

## DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited consolidated financial statements of Emirates NBD PJSC ("the Bank") and its subsidiaries (collectively known as "the Group") for the year ended 31 December 2020.

The Bank was incorporated in the United Arab Emirates (the UAE) on 16 July 2007, pursuant to the approval from the Central Bank of the UAE on 3 July 2007 to grant the Bank a banking license.

### Basis of Preparation of Financial Statements

The Group consolidated financial statements have been prepared in accordance with IFRS issued by the International Accounting Standards Board (IASB) and applicable requirements of the laws of the UAE.

### Financial Commentary

The Group reported a consolidated profit (attributable to equity holders) of AED 6,959 million for the year 2020, which represent a decrease of 52 percent over 2019. The Group has continued to focus on:

- Operational resilience in providing full banking services during the global pandemic;
- Maintaining strong capital, liquidity and funding positions;
- Delivering long term sustainable value for shareholders;
- Maintaining a strong risk oversight whilst effectively managing cost of risk;
- Investment in people with a focus on developing and deploying National talent in key senior and executive positions;
- Investment in IT transformation with a focus on innovation, analytics and digitalization;
- Integration of Denizbank into the Group post acquisition.

Novel coronavirus (Covid-19) has caused severe disruption to global business and economic activity. The UAE Government took decisive action to protect the health of UAE residents and to provide economic relief measures to support customers and UAE banks. This was followed with clear, prescriptive and measured guidelines to reopen the economy with health and safety continuing to be the top priority. The Central Bank of the UAE has been proactive in supporting the economy with liquidity and capital relief measures introduced through the Targeted Economic Support Scheme.

During these challenging times, Emirates NBD continued to provide a full, uninterrupted banking service to the customers and the wider community. Our award winning digital banking platform proved invaluable in providing a secure and convenient environment through which our customers continued to bank from the safety of their own homes. During the year, the Bank experienced an increase in the number of both retail and corporate customers using digital offering.

The Bank remained profitable throughout 2020 and maintained a strong balance sheet. The Bank used that strength to provide additional support to approximately one-tenth of customers primarily through the deferral of over nine billion dirhams of interest and principal payment for periods of up to six months.

Group adjusted Earnings per Share was AED 1.00 (2019: AED 1.68).

The Group achieved a return on average tangible equity of 9.5 percent (2019: 24.2 percent) and a return on average total assets of 1.0 percent (2019: 2.5 percent).

#### Equity and Note Holders' Funds

Total equity and note holders' funds as at the end of 2020 stands at AED 84,618 million (2019: AED 81,607 million).

#### Proposed Appropriations

The Directors also propose the following appropriations from retained earnings:

	AED million
	-----
Retained earnings as at 1 January 2020	43,375.4
Group profit for the year (attributable to equity holders)	6,959.5
Other comprehensive income for the year	(52.4)
	-----
Retained earnings available for appropriation	50,282.5
(a) 2019 Cash dividend paid during 2020	(2,524.3)
(b) Interest on Tier 1 Capital Notes	(651.1)
(c) Directors' fees for 2020	(31.0)
(d) Zakat	(61.4)
	-----
Balance of retained earnings as at 31 December 2020	47,014.7
	-----

**Attendance of Directors at Board/ Board Committee meetings during 2020**

The Board of Directors comprises of the following members:

H.H.Shaikh Ahmad Bin Saeed Al Maktoum	Chairman
Mr. Hesham Abdulla Al Qassim	Vice Chairman
Mr. Salem Mohammed Obaidalla	Director
Mr. Hussain Hassan Mirza Al Sayegh	Director
Mr. Buti Obaid Buti Al Mulla	Director
Mr. Shoaib Mir Hashim Khoory	Director
Mr. Mohamed Hamad Obaid Khamis Al Shehi	Director
Mr. Mohamed Hadi Ahmad Al Hussaini	Director
Mr. Ali Humaid Ali Al Owais	Director

**Total Number of Emirates NBD Board Meetings: 6**

**Emirates NBD Board Executive Committee**

Mr. Hesham Abdulla Al Qassim	Chairman of the Committee
Mr. Shoaib Mir Hashem Khoory	Member
Mr. Mohamed Hamad Obaid Al Shehi	Member
Mr. Mohamed Hadi Ahmed Al Hussaini	Member
Mr. Ali Humaid Ali Al Owais	Member

**Total Number of Meetings: 16**

**Emirates NBD Board Audit Committee**

Mr. Hussain Hassan Mirza Al Sayegh	Chairman of the Committee
Mr. Shoaib Mir Hashem Khoory	Member
Mr. Mohamed Hamad Obaid Al Shehi	Member
Mr. Mohamed Hadi Ahmed Al Hussaini	Member
Mr. Salem Mohammed Obaidalla	Member

**Total Number of Meetings: 4**

**Emirates NBD Board Nomination & Remuneration Committee**

Mr. Buti Obaid Buti Al Mulla	Chairman of the Committee
Mr. Mohamed Hamad Obaid Al Shehi	Member
Mr. Mohamed Hadi Ahmad Al Hussaini	Member
Mr. Ali Humaid Ali Al Owais	Member

**Total Number of Meetings: 4**

**Emirates NBD Board Risk Committee**

Mr. Hesham Abdulla Al Qassim	Chairman of the Committee
Mr. Hussain Hassan Mirza Al Sayegh	Member
Mr. Buti Obaid Buti Al Mulla	Member
Mr. Ali Humaid Ali Al Owais	Member
Mr. Salem Mohammed Obaidalla	Member

**Total Number of Meetings: 4**

**Emirates NBD Board Credit and Investment Committee**


Mr. Hesham Abdulla Al Qassim	Chairman of the Committee
Mr. Shoaib Mir Hashem Khoory	Member
Mr. Mohamed Hadi Ahmad Al Hussaini	Member
Mr. Ali Humaid Ali Al Owais	Member
Mr. Salem Mohammed Obaidalla	Member

**Total Number of Meetings: 50**

**Auditors:**

Deloitte and Touche (M.E.) were appointed as auditors of the Emirates NBD Group for the 2020 financial year at the Annual General Meeting held on 10 March 2020.

On behalf of the Board



Chairman

Dubai, UAE

26 January 2021