



Results Presentation | Q1 2023

27 April 2023

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Rounding

Rounding differences may appear throughout the presentation.

Executive Summary Q1 23 Results

Key Highlights



Record quarterly profit of AED 6 bn on higher income & strong recoveries



Record AED 10.5 bn quarterly income on improved loan & deposit mix coupled with higher interest rates



Deposits grew 7% by AED 35 bn, including AED 19 bn CASA growth



Record retail financing with over AED 8 bn disbursed and over 144,000 credit cards issued

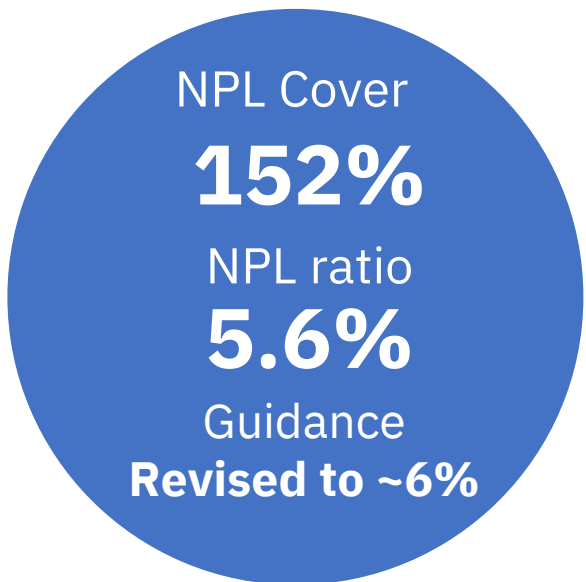
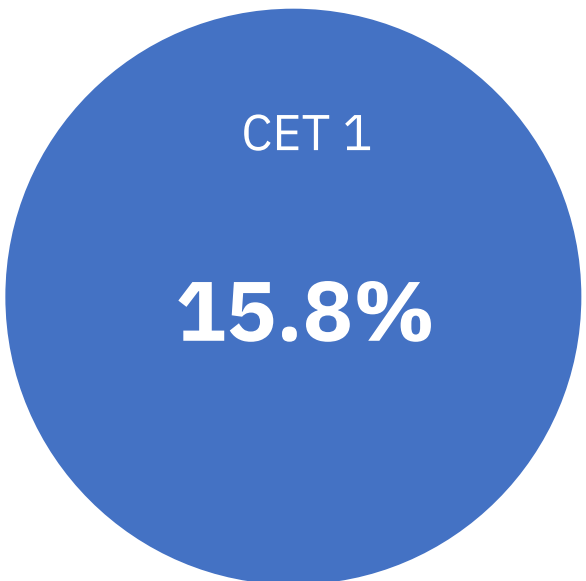
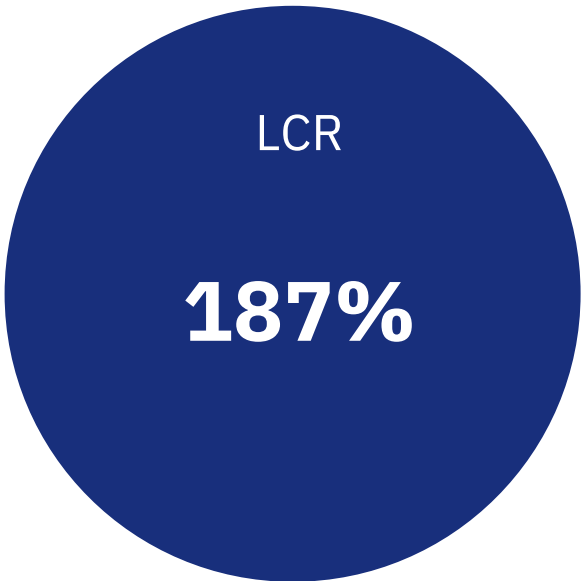
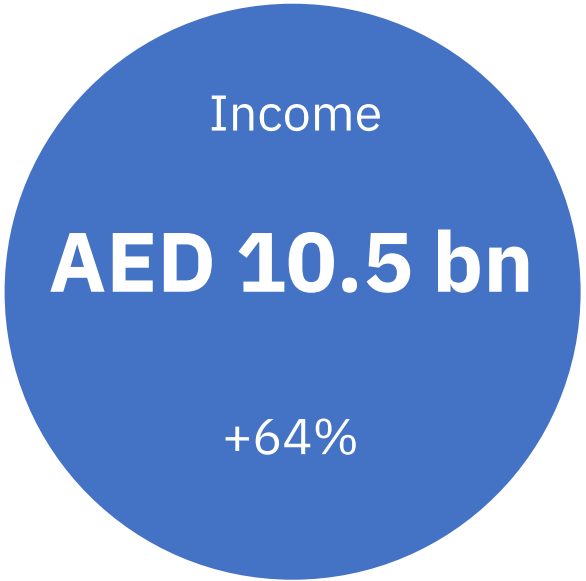


Recharged international and digital strategy to drive future growth



Solid balance sheet with improvement in capital, liquidity and credit quality and strong profit remain core strengths of the Group

Key Metrics and Guidance



Emirates NBD's profit rises 119% YoY to AED 6 bn on strong diversified income growth and healthy recoveries

Income Statement <i>(All figures are in AED bn)</i>	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ
Net interest income	7.2	4.3	69%	7.7	(7)%
Non-funded income	3.3	2.1	54%	2.1	55%
Total income	10.5	6.4	64%	9.8	7%
Operating expenses	(2.6)	(2.0)	34%	(2.9)	(8)%
Operating profit before impairment	7.8	4.4	77%	7.0	12%
Impairment allowances	(0.5)	(1.4)	(66)%	(1.9)	(76)%
Profit before tax & others	7.3	3.0	145%	5.0	46%
Hyperinflation adjustment	(0.8)	-	-	(0.7)	21%
Tax	(0.5)	(0.3)	91%	(0.4)	15%
Profit	6.0	2.7	119%	3.9	54%
Cost: income ratio	25.3%	30.8%	(5.5)%	29.1%	(3.8)%
NIM	4.05%	2.60%	145 bps	4.40%	(35) bps

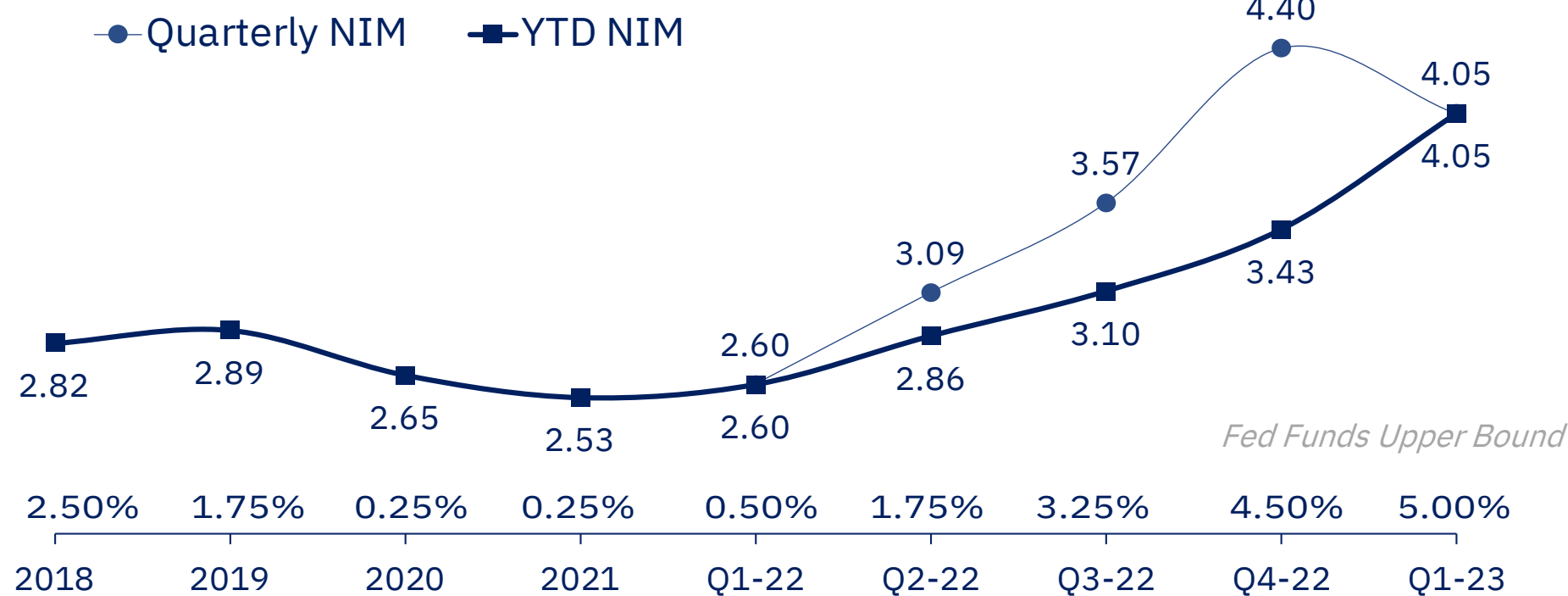
Balance Sheet	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ
Total Assets	782	694	13%	742	5%
Total Gross Loans	470	463	1%	456	3%
Deposits	538	469	15%	503	7%
CET-1 (%)	15.8%	15.0%	0.8%	15.4%	0.4%
LCR (%)	187%	157%	30%	182%	5%
NPL ratio (%)	5.6%	6.4%	(0.8)%	6.0%	(0.4)%

Key Highlights

- Group **profit up 119%** on strong diversified income growth and healthy recoveries
 - ENBD income higher from improving loan mix & increased margins and higher transaction volumes
 - DeinzBank income higher from increased lending and higher transaction volumes
- Higher NIMs** reflect rising interest rates
- Lower provisions as **41 bp** cost of risk for Q1-23 reflects **strong recoveries** and robust operating environment
- AED 0.9 bn profit contribution from **DenizBank** despite AED 0.8 bn hyperinflation adjustment
- Accelerating investment** in international growth and digital
- Record quarter for retail** disbursements and strong new corporate lending helping deliver loan growth
- Further CASA growth** demonstrates market penetration and strong UAE liquidity, enabling the Group to benefit from rates rises

NIMs trending towards guidance range on collective impact of rate rises, deposit mix and Turkish regulations

