



Results Presentation

H1 2021

28 July 2021

**“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.

Emirates NBD delivers higher profits in H1 2021 on improving economic conditions

Key Metrics				2021 Macro themes		
		H1 2021	2021 Guidance		Regional	Global
Profit	Net Profit	AED 4.8bn +17% y-o-y		+	<ul style="list-style-type: none"> UAE non-oil GDP expected to grow by 3.5%, boosting overall economic growth to 1.5% in 2021 UAE is the world's most vaccinated country with 70% of the population fully vaccinated 	<ul style="list-style-type: none"> Improved global indicators of economic activity and employment Accommodative central bank policies and government support measures
	NIM	2.45%	↑ 2.40-2.50%			
	Cost to income	32.6%	35%			
Credit Quality	NPL Ratio	6.3%	↔ mid-6%			
	Coverage Ratio	122.5%				
Capital	CET 1	15.6%		-	<ul style="list-style-type: none"> Curbs in oil production to weigh on headline GDP growth Travel restrictions remain a headwind for recovery in the tourism sector 	<ul style="list-style-type: none"> Continued uncertainty from new variants of Covid-19 Recent spike in inflation
	Tier 1	17.6%				
	CAR	18.7%				
Liquidity	LCR	158.8%				
	ADR	95.7%	95-100%			
Assets	Loan Growth	-1%	↓ Low-single Digit			

H1 2021 Financial results highlights

Highlights

- Total income up 9% over the preceding half year due to increased transactional activity during H1-21 and stable NIMs. Total income down 9% y-o-y as higher non-funded income was offset by decline in net interest income due to lower interest rates
 - Net interest income remained flat to H2-20 as improved deposit mix offset lower asset yields and declined 12% y-o-y due to lower interest rates and decline in DenizBank NIMs
 - Non-funded income up 41% compared to H2-20 and 2% y-o-y due to higher activity, an increase in foreign exchange and derivative income and higher investment securities income
- Expenses improved 2% over H2-20 due to earlier management actions. Expenses also improved 6% y-o-y on lower staff and operating costs, and lower costs from DenizBank
- Impairment allowances of AED 2,614m down 30% over H2-20 and 38% y-o-y due to improving economic conditions, and following proactive provisioning in 2020
- Net profit of AED 4,784m improved 66% compared to H2-20 and 17% y-o-y on improving economic conditions with DenizBank adding significant diversification to the Group
- H1-21 results include DenizBank income of AED 3,313m and net profit of AED 1,036m
- Net loans down 1% during the year on repayments of corporate loans including loans receiving support and the FX translation impact on DenizBank's loan book
- NPL ratio increased marginally to 6.3% and coverage ratio strengthened to 122.5%
- Net cost of risk of 114 bps lower than 172bp in H1-20 on improved economic sentiment
- LCR of 158.8% demonstrates the Group's healthy liquidity position
- CET-1 strong at 15.6% and remains well above CBUAE minimum requirements

Key performance indicators

AED million	H1-21	H1-20	Better / (Worse)	H2-20	Better / (Worse)
Net interest income	8,148	9,305	(12)%	8,182	0%
Non-funded income	3,391	3,323	2%	2,400	41%
Total income	11,540	12,628	(9)%	10,582	9%
Operating expenses	(3,764)	(3,999)	6%	(3,857)	2%
Pre-impairment operating profit	7,776	8,629	(10)%	6,725	16%
Impairment allowances	(2,614)	(4,211)	38%	(3,725)	30%
Operating profit	5,162	4,418	17%	3,000	72%
Taxation charge and others	(377)	(327)	(16)%	(126)	(198)%
Net profit	4,784	4,091	17%	2,874	66%
Cost: income ratio	32.6%	31.7%	(90) bps	36.4%	380 bps
Net interest margin	2.45%	2.84%	(39) bps	2.45%	0 bps
AED billion	30-Jun-21	30-Jun-20	Inc / (Dec)	31-Dec-20	Inc / (Dec)
Total assets	693.8	694.3	0%	698.1	(1)%
Loans	438.2	442.9	(1)%	443.5	(1)%
Deposits	457.9	460.9	(1)%	464.2	(1)%
CET-1 (%)	15.6%	15.3%	30 bps	15.0%	60 bps
LCR (%)	158.8%	152.5%	630 bps	165.0%	(620) bps
NPL ratio (%)	6.3%	5.8%	50 bps	6.2%	10 bps

Q2 2021 Financial results highlights

Highlights

- Total income down 6% y-o-y on lower NIMs and lower non-funded income. Total income down 13% q-o-q on lower non-funded income from DenizBank.
 - Net interest income declined 7% y-o-y due to lower interest rates and 1% q-o-q
 - Non-funded income down 4% y-o-y and 37% q-o-q on lower foreign exchange and derivative income from hedging and swaps relating to DenizBank
- Expenses improved 3% y-o-y following earlier cost management actions. Expenses up 2% q-o-q mainly due to incentives related to strong retail growth and higher costs from DenizBank
- Impairment allowances of AED 851m lower by 48% y-o-y, and 52% q-o-q on improving economic conditions, and following earlier proactive provisioning
- Net profit of AED 2,462m up 22% y-o-y and 6% q-o-q on improving economic conditions with DenizBank adding significant diversification to the Group
- Q2-21 results include DenizBank income of AED 1,275m and net profit of AED 394m
- Net loans up AED 2.1bn q-o-q as strong demand for retail loans and renewed growth in corporate and Islamic lending offset the FX translation impact from DenizBank
- NPL ratio increased marginally to 6.3% and coverage ratio strengthened to 122.5%
- Net cost of risk of 71 bps lower than 134bp in Q2-20 on improved economic sentiment
- LCR of 158.8% demonstrates the Group's healthy liquidity position
- CET-1 strong at 15.6% and remains well above CBUAE minimum requirements

Key performance indicators

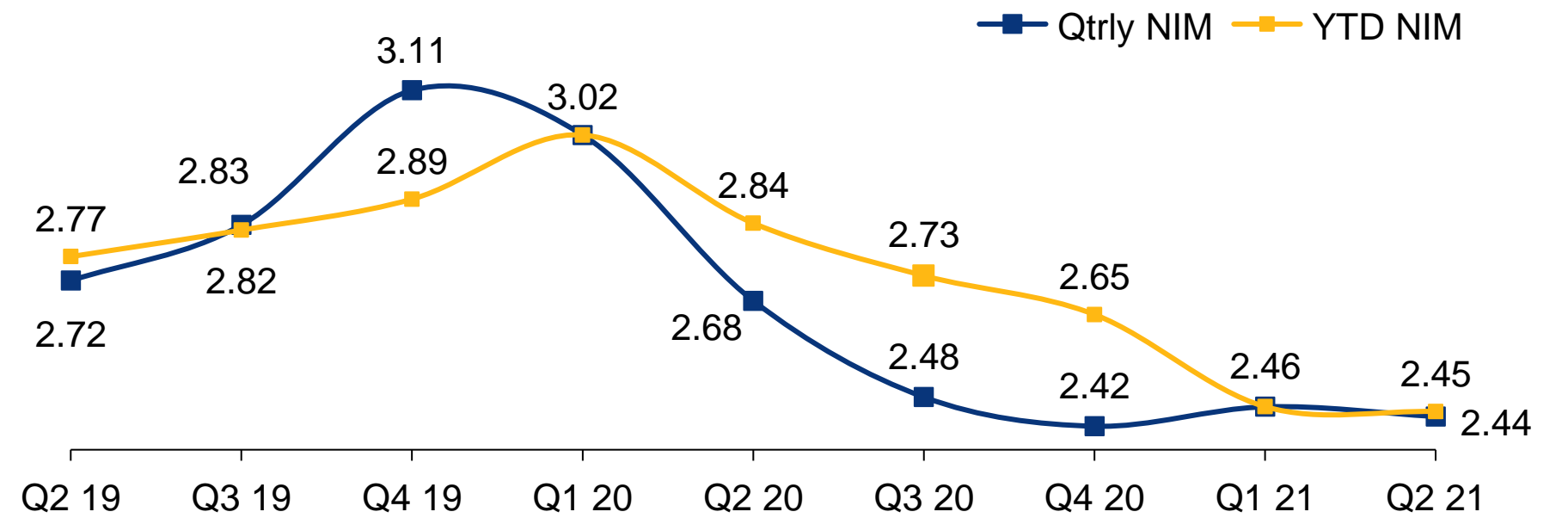
AED million	Q2-21	Q2-20	Better / (Worse)	Q1-21	Better / (Worse)
Net interest income	4,060	4,369	(7)%	4,088	(1)%
Non-funded income	1,316	1,375	(4)%	2,075	(37)%
Total income	5,376	5,744	(6)%	6,163	(13)%
Operating expenses	(1,896)	(1,951)	3%	(1,868)	(2)%
Pre-impairment operating profit	3,481	3,793	(8)%	4,296	(19)%
Impairment allowances	(851)	(1,653)	48%	(1,763)	52%
Operating profit	2,629	2,140	23%	2,533	4%
Taxation charge and others	(167)	(130)	(29)%	(210)	21%
Net profit	2,462	2,011	22%	2,322	6%
Cost: income ratio	35.3%	34.0%	(130) bps	30.3%	(500) bps
Net interest margin	2.44%	2.68%	(24) bps	2.46%	(2) bps
AED billion	30-Jun-21	31-Dec-20	Inc / (Dec)	31-Mar-21	Inc / (Dec)
Total assets	693.8	698.1	(1)%	695.1	0%
Loans	438.2	443.5	(1)%	436.1	0%
Deposits	457.9	464.2	(1)%	459.1	0%
CET-1 (%)	15.6%	15.0%	50 bps	15.6%	0 bps
LCR (%)	158.8%	165.0%	(620) bps	165.1%	(630) bps
NPL ratio (%)	6.3%	6.2%	10 bps	6.1%	20 bps

