



Results Presentation

FY 2021

26 January 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.

The information contained here in has been prepared by Emirates NBD. Some of the information relied on by Emirates NBD is obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

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.

Emirates NBD delivers strong performance in 2021 on improving economic conditions

Key Highlights



Strong performance recovery trend with FY 2021 profit AED 9.3bn, up 34%



UAE economic activity picking up helped by Expo 2020



Continued strong underlying business momentum with record demand for retail financing



International expansion continues with additional KSA branches, approval for further branches in India and significant contribution from DenizBank



Diversified balance sheet and capital base remain a core strength of the Group

Key Metrics & Guidance

Net Profit

AED 9.3bn

+34% y-o-y

CET 1

15.1%

NIM

2.53%

Guidance 2021 / 22:
2.45-2.55% / 2.55-2.65%

LCR

177.6%

Cost to Income

33.5%

Guidance 2021 / 22:
Within 35% / within 35%

Loan Growth

-5%

Guidance 2021 / 22:
Low-single digit / Low-single digit

NPL

6.3%

Guidance 2021 / 22:
mid 6% / mid 6%

NPL Cover

127.5%

COR Guidance 2021 / 22:
100-125 bps / 100-125 bps

Financial results highlights FY 2021

Income Statement (AED bn)	FY 2021	FY 2020	Better / (Worse)
Net interest income	16.9	17.5	(3)%
Non-funded income	6.9	5.7	21%
Total income	23.8	23.2	3%
Operating expenses	(8.0)	(7.9)	(2)%
Pre-impairment operating profit	15.8	15.4	3%
Impairment allowances	(5.9)	(7.9)	26%
Operating profit	9.9	7.4	34%
Taxation charge and others	(0.6)	(0.5)	(38)%
Net profit	9.3	7.0	34%
Cost: income ratio (%)	33.5%	33.8%	0.3%
Net interest margin (%)	2.53%	2.65%	(0.12)%
Balance Sheet (AED bn)	31-Dec-21	31-Dec-20	Inc / (Dec)
Total assets	687.4	698.1	(2)%
Loans	422.3	443.5	(5)%
Deposits	456.5	464.2	(2)%
CET-1 (%)	15.1%	15.0%	0.1%
LCR (%)	177.6%	165.0%	12.6%
NPL ratio (%)	6.3%	6.2%	0.1%

Key Highlights

- Strong 2021 results a continuation of recovery with net profit up 34% y-o-y
 - 38% of income from international operations
- Income momentum offsetting impact of low interest rates
 - Higher non-funded income from increased transaction activity and growth in FX & Derivative income
 - Record CASA balances keeping funding costs stable
 - Improved loan mix with record demand for retail financing
- Expenses up 2% as business recovers and investment for future growth
 - CI ratio improved in 2021 supported by positive income momentum
- Cost of risk of 124 bps within pre-pandemic range
 - Provisions substantially down 26% y-o-y
 - NPL ratio steady at 6.3%
 - Coverage of 127.5%, highest amongst regional peers
- Strong Retail and DenizBank loan growth in local currency terms
 - ENBD loans stable in 2021; DenizBank's Turkish Lira net loans up 26% in 2021
 - Retail loans up AED 7bn in 2021
 - Offset by AED 4.2bn of deferral repayments and currency translation
- Group maintains strong Capital and Liquidity
 - CET-1 of 15.1%, strongest amongst regional peers
 - LCR of 177.6% reflects healthy liquidity position

Financial results highlights Q4 2021

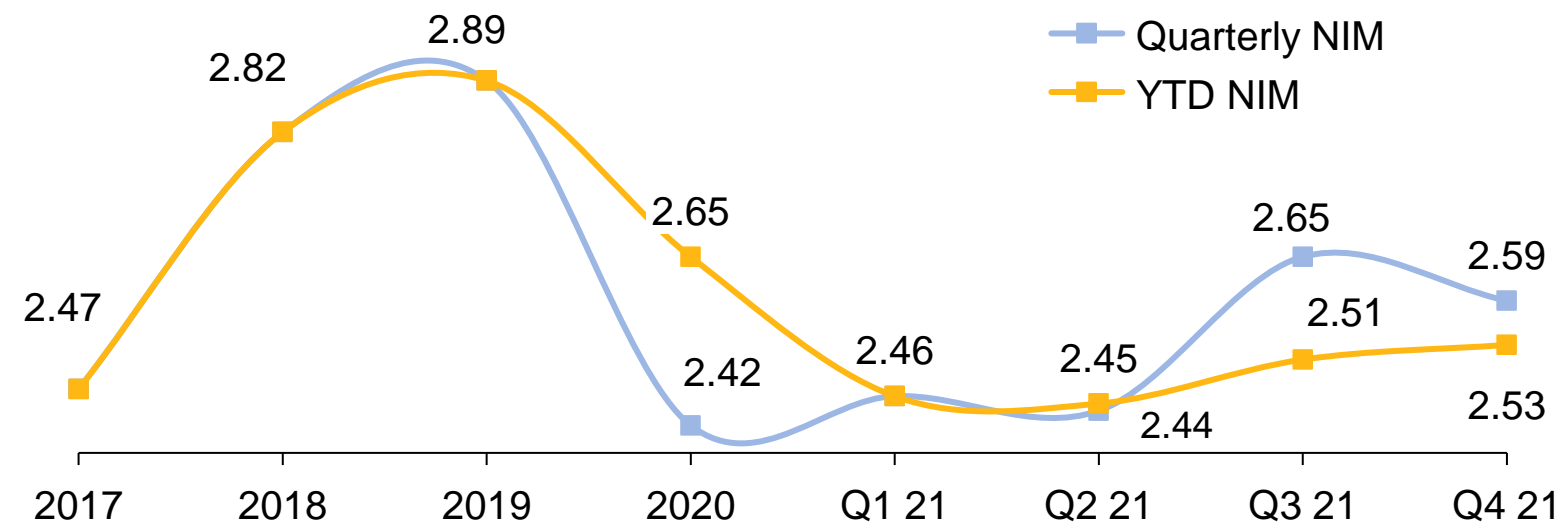
Income Statement (AED bn)	Q4-21	Q4-20	Better / (Worse)	Q3-21	Better / (Worse)
Net interest income	4.3	4.0	7%	4.4	(3)%
Non-funded income	2.2	0.9	146%	1.3	67%
Total income	6.5	4.9	32%	5.8	13%
Operating expenses	(2.3)	(2.0)	(11)%	(2.0)	(16)%
Pre-impairment operating profit	4.2	2.9	47%	3.8	12%
Impairment allowances	(2.2)	(1.6)	(38)%	(1.1)	(97)%
Operating profit	2.1	1.3	58%	2.7	(23)%
Taxation charge and others	(0.1)	0.0	(994)%	(0.2)	72%
Net profit	2.0	1.3	53%	2.5	(20)%
Cost: income ratio (%)	34.8%	41.5%	6.7%	34.0%	(0.8)%
Net interest margin (%)	2.59%	2.42%	0.17%	2.65%	(0.06)%
Balance Sheet (AED bn)	31-Dec-21	31-Dec-20	Inc / (Dec)	30-Sep-21	Inc / (Dec)
Total assets	687.4	698.1	(2)%	699.1	(2)%
Loans	422.3	443.5	(5)%	438.3	(4)%
Deposits	456.5	464.2	(2)%	466.5	(2)%
CET-1 (%)	15.1%	15.0%	0.1%	16.1%	(1.0)%
LCR (%)	177.6%	165.0%	12.6%	157.2%	20.4%
NPL ratio (%)	6.3%	6.2%	0.1%	6.2%	0.1%

Key Highlights

- Net profit up 53% y-o-y with strong income momentum
- Income up 32% y-o-y and 13% q-o-q on higher non-funded income
 - Increased transaction activity
 - Growth in FX & Derivative income
 - AED 0.3 bn gain relating to Dubai Bank
 - Record CASA balances keeping funding costs stable
- Expenses well controlled with Q4-21 CI ratio up due to seasonality
 - Higher staff cost due to retail incentives and investment for future growth
 - Other costs up due to seasonality, campaigns and IT investment
- Q4-21 cost of risk of 172 bps with provisions of AED 2.2bn
- Retail loan growth continued in Q4 2021
- Group maintains strong Capital and Liquidity