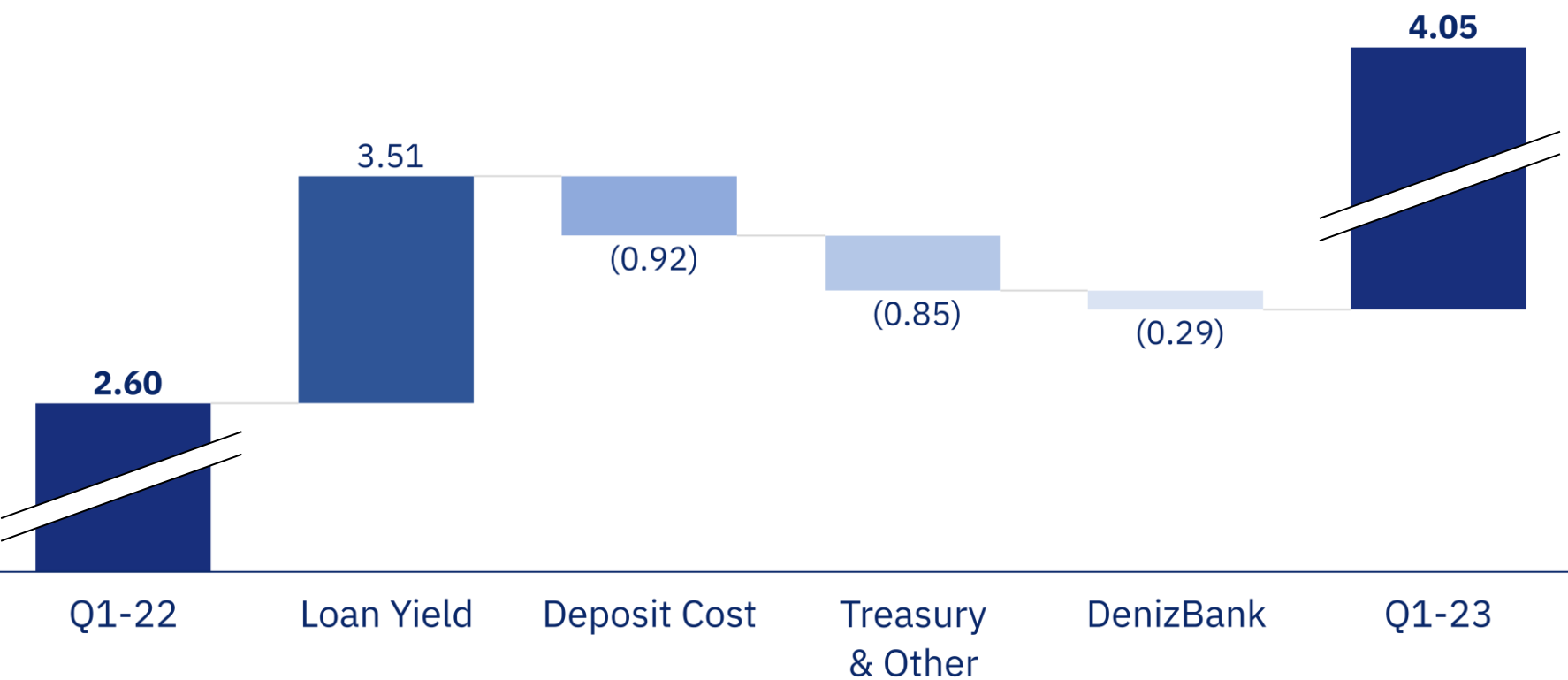
Net Interest Margin (%)



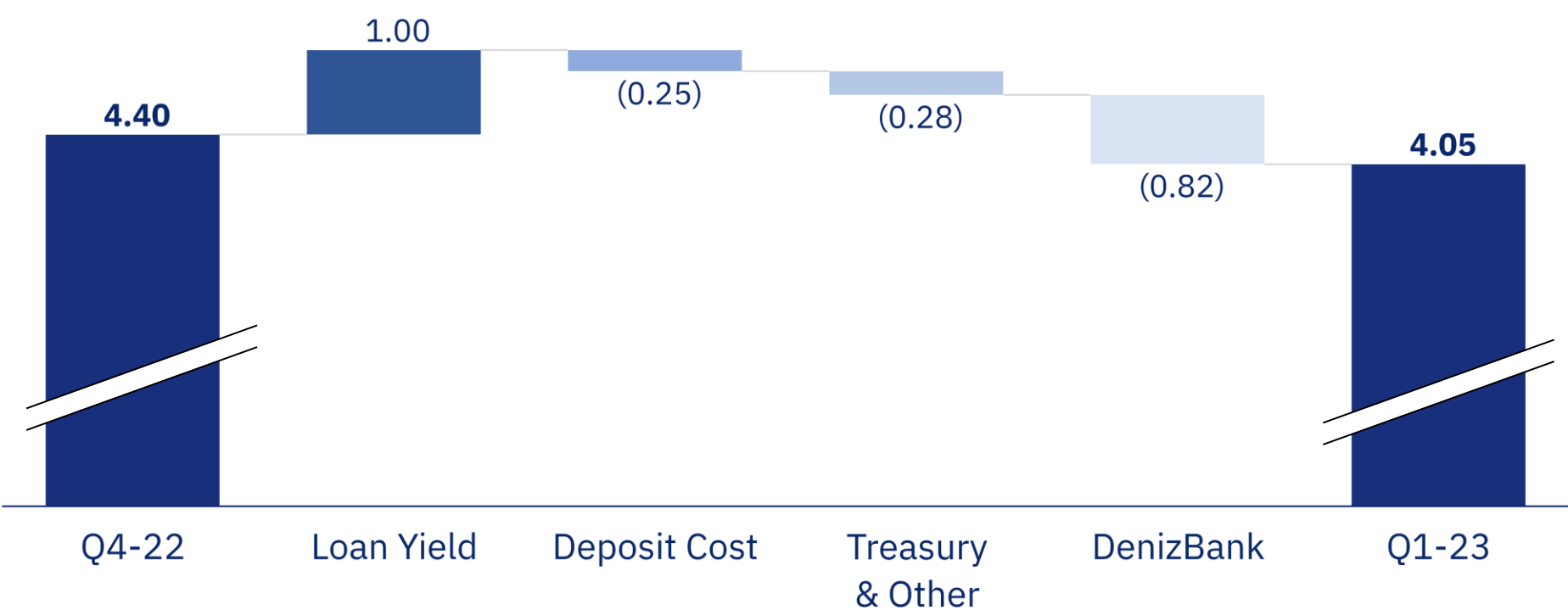
Key Highlights

- Q1-23 NIM up 145 bps y-o-y due to improved loan & deposit mix and higher interest rates
- Q1-23 NIM down 35 bps q-o-q on DenizBank NIM contraction from regulatory impact partially offset by higher interest rates
- Guidance maintained at 3.8-4.0% on collective impact of rate rises, deposit mix and Turkish regulations

NIM drivers Q1-23 vs Q1-22 (%)



NIM drivers Q1-23 vs Q4-22 (%)



Non-funded Income

Non-funded income

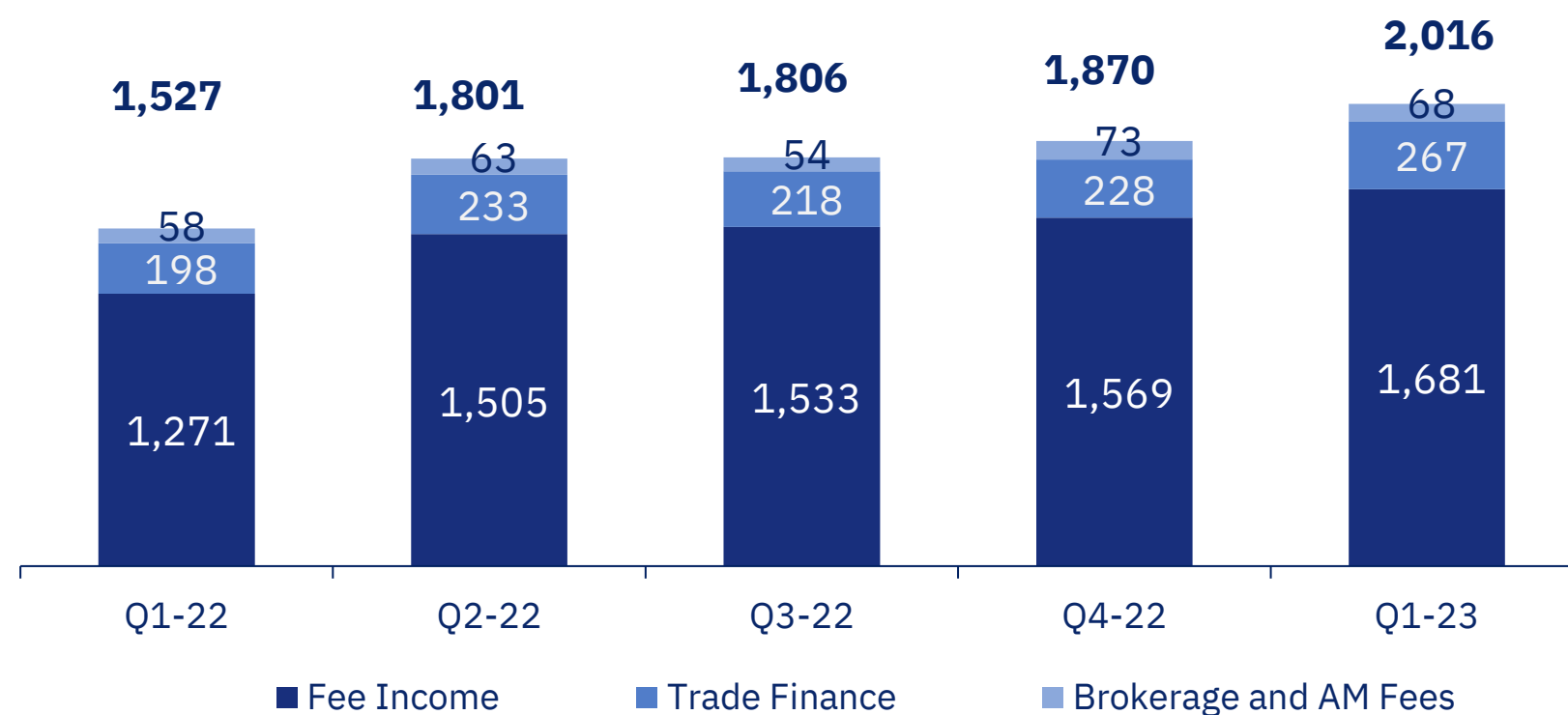
(All figures are in AED mn)

	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ
Fee and Commission income	2,016	1,527	32%	1,870	8%
Fee and Commission expense	(897)	(607)	48%	(850)	5%
Net Fee and Commission Income	1,119	920	22%	1,020	10%
Other operating income	2,039	1,189	72%	1,041	96%
Gain / loss on trading securities	112	10	1003%	55	103%
Total Non-funded income	3,269	2,118	54%	2,116	55%

