



Results Presentation | Q1 2024



بنك الإمارات دبي الوطني
Emirates NBD

25 April 2024

Important Information



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Emirates NBD

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Rounding

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Executive Summary Q1 2024 Results



Record AED 6.7 bn profit in Q1-24 on higher income & strong recoveries



Healthy income growth on strong loan & deposit mix propelled by increased regional presence



AED 900+ bn balance sheet as deposits grow 4%, including AED 21 bn more CASA



Record AED 9 billion retail financing and AED 24 bn of gross new corporate lending



KSA presence more than doubled to 18 branches and driving regional growth



Solid balance sheet with healthy capital, liquidity and credit quality and strong profit reflecting core strengths of the Group



Leading GCC bank in ESG ranked by Sustainalytics and rated 5 out of 311 diversified banks globally

Key Metrics and Guidance

Profit

AED 6.7 bn

+67% q-o-q
+12% y-o-y

Income

AED 10.7 bn

+3% q-o-q
+2% y-o-y

NIM

3.52%

Guidance revised to **3.6-3.8%**

Cost to Income

28.8%

Guidance **≤ 33%**

LCR

186%

CET 1

15.2%

NPL Cover
153%

NPL Ratio
4.4%
Guidance **4-5%**

Cost of Risk
69 bp credit

Cost of Risk
Guidance revised
~20-30 bp

Loan Growth
2.3%
(Net loan growth 3%)

Guidance
Mid-single digit

AED 6.7 bn record Q1 profit rises 67% q-o-q and 12% y-o-y on diversified income growth and healthy recoveries



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Income Statement <i>(All figures are in AED bn)</i>	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
Net interest income	7.4	7.2	3%	7.8	(5)%
Non-funded income	3.3	3.3	(1)%	2.5	30%
Total income	10.7	10.5	2%	10.3	3%
Operating expenses	(3.1)	(2.6)	16%	(3.3)	(8)%
Operating profit before impairment	7.6	7.8	(3)%	7.0	9%
Impairment allowances	0.9	(0.5)	n/m	(1.9)	n/m
Profit before tax & others	8.5	7.3	15%	5.0	68%
Hyperinflation adjustment	(0.9)	(0.8)	6%	(1.1)	(17)%
Tax	(0.9)	(0.5)	74%	0.1	n/m
Profit	6.7	6.0	12%	4.0	67%
Cost: income ratio	28.8%	25.3%	3.5%	32.4%	(3.6)%
NIM	3.52%	4.05%	(53) bps	3.81%	(29) bps

Balance Sheet	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	902	782	15%	863	5%
Total Gross Loans	492	470	5%	481	2%
Deposits	610	538	13%	585	4%
CET-1	15.2%	15.8%	(0.6)%	14.9%	0.3%
LCR	186%	187%	(1)%	210%	(24)%
NPL ratio	4.4%	5.6%	(1.2)%	4.6%	(0.2)%