Net interest income

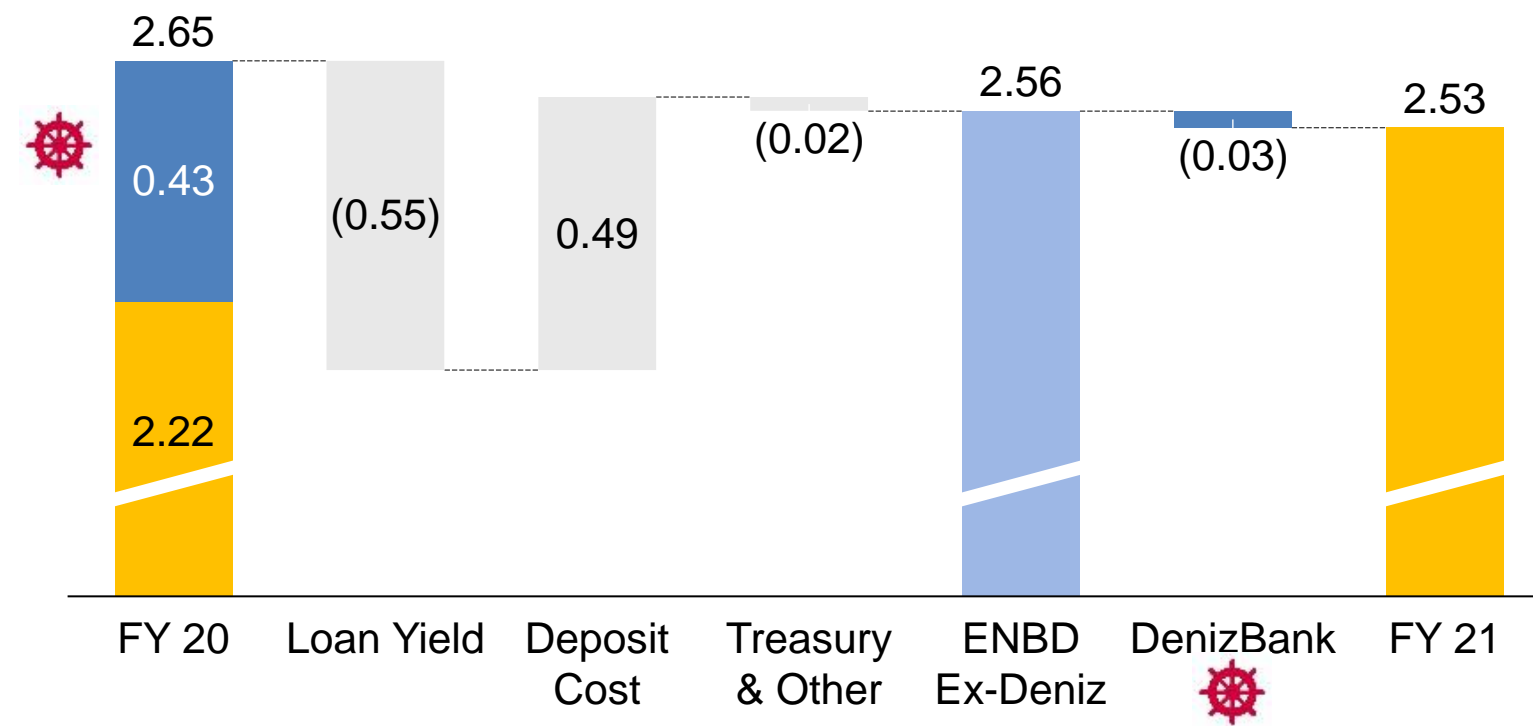
Net Interest Margin (%)



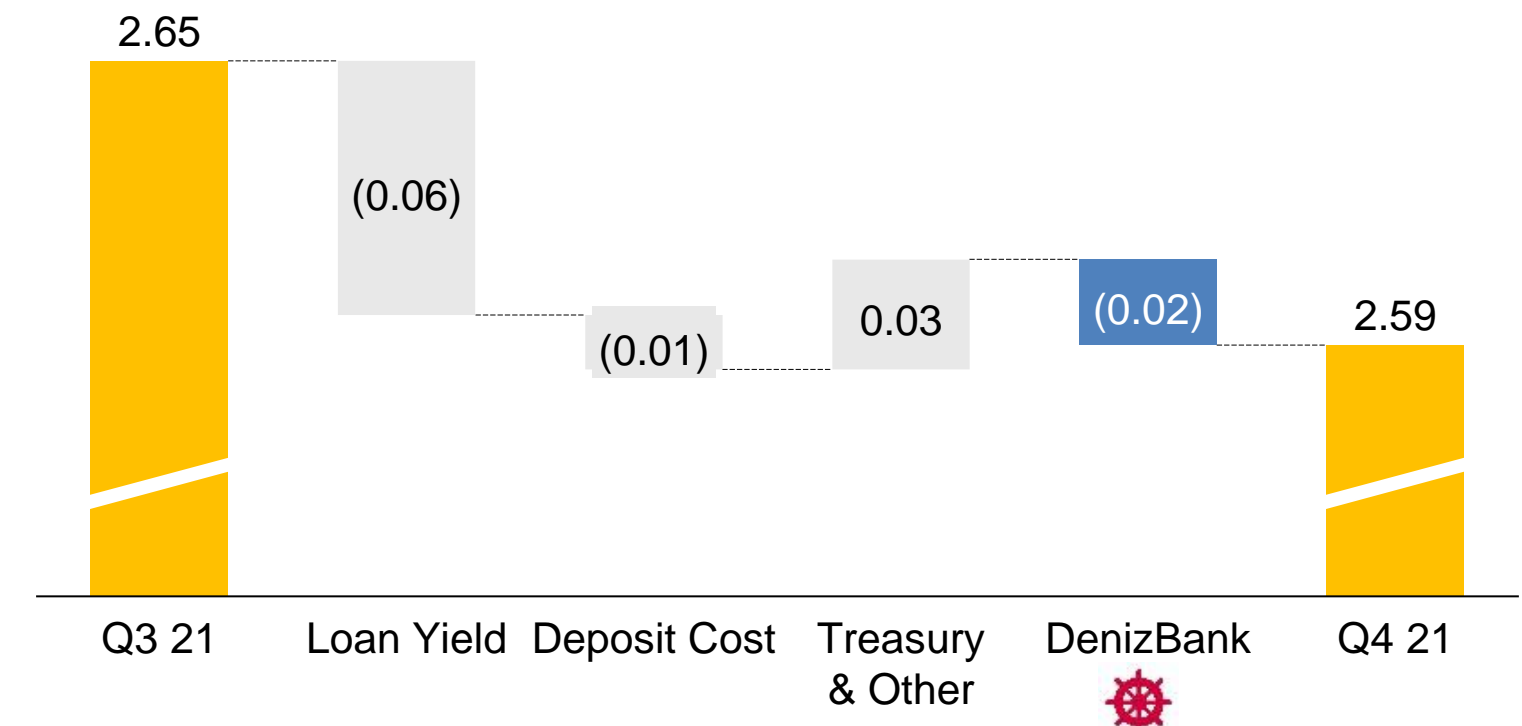
Key Highlights

- FY 2021 NIM down 12 bps due to interest rate cuts in 2020
 - Improved funding cost offset by reduced loan yields
- Q4-21 NIM declined 6bps
 - Loan yields lower on competitive term loan pricing
 - Deposit costs marginally higher on modest increase in short term rates
 - Higher contribution from Treasury on efficient deployment of liquidity
 - Lower DenizBank NIMs on higher funding costs
- 2022 guidance increased to 2.55-2.65%
 - Balance sheet well positioned to benefit from rate rises

NIM Drivers FY-21 vs FY-20 YTD (%)

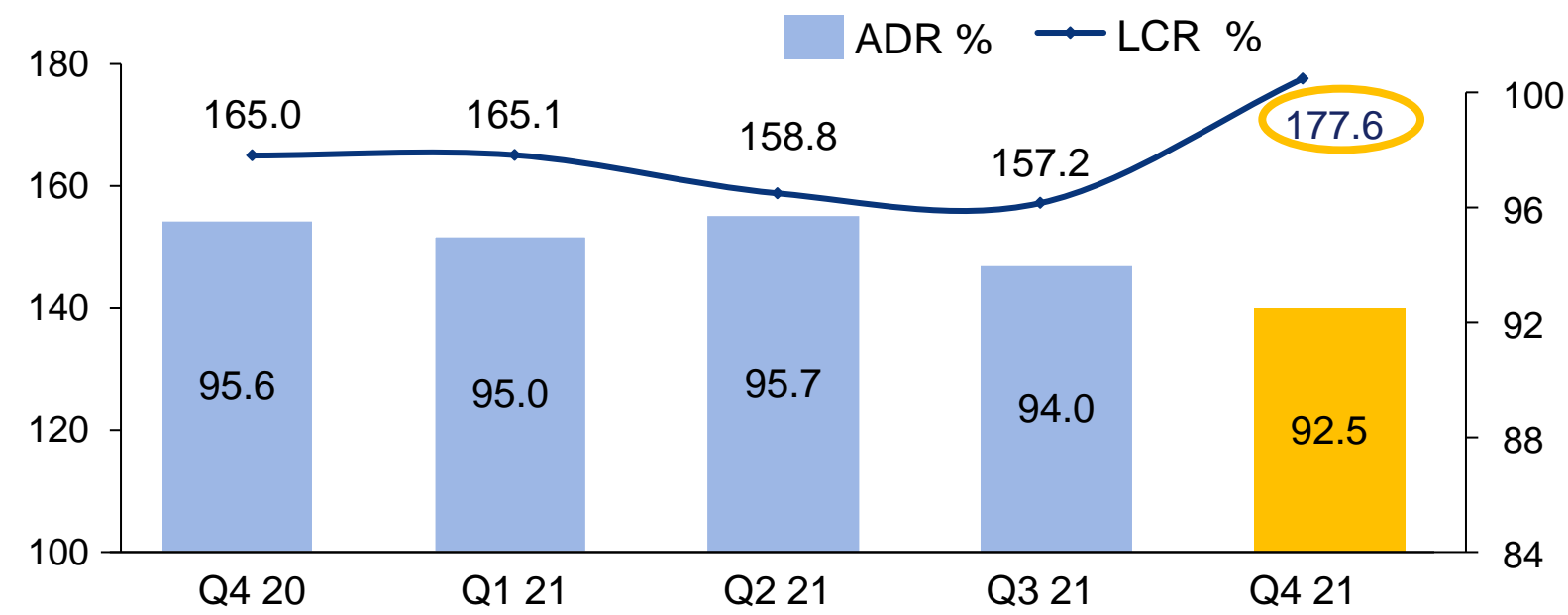


NIM Drivers Q4-21 vs Q3-21 (%)