Net interest income

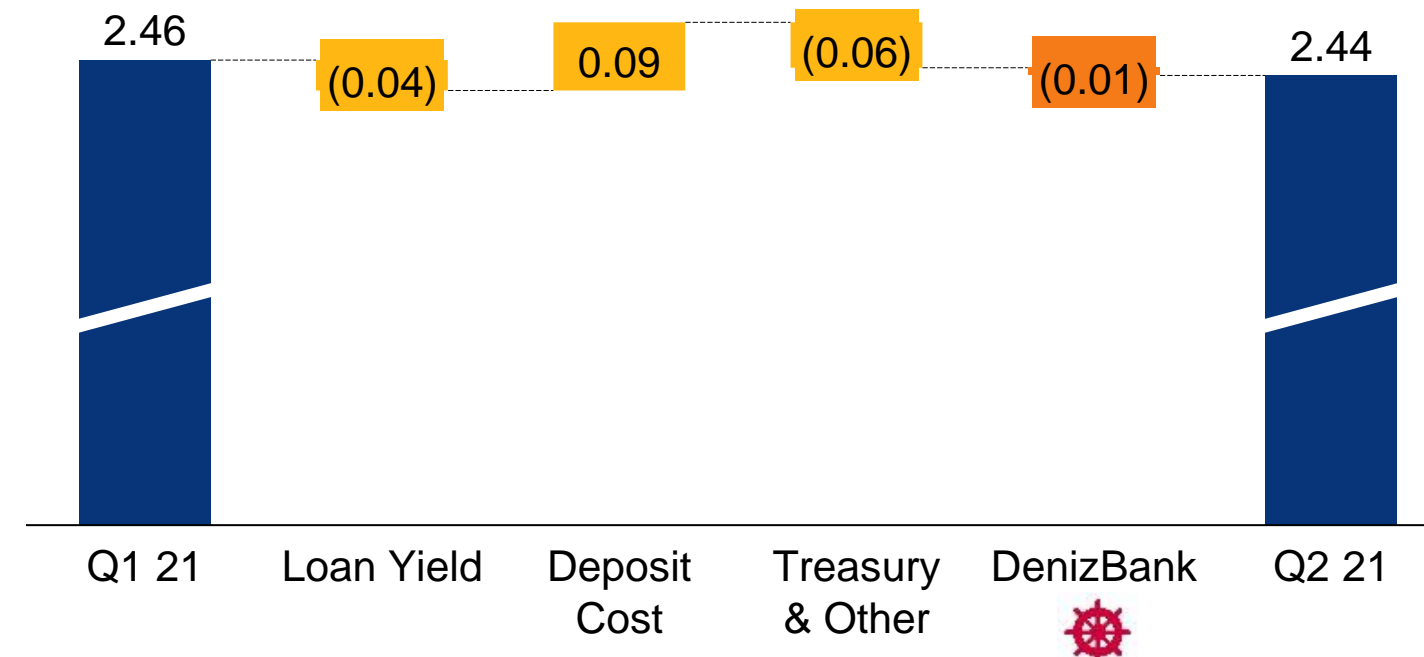
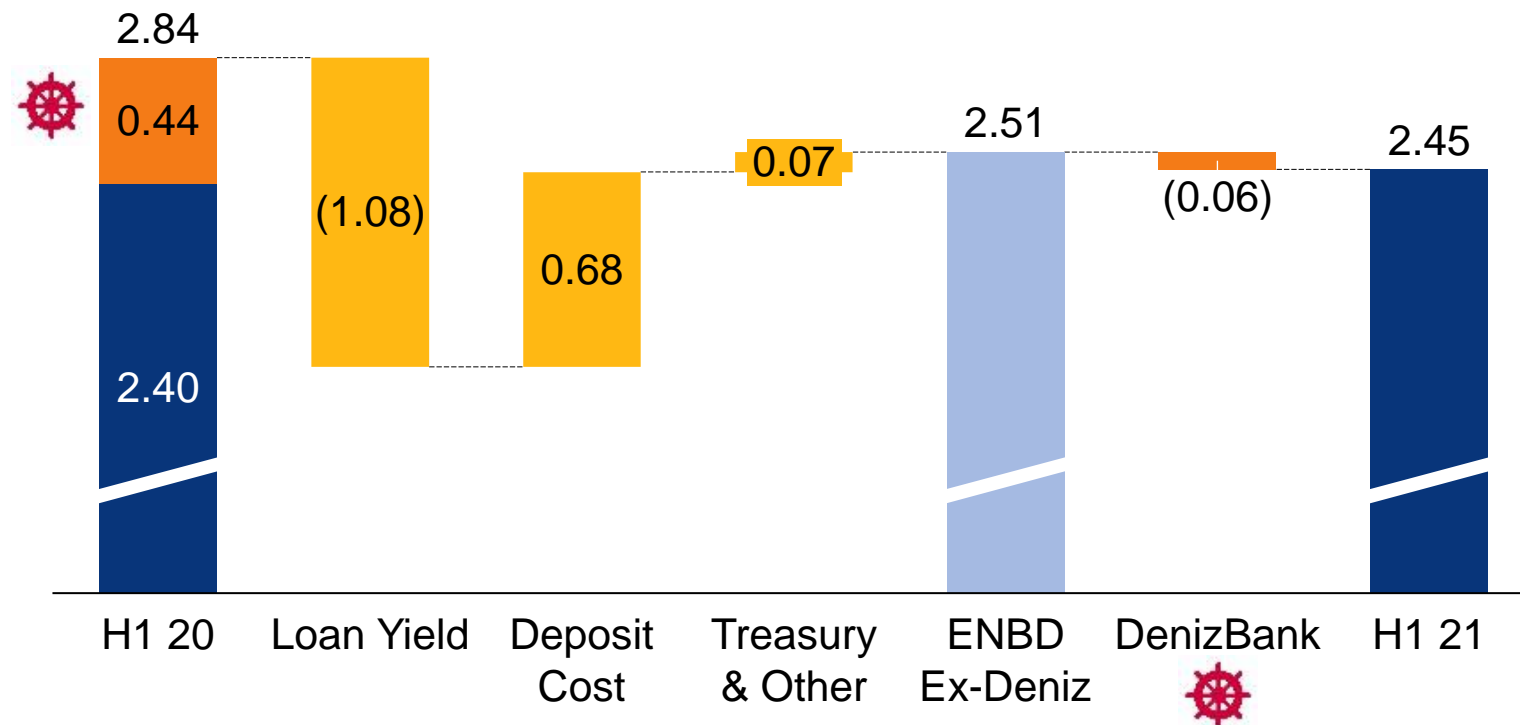
Highlights

- Q2-21 NIM declined 2 bps q-o-q to 2.44% as:
 - Loan yields declined 4 bps reflecting a 1 and 5 bps fall in 1 & 3-month EIBOR
 - Funding costs improved 9 bps on higher CASA balances
 - Treasury yields declined 6 bps as liquid assets were deployed at lower yields
 - DenizBank margins down 1 bps as earlier rate rises have largely flowed through
- YTD NIM declined 39 bps y-o-y as improved funding costs were more than offset by reduced loan yields due to lower interest rates and lower DenizBank NIMs
- NIM guidance revised up by 5 bps to 2.40-2.50% as margins expected to remain stable for the remainder of the year

Net Interest Margin (%)



Net Interest Margin Drivers (%)

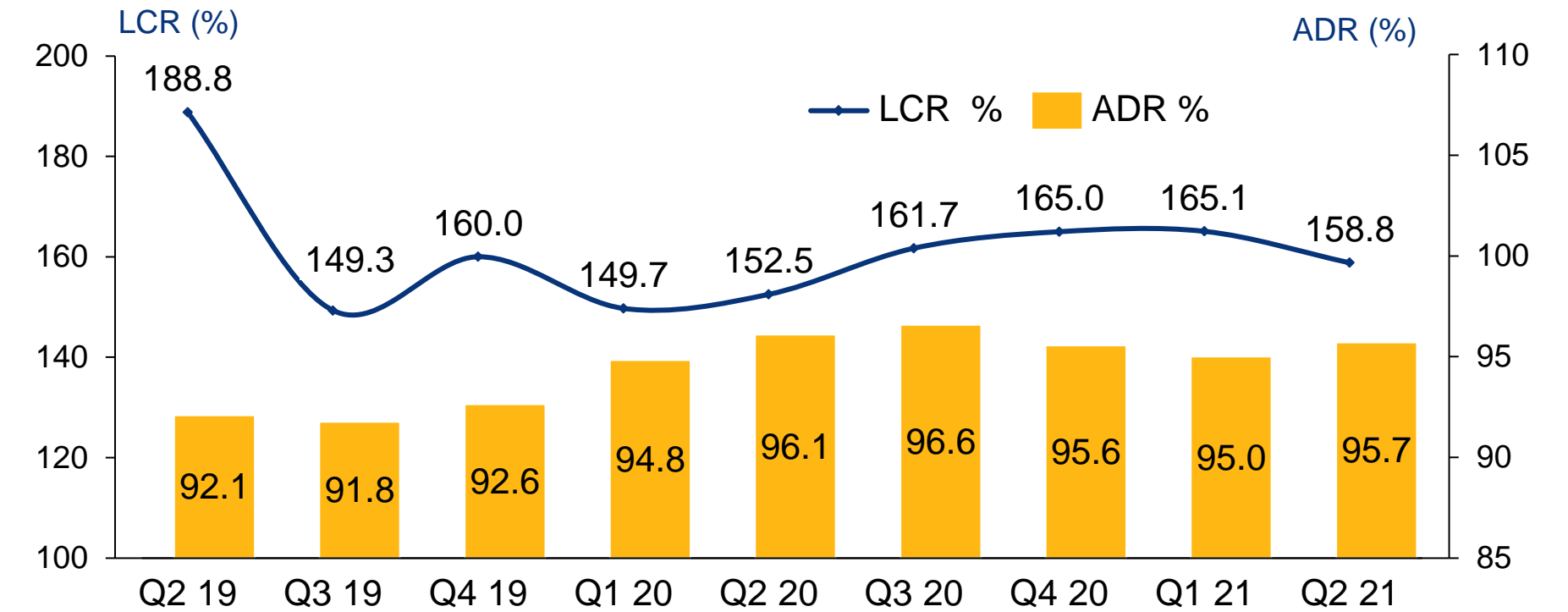


Funding and liquidity

Highlights

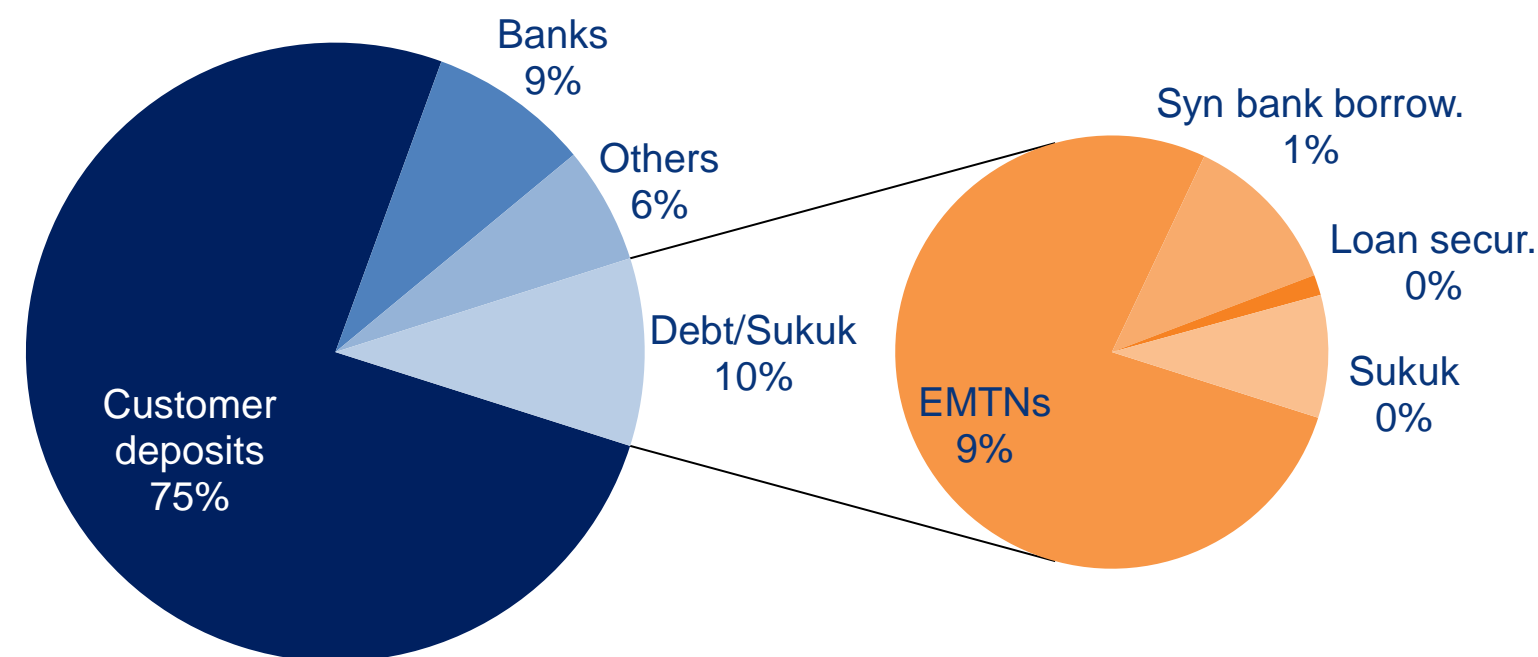
- LCR of 158.8% and ADR of 95.7% demonstrate the Group's continuing healthy liquidity
- Liquid assets* of AED 82.6 billion cover 14% of total liabilities and 18% of deposits
- AED 20.3bn issuance in 2021 fully covers this year's maturities and 1/3rd of 2022 maturities
- DenizBank issued a USD 410 million multi-currency syndicated loan, the first Turkish bank syndication to include a Renminbi denominated tranche, reflecting DenizBank's increasing appeal amongst international investors