Key Highlights

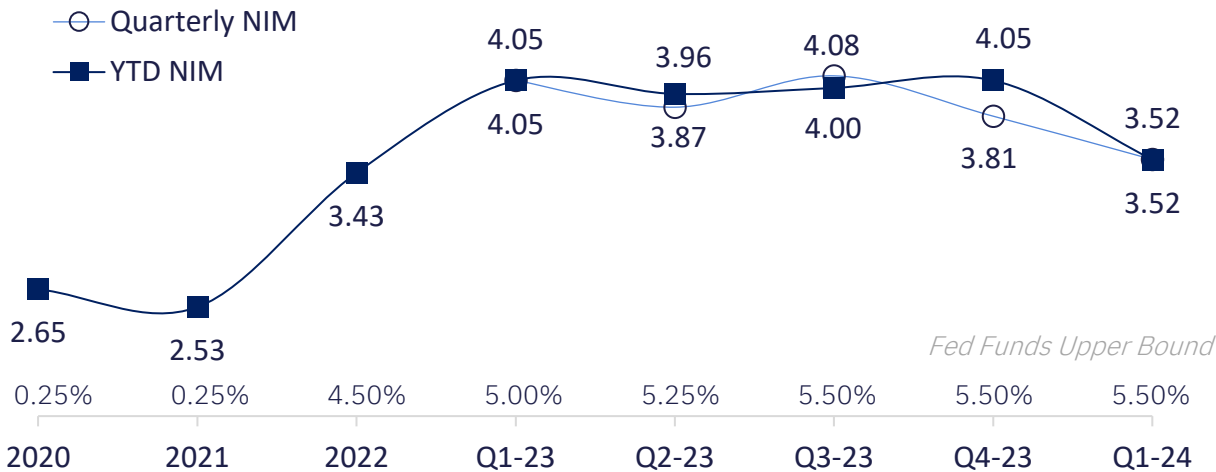
- Group profit up 67% q-o-q and 12% y-o-y on income growth from international network and healthy recoveries
- Income up 3% q-o-q and 2% y-o-y on successful diversified regional growth
- NIM guidance range revised to 3.6-3.8% as anticipated DenizBank margin widening delayed on further rate rises
- Impairment allowance credit in Q1-24 on repayments and recoveries
- NPLs improved to 4.4% on continued strong recoveries, writebacks, write-offs and repayments in a healthy operating environment
- 5% asset growth to AED 902 bn
- AED 21 bn CASA growth as Total Deposits grew 4%
- Record quarter for retail lending of AED 9 billion, continuing strong growth momentum, with AED 24 billion of Corporate gross lending on growing international network
- AED 0.5 bn profit contribution from DenizBank despite challenging operating environment
- Emirates Islamic delivered a record profit of AED 811 million in Q1-24

NIMs: CASA growth and favourable loan mix helping offset impact of higher interest rates in Türkiye



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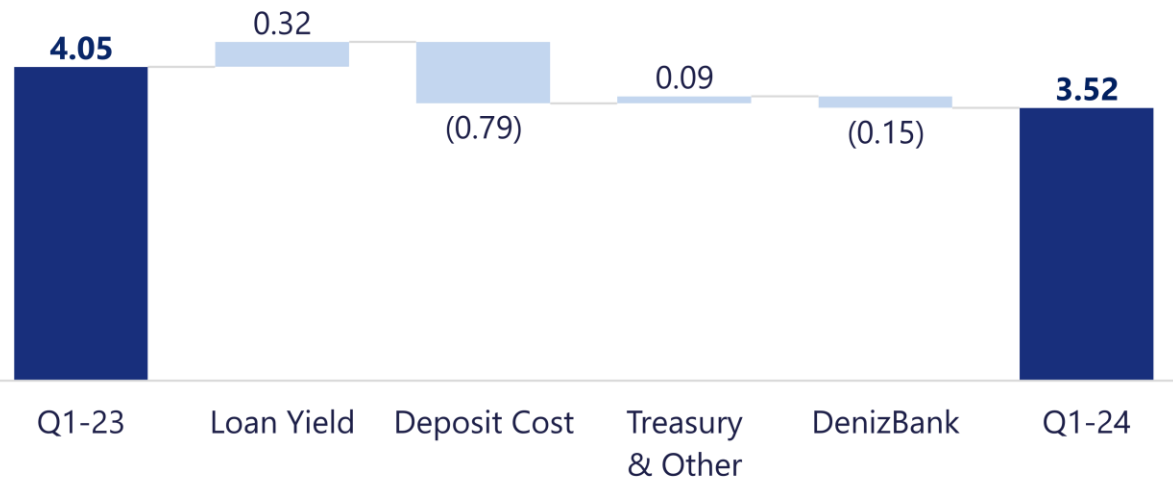
Net Interest Margin (%)



