.8</b>	<b>(2)%</b>
Operating expenses	(0.5)	(0.5)	(5)%	(0.6)	14%
Pre-impairment operating profit	<b>1.2</b>	<b>1.2</b>	<b>3%</b>	<b>1.2</b>	<b>4%</b>
Impairment allowances	(0.4)	(0.5)	20%	(0.6)	36%
Operating profit	<b>0.8</b>	<b>0.7</b>	<b>19%</b>	<b>0.6</b>	<b>45%</b>
Taxation charge and others	(0.1)	(0.1)	(24)%	(0.0)	(378)%
<b>Net profit</b>	<b>0.7</b>	<b>0.6</b>	<b>18%</b>	<b>0.5</b>	<b>36%</b>
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 (USD bn)	31-Mar-22	31-Mar-21	Inc / (Dec)	31-Dec-21	Inc / (Dec)
Total assets	188.9	189.1	-	187.1	1%
Loans	115.7	118.7	(2)%	114.9	1%
Deposits	127.6	124.9	2%	124.2	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

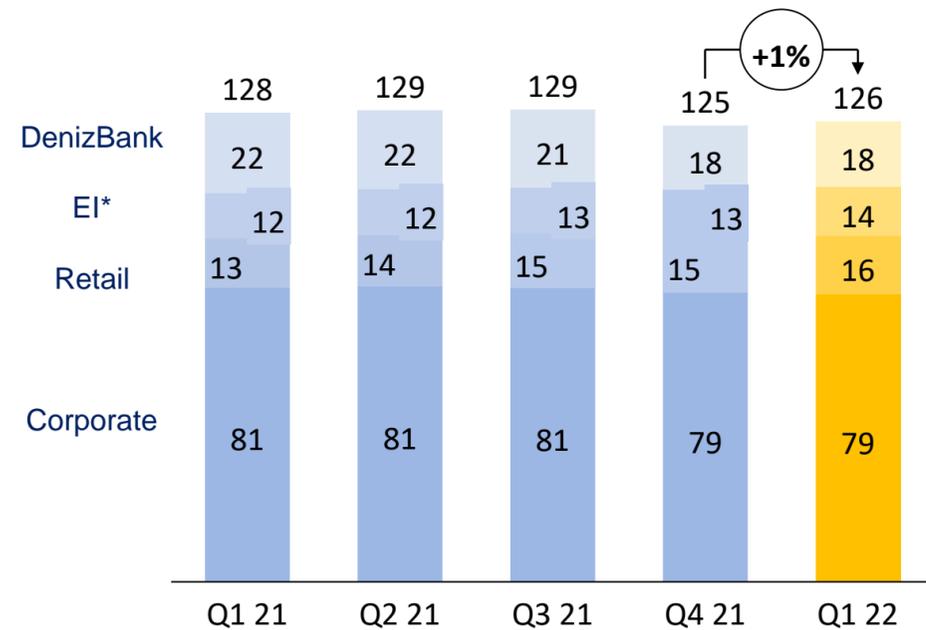
- Strong Q1-22 results with net profit up 18% y-o-y on higher income and lower impairments
- Net interest income up 4% y-o-y on improved loan and deposit mix
  - Initial signs of higher rates feeding through to margins
  - Record CASA balances improving funding costs
- Non-funded income up 2% y-o-y from 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

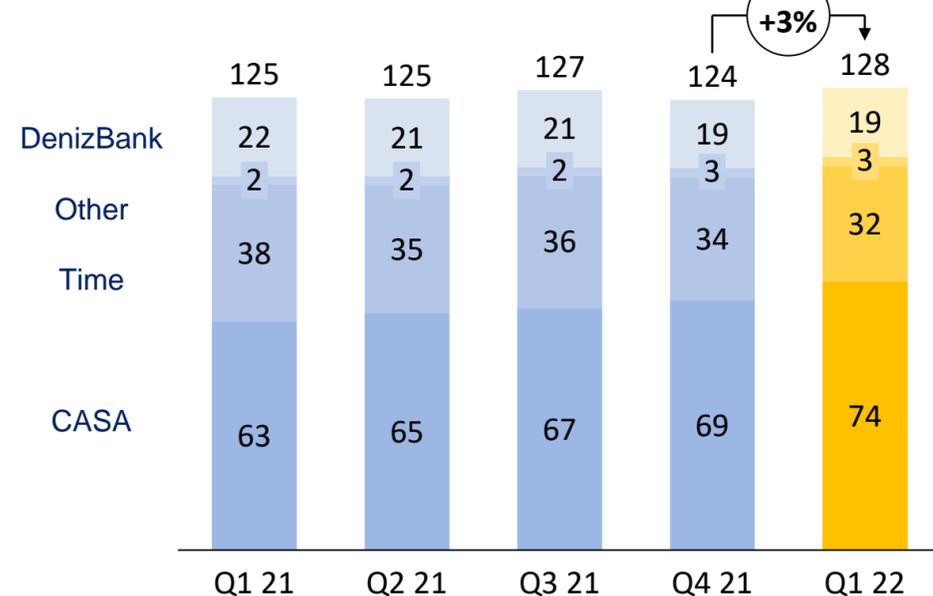


# Loans and deposits trends

Gross Loans by Type (USD Bn)