Advances to Deposit and Liquidity Coverage Ratio (%)



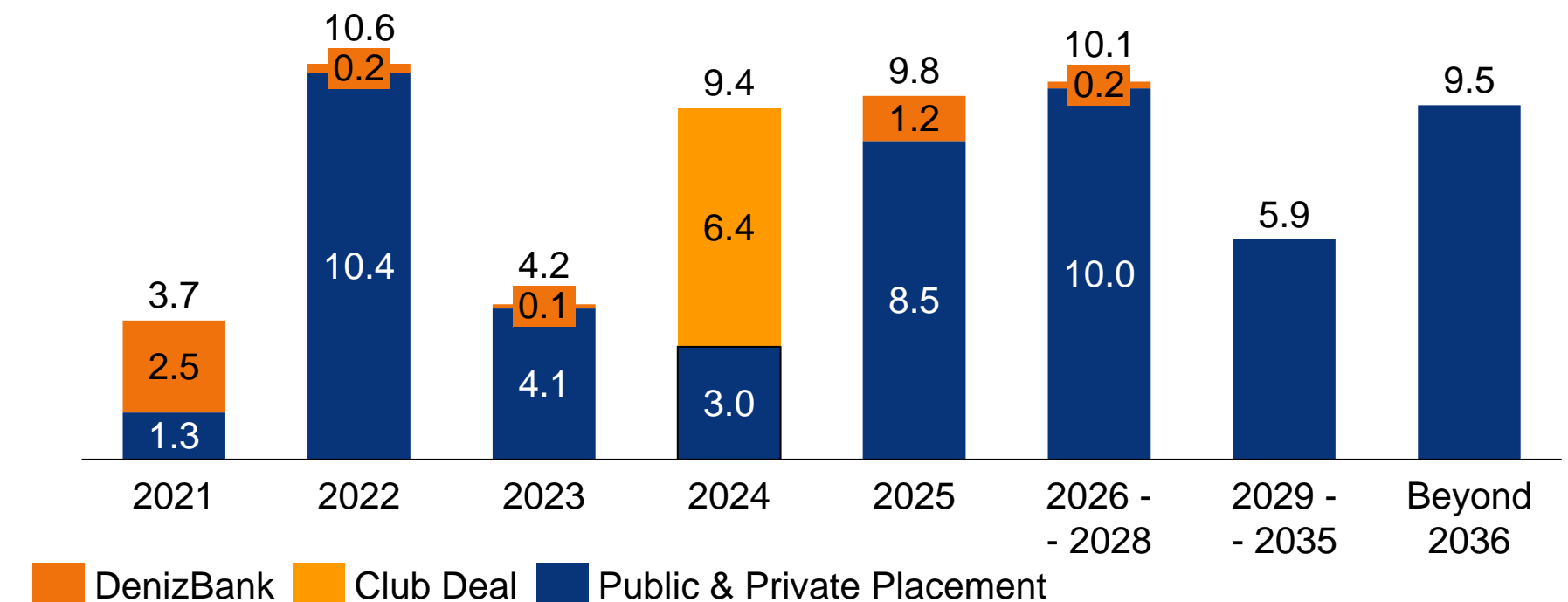
Composition of liabilities / Debt issued (%)

Liabilities (AED 610.2bn) Debt/Sukuk (AED 63.3bn)



Maturity profile of Debt Issued (AED billion)

Maturity Profile of Debt/ Sukuk Issued AED 63.3bn



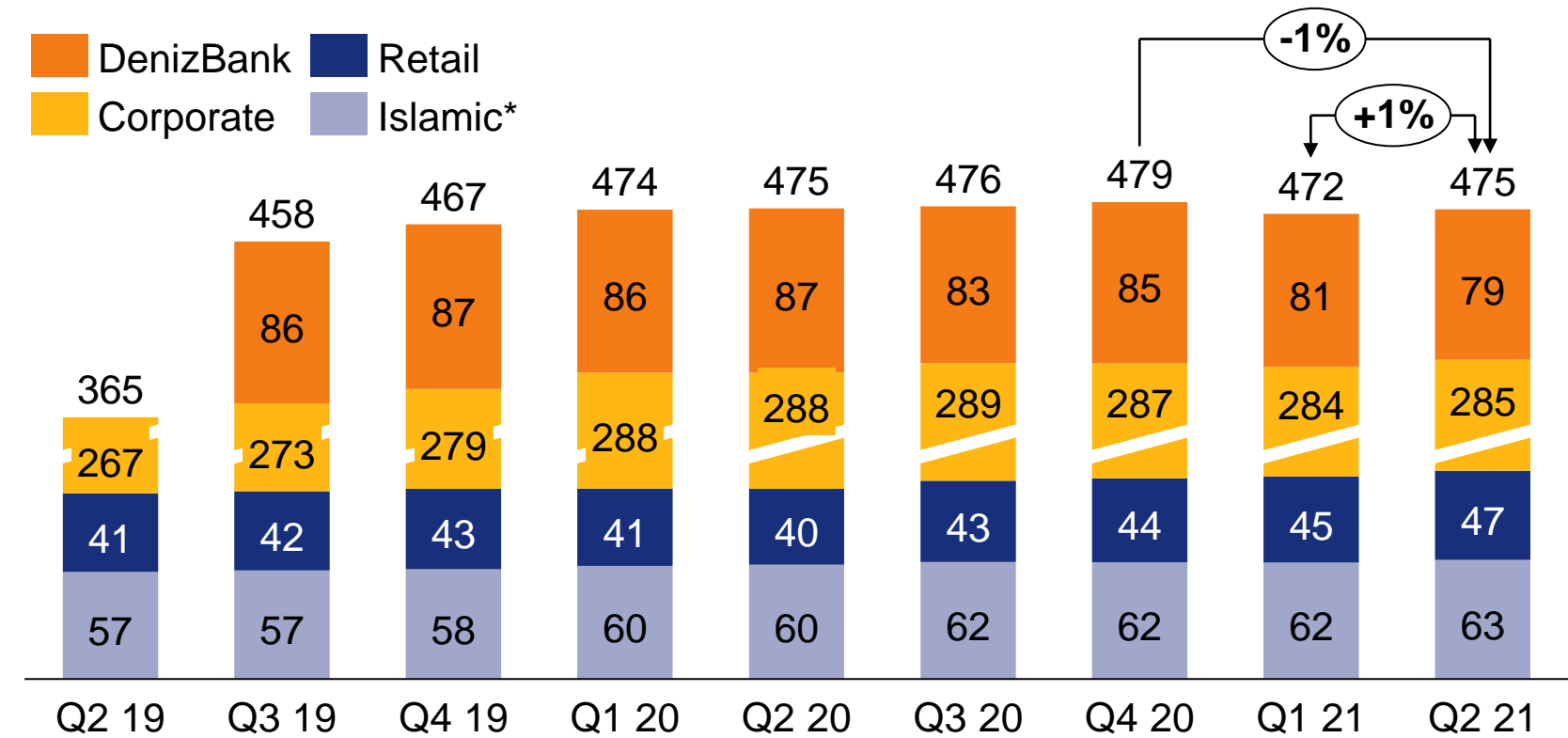
*Includes cash and deposits with Central Banks, excludes interbank balances and liquid investment securities

Loans and deposits trends

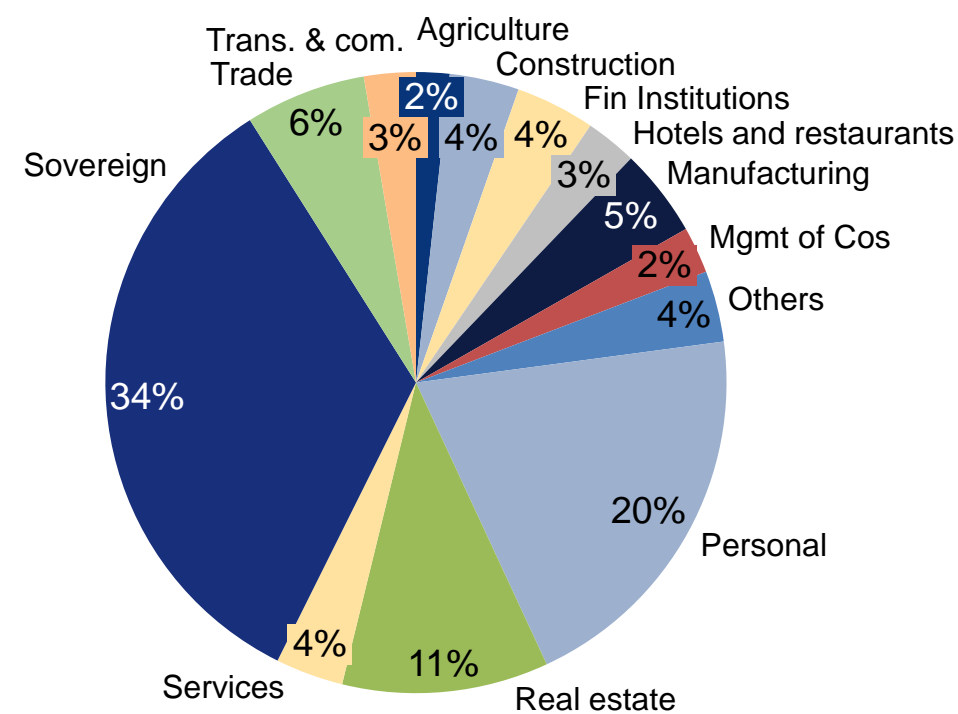
Highlights

- Gross loans grew 1% in Q2-21 with Corporate, Retail and Islamic all registering growth
- Gross loans declined 1% in H1-21 due to currency translation of DenizBank's loans
- Retail lending increased 6% in H1-21 with record demand for personal loans, auto loans and mortgages
- Islamic financing increased 2% during H1-21
- Corporate lending declined 1% in H1-21 due to repayments of corporate loans including loans receiving support and borrowers successfully accessing capital market funding
- DenizBank gross loans and deposits increased 9% and 8% in local currency terms and declined 7% in AED terms due to 17% decline in Turkish lira during H1-21
- Deposit mix continued to improve in Q2 with AED 9bn increase in CASA replacing AED 9bn of more expensive Fixed Deposits
- CASA deposits are 58% of total Group deposits, with domestic CASA at a record 67%