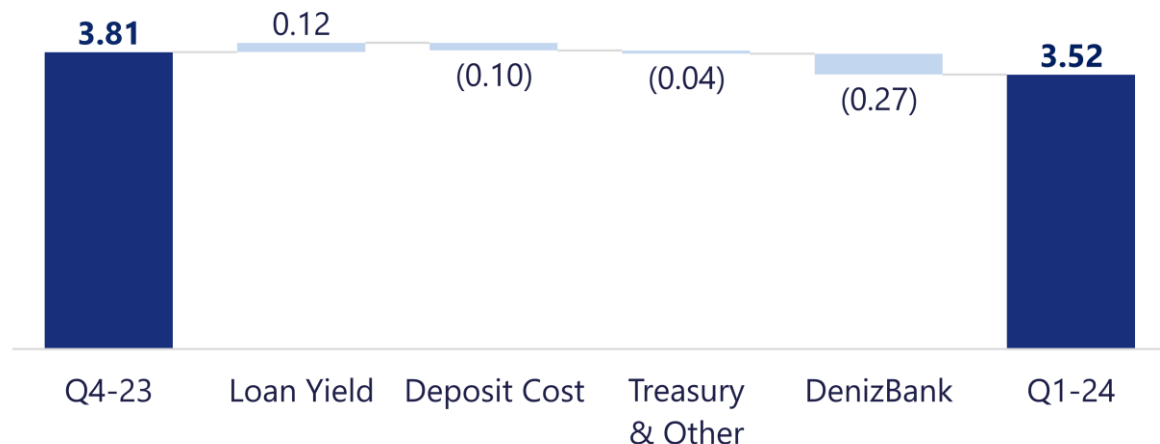
Key Highlights

- Q1-24 NIM down 53 bps y-o-y due to higher funding costs and competitive loan pricing at ENBD and lower margins at DenizBank due to higher interest rates
- Q1-24 NIM down 29 bps q-o-q on higher funding costs at DenizBank from interest rate increases
- 2024 NIM guidance revised to 3.6-3.8% as anticipated DenizBank margin widening delayed on further rate rises, partially compensated by CASA growth and favourable loan mix

NIM drivers Q1-24 vs Q1-23 (%)



NIM drivers Q1-24 vs Q4-23 (%)



Strong client flows driving fee & commission income growth



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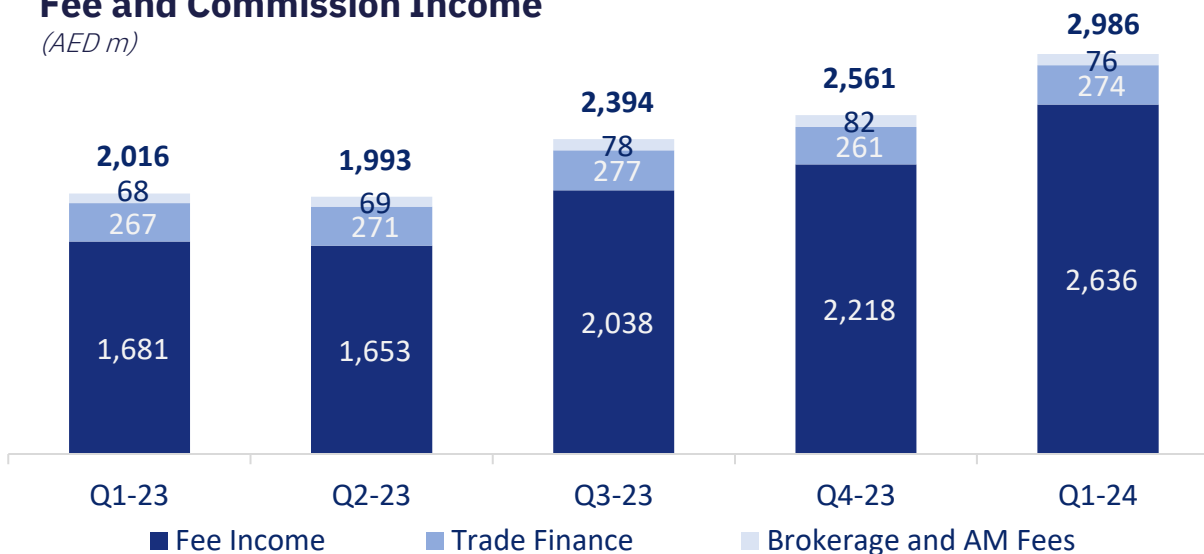
Non-funded income	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
<i>(All figures are in AED m)</i>					
Fee and Commission income	2,986	2,016	48%	2,561	17%
Fee and Commission expense	(1,333)	(897)	49%	(1,200)	11%
Net Fee and Commission Income	1,653	1,119	48%	1,361	21%
Other operating income	1,401	2,039	(31)%	986	42%
Gain / loss on trading securities	198	112	78%	149	34%
Total Non-funded income	3,253	3,269	(1)%	2,496	18%