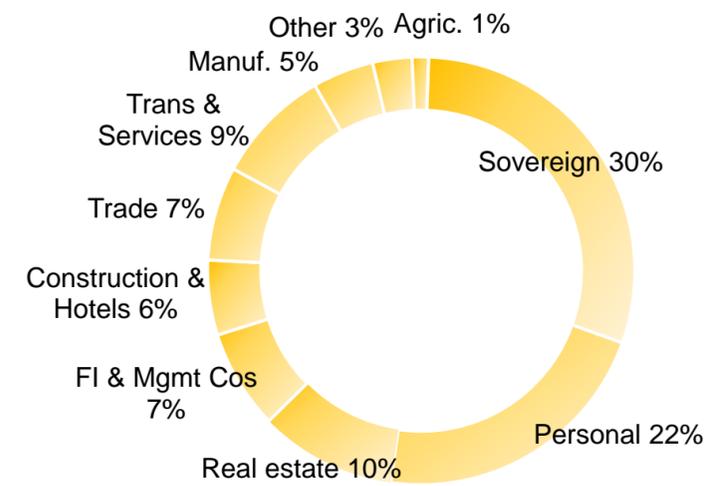
Deposits by Type (USD Bn)



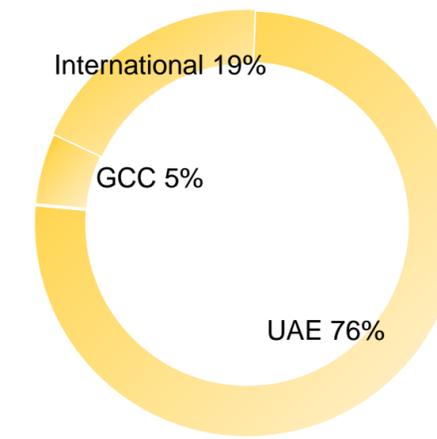
## Key Highlights

- Gross loans grew 1% (USD 1bn) in Q1-22
  - Retail lending up 4% (USD 1bn) with strong demand across all products
  - EI Financing and Receivables up 6% (USD 1bn)
  - DenizBank's gross loans up 11%
- Deposit mix further improved in 2022 with USD 5bn 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

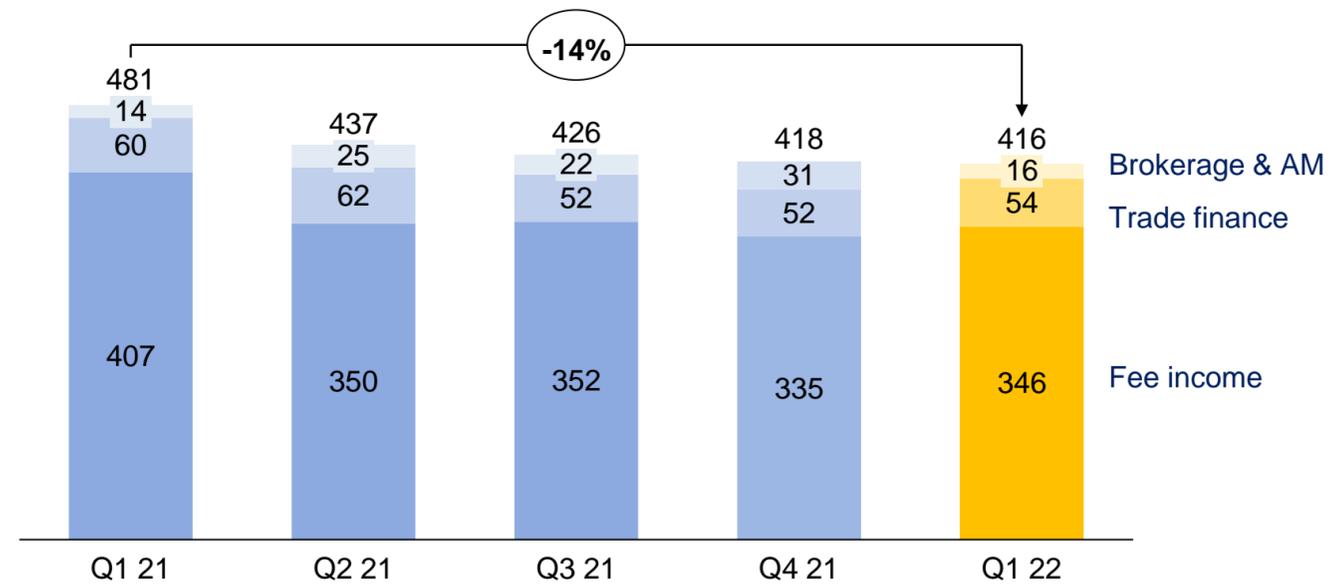
# Non-funded income

Non-funded income (USD mn)	Q1-22	Q1-21	Better / (Worse)	Q4-21	Better / (Worse)
<b>Fee and Commission income</b>	416	481	(14)%	419	(1)%
Fee and Commission expense	(165)	(181)	9%	(200)	18%
<b>Net Fee and Commission Income</b>	<b>250</b>	<b>300</b>	<b>(16)%</b>	<b>218</b>	<b>15%</b>
<b>Other operating income</b>	324	249	30%	375	(14)%
Gain / loss on trading securities	3	16	(83)%	4	(21)%
<b>Total Non-funded income</b>	<b>576</b>	<b>565</b>	<b>2%</b>	<b>597</b>	<b>(3)%</b>