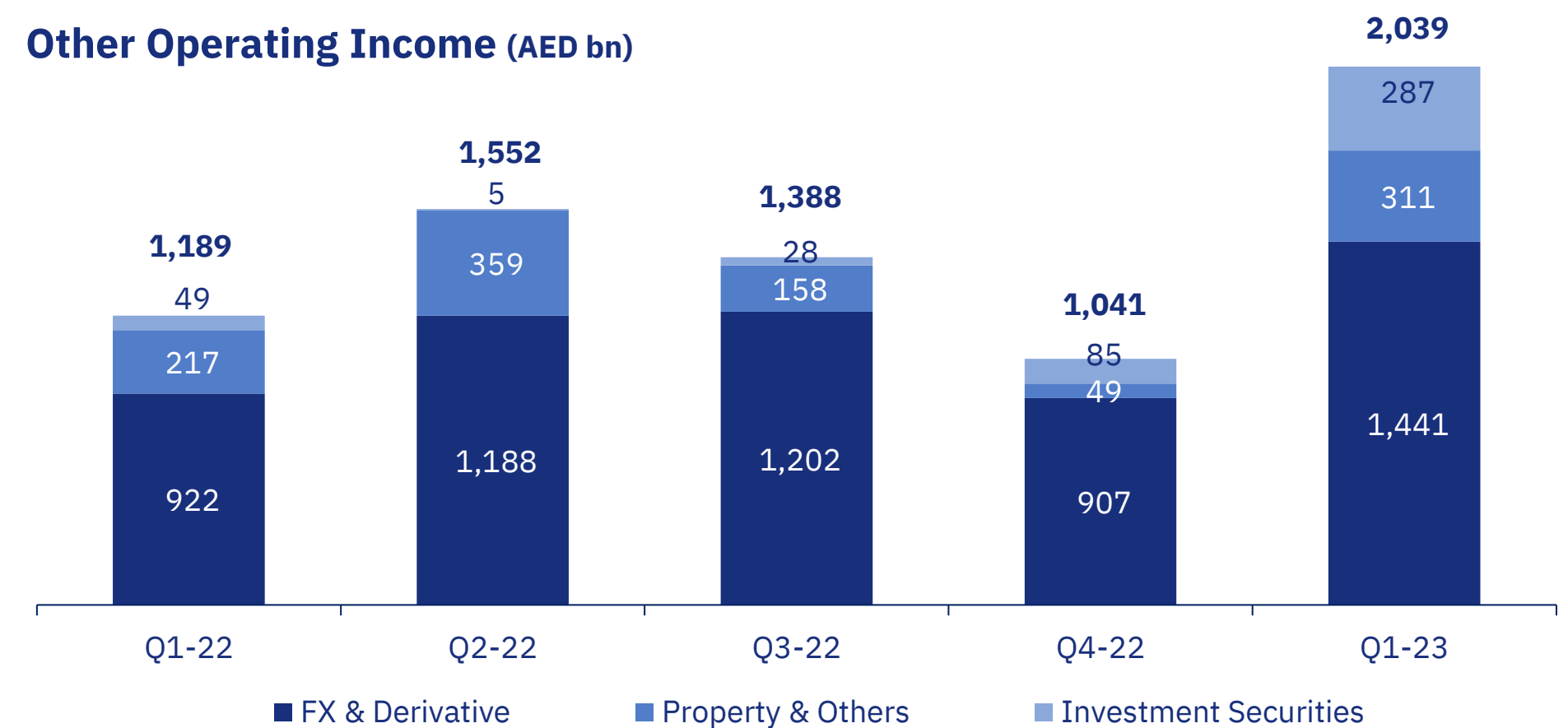
Key Highlights

- Healthy trend in fee and commission income, 32% higher y-o-y from increased local and international retail card business at both ENBD and DenizBank, strong investment banking revenue and increased Trade Finance
- Other operating income up 72% y-o-y due to higher retail FX volumes as customers increased remittance at favorable rates, additional corporate hedging activity, and higher gains from both property and investments

Fee and Commission Income (AED bn)

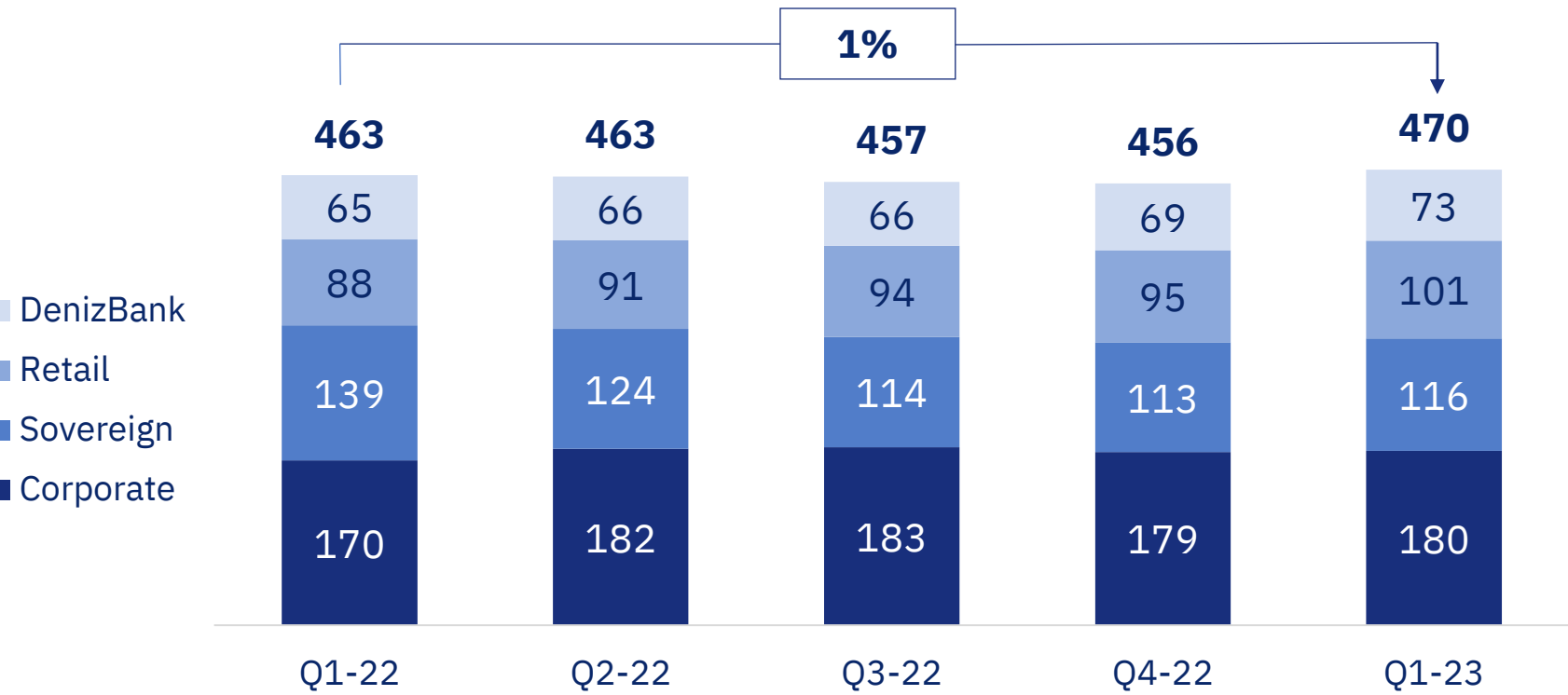


Other Operating Income (AED bn)



Improving loans and deposit mix

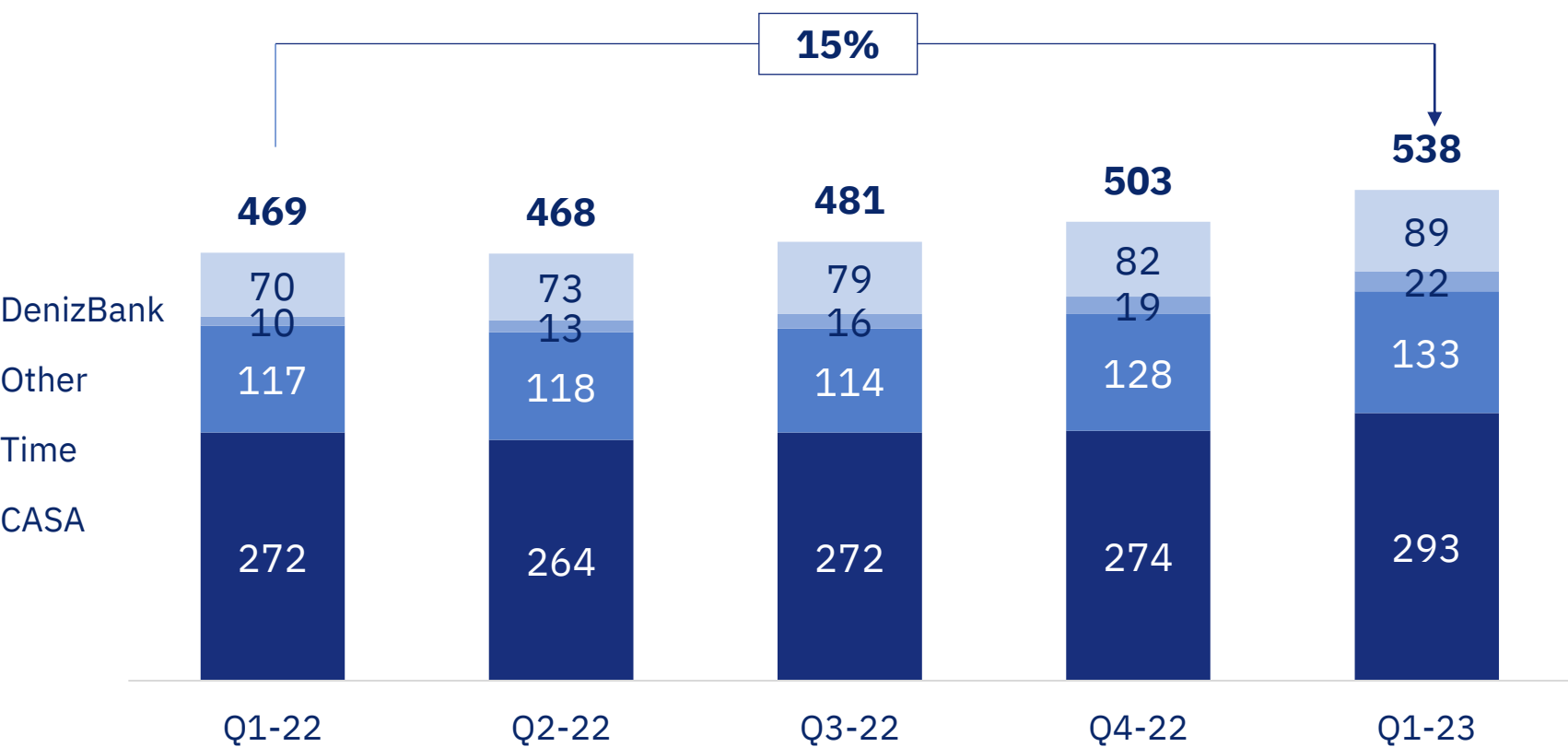
Gross Loans by Type* (AED bn)



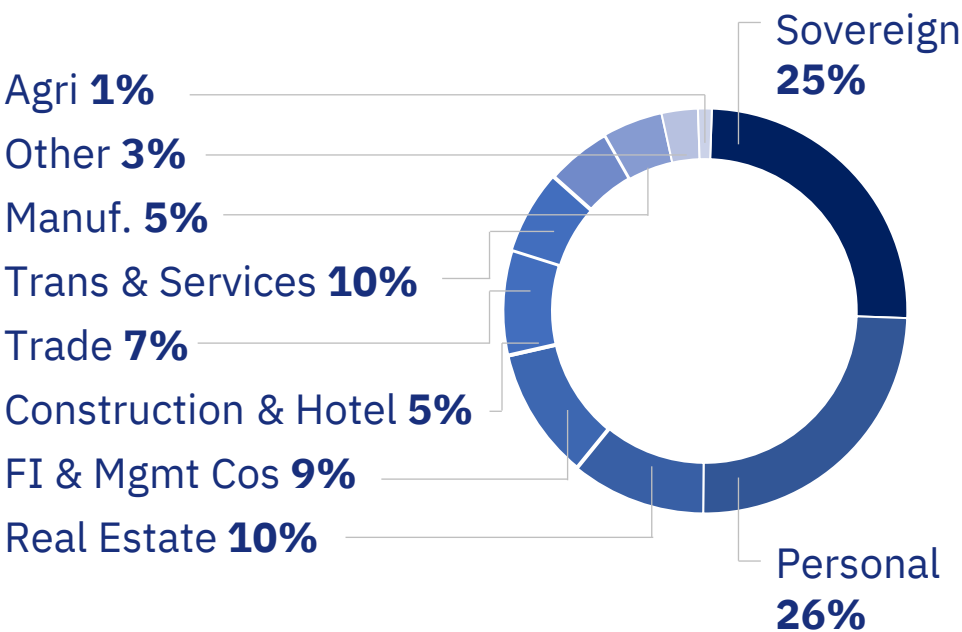
Key Highlights

- Gross lending up **3%** in Q1-23
 - Retail lending up **6%** with strong demand across all products
 - Corporate lending up **1%**
 - DenizBank's gross loans up **6%** after FX
- Deposit mix remained healthy in Q1-23 with an impressive **AED 19bn** increase in CASA balance demonstrating our market understanding and penetration and strong UAE liquidity
 - CASA represents **60%** of total Group deposits
 - DenizBank's deposits up 27% y-o-y