Key Highlights

- Total non-funded income flat y-o-y as higher fee and commission income offset by lower other operating income
- Healthy quarterly trend in fee and commission income from increased investment banking activity, local & international retail card business at both ENBD and DenizBank and Trade Finance product growth
- Other operating income increased 42% q-o-q due to higher client income from FX and Structuring. Other operating income 31% lower y-o-y due to higher swap funding costs in Türkiye

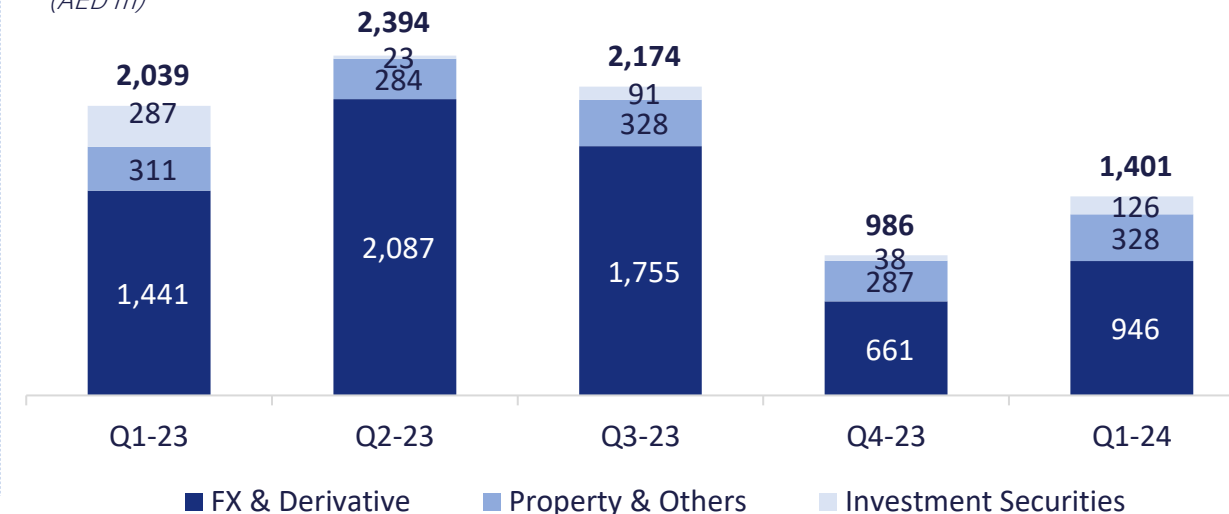
Fee and Commission Income

(AED m)



Other Operating Income

(AED m)



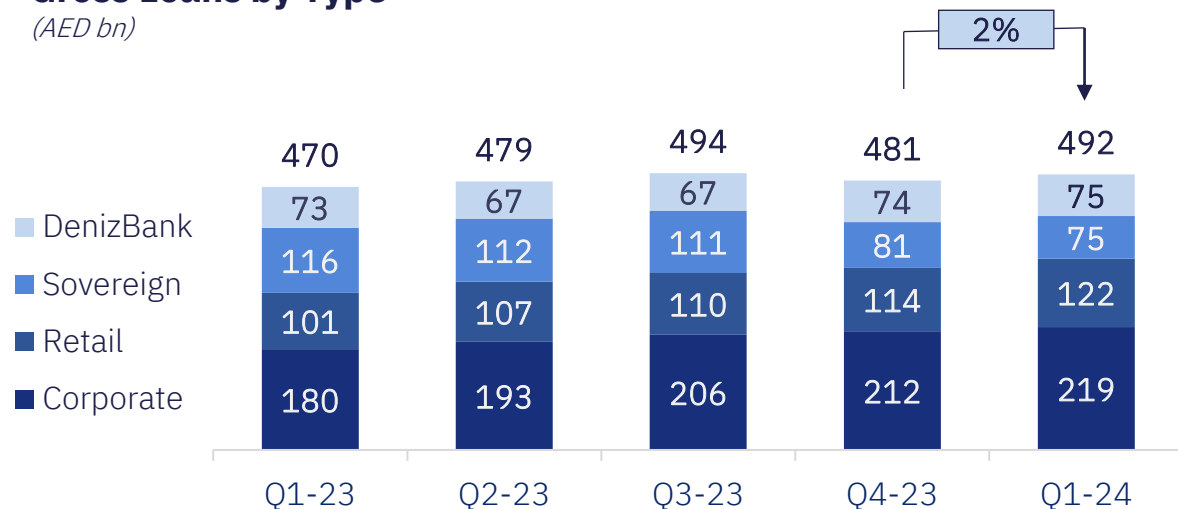
Business loan and deposit growth momentum continues