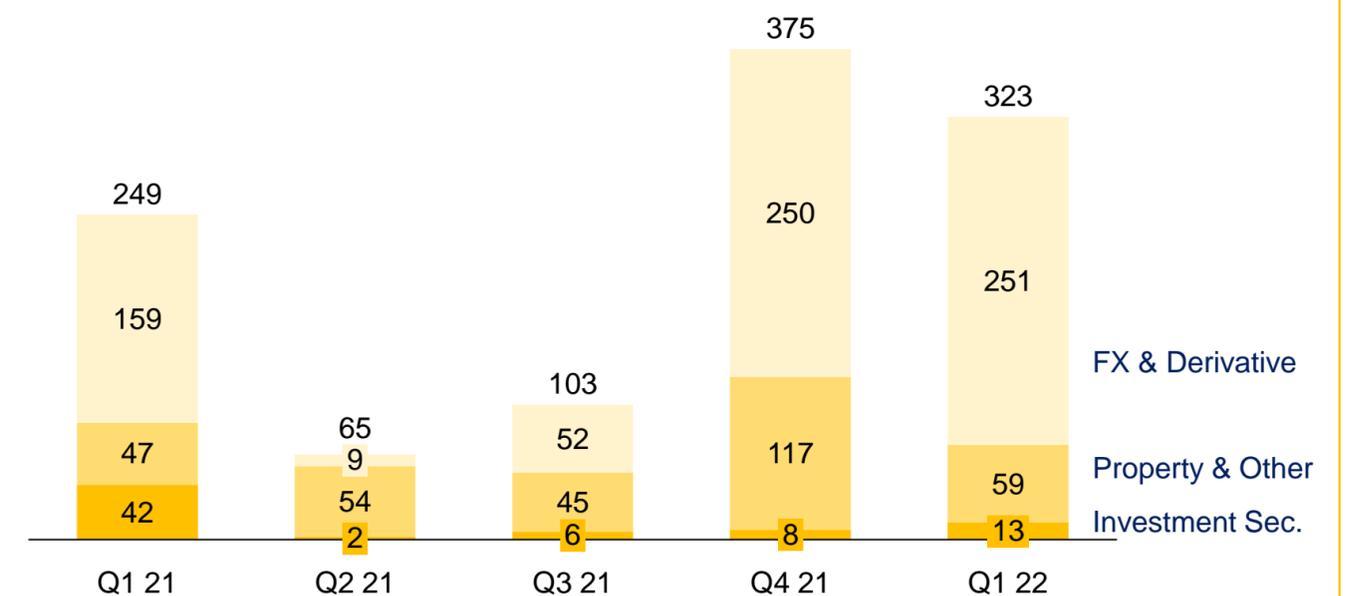
### Key Highlights

- 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

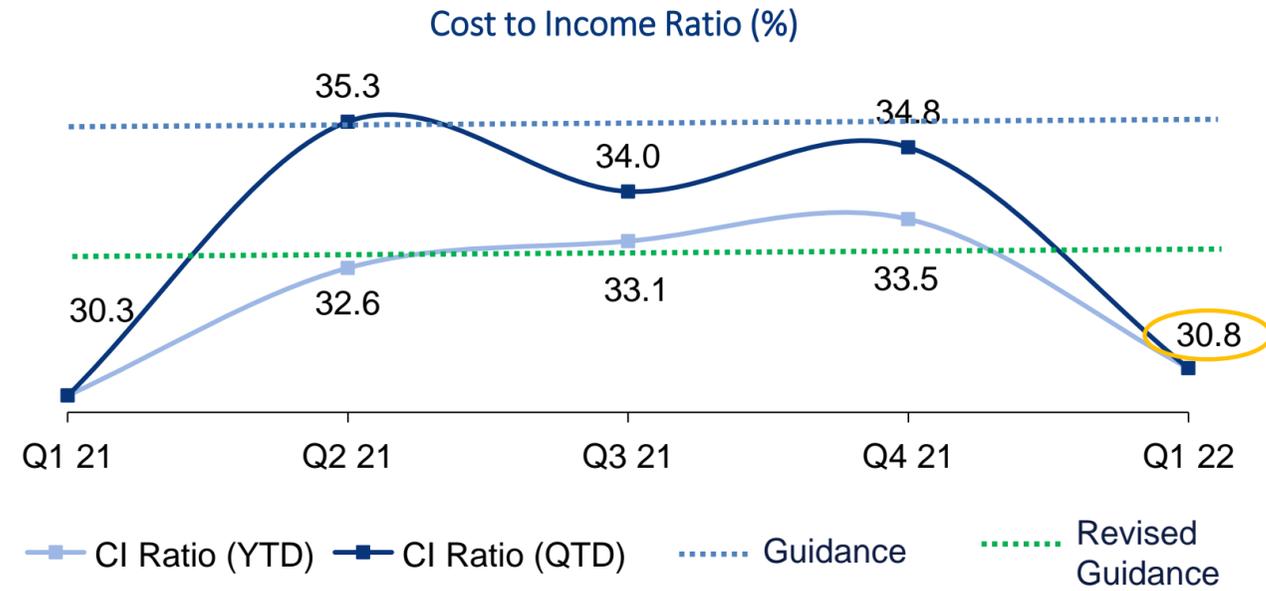
Fee and Commission Income (USD mn)



Other Operating Income (USD mn)