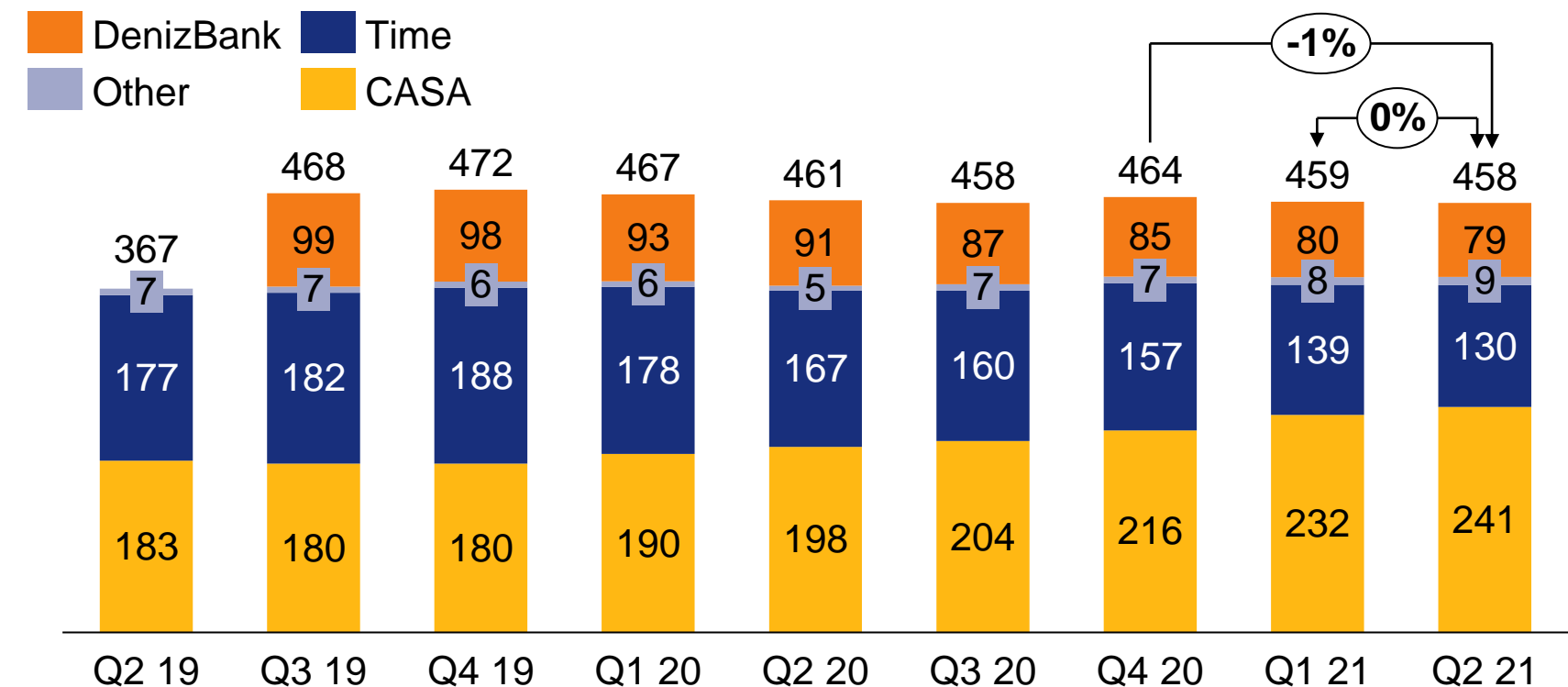
Trend in Gross Loans by Type (AED billion)



Total Gross Loans by Sector



Trend in Deposits by Type (AED billion)

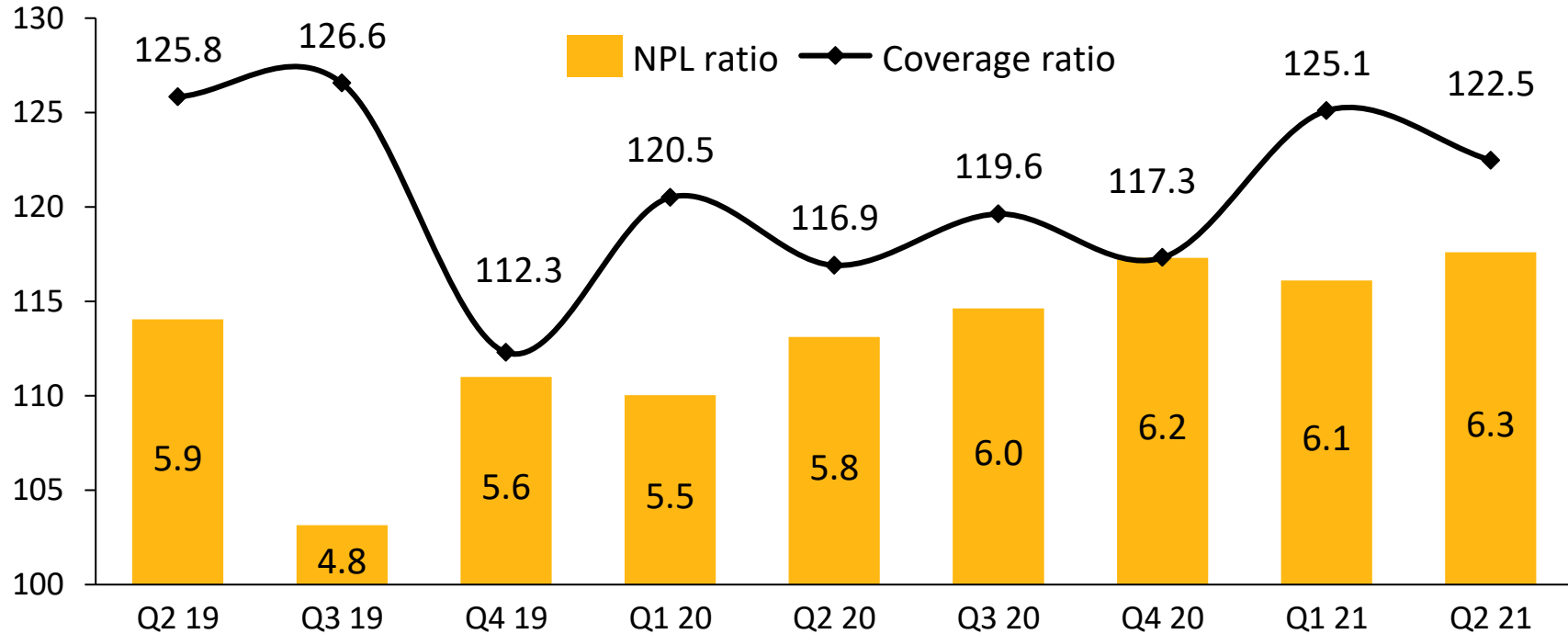


* Gross Islamic Financing Net of Deferred Income

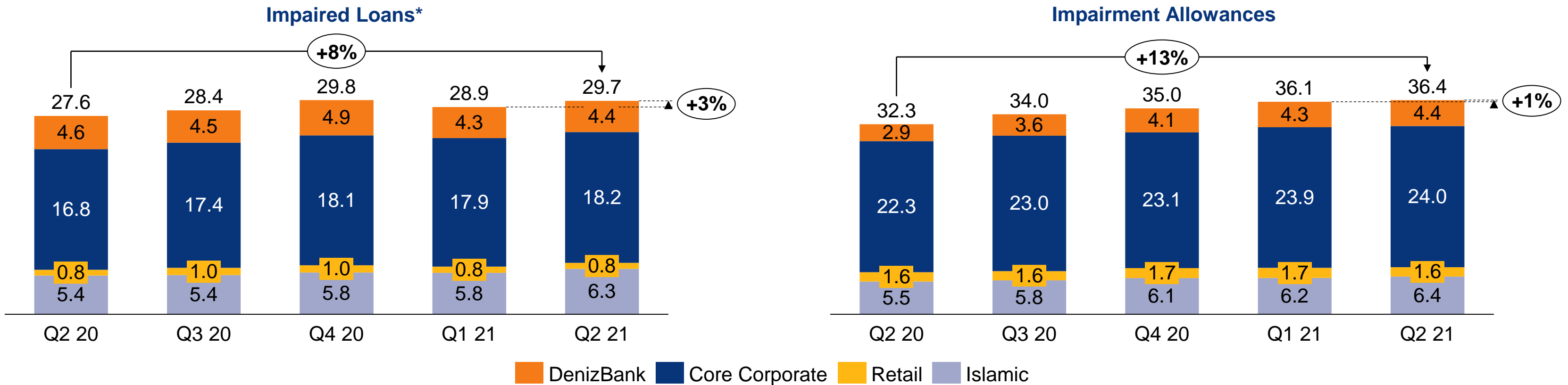
Credit quality

Highlights Impaired Loan & Coverage Ratios (%)

- NPL ratio increased marginally by 0.1% to 6.3% in H1-21 due to stage migrations
- Coverage ratio strengthened to 122.5% during H1-21
- H1-21 cost of risk decreased substantially to 114 bps (206 bps for DenizBank and 95 bps ENBD) from 172 bps (374 bps for DenizBank and 126 bps ENBD) in H1-20 due to improved economic sentiment
- AED 667m of write backs and recoveries in H1-21 compared to AED 582m during same period last year
- Stage 1 and 2 ECL allowances amount to AED 10.7bn or 2.7% of CRWA



Impaired Loans and Impairment Allowances (AED billion)

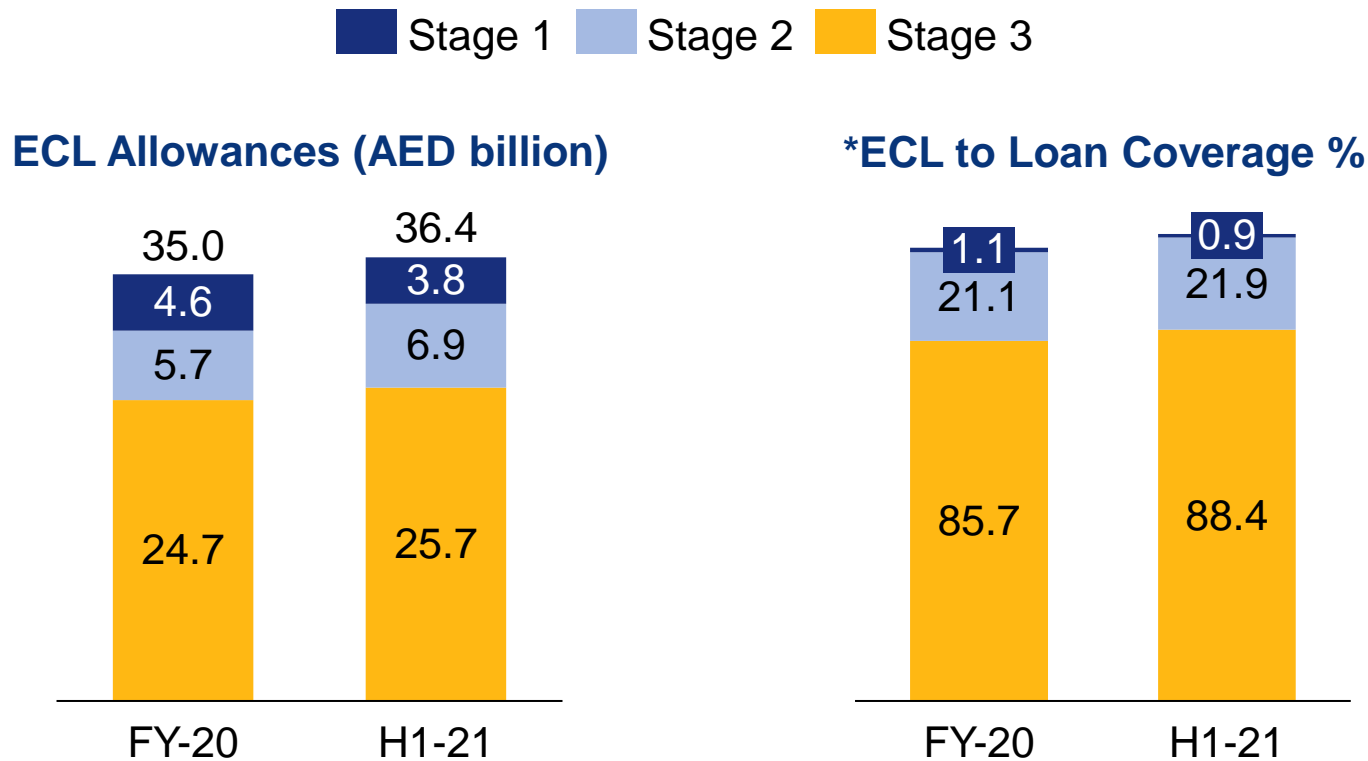


*Includes purchase originated credit impaired loans of AED 1.8bn (Dec-20: AED 2.1bn) acquired at fair value