Funding and liquidity

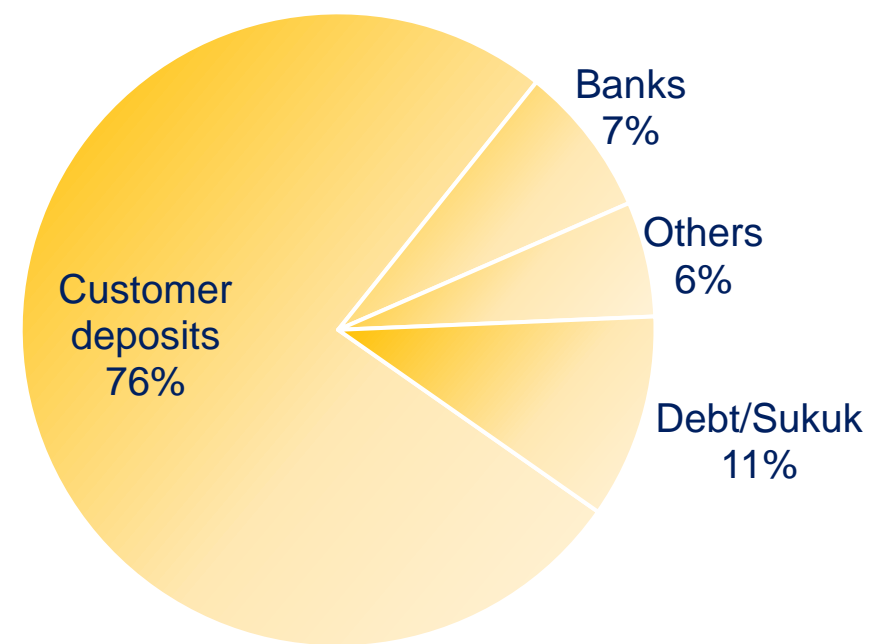
Advances to Deposit and Liquidity Coverage Ratio (%)



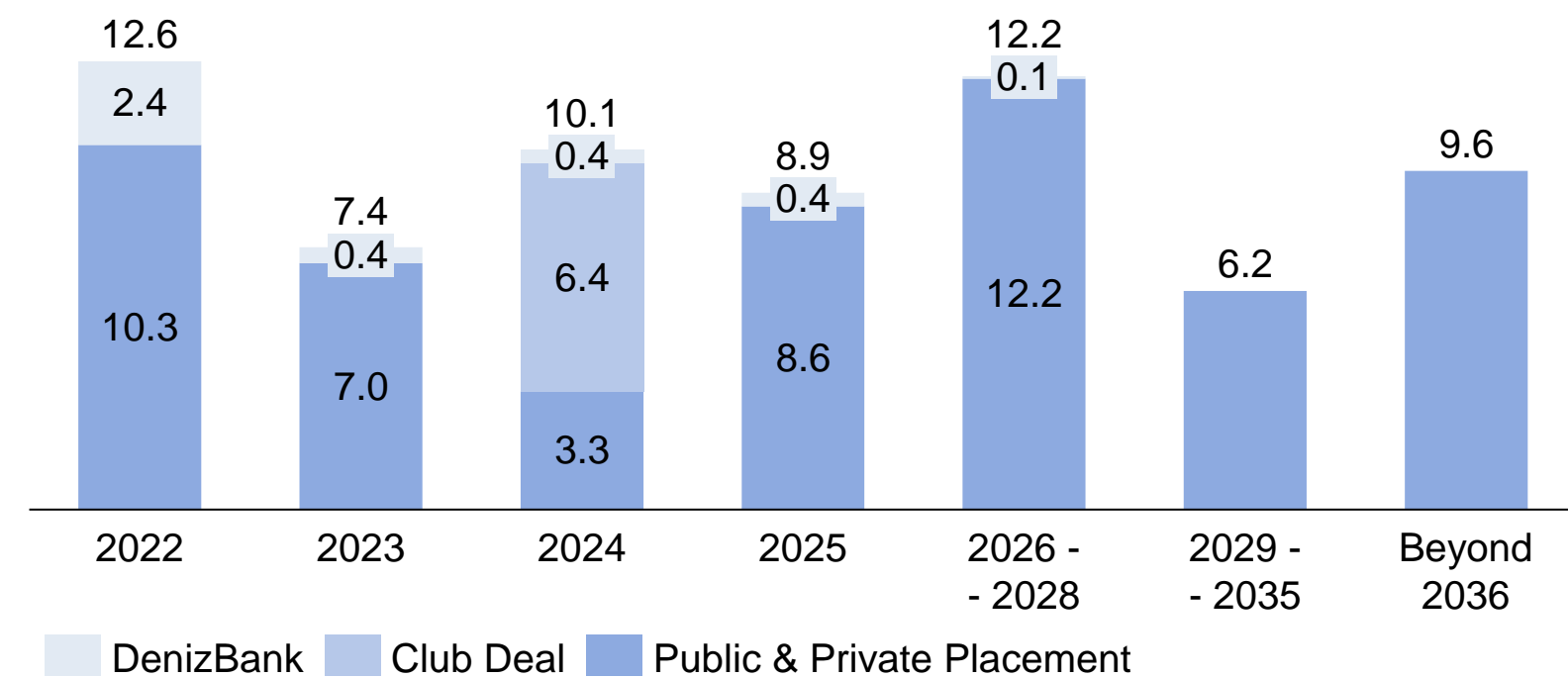
Key Highlights

- LCR of 177.6% and ADR of 92.5% demonstrate healthy liquidity
- Liquid assets* of AED 70.8 billion cover 12% of total liabilities; 15% of deposits
- AED 27.5bn issuance during the year, taking advantage of historically low cost of term funding
- AED 12.6 bn debt maturing in 2022 comfortably within Group's capabilities

Composition of Liabilities and Debt Issued (%)



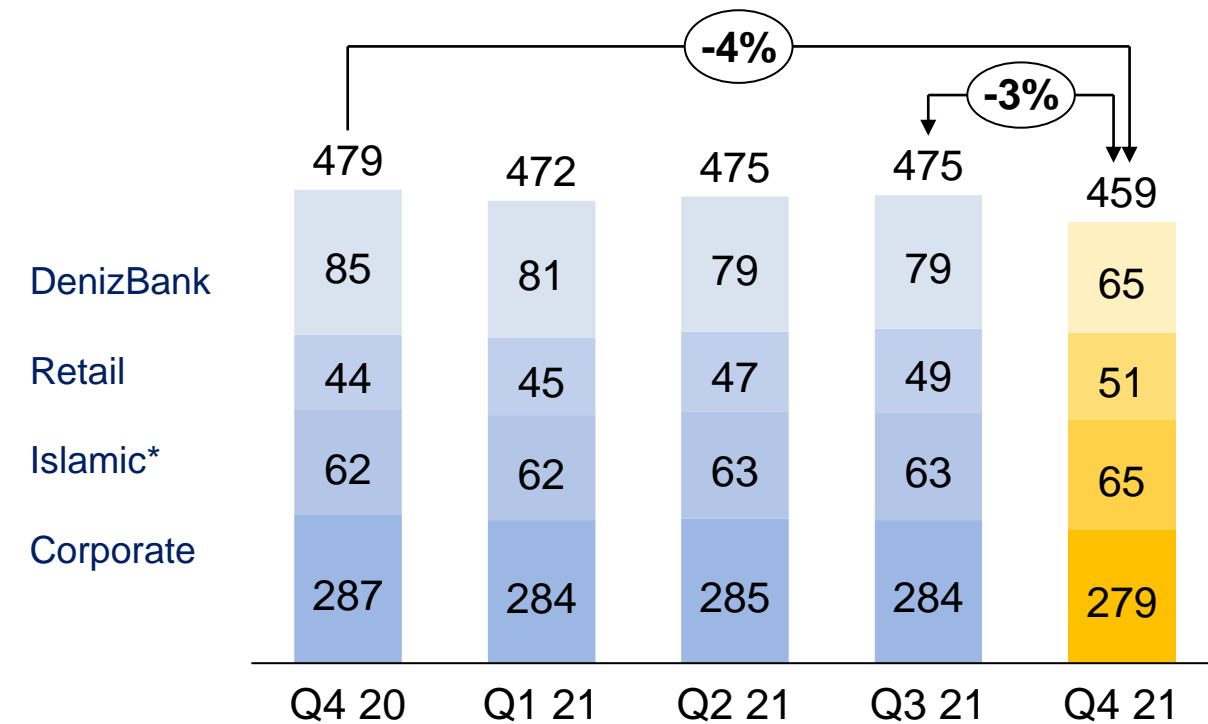
Maturity Profile of Debt/ Sukuk Issued AED 67.1bn



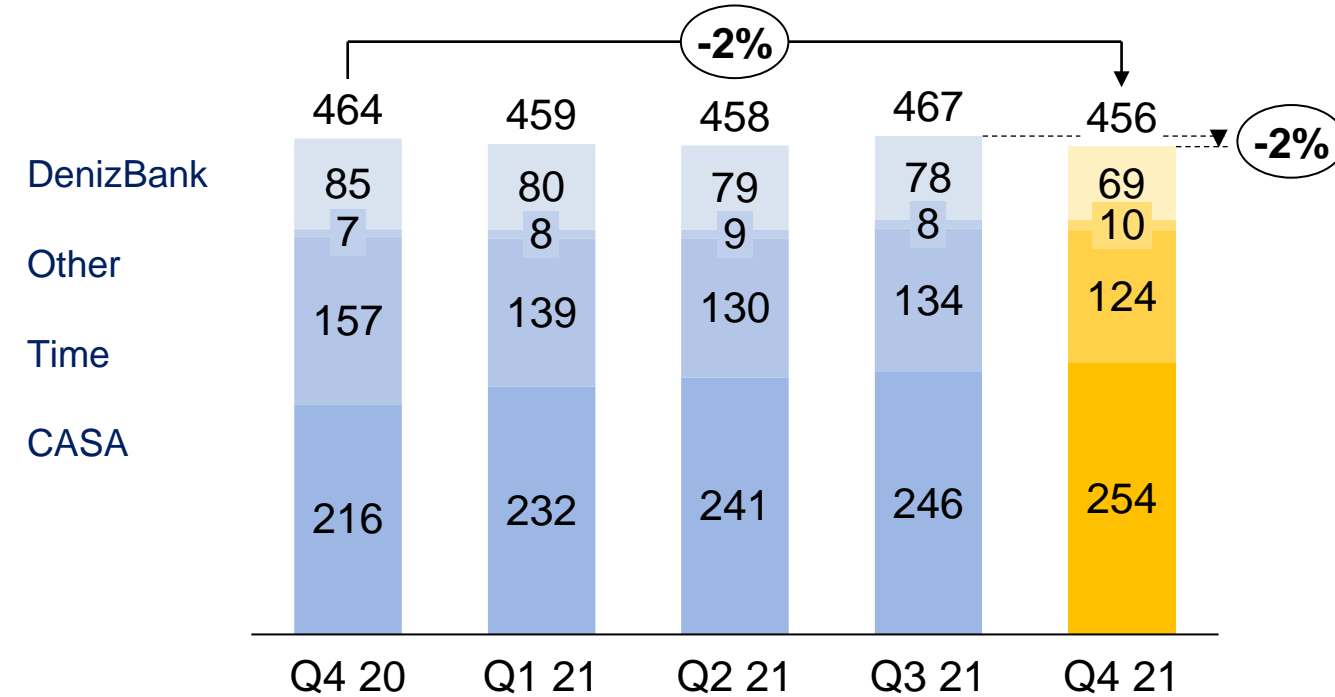
*Includes cash and deposits with Central Banks, excludes interbank balances and liquid investment securities

Loans and deposits trends

Gross Loans by Type (AED Bn)



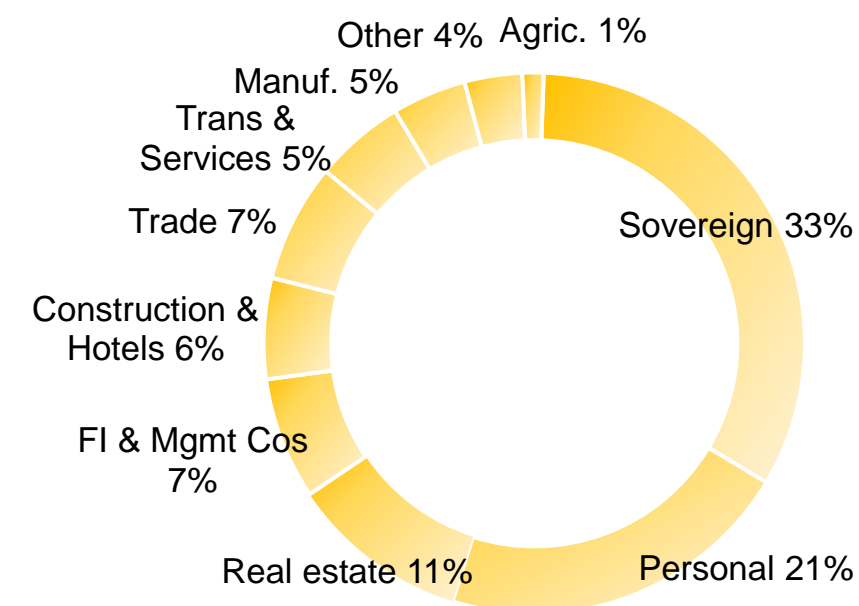
Deposits by Type (AED Bn)



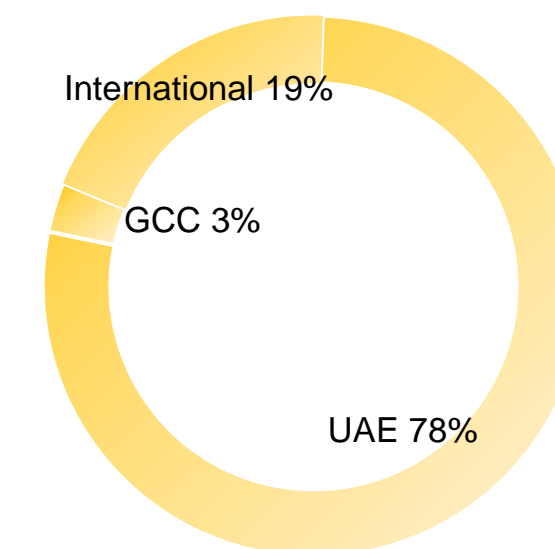
Key Highlights

- Gross loans declined 4% (AED 20bn) in 2021 due to currency depreciation, offsetting significant demand for retail financing
 - Retail financing grew AED 7bn during a record year for personal loans, mortgages and credit cards
 - Islamic Financing grew AED 3bn during the year
 - Corporate loans down AED 8bn on AED 4.2bn of deferral support repayments
 - DenizBank’s Turkish Lira gross loans up 31% in 2021
- Deposit mix improved in 2021 with AED 38bn increase in CASA replacing AED 33bn FDs
 - CASA represents 61% of total Group deposits
 - DenizBank’s Turkish Lira deposits up 19% in 2021

Gross Loans by Sector (%)

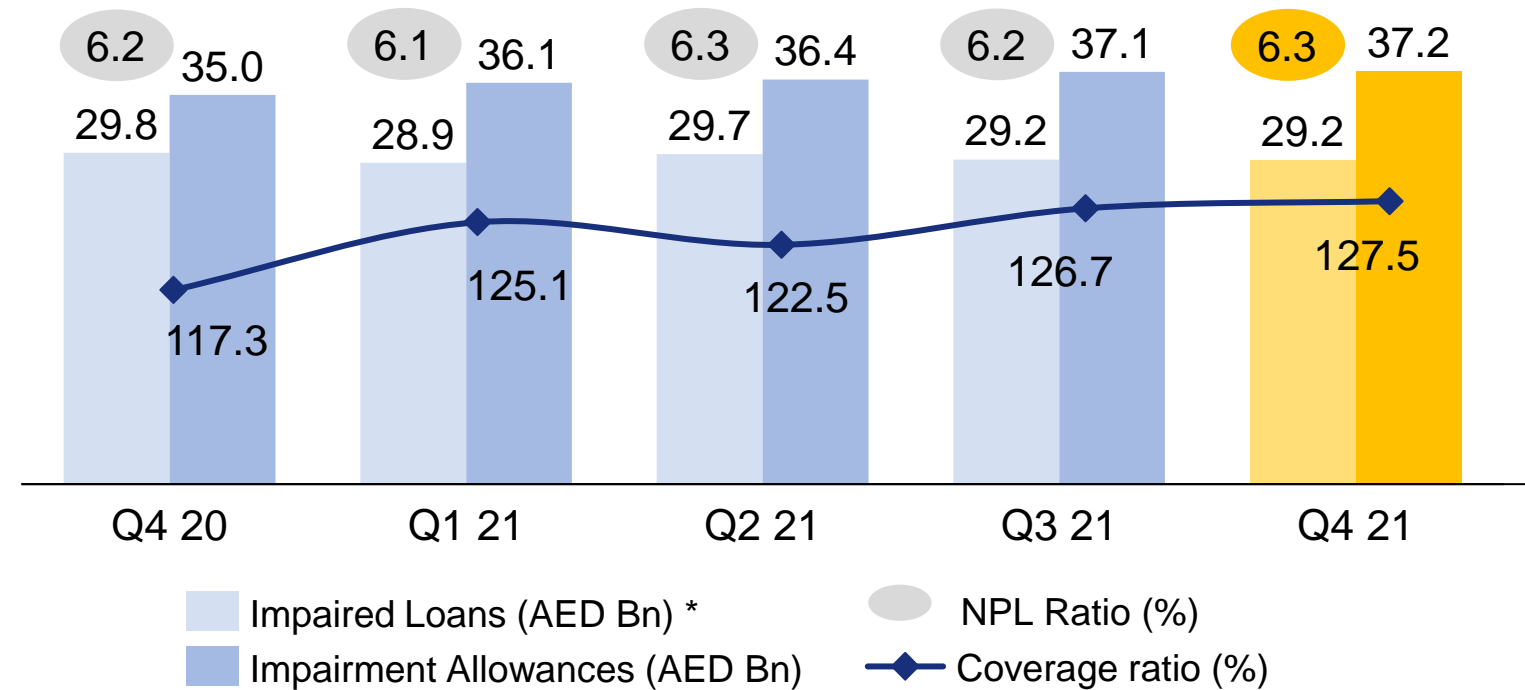


Net Loans by Geography (%)



* Gross Islamic Financing Net of Deferred Income

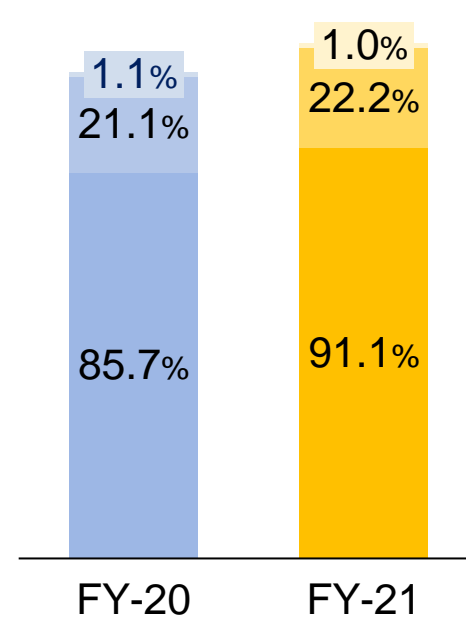
Impaired loans and allowances



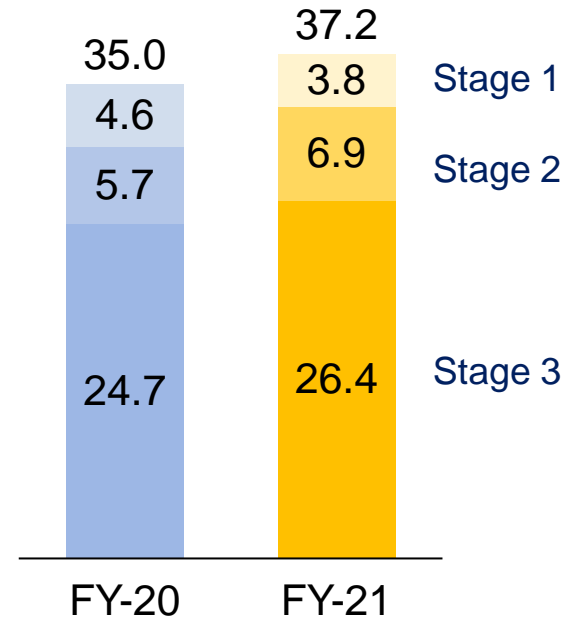
Key Highlights

- NPL ratio increased by 0.1% to 6.3% in FY-21
- Coverage ratio strengthened 10.2% to 127.5% during 2021
 - S1 and S2 coverage broadly stable despite stage migrations in 2021
 - S3 coverage up at 91.1% on higher provisions
- 124 bps cost of risk back within pre-pandemic range down from 163 bps in 2020
- The Bank has supported 131,023 customers with AED 10.7 billion of deferrals
 - AED 8.2 bn has been repaid, resulting in net support of AED 2.5 bn as at Q4-21
 - TESS zero cost funding repaid in full
 - Repayments demonstrate improving business sentiment

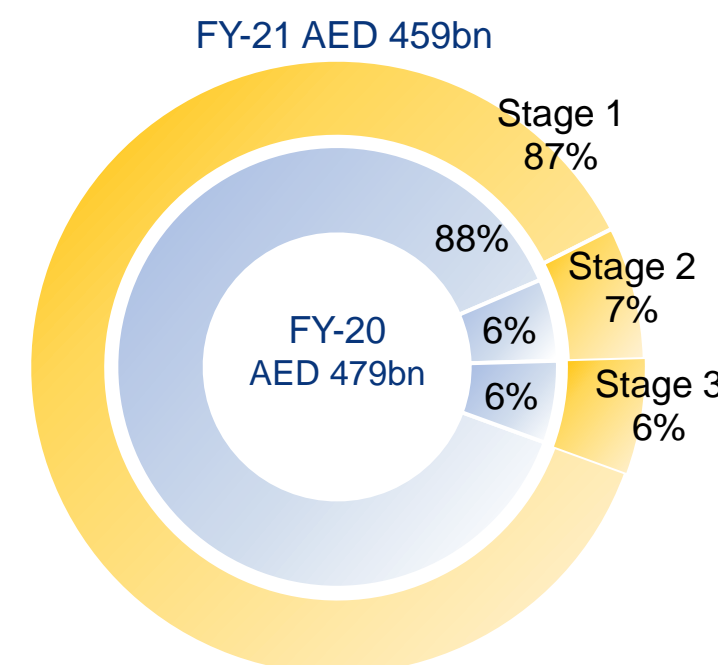
ECL to Loan Coverage**



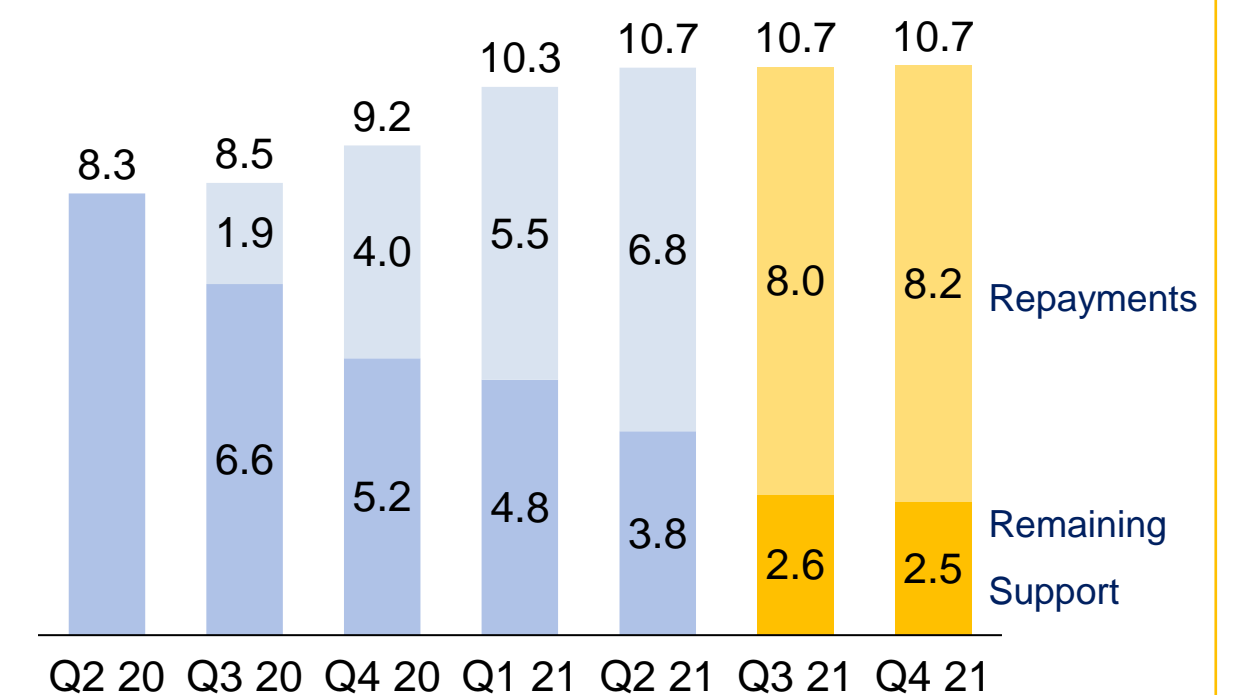
Stagewise ECL (AED bn)



Total Gross Loans



Deferral Support and Repayments (AED bn)



*Includes purchase originated credit impaired loans of AED 1.0bn (Dec-20: AED 2.1bn) acquired at fair value / **Stage 3 coverage adjusted for POCL acquired at FV

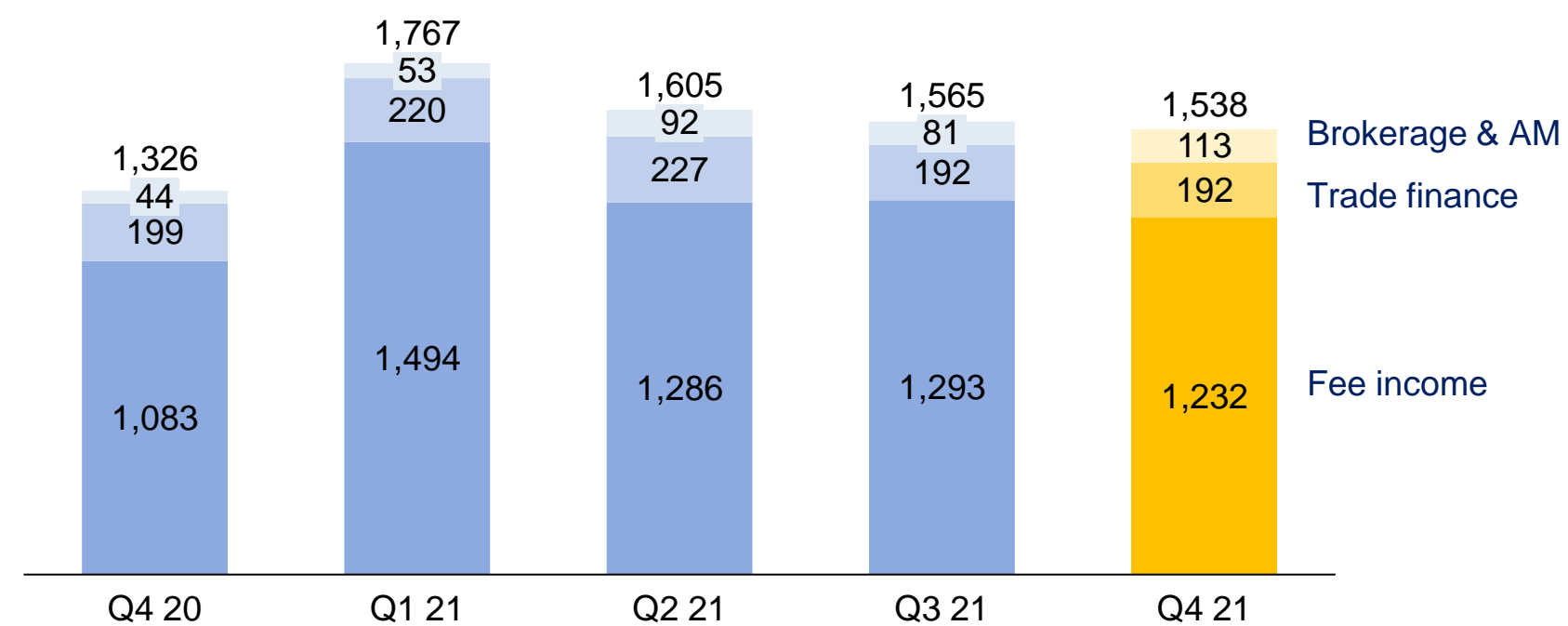
Non-funded income

Non-funded income (AED mn)	FY-21	FY-20	Better / (Worse)
Fee and Commission income	6,475	5,627	15%
Fee and Commission expense	(2,639)	(1,972)	(34)%
Net Fee and Commission Income	3,836	3,655	5%
Other operating income	2,910	1,889	54%
Gain / loss on trading securities	151	180	(16)%
Total Non-funded income	6,897	5,724	21%

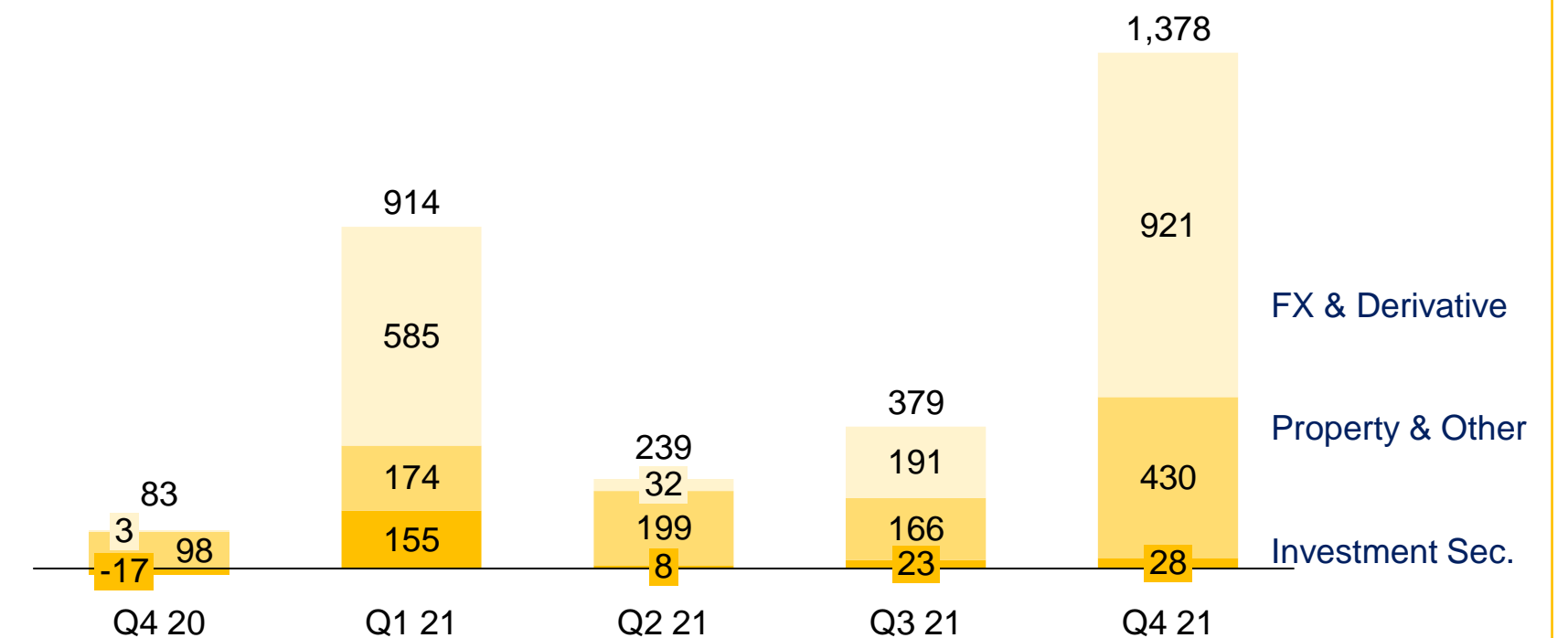
Key Highlights

- FY-21 fee and commission income up 15% y-o-y
 - Higher transaction volumes due to increased activity
 - Improved brokerage and asset management fee
- FX and derivative income up q-o-q
 - Increased FX client business
 - Hedging and swaps relating to DenizBank
- Investment securities income up due to gain on sale of securities
- Other includes AED 0.3 bn gain from Dubai Bank

Fee and Commission Income (AED mn)



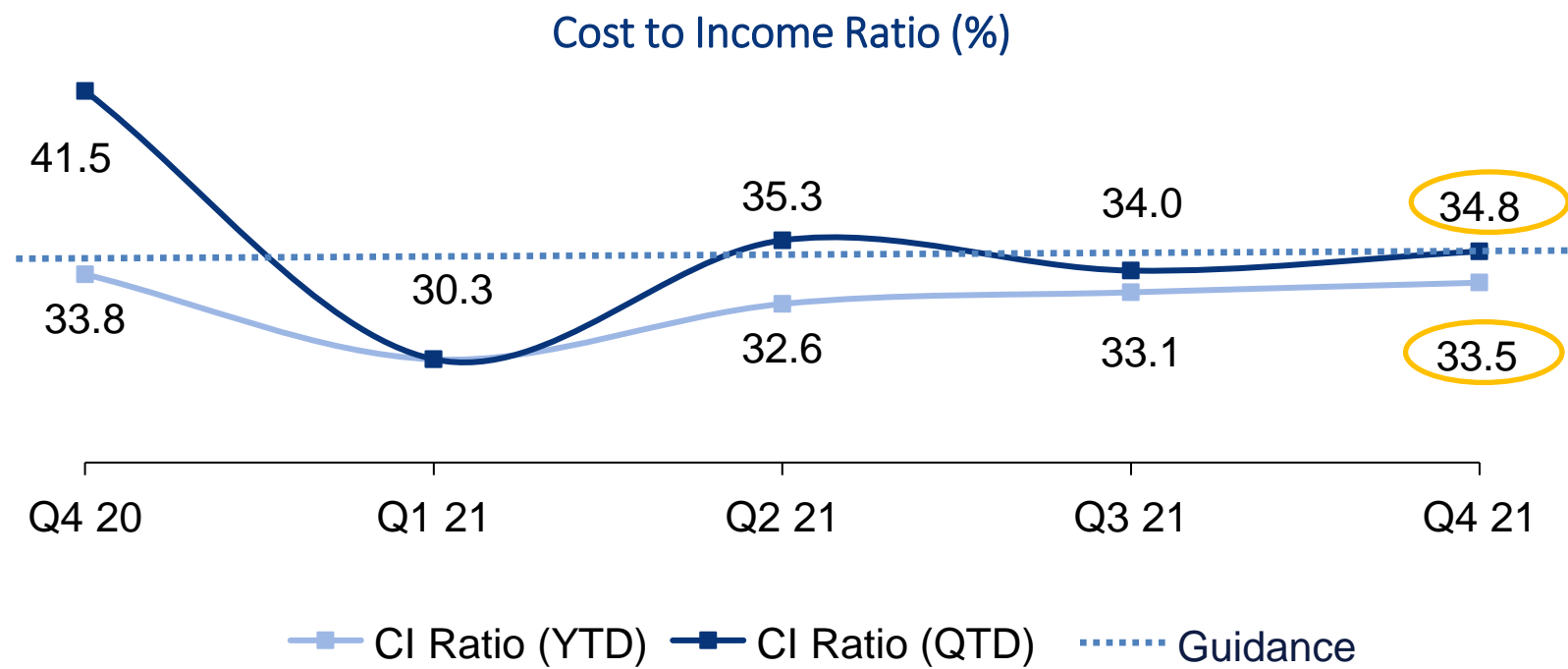
Other Operating Income (AED mn)



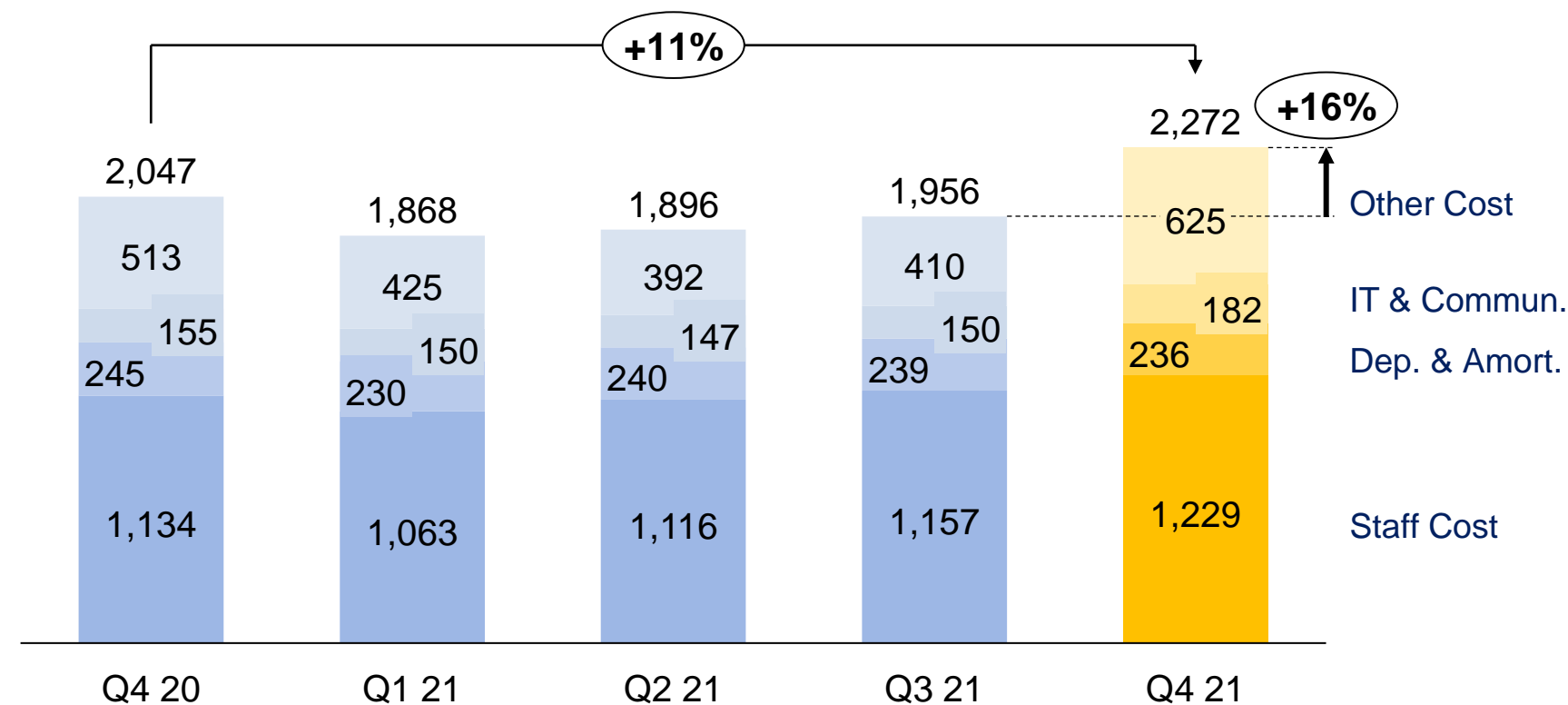
Operating expenses

Key Highlights

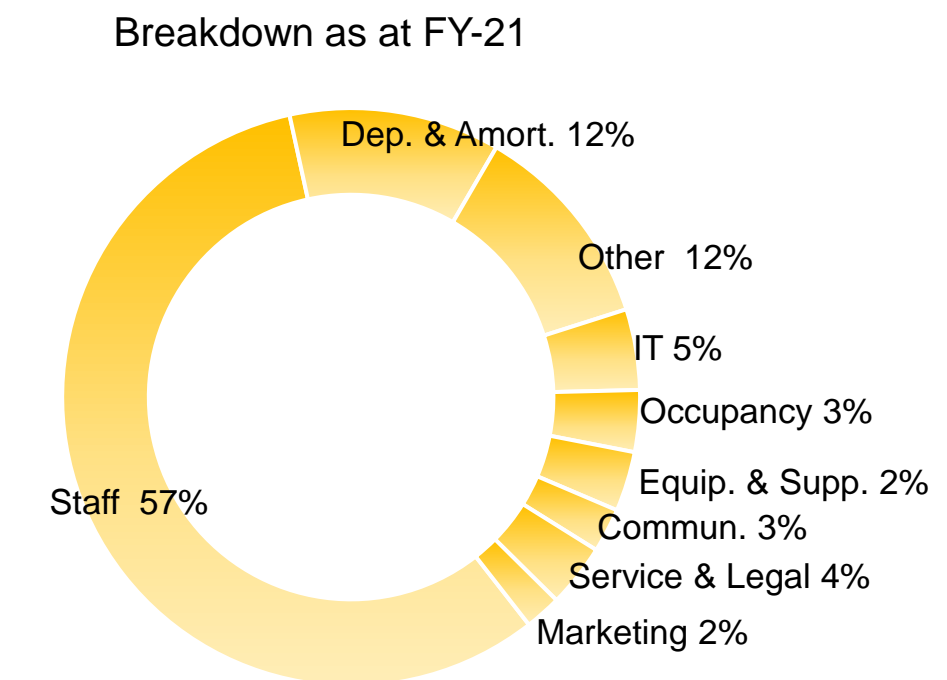
- YTD Cost to income ratio improved to 33.5% from 33.8% last year supported by positive income momentum
 - Positive jaws as 3% Income growth outpaced 2% increase in costs
 - Operating expenses up as business recovers
 - 2022 CI guidance remains within 35%
- Q4-21 expenses up 11% y-o-y and 16% q-o-q
 - Q4-21 CI ratio increased to 34.8% due to seasonality
 - Higher staff cost due to retail incentives and investment for future growth
 - Other costs up due to seasonality, campaigns and IT investment



Operating expenses trends (AED mn)

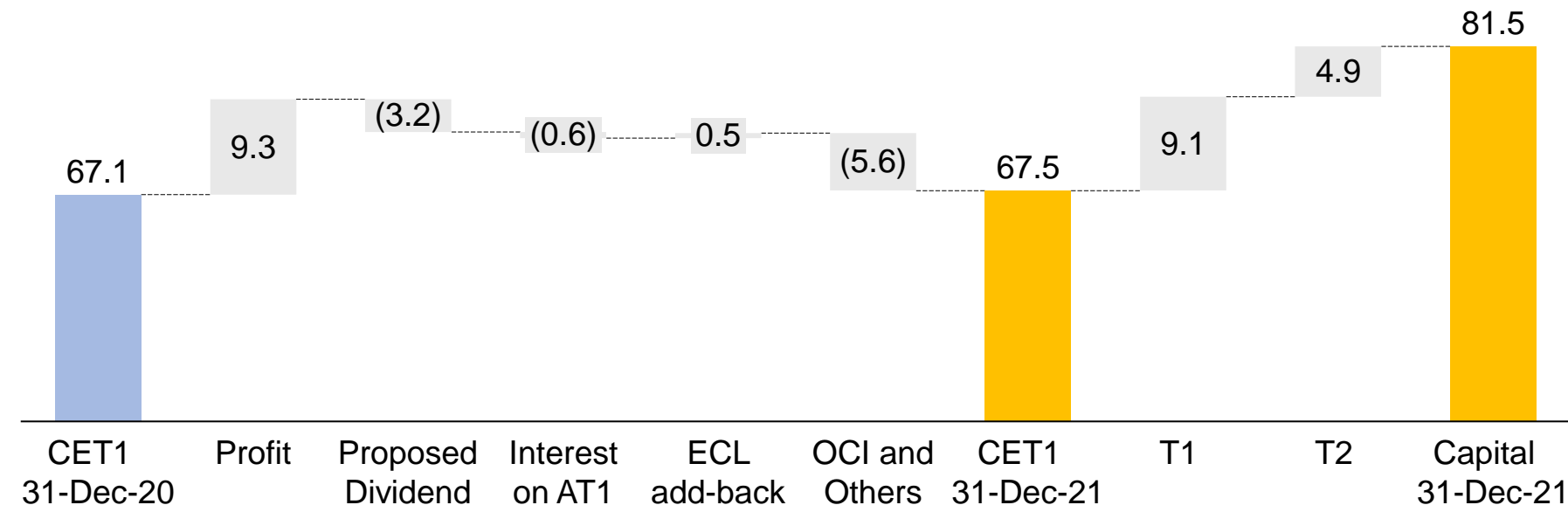


Operating expenses composition (%)

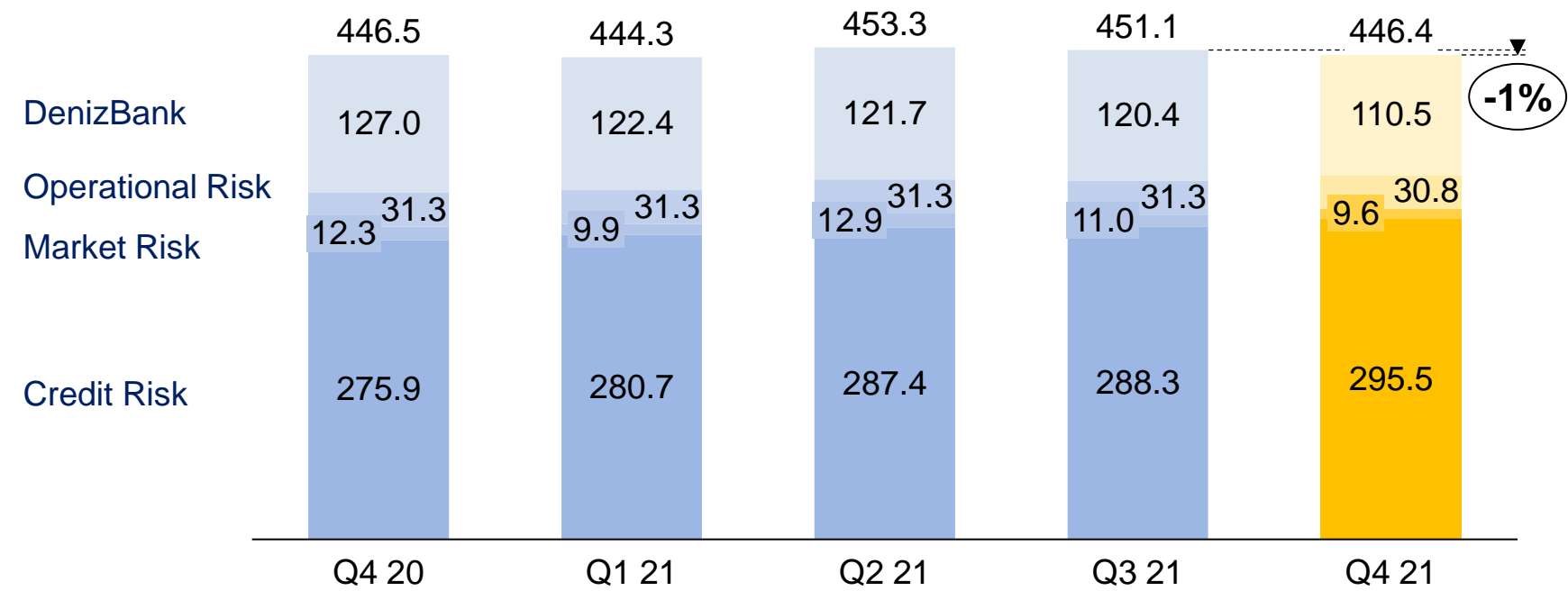


Capital adequacy

Capital (AED billion)