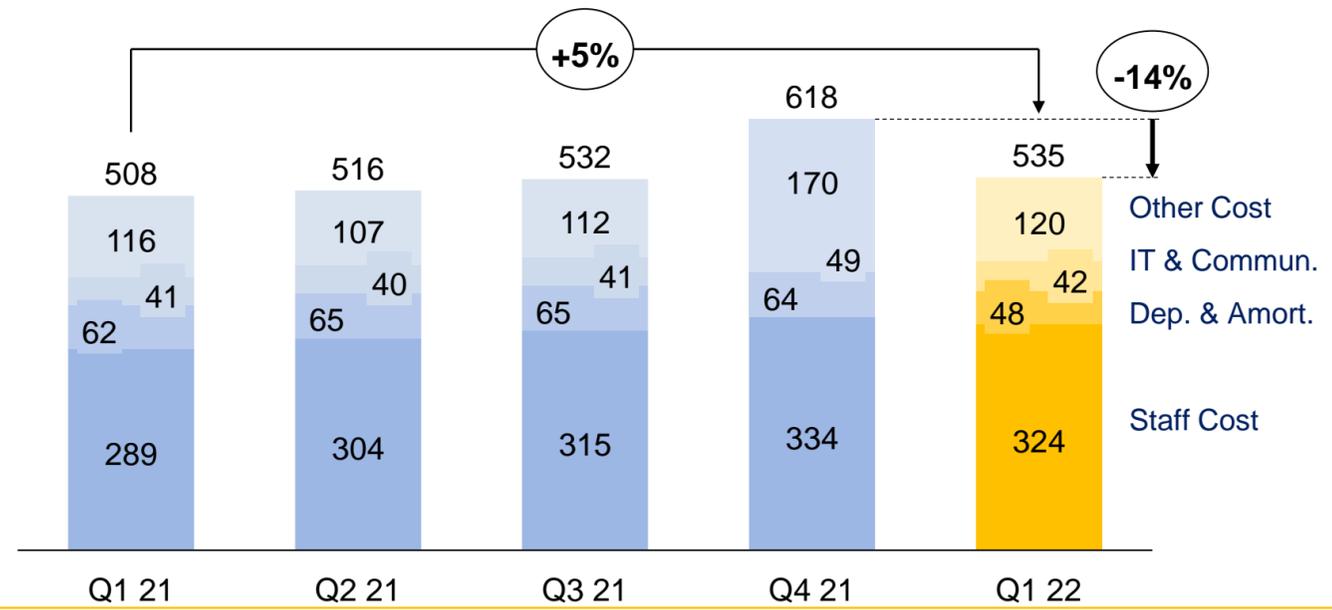
# Operating expenses



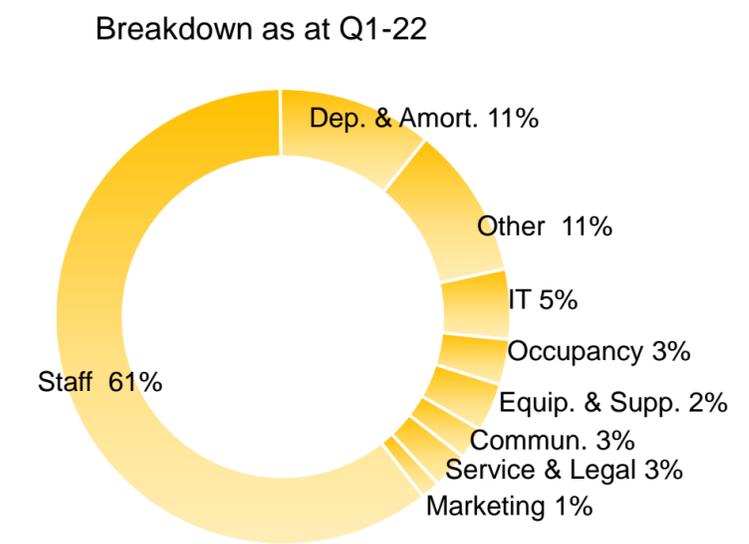
### Key Highlights

- 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

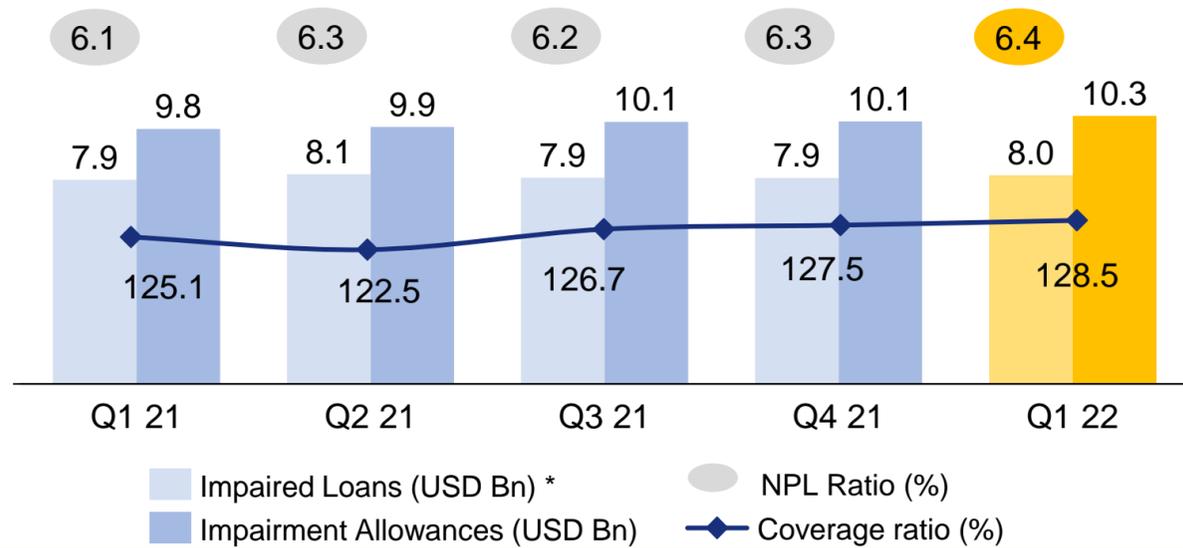
### Operating expenses trends (USD mn)