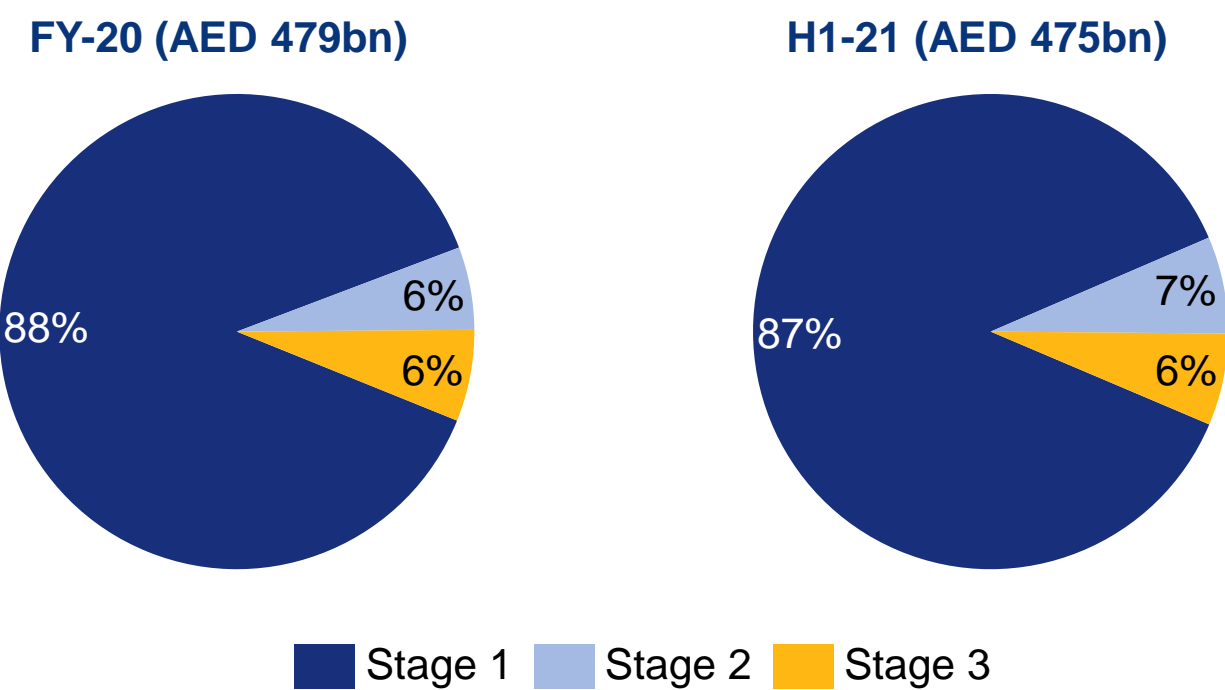
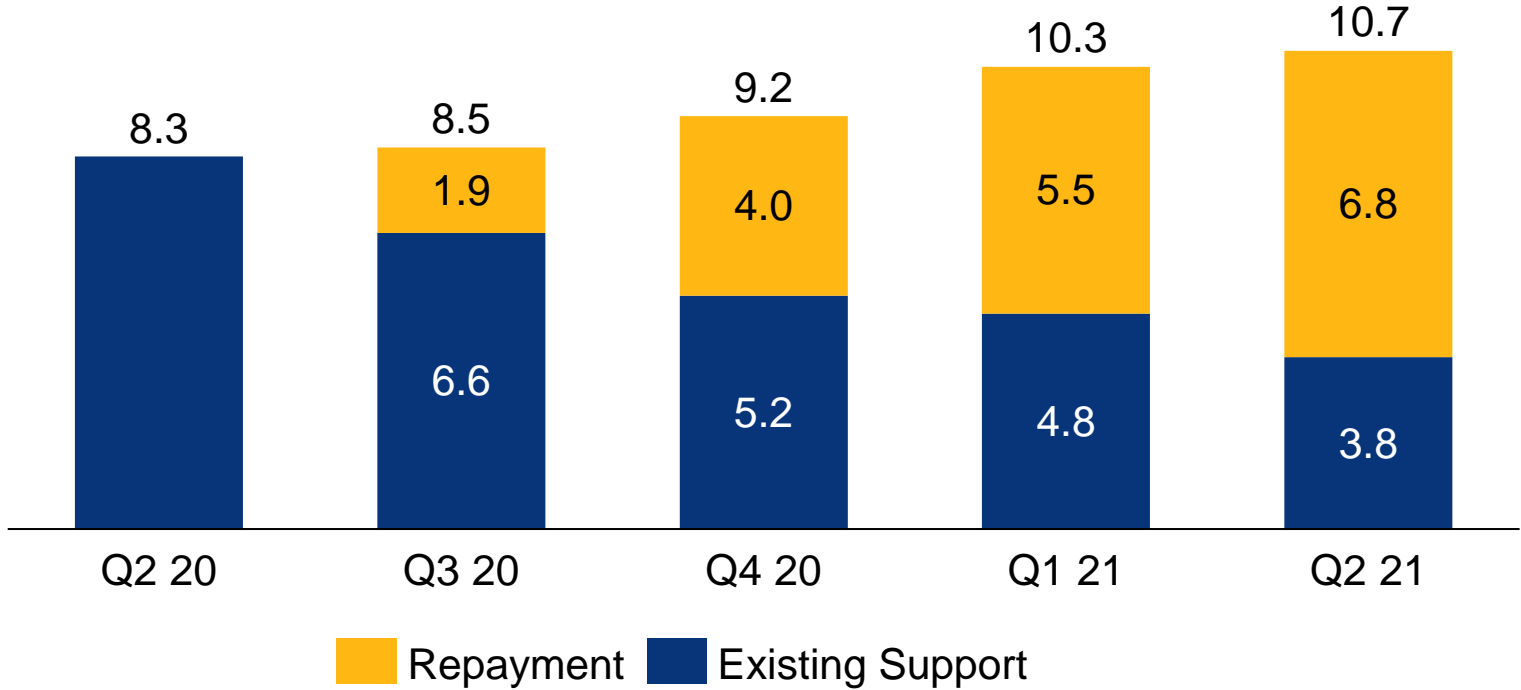
Impairment allowances and Stage 1, 2 and 3 Coverage

Highlights | Impairment allowances and Coverage %

- Stage 1 coverage ratio reduced to 0.9%, or AED 3.8 bn of impairment allowances, due to a combination of improved MEVs and stage migrations
- Stage 2 impairment allowances boosted to AED 6.9 bn, strengthening the coverage ratio to 21.9%, while Stage 2 loans increased with stage migrations in H1-21
- Stage 3 impairment allowances boosted to AED 25.7 bn, strengthening the coverage ratio to 88.4% as NPL ratio increased 0.1% to 6.3% during H1-21 due to stage migrations
- The Bank has supported 120,328 customers with AED 10.7 billion of deferrals, of which AED 6.8 billion has been repaid, resulting in net support of AED 3.8 billion as at 30-Jun-21
- UAE customers continue to repay support demonstrating improving business sentiment



UAE Customers receiving payment deferrals (AED billion) | Total Gross Loans



Non-funded income

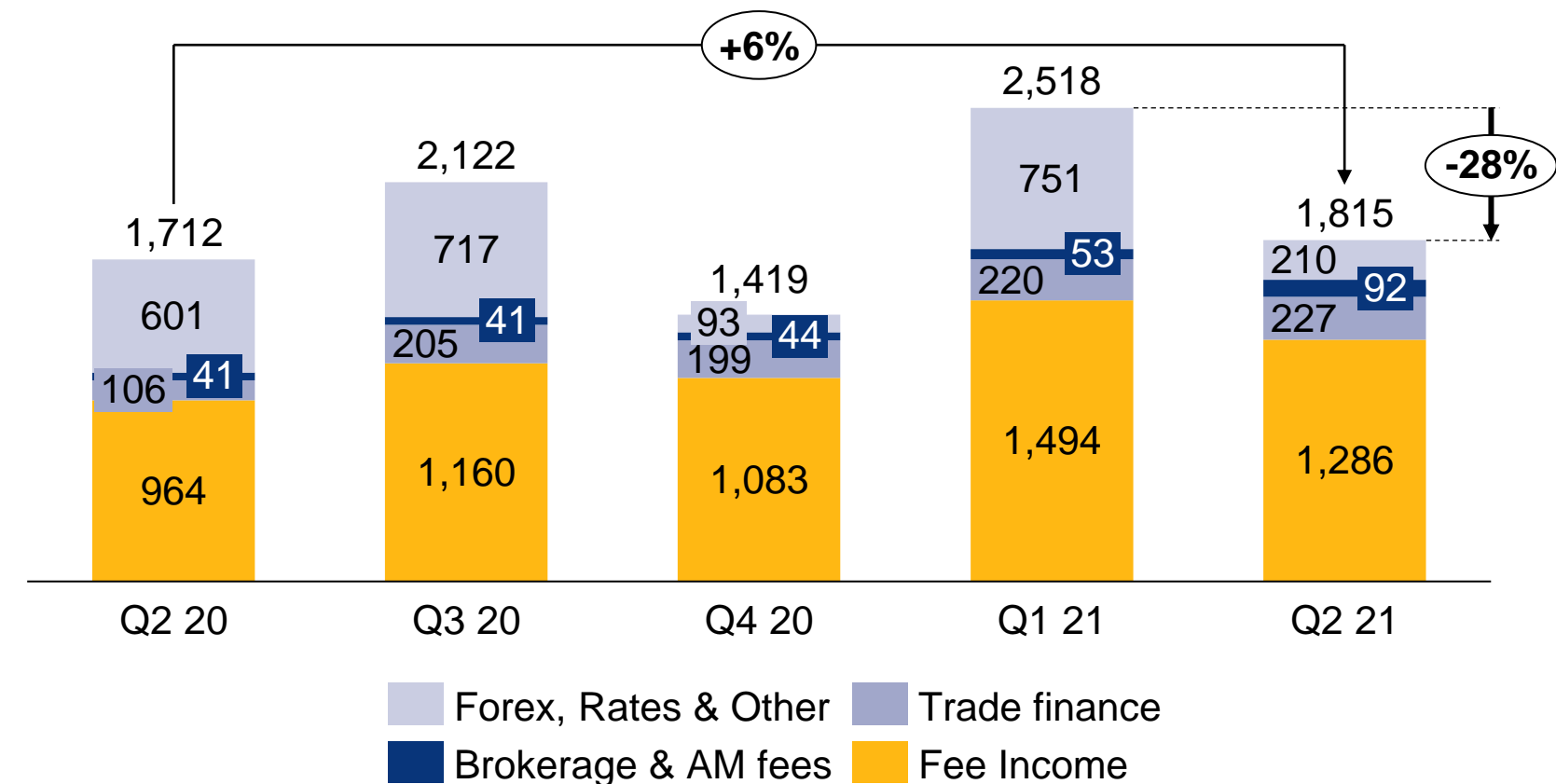
Highlights

- Q2-21 core gross income up 6% y-o-y on higher transaction volumes and increased income from trade finance, brokerage and asset management
- Core gross income declined 28% q-o-q on lower foreign exchange and derivative income from hedging and swaps relating to DenizBank
- Investment securities income improved y-o-y and declined q-o-q due to non-recurrence of disposals in Q1-21