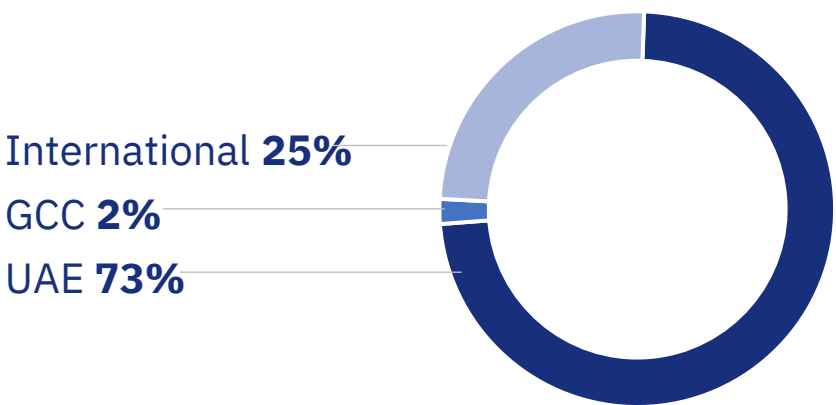
Deposits by Type (AED bn)



Gross Loans by Sector (%)



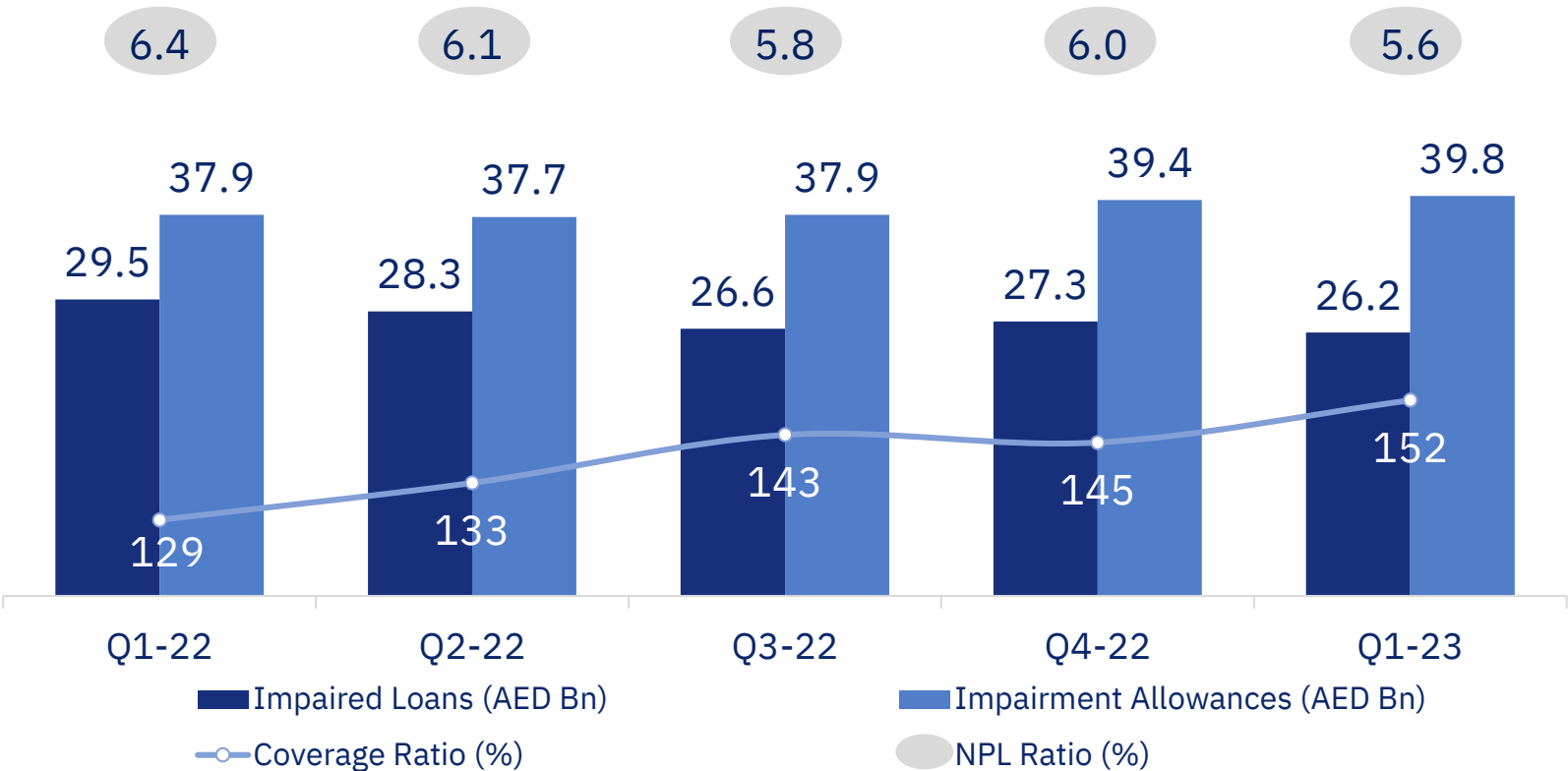
Net Loans by Geography (%)



* EI loans re-segmented under relevant sectors

Credit quality improving with market leading coverage

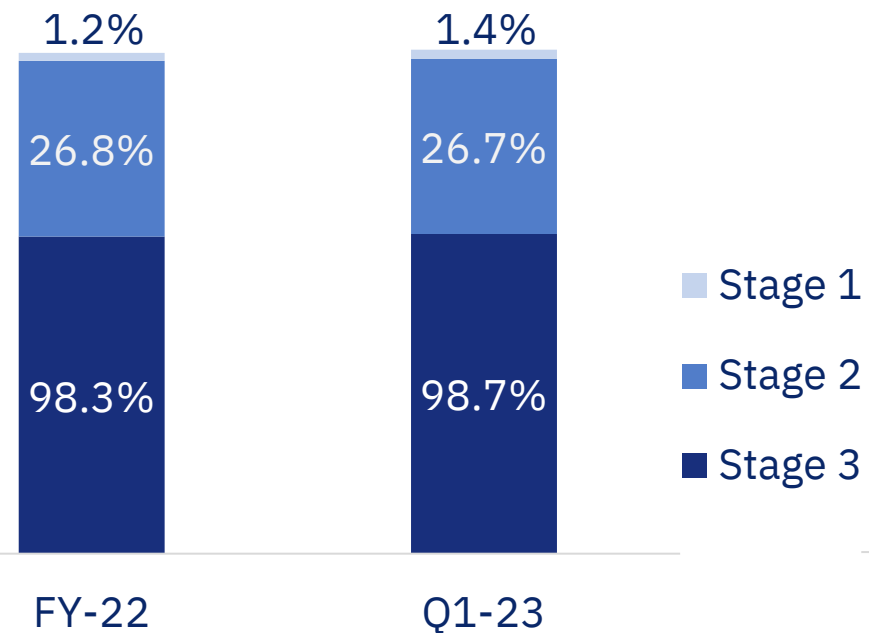
Impaired loans and allowances



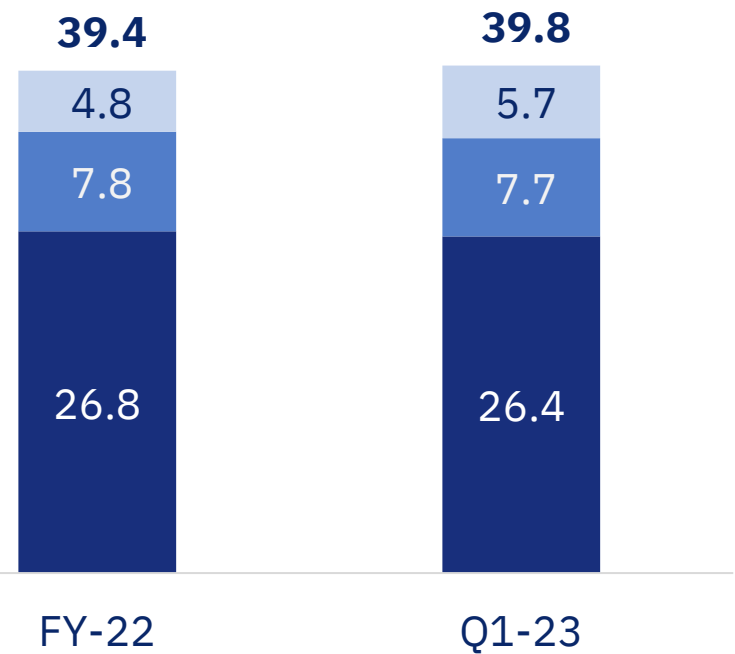
Key Highlights

- NPL ratio improved by 0.4% to **5.6%** in Q1-23 on continued strong writebacks and recoveries
- Coverage ratio strengthened **7%** to **152%** in Q1-23
 - S1 coverage increased due to Turkish earthquake and higher rate environment overlay
 - S3 coverage increased to 98.7% as writeback and recoveries reduced impaired loan balances
- 2023 NPL guidance lowered to ‘~6%’ and cost of risk guidance lowered to ‘50-70bp’ on recoveries and pipeline

Coverage by Stage



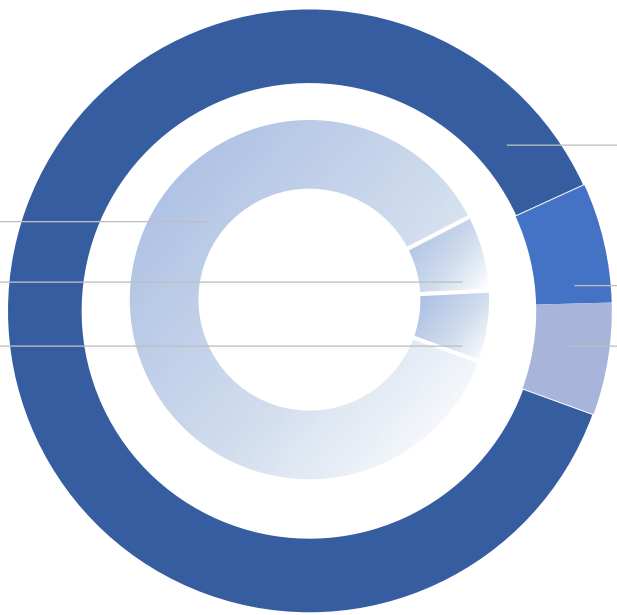
Stagewise ECL (AED bn)