### Operating expenses composition (%)



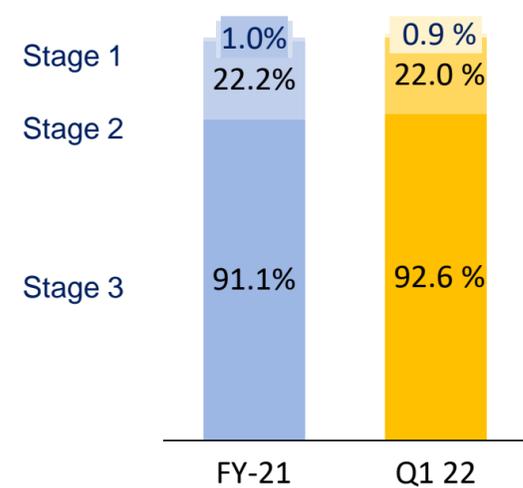
### Impaired loans and allowances



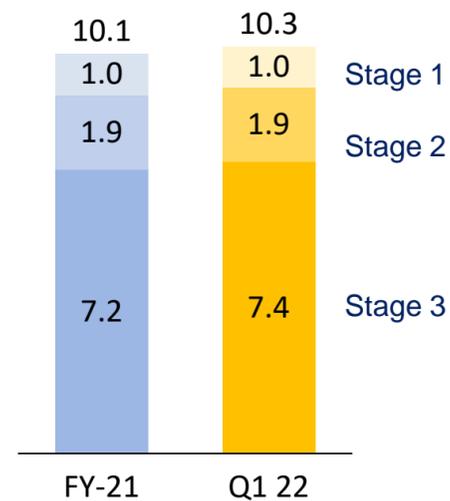
### Key Highlights

- 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
- USD 0.6 bn out of original USD 2.9 bn of deferral support remains outstanding