Composition of Non-Funded Income (AED million)

AED million	Q2-21	Q2-20	Better / (Worse)	Q1-21	Better / (Worse)
Core gross income	1,815	1,712	6%	2,518	(28)%
Fees & commission expense	(583)	(369)	(58)%	(666)	12%
Core income	1,233	1,342	(8)%	1,854	(33)%
Property income / (loss)	19	8	135%	7	188%
Investment securities & other income	63	25	155%	215	(70)%
Total Non-Funded Income	1,316	1,375	(4)%	2,075	(37)%

Trend in Core Gross Income (AED million)

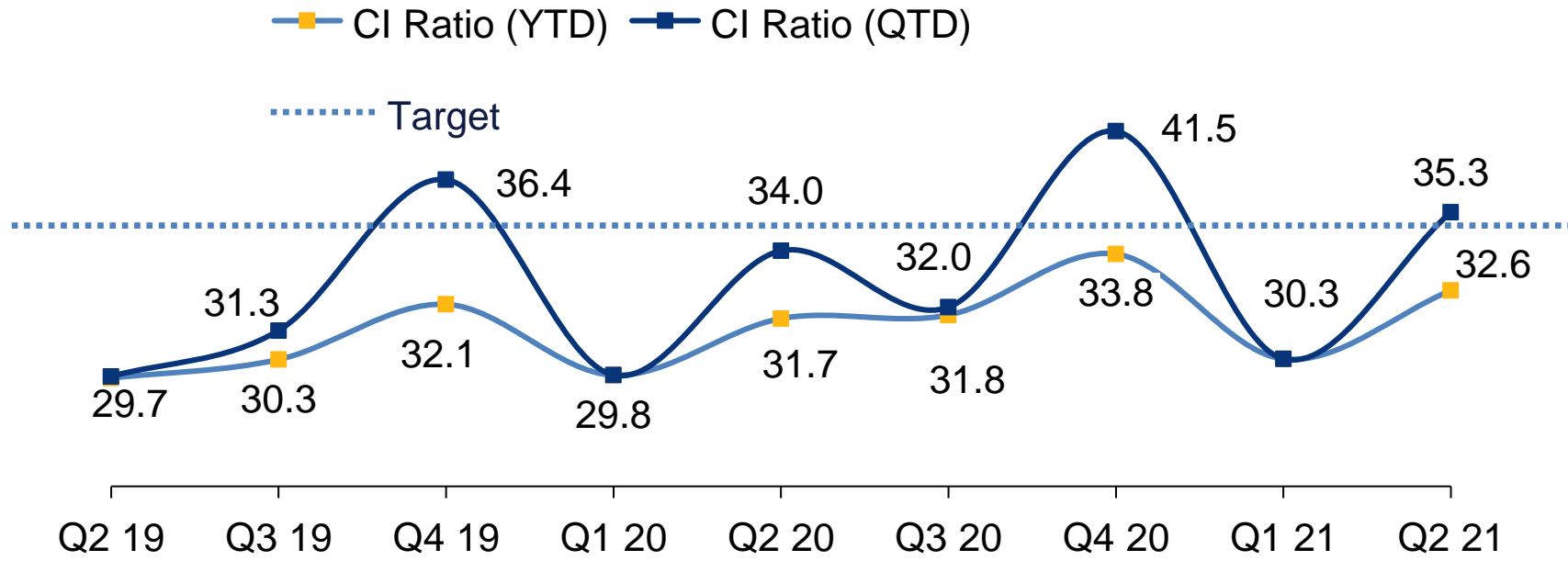


Operating expenses

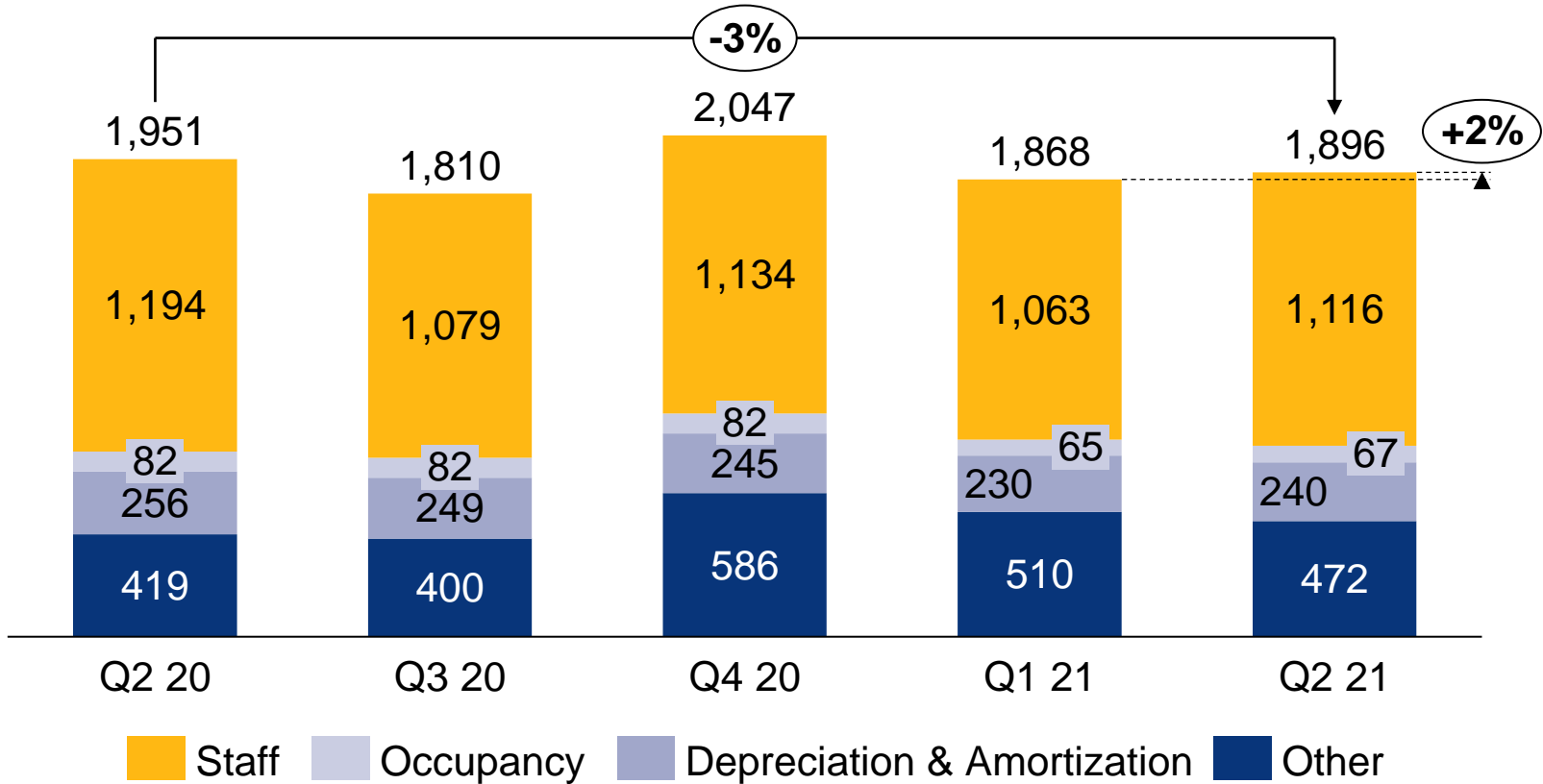
Highlights

- Q2-21 expenses improved 3% y-o-y due to lower staff and operating expenses following earlier cost management exercises
- Q2-21 expenses up 2% q-o-q due to incentives related to strong retail growth and higher costs from DenizBank
- Q2-21 cost to income ratio increased to 35.3% on lower non-funded income, particularly from DenizBank
- The year-to-date cost to income ratio was 32.6% in H1-21 and is expected to increase in H2 towards the 35% management guidance

Cost to Income Ratio (%)



Operating expenses composition (AED million)

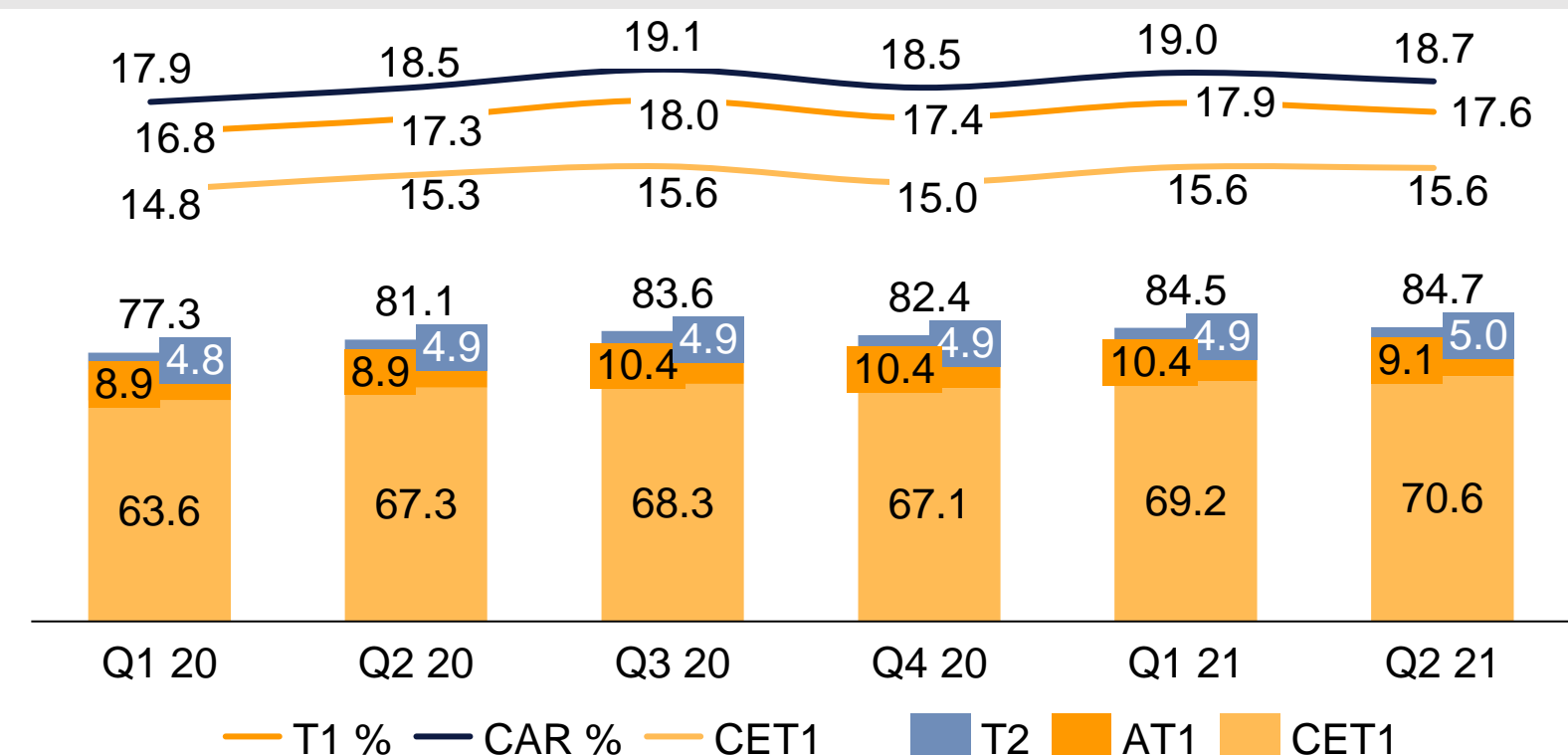


Capital adequacy

Highlights

- CET-1 ratio improved 0.6% during H1-21 driven by AED 4.8bn of retained earnings which more than offset the 2% increase in RWAs
- AED 1.7 billion increase in CRWAs relates to new CBUAE methodologies. The remaining increase is due to growth in retail and other lending
- Tier 1 ratio and CAR fell slightly in Q2-21 following the issue of \$750m Basel-III compliant AT1 notes and retirement of AED 4bn of legacy AT1 notes
- Capital ratios remain well above minimum requirements of 11% CET-1 ratio, 12.5% Tier 1 ratio and 14.5% CAR, with TESS providing further 3% temporary relief until end-2021
- Excluding regulatory relief from ECL add-back, CET-1 ratio would be 0.5% lower at 15.1%