Total Gross Loans

FY-22 | AED 456 bn

Stage 1 **87.7%**
Stage 2 **6.4%**
Stage 3 **6.0%**

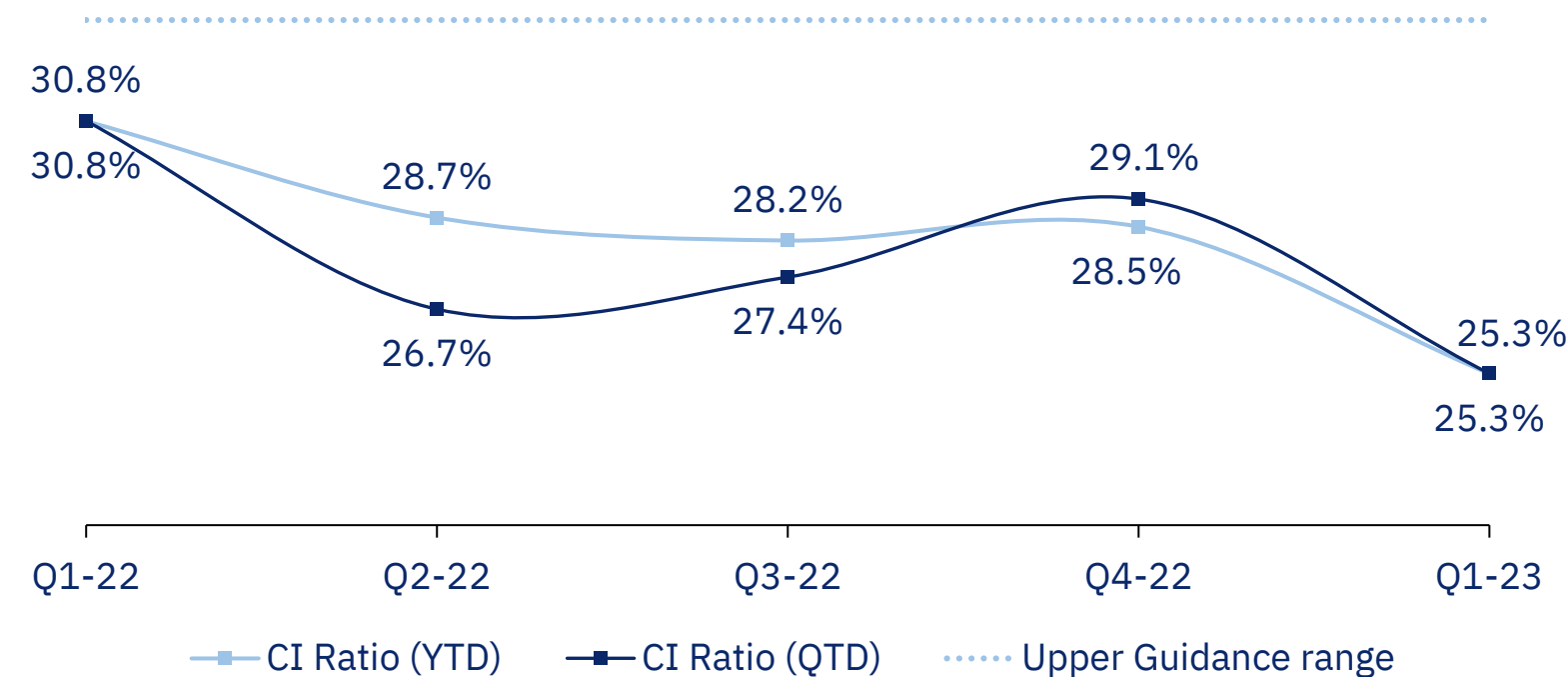


Q1-23 | AED 470 bn

Stage 1 **88.3%**
Stage 2 **6.2%**
Stage 3 **5.6%**

Costs firmly controlled with focus on future growth

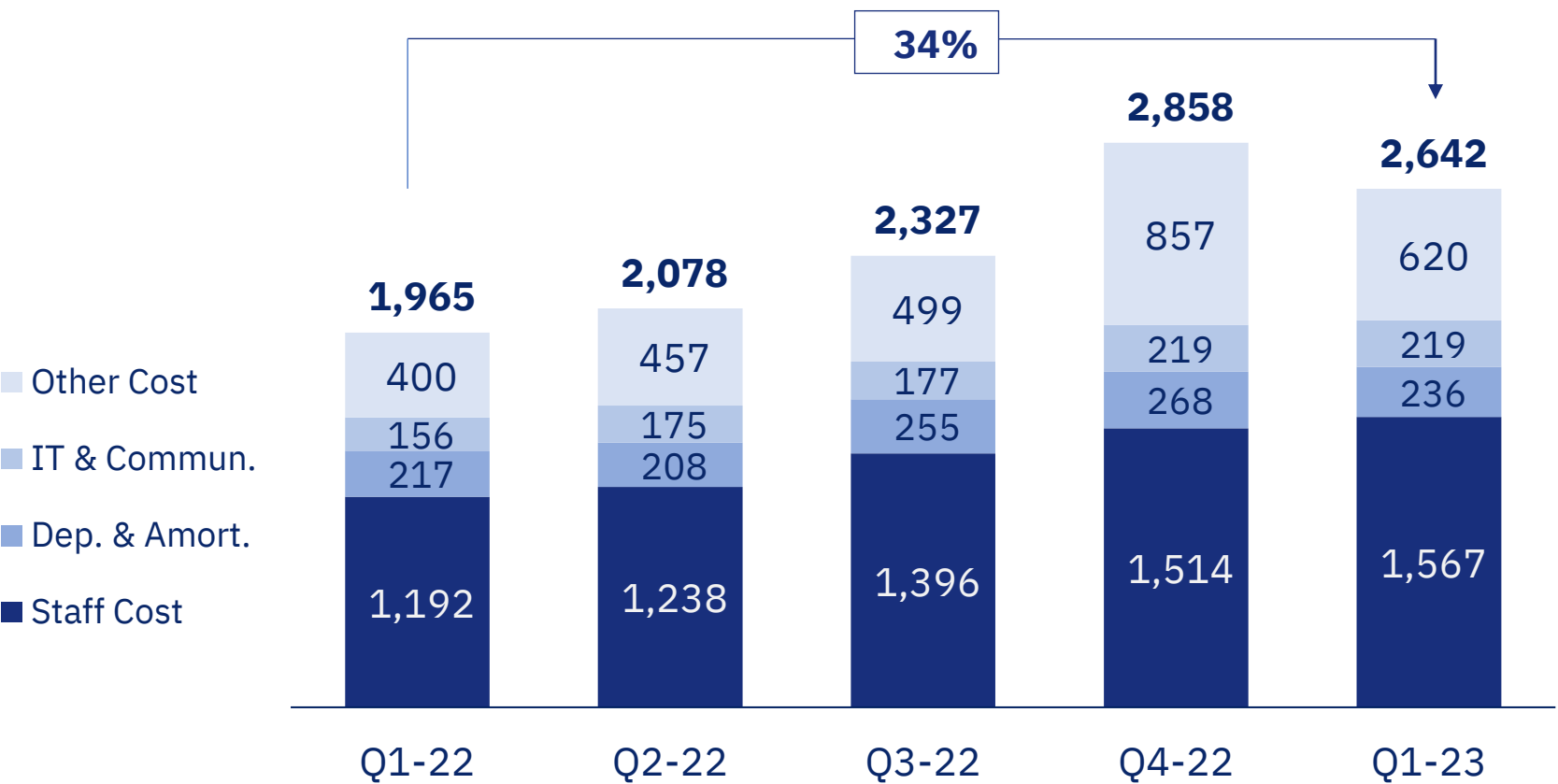
Cost to Income Ratio (%)



Key Highlights

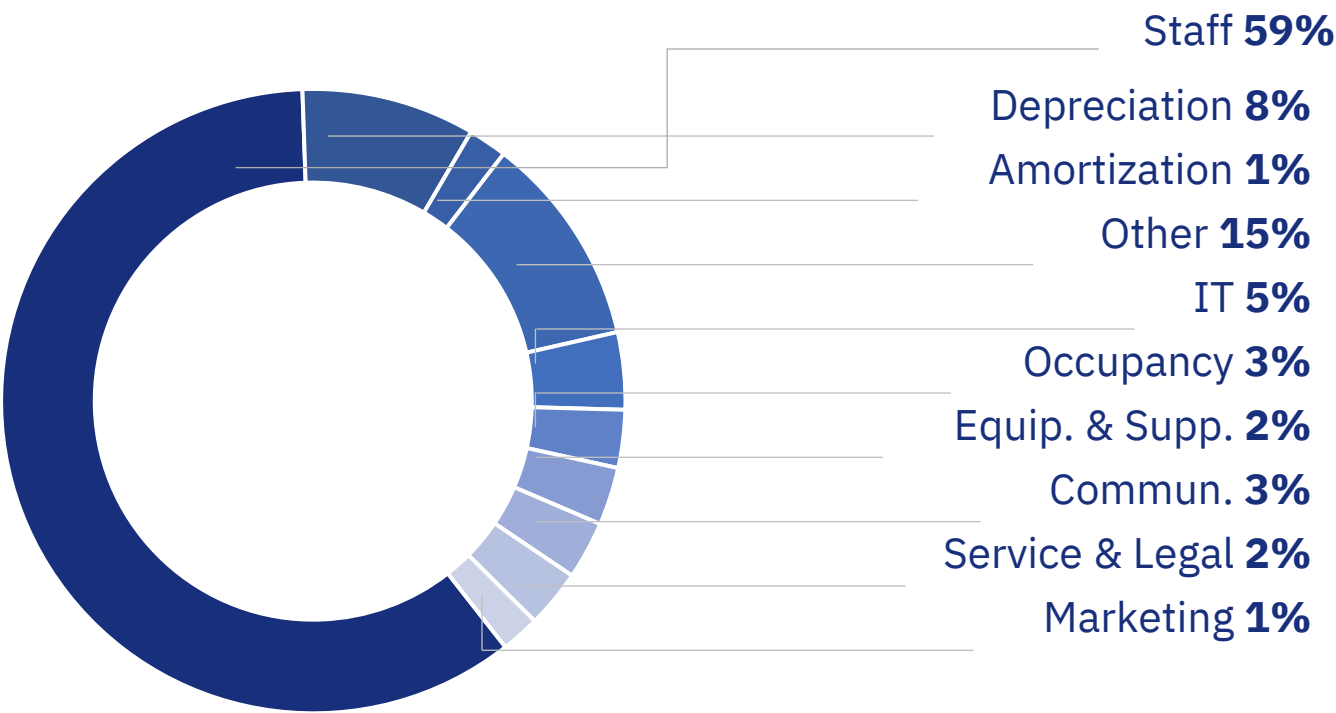
- Q1-23 cost to income ratio at 25.3% within guidance reflecting stronger income enabling continued acceleration of investment for growth
- Staff costs increased y-o-y on incentives to drive underlying earnings and investment in human capital for future growth in digital and international
- Higher depreciation and amortization costs reflect increased investment in digital platforms
- Other costs decreased q-o-q on service, legal and professional fees and lower marketing costs due to seasonality

Operating expenses trends (AED bn)