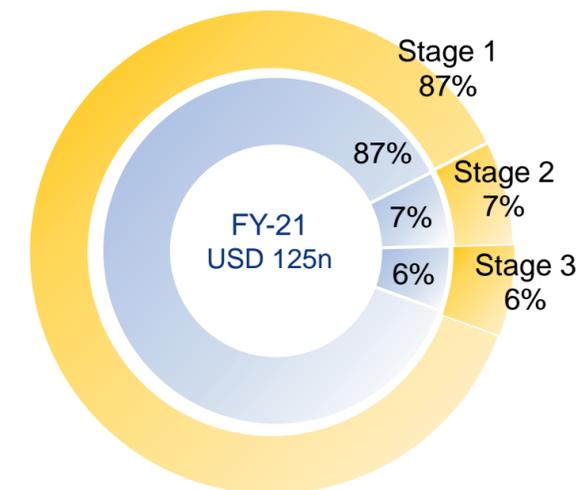
### Coverage by Stage\*\*



### Stagewise ECL (USD bn)



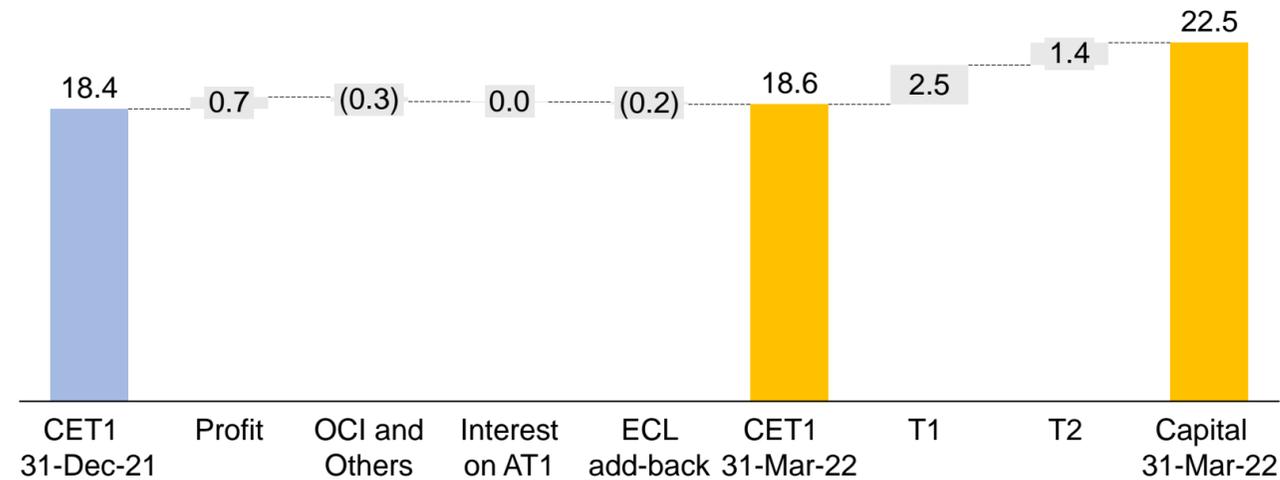
### Total Gross Loans Q1-22, USD 126bn



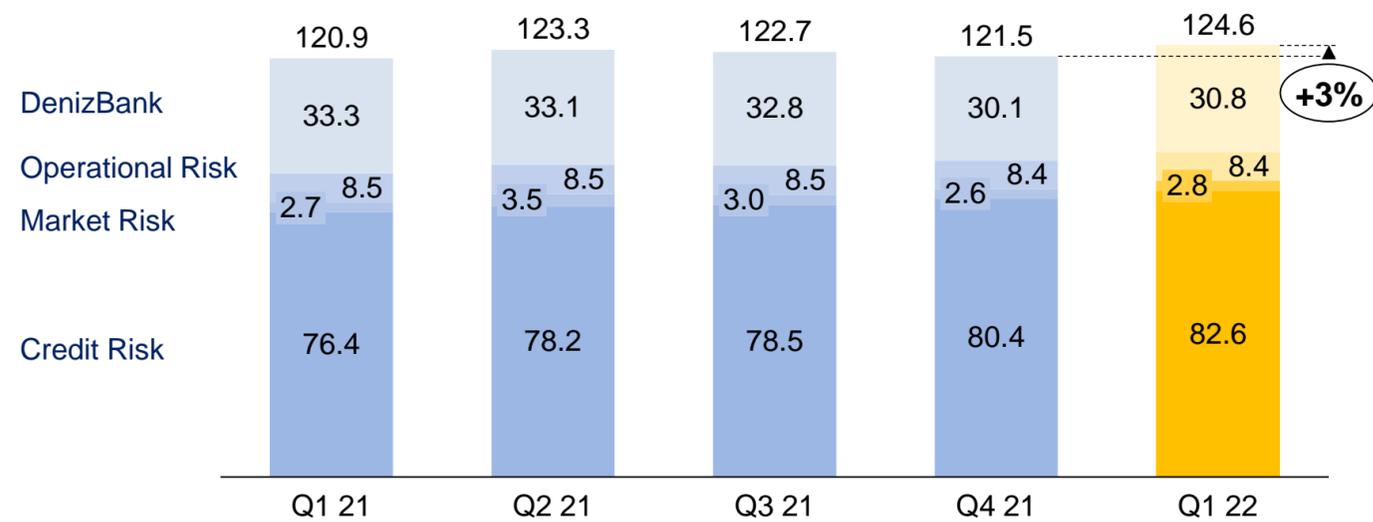
\*Includes purchase originated credit impaired loans of AED 1.0bn (Dec-21: AED 1bn) acquired at fair value / \*\*Stage 3 coverage adjusted for POCI acquired at FV

# Capital adequacy

Capital (USD billion)



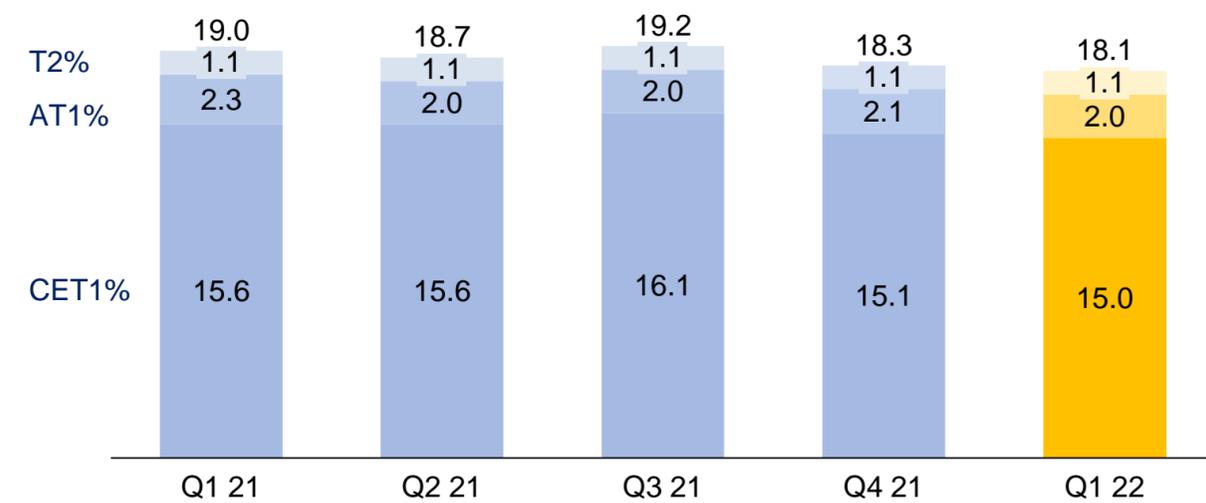
Risk Weighted Assets (USD billion)