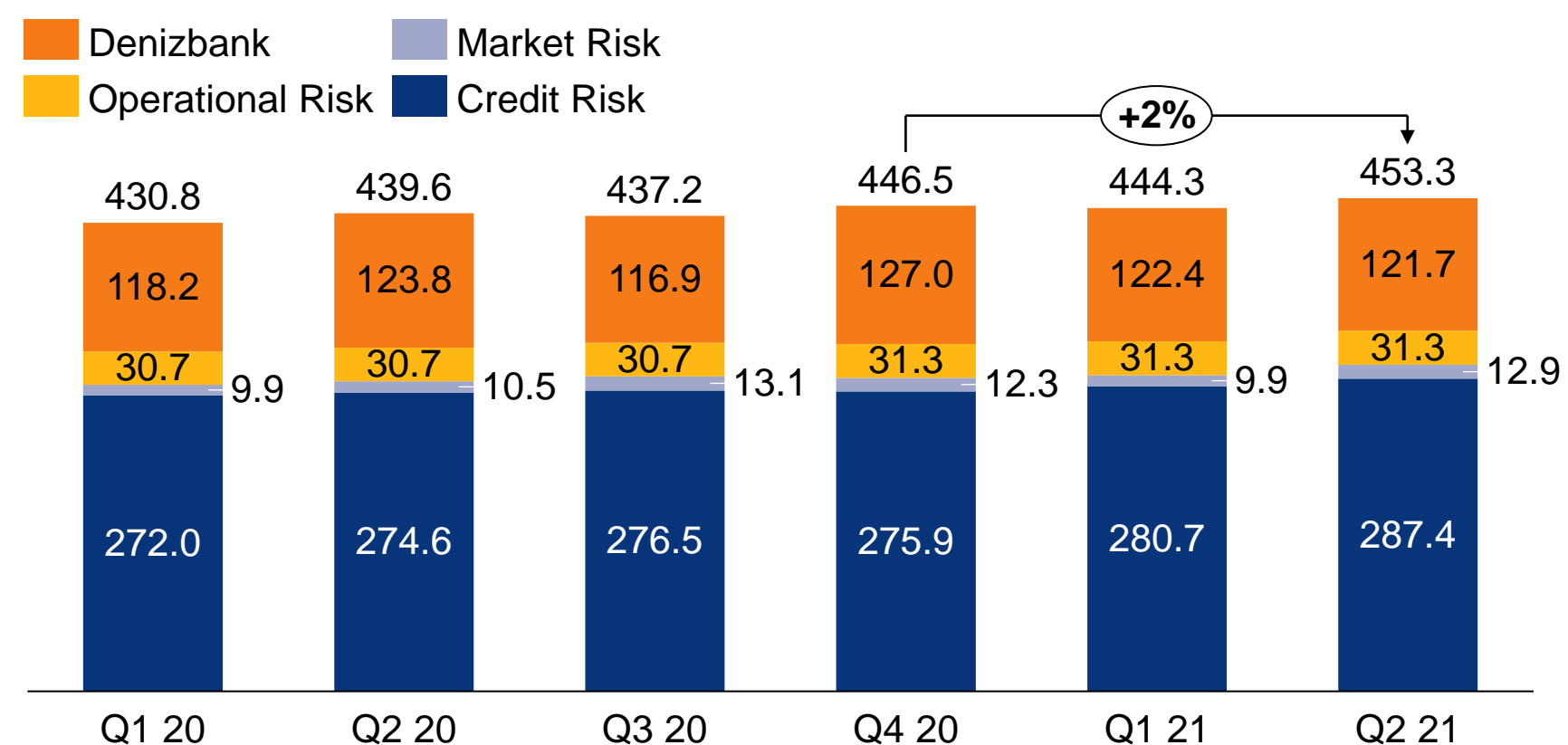
Capitalisation



Capital Movements

AED billion	CET1	Tier 1	Tier 2	Total
Capital as at 31-Dec-2020	67.1	77.5	4.9	82.4
Net profits generated	4.8	4.8	-	4.8
Interest on T1 securities	(0.3)	(0.3)	-	(0.3)
ECL add-back	0.4	0.4	-	0.4
T1 Issuance	-	2.7	-	2.7
Repayment of T1 Instruments	-	(4.0)	-	(4.0)
Other	(1.4)	(1.4)	0.1	(1.3)
Capital as at 30-Jun-2021	70.6	79.7	5.0	84.7

Risk Weighted Assets (AED billion)

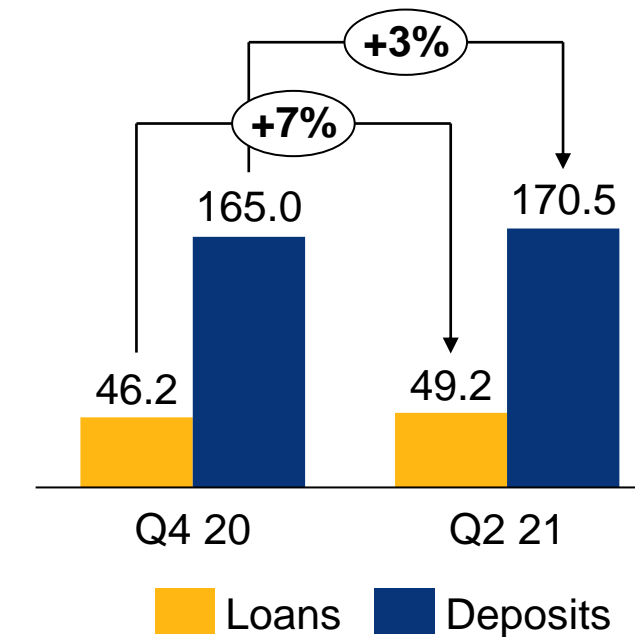


Divisional performance (excluding DenizBank)

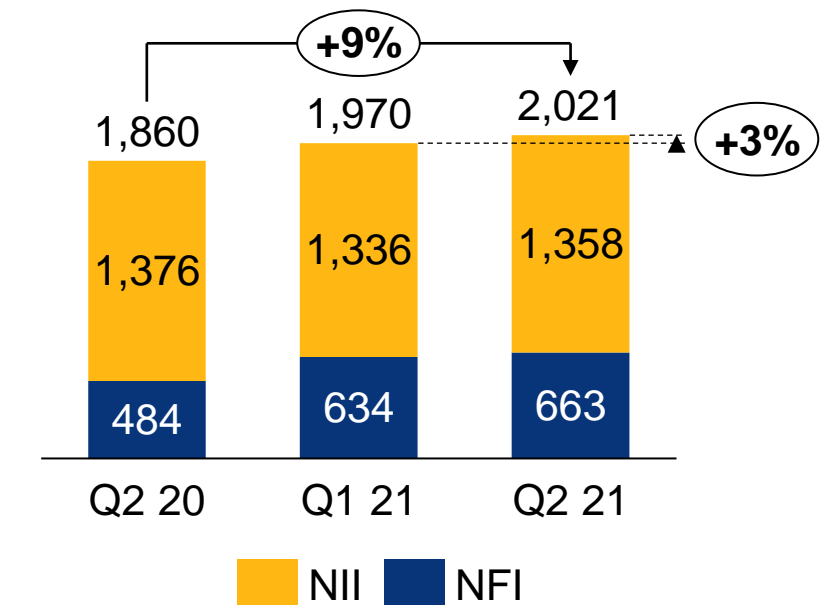
Retail Banking & Wealth Management

- RBWM income up 3% q-o-q and 9% y-o-y as record acquisition volumes led to improved non-funded income
- Net interest income up 2% q-o-q on improved cost of funding from CASA and 1% lower y-o-y as growth in loan book was offset by impact of earlier interest rate cuts
- NFI remained strong at 33% of the total income for Q2-21 compared to 26% in Q2-20
- Customer advances up 7% in H1-21 due to strong demand for retail products
- Liabilities up 3% with CASA increasing AED 10.2bn, up 8% in H1-21 supported by strong acquisitions and successful customer campaigns
- Digital adoption strengthened further with 78% of customers now digitally active while Liv. grew its UAE base to 470,000 customers and Liv. KSA growing to 75,000

Balance Sheet Trends AED billion



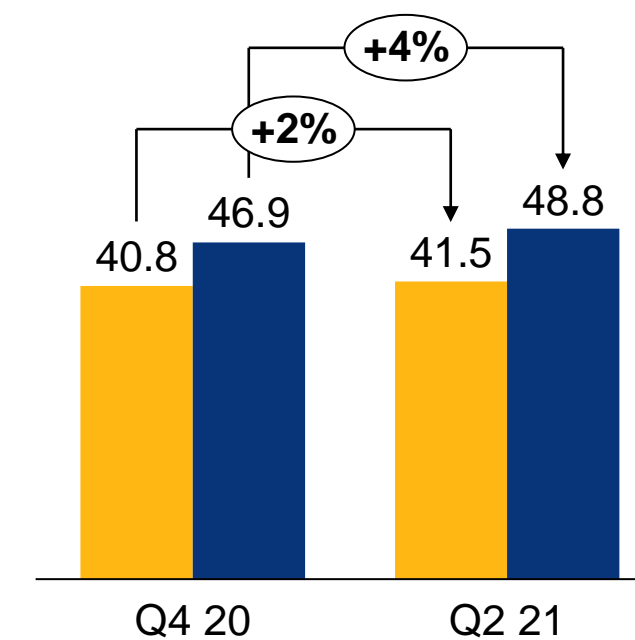
Income Trends AED million



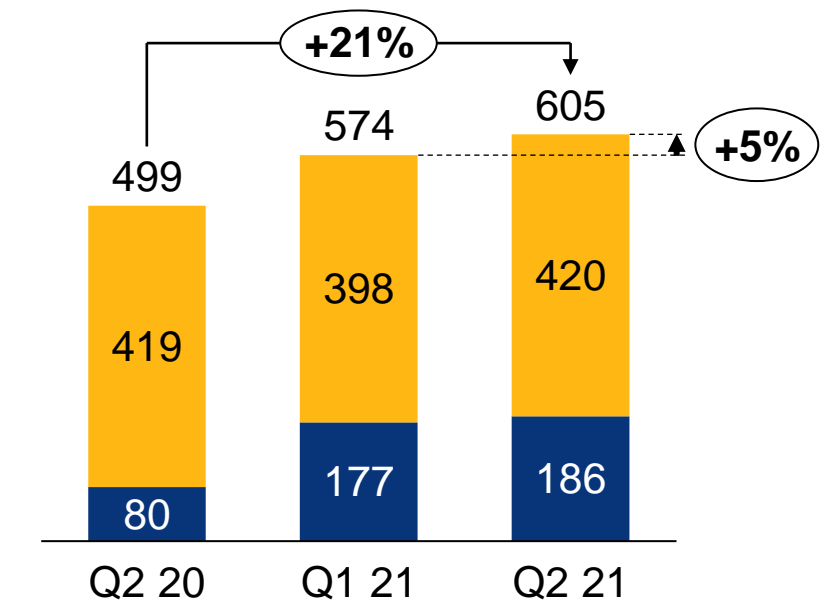
Emirates Islamic

- EI total income up 5% q-o-q on lower cost of funds and higher foreign exchange revenue
- EI total income increased 21% y-o-y due to higher non-funded income
- Customer financing at AED 41.5 billion, increased 2% from end 2020
- Customer deposits at AED 48.8 billion, increased 4% from end 2020
- CASA balances represented 78% of customer deposits compared to 69% at end of 2020
- EI's headline Financing to Deposit ratio healthy at 85%