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Gross Loans by Type

(AED bn)

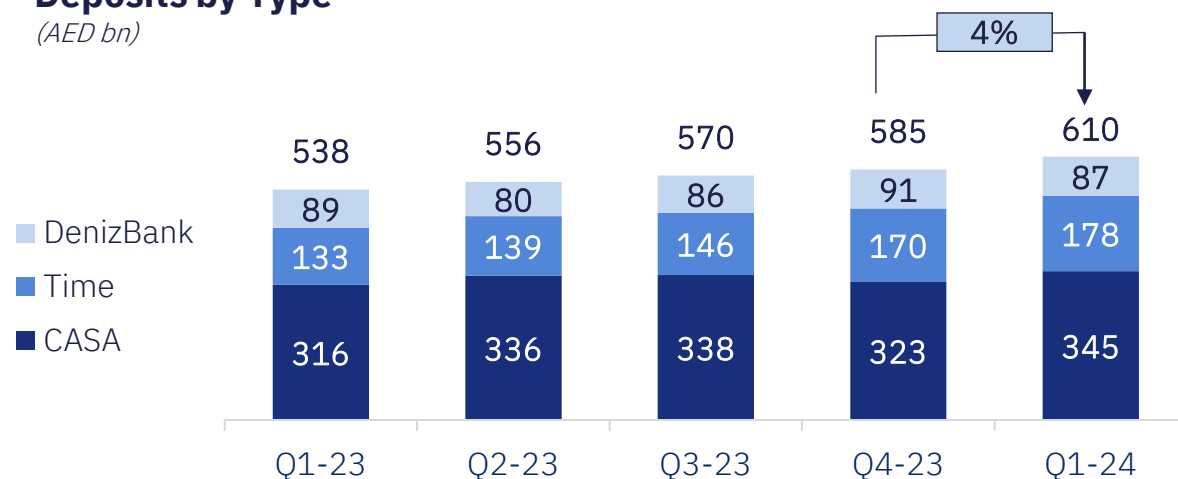


Key Highlights

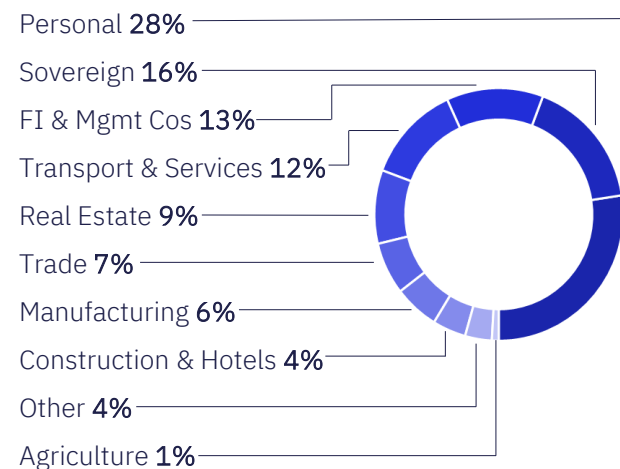
- **Loans** up 2.3% in Q1-24 on very strong underlying growth
 - Record retail lending up 8% q-o-q with healthy demand across all products
 - Corporate lending up 3% q-o-q on strong origination throughout the region in Trade and Conglomerates, more than offsetting Sovereign repayments
 - DenizBank’s TL gross loans up 11%, and up 1% after FX, on increased lending to Agriculture
- **Deposit** franchise is a proven key strength of ENBD with AED 26 bn growth in Q1-24 including an impressive **AED 21 bn** increase in **CASA**
 - CASA represents 61% of total Group deposits
 - DenizBank’s TL deposits up 5% and down 4% after FX