Key Highlights

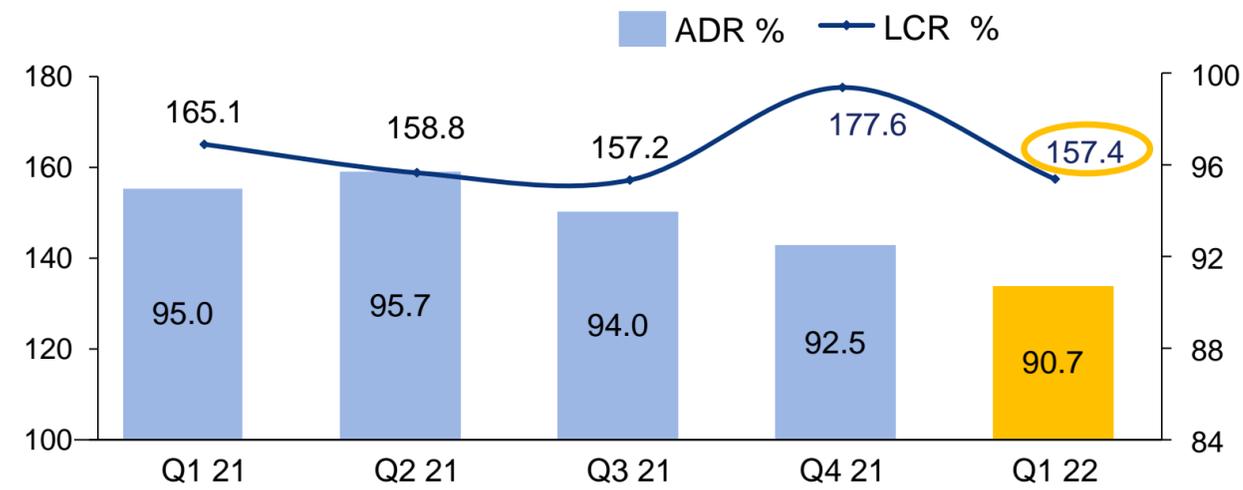
- CET-1 ratio marginally lower by 0.1% during 2022 as
  - USD 0.7bn of retained earnings largely offset
  - USD 0.3bn impact on currency translation reserve and others
  - USD 0.2bn reduction in ECL addback
  - 3% increase in RWAs
- Capital ratios well above 11% / 12.5% / 14.5% CBUAE min. requirement
- ECL add-back phased out by 25% in 2022
- CET-1 at 14.6% excluding ECL regulatory add-back

Capital Ratios %



# Funding and liquidity

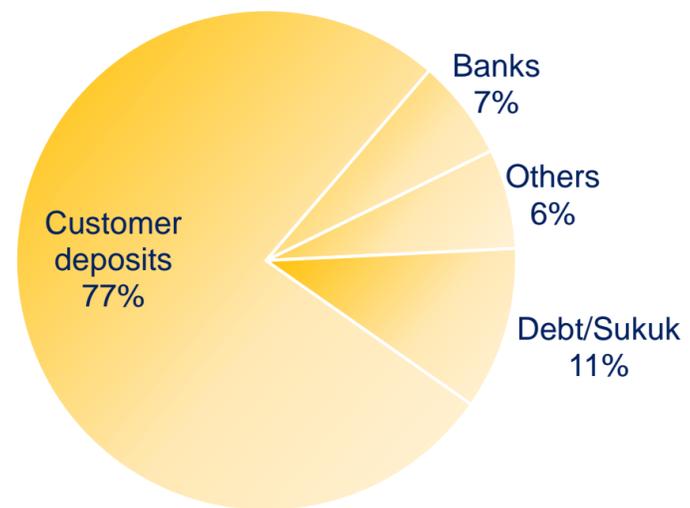
Advances to Deposit and Liquidity Coverage Ratio (%)



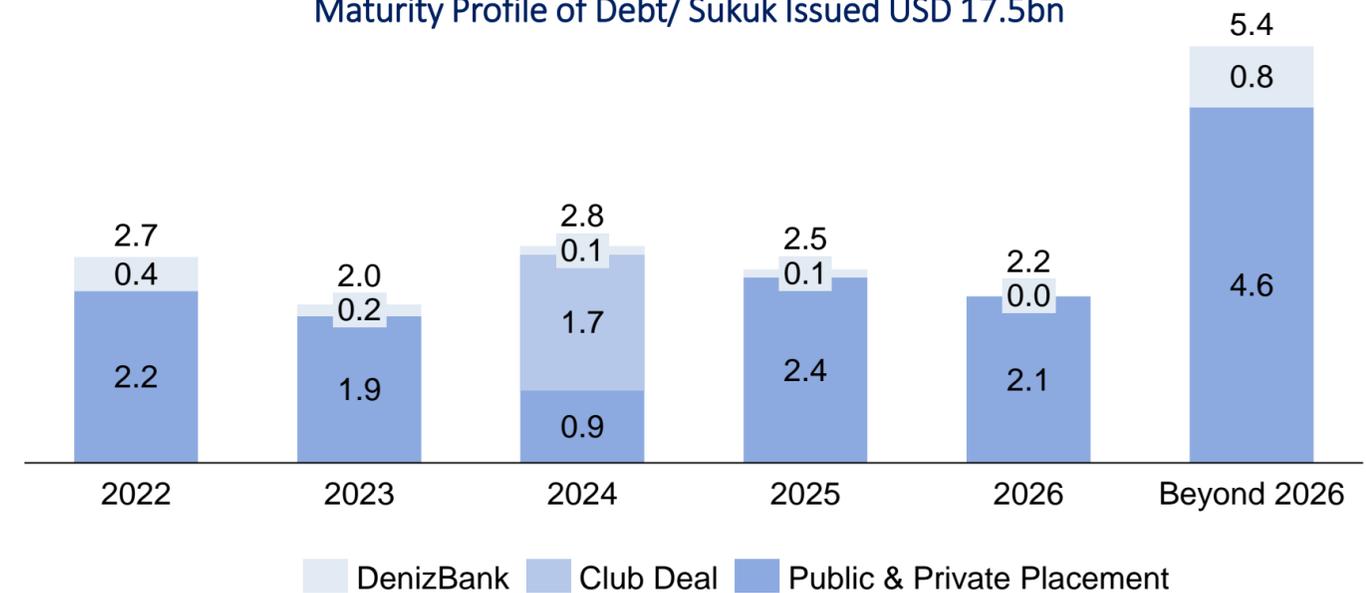
Key Highlights

- LCR of 157.4% and ADR of 90.7% demonstrate healthy liquidity
- Liquid assets\* of USD 18 billion cover 11% of total liabilities, 14% of deposits
- USD 2.6 bn maturities in remainder of 2022 comfortably within Group's capabilities compared to average issuance of USD 6 bn over last four years