Balance Sheet Trends AED billion



Income Trends AED million



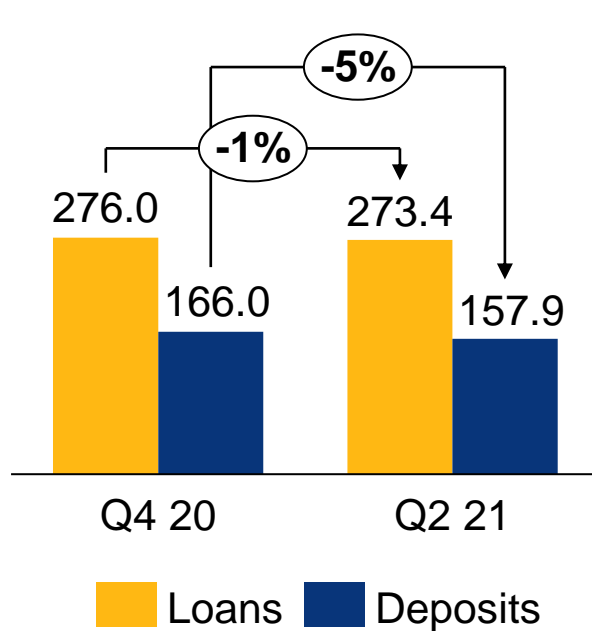
Financing receivables Customer accounts NII NFI

Divisional performance (excluding DenizBank)

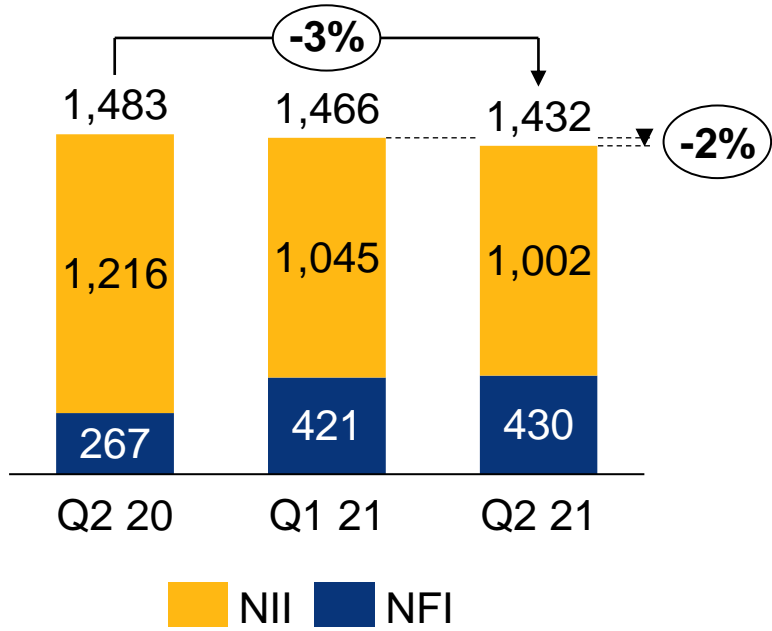
Corporate and Institutional Banking

- CIB income down 2% q-o-q as higher non-funded income from investment banking and trade finance was more than offset by drop in net interest income on lower lending activity
- Income down 3% y-o-y as improved non-funded income across products was more than offset by the impact of lower interest rates
- Loans down 1% in H1-21 due to repayments of corporate loans, partially offset by new lending and growth in trade finance. Corporate customers also increased access to capital markets in the first half
- Deposits down 5% as CIB grew CASA base whilst retiring more expensive fixed deposits
- Emirates NBD Capital led 68 bond and loan transactions in H1-21, raising \$50 billion for sovereigns, quasi-sovereigns, corporates and financial institutions from 15 countries in multiple currencies

Balance Sheet Trends AED billion



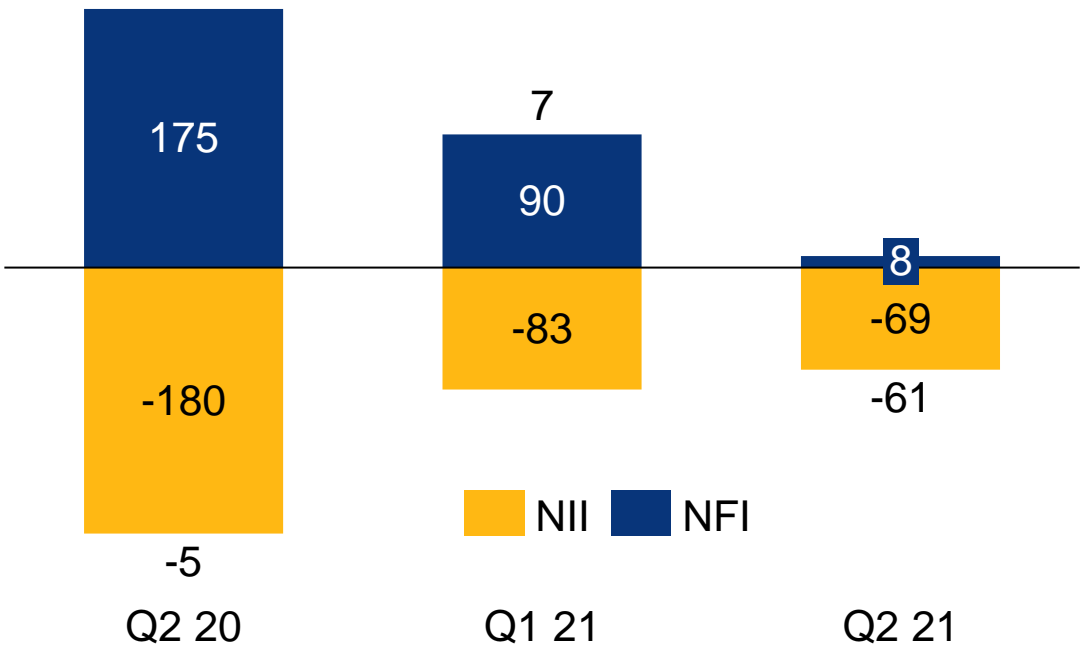
Income Trends AED million



Global Markets & Treasury

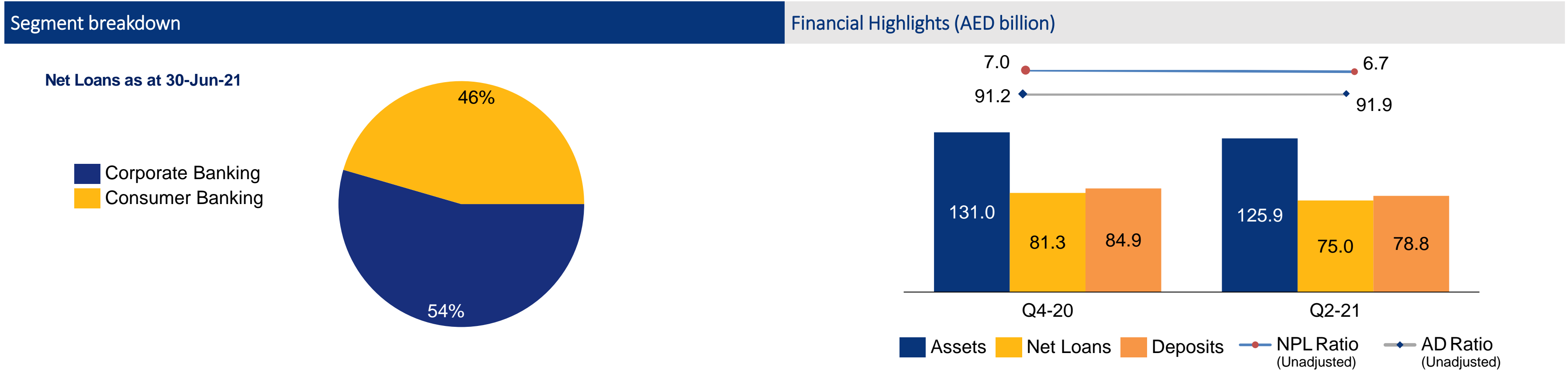
- GM&T total income down q-o-q and y-o-y due to lower non-funded income whilst net interest income improved by 40% on account of hedging & banking book investments
- GM&T NFI declined y-o-y mainly on account of non-recurring gains on hedges
- The first bank from the Gulf region to issue an ESG-linked loan, with cost of the USD 1.75 billion facility linked to environmental and social targets
- GM&T improved the efficiency and cost of the capital base in H1-21, retiring AED 4 billion of existing notes and replacing with a \$750m issue more efficient AT1 issue

Income Trends AED million



DenizBank business overview

Business Overview	Financial Highlights					
<ul style="list-style-type: none"> DenizBank contributed total income of AED 3,313m and net profit of AED 1,036m to the Group for H1-21 DenizBank contributed total income of AED 1,275m and net profit of AED 394m to the Group for Q2-21 Net interest income down q-o-q on higher funding costs on earlier rate rises. Non-funded income declined q-o-q due to non-recurrence of Q1 MTM gains Q2-21 net cost of risk of 125 bps compared to 320 bps in Q2-20 and 285 bps in Q1-21 Total assets of AED 126bn, AED 75bn net loans and AED 79bn deposits at end Q2-21 DenizBank is the fifth largest private bank in Turkey with wide presence through a network of 719 branches servicing around 15m customers through 14,000+ employees 	AED million	Q2-21	Q2-20	Better / (Worse)	Q1-21	Better / (Worse)
	Net interest income	1,250	1,387	(10)%	1,285	(3)%
	Non-funded income	25	353	(93)%	754	(97)%
	Total income	1,275	1,740	(27)%	2,039	(37)%
	Operating expenses	(577)	(564)	(2)%	(559)	(3)%
	Pre-impairment operating profit	698	1,176	(41)%	1,481	(53)%
	Impairment allowances	(225)	(655)	66%	(659)	66%
	Operating profit	473	521	(9)%	822	(42)%
	Taxation charge	(78)	(96)	18%	(180)	(56)%
	Net profit	394	425	(7)%	642	(39)%
	Cost: income ratio	45.2%	32.4%	(12.8)%	27.4%	(17.8)%
	Net interest margin	4.12%	4.40%	(0.28)%	4.13%	(0.01)%



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”**