Deposits by Type

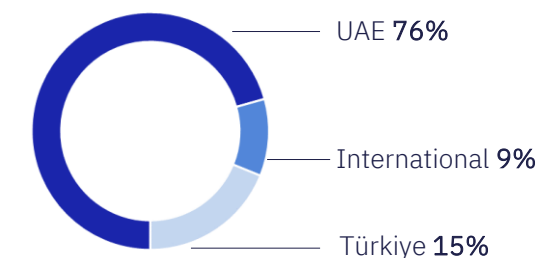
(AED bn)



Gross Loans by Sector (%)



Net Loans by Geography (%)

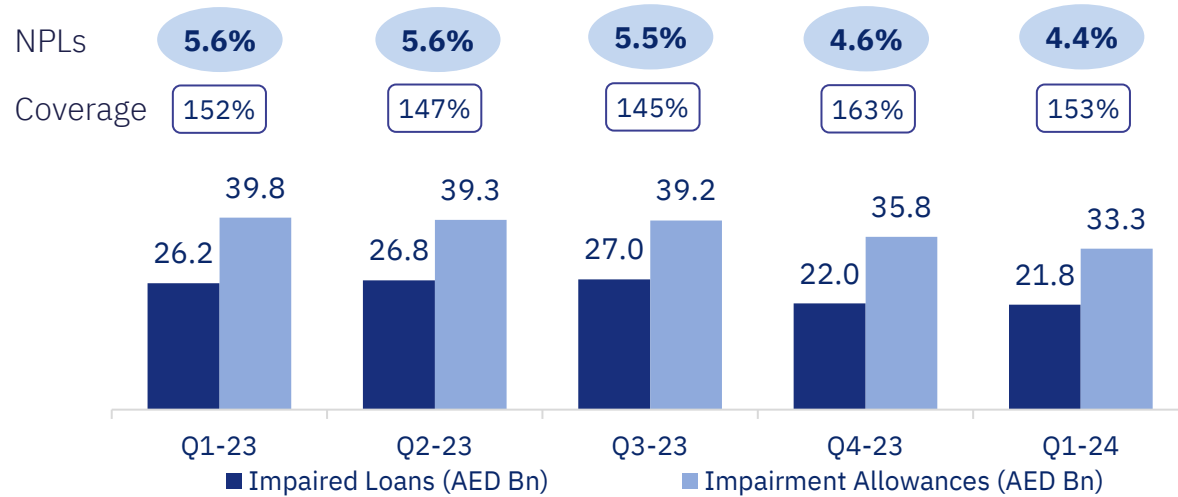


Credit quality continues to significantly improve



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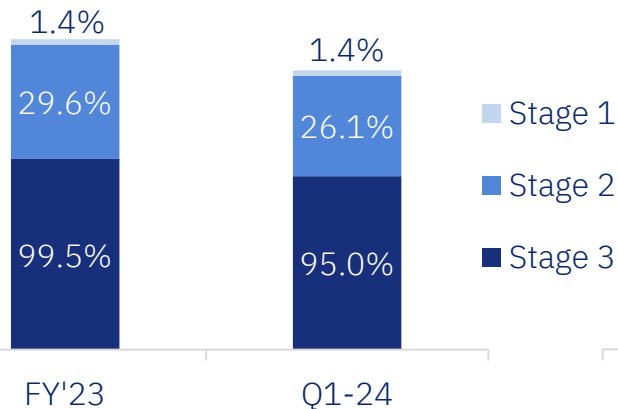
Impaired loans and allowances



Key Highlights

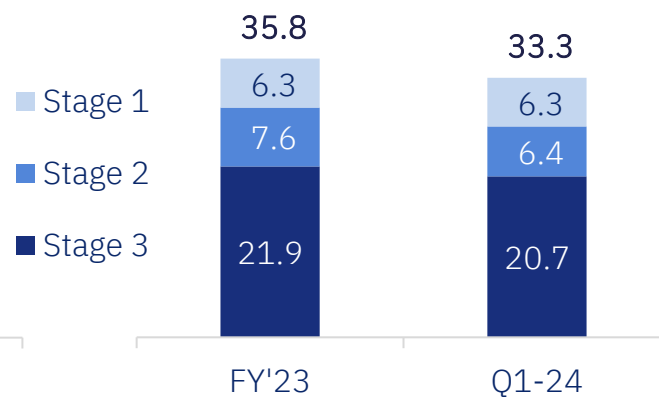
- NPL ratio improved