Composition of Liabilities and Debt Issued (%)



Maturity Profile of Debt/ Sukuk Issued USD 17.5bn



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

# Divisional performance

Operating Segment	Metrics	Q1-22	Increase / (Decrease)
Retail Banking and Wealth Management	Income (mn)	620	16%
	Expenses (mn)	162	16%
	Loans (bn)	15	4%
	Deposits (bn)	51	5%
Corporate and Institutional Banking	Income (mn)	365	-9%
	Expenses (mn)	38	1%
	Loans (bn)	72	-1%
	Deposits (bn)	44	0%
Emirates Islamic	Income (mn)	177	14%
	Expenses (mn)	76	10%
	Loans (bn)	12	6%
	Deposits (bn)	14	9%
Global Markets and Treasury	Income (mn)	48	>100%
	Expenses (mn)	11	-1%
	Assets (bn)	37	-7%
	Liabilities (bn)	6	0%
DenizBank	Income (mn)	495	-11%
	Expenses (mn)	142	-7%
	Loans (bn)	17	1%
	Deposits (bn)	19	1%

## Key Highlights

### Retail Banking and Wealth Management

- Record quarter for cards acquisitions, fee income and balance sheet growth
- Lending grew USD 0.7bn, whilst CASA increased by a record USD 2.5bn
- 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 USD 93m on higher income and lower provisions
- Customer financing at USD 12.3 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

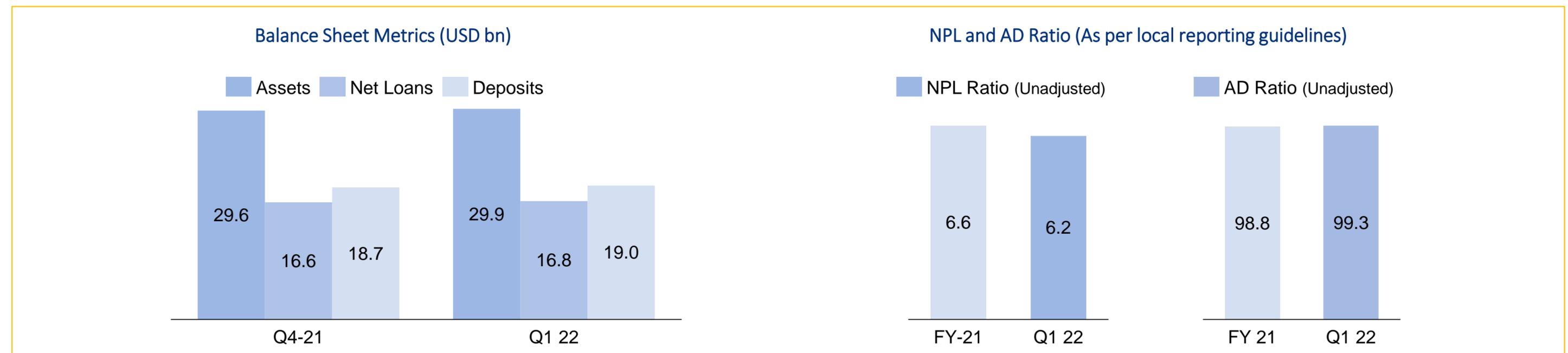
- Net profit of USD 171m stable y-o-y despite 48% depreciation in FX translation
- CoR improved to 294 bps in Q1
- Total assets in Turkish Lira grew 11% in Q1-22

# DenizBank business overview

Income Statement (USD Mn)	Q1-22	Q1-21	Better / (Worse)	Q4-21	Better / (Worse)
Net interest income	334	350	(5)%	359	(7)%
Non-funded income	162	205	(21)%	224	(28)%
<b>Total income</b>	<b>495</b>	<b>555</b>	<b>(11)%</b>	<b>583</b>	<b>(15)%</b>
Operating expenses	(142)	(152)	7%	(146)	3%
Pre-impairment operating profit	<b>353</b>	<b>403</b>	<b>(12)%</b>	<b>437</b>	<b>(19)%</b>
Impairment allowances	(133)	(179)	26%	(389)	66%
Operating profit	<b>221</b>	<b>224</b>	<b>(1)%</b>	<b>48</b>	<b>358%</b>
Taxation charge	(50)	(49)	(2)%	(15)	239%
<b>Net profit</b>	<b>171</b>	<b>175</b>	<b>(2)%</b>	<b>34</b>	<b>410%</b>
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 USD 171 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



All financial numbers post acquisition (1-Aug-19) include the fair value adjustments, unless otherwise stated.



**Thank you**

**Investor Relations**

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**“CREATE  
OPPORTUNITIES  
TO PROSPER”**