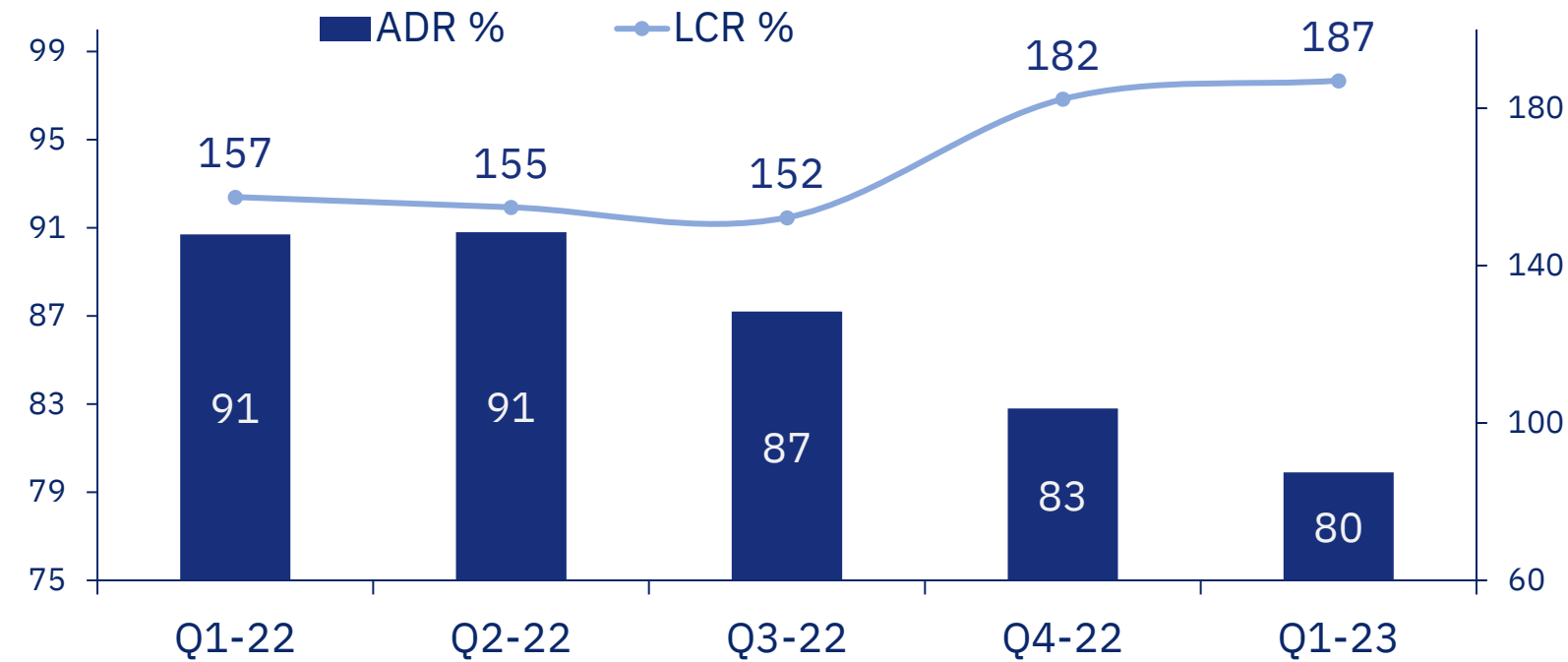
Operating expenses composition (%)

Breakdown as of Q1-23



Funding & Liquidity remains very healthy

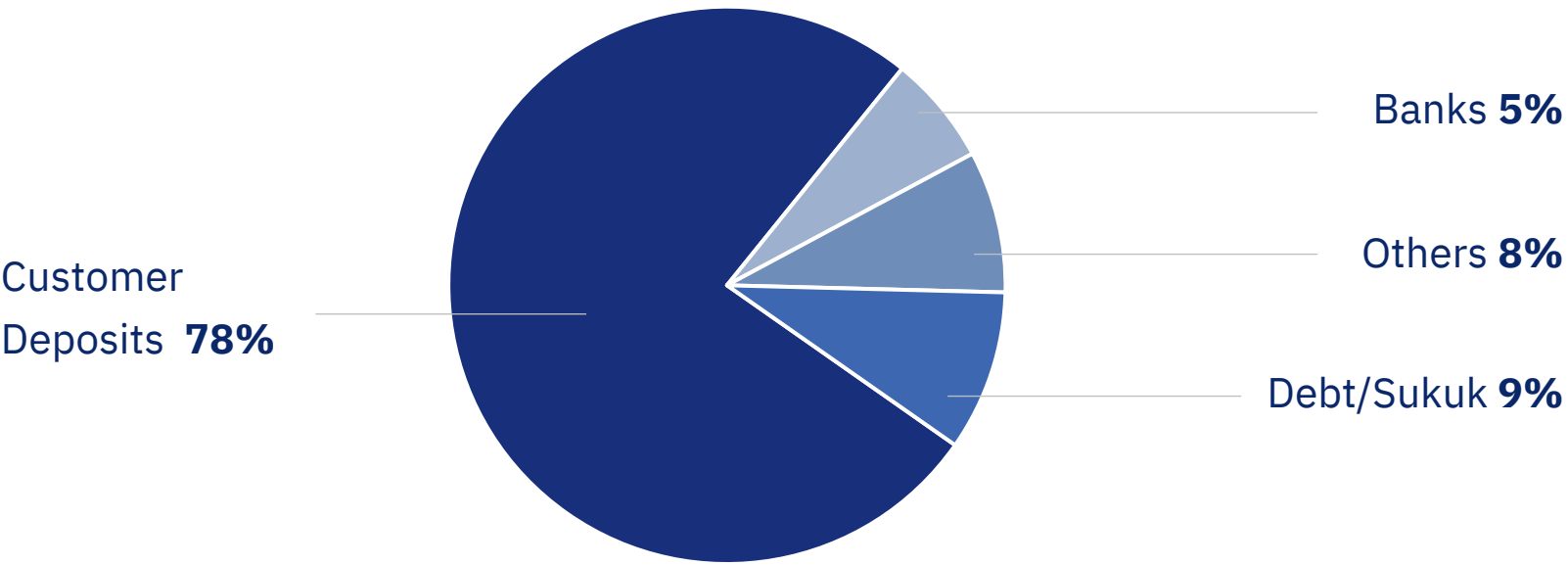
Advances to Deposit and Liquidity Coverage Ratio (%)



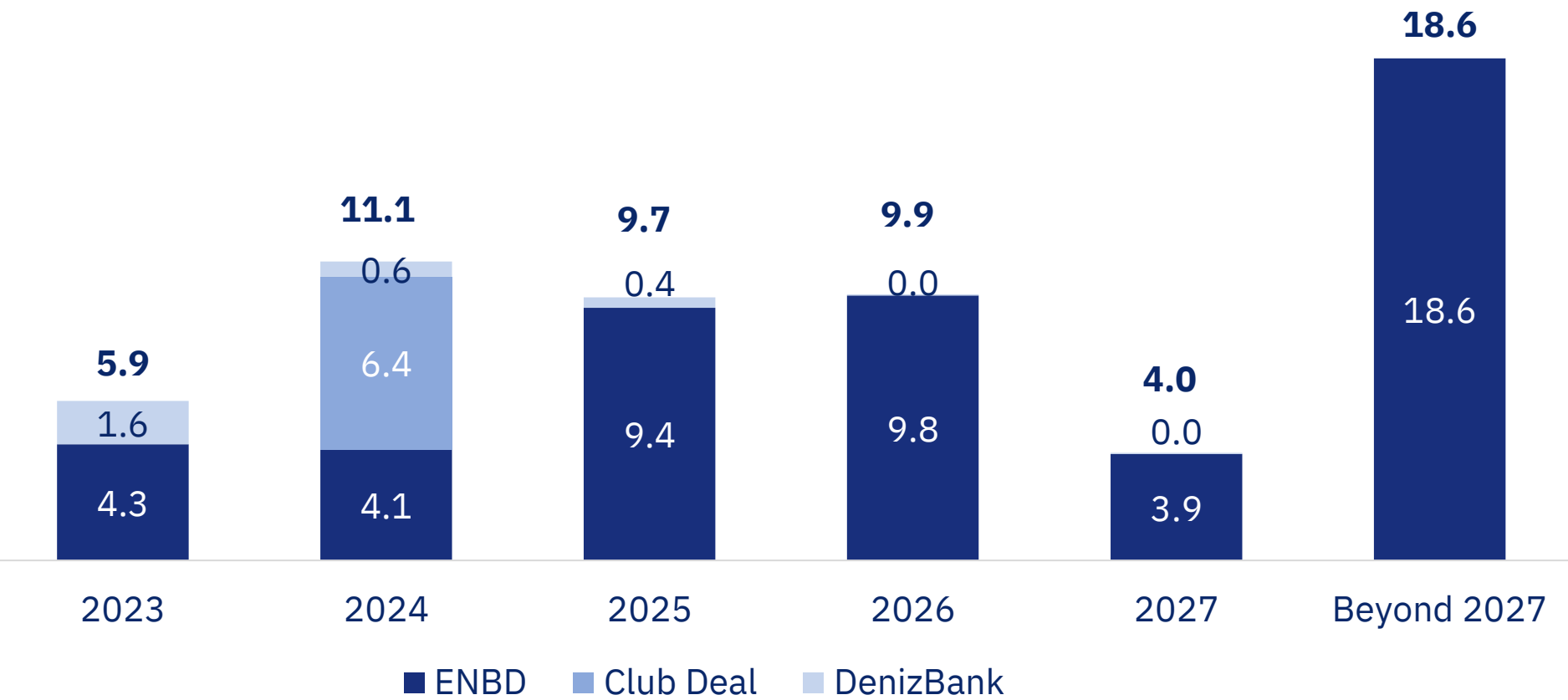
Key Highlights

- LCR of 187% and ADR of 80% demonstrate healthy liquidity
- Liquid assets* of AED 74 billion cover 11% of total liabilities, 14% of deposits
- AED 4 bn of term debt issued in 2023
- AED 5.9 bn maturities in 2023 comfortably within Group’s issuance capabilities
- Emirates NBD and EI successfully issued AED 1 bn public bond and sukuk in Q1-23, becoming the first issuers to access this market since UAE Ministry of Finance developed local yield curve

Composition of Liabilities and Debt Issued (%)



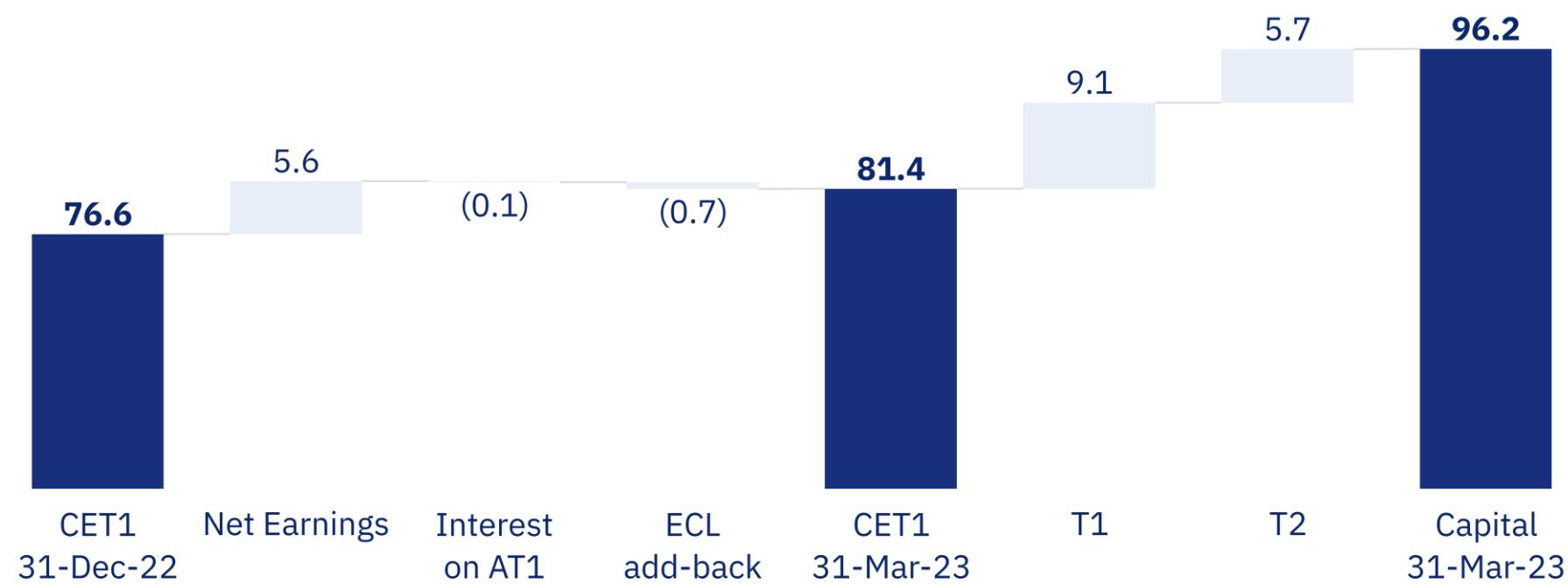
Maturity Profile of Debt/Sukuk Issued AED 59.2 bn