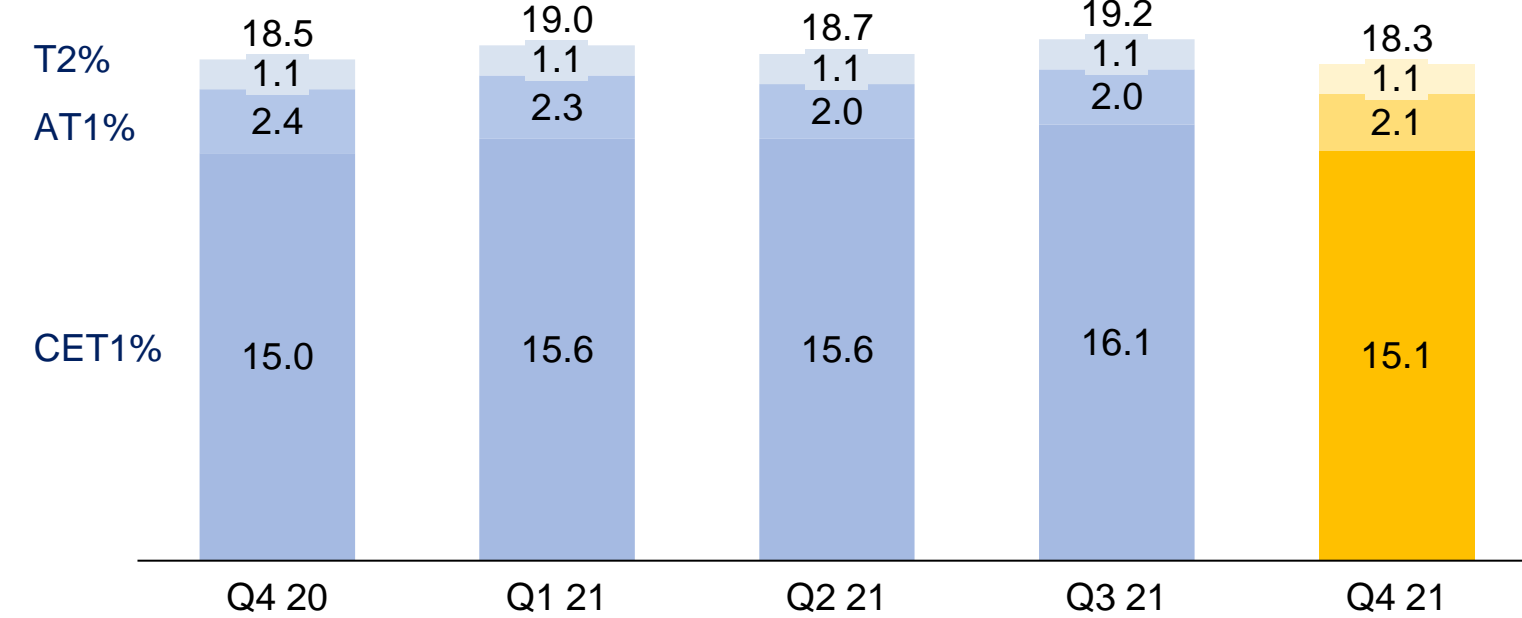
Risk Weighted Assets (AED billion)



Key Highlights

- CET-1 ratio improved 0.1% during 2021 as
 - AED 9.3bn of retained earnings offset
 - AED 3.2bn of proposed dividend
 - AED 5.6bn impact on FV and currency translation reserve
 - RWAs broadly stable during the year
- Tier 1 ratio and CAR 0.2% lower following AT1 management in 2021
- Capital ratios well above 11% / 12.5% / 14.5% CBUAE min. requirement
 - TESS provides further 3% temporary relief until June-22
- CET-1 at 14.6% excluding ECL regulatory add-back

Capital Ratios %



Divisional performance

Operating Segment	Metrics	FY-21	Increase / (Decrease)
Retail Banking and Wealth Management	Income (mn)	8,045	4%
	Expenses (mn)	2,239	9%
	Loans (bn)	53.9	17%
	Deposits (bn)	178.8	8%
Corporate and Institutional Banking	Income (mn)	5,664	-4%
	Expenses (mn)	541	-11%
	Loans (bn)	264.8	-4%
	Deposits (bn)	160.2	-4%
Emirates Islamic	Income (mn)	2,398	15%
	Expenses (mn)	1,191	10%
	Loans (bn)	42.6	4%
	Deposits (bn)	47.3	1%
Global Markets and Treasury	Income (mn)	(61)	86%
	Expenses (mn)	158	-7%
	Assets (bn)	145.6	18%
	Liabilities (bn)	23.3	-25%
DenizBank	Income (mn)	7,042	-3%
	Expenses (mn)	2,213	-2%
	Loans (bn)	61.1	-25%
	Deposits (bn)	68.8	-19%

Key Highlights

Retail Banking and Wealth Management

- Record year for consumer loan origination, cards acquisitions and low-cost CASA
- Customer advances increased 17% and CASA grew AED 20bn (15%) during 2021
- Retail Banking, Private Banking & Asset Mgmt all delivered double-digit NFI growth
- Close to 25% market share of UAE debit and credit card spends
- Revamped Mobile & Online platforms and Business Banking proposition

Corporate and Institutional Banking

- Record year in the capital markets and strong growth in International segment
- 8% growth in non-funded income and volumes were offset by falling interest rates
- Significant CASA growth helped improve liquidity mix and improve funding cost
- Strong new loan origination helped partially cover anticipated repayments in 2021
- EmCap successfully led key ESG transactions from the region

Emirates Islamic

- Profit grew on higher non-funded income and lower impairment allowances
- ADR healthy at 90%; CASA represent 77% of total deposits
- Issued a USD 500mn 5-year Senior Sukuk
- Launched the Expo Mastercard Credit Card and Branch at Expo 2020 Dubai

Global Markets and Treasury

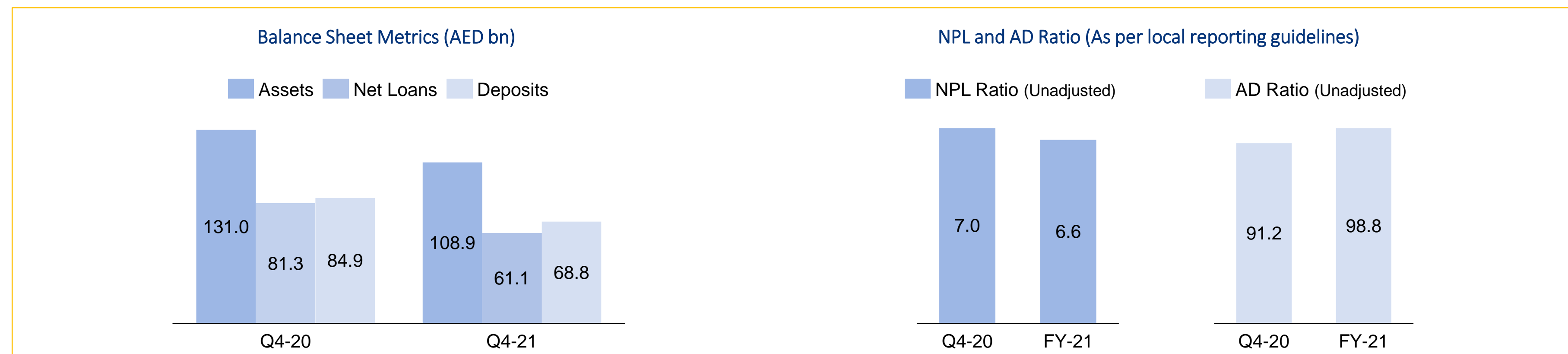
- NII up 61% y-o-y on increased income from hedging & banking book investments
- Group Funding helped issue USD 6.75bn of term debt
- Demonstrated readiness for global transition to new indices by issuing notes based on new reference rates and helping customers update documentation

DenizBank

- Net profit up 20% on higher non-funded income and lower impairments in 2021
- Income down 3% primarily due to lower net interest income on FX translation
- Cost of risk improved to 343 bps in 2021 as DenizBank continues to boost coverage
- Turkish Lira net loans and deposits up 26% and 19% in 2021

DenizBank business overview

Income Statement (AED Mn)	FY-21	FY-20	Better / (Worse)	Key Highlights
Net interest income	5,272	5,667	(7)%	<ul style="list-style-type: none"> Net profit grew 20% to AED 1,643m in 2021 despite volatility Net interest income lower y-o-y mainly due to currency translation Non-funded income higher y-o-y as the hedging impact offset the currency translation 2021 cost of risk improved to 343 bps compared to 383 bps in 2020 Q4-21 cost of risk higher at 703 bps as DenizBank continued to build coverage given the current volatility Turkish Lira total assets grew 25% in 2021 DenizBank is the fifth largest private bank in Turkey with wide presence through a network of 712 branches servicing around 15m customers through 14,000+ employees
Non-funded income	1,770	1,590	11%	
Total income	7,042	7,257	(3)%	
Operating expenses	(2,213)	(2,266)	2%	
Pre-impairment operating profit	4,829	4,991	(3)%	
Impairment allowances	(2,717)	(3,348)	19%	
Operating profit	2,112	1,643	29%	
Taxation charge	(470)	(274)	(72)%	
Net profit	1,643	1,369	20%	
Cost: income ratio	31.2%	31.2%	0.0%	
Net interest margin	4.35%	4.47%	(0.12)%	



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



Thank you

Investor Relations

Emirates NBD Head Office | 4th Floor

PO Box 777 | Dubai, UAE

IR@emiratesnbd.com

Tel: +971 4 609 3046

**“CREATE
OPPORTUNITIES
TO PROSPER”**