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

Capital ratios remain solid

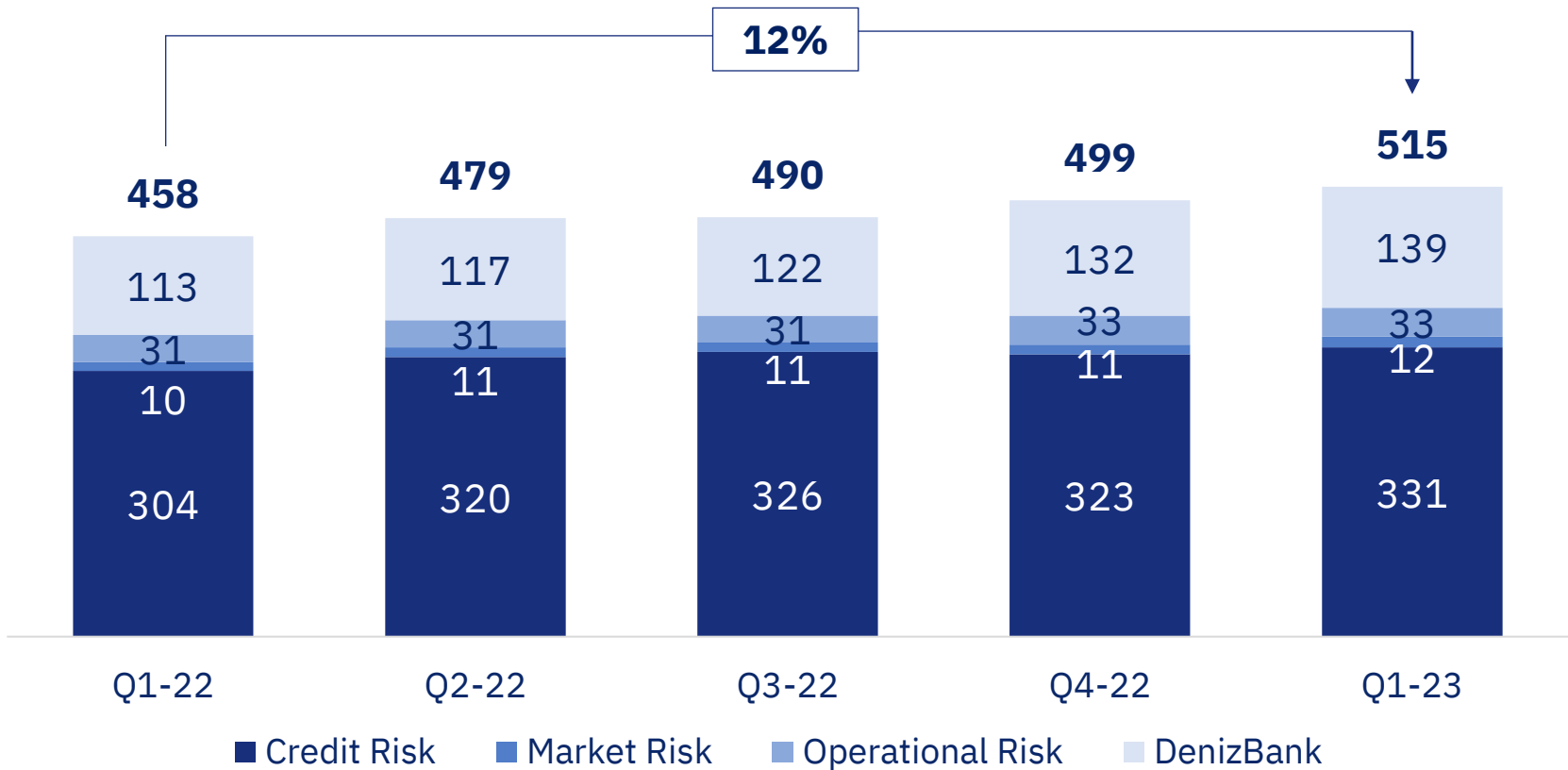
Capital (AED bn)



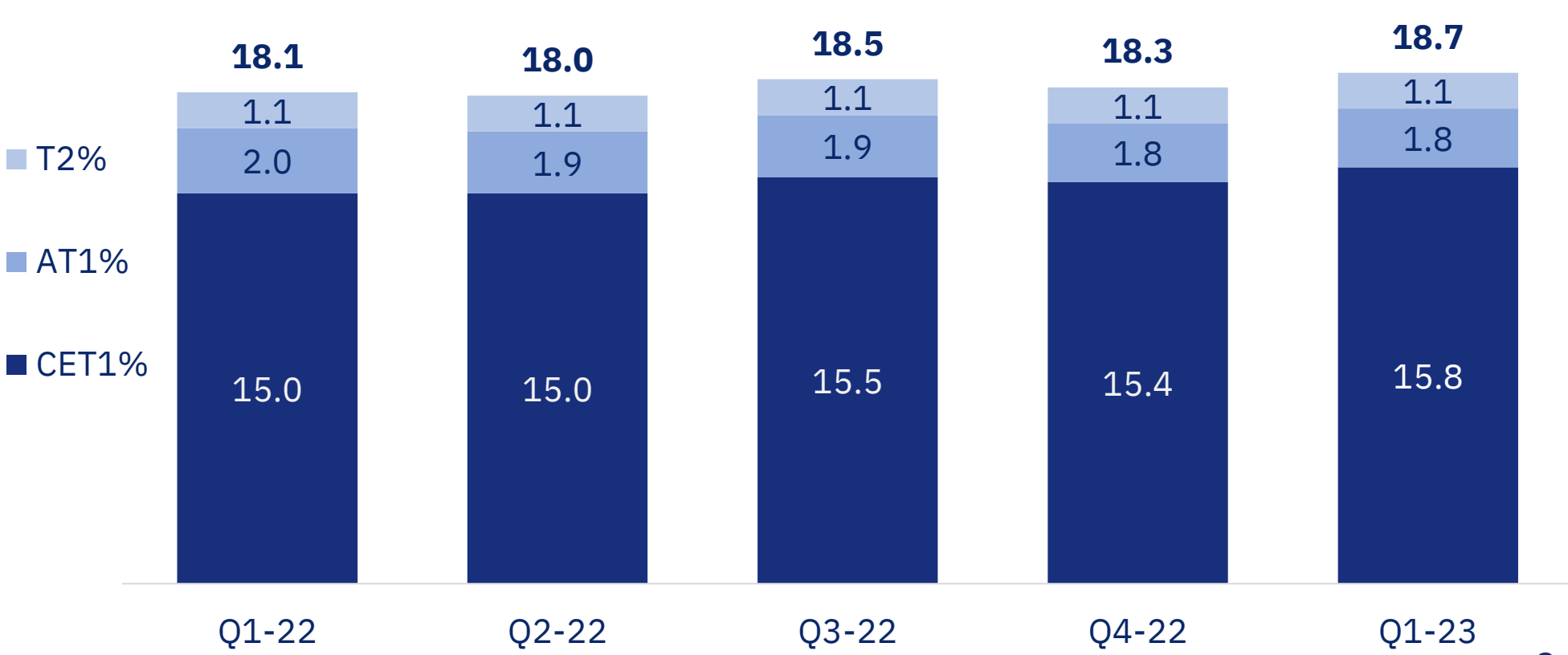
Key Highlights

- CET-1 ratio improved by 0.4% to 15.8% during Q1-23 as AED 5.6 bn of net earnings more than offset 3% increase in RWAs
- Capital ratios well above 11% / 12.5% / 14.5% CBUAE min. requirement
- CET-1 at 15.3% excluding ECL regulatory add-back
- IAS 29 hyperinflation adjustment is capital neutral

Risk Weighted Assets (AED bn)



Capital Ratios (%)



Divisional Performance

Operating Segment	Metrics	Q1-23	%Δ YoY
Retail Banking and Wealth Management	Income (mn)	3,855	39%
	Expense (mn)	949	22%
	Profit (mn)	2,036	11%
	Loans (bn)	101	15%
	Deposits (bn)	271	18%
Corporate and Institutional Banking	Income (mn)	2,091	41%
	Expense (mn)	168	7%
	Profit (mn)	2,145	>100%
	Loans (bn)	296	-5%
	Deposits (bn)	178	5%
Global Markets and Treasury	Income (mn)	1,145	>100%
	Expense (mn)	52	20%
	Profit (mn)	1,069	>100%
DenizBank	Income (mn)	2,580	42%
	Expense (mn)	907	74%
	Profit (mn)	861	37%
	Loans (bn)	73	13%
	Deposits (bn)	89	27%

Key Highlights

Retail Banking and Wealth Management had an excellent first quarter with its highest ever revenue, strongest ever disbursement of loans and credit cards, and a stable, diverse deposit base

- Robust business momentum continues with loan origination up 29% and Credit Card acquisitions up 84% y-o-y as 144,000 new credit cards issued in Q1-23
- Lending increased by AED 5 bn and Deposits grew by AED 13 bn in Q1-23
- Income up 39% y-o-y with 30% contribution from non-funded income
- ‘ENBD X’ enhanced mobile banking app rolling out, delivering a new standard in customer service
- EI Retail strengthened its digital offering, launching new mobile app

Corporate and Institutional Banking capitalized its strategic partnership with major Government entities and Corporates by enhancing digitized service platforms

- Global Custody Services launched on DFM and ADX, providing clients with secure and efficient safekeeping of assets across multiple geographies
- Profitability jumped 128% on higher fee income from increased customer hedging, Trade Finance and Investment banking income, improved net interest income due to rate rises and strong recoveries
- CASA balances grew enabling the Group to maintain low cost of funds
- Emirates NBD Securities provides digital onboarding and instant trading access to ADX’s listed companies

Global Markets and Treasury delivered an outstanding performance with quarterly income and profit exceeding AED 1 billion for the first time

- Net interest income grew significantly from Balance Sheet positioning coupled with a significant increase in banking book investment income
- Non funded income grew by 76% as the Trading desk navigated volatile market conditions, with particularly strong performances from Rates and FX trading desks
- Sales Revenue grew by a healthy 60% with Structured Product revenue more than doubling and income from Foreign Exchange sales growing by 48% year on year
- Group Funding issued the UAE’s first Dirham denominated Sukuk and Conventional bonds from a bank, building on the UAE Ministry of Finance’s development of the local yield curve

DenizBank

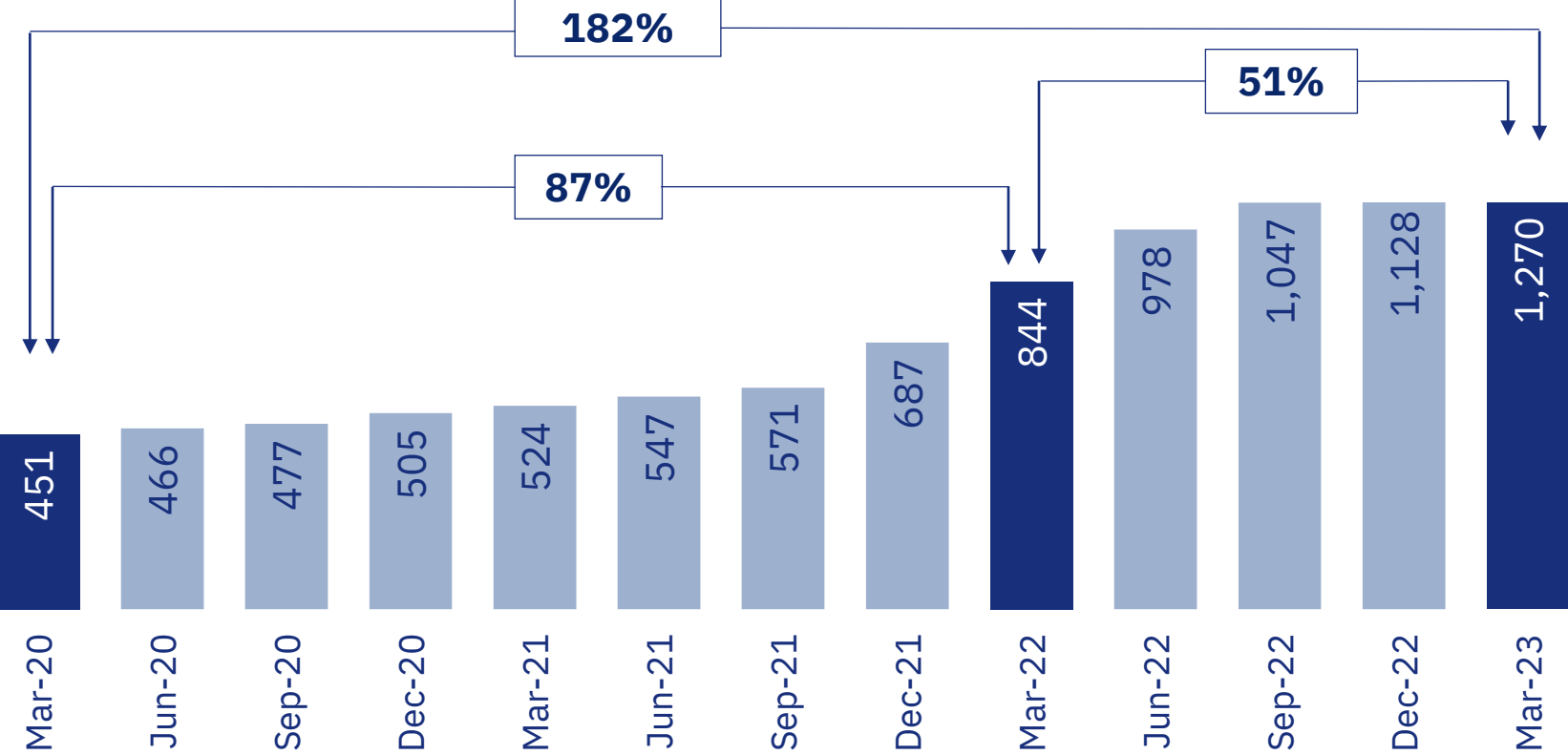
- Profit up 37% to AED 861 million helped by strong recoveries

Appendix



Hyperinflation

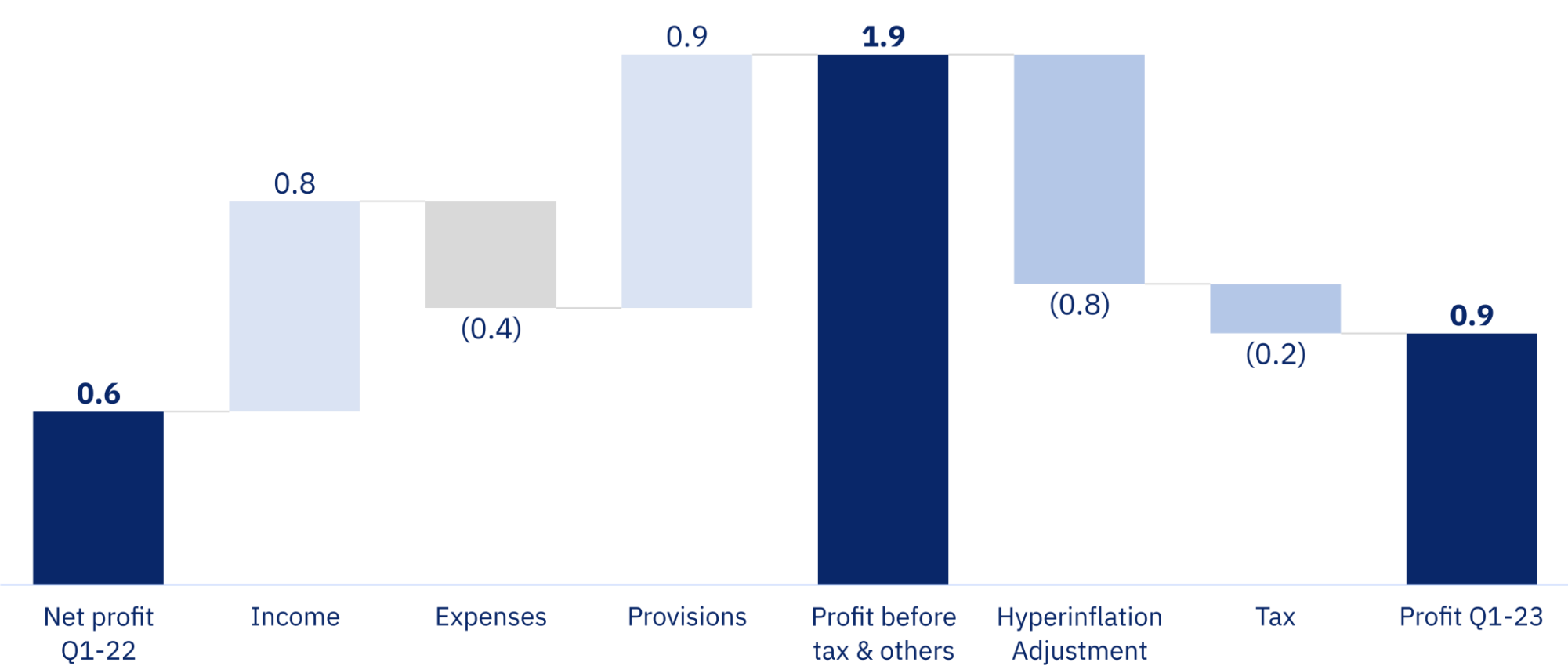
Türkiye Consumer Price Index



- Turkish CPI grew by 182% over preceding three-years and by 51% in the preceding 12 months
- DenizBank’s results and financial position included within ENBD’s consolidated Financial Statements are adjusted for hyperinflation with effect from 1-Jan-22



Key Highlights



- 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 23 bps from hyperinflation adjustment is excluded from capital adequacy computations
- Group EPS for 2023, excluding hyperinflation adjustment, is 159% higher at AED 1.06
- Hyperinflation accounting not mandated by local regulator

Income Statement



Income Statement (All figures are in AED bn)	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ
Net interest income	7.2	4.3	69%	7.7	(7)%	5.8	3.0	93%	5.1	15%	1.4	1.2	11%	2.6	(48)%
Non-funded income	3.3	2.1	54%	2.1	55%	2.0	1.5	34%	1.6	27%	1.2	0.6	107%	0.5	141%
Total income	10.5	6.4	64%	9.8	7%	7.9	4.6	73%	6.7	18%	2.6	1.8	42%	3.1	(18)%
Operating expenses	(2.6)	(2.0)	34%	(2.9)	(8)%	(1.7)	(1.4)	20%	(2.1)	(18)%	(0.9)	(0.5)	73%	(0.7)	22%
Operating profit before impairment	7.8	4.4	77%	7.0	12%	6.1	3.1	98%	4.6	35%	1.7	1.3	29%	2.4	(30)%
Impairment allowances	(0.5)	(1.4)	(66)%	(1.9)	(76)%	(0.9)	(0.9)	(2)%	(1.1)	(14)%	0.4	(0.5)	(189)%	(0.9)	(149)%
Profit before tax & others	7.4	3.0	145%	5.0	46%	5.2	2.2	139%	3.5	49%	2.1	0.8	160%	1.5	38%
Hyperinflation adjustment	(0.8)	-	-	(0.7)	21%	0.0	-	-	-	-	(0.8)	-	-	(0.7)	21%
Tax	(0.5)	(0.3)	91%	(0.4)	15%	(0.1)	(0.1)	9%	(0.0)	84%	(0.4)	(0.2)	125%	(0.4)	6%
Profit	6.0	2.7	119%	3.9	54%	5.2	2.1	144%	3.5	49%	0.9	0.6	38%	0.5	92%
Cost: income ratio	25.3%	30.8%	(5.5)%	29.1%	(3.8)%	22.1%	31.8%	(9.7)%	31.7%	(9.6)%	35.0%	28.3%	6.7%	23.6%	11.4%
NIM	4.05%	2.60%	145 bps	4.40%	(35) bps	3.94%	2.20%	174 bps	3.48%	46 bps	4.57%	4.66%	(9) bps	8.97%	(440) bps
Balance Sheet	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ
Total Assets	782	694	13%	742	5%	648	584	11%	618	5%	134	110	22%	124	8%
Total Gross Loans	470	463	1%	456	3%	397	398	(0)%	387	2%	73	65	12%	69	6%
Deposits	538	469	15%	503	7%	449	399	12%	421	7%	89	70	28%	82	9%

US\$ convenience translation



Income Statement (All figures are in USD bn)															
	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ	Q1-23	Q1-22	%Δ YoY	Q4-22	%Δ QoQ
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Operating expenses	(0.7)	(0.5)	34%	(0.8)	(8)%	(0.5)	(0.4)	20%	(0.6)	(18)%	(0.2)	(0.1)	73%	(0.2)	22%
Operating profit before impairment	2.1	1.2	77%	1.9	12%	1.7	0.8	98%	1.2	35%	0.5	0.4	29%	0.7	(30)%
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NIM	4.05%	2.60%	145 bps	4.40%	(35) bps	3.94%	2.20%	174 bps	3.48%	46 bps	4.57%	4.66%	(9) bps	8.97%	(440) bps
Balance Sheet															
	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ	31-Mar-23	31-Mar-22	%Δ YoY	31-Dec-22	%Δ QoQ
Total Assets	213	189	13%	202	5%	177	159	11%	168	5%	37	30	22%	34	8%
Total Gross Loans	128	116	10%	124	3%	108	98	10%	105	3%	20	18	12%	19	6%
Deposits	147	128	15%	137	7%	122	109	12%	115	7%	24	19	28%	22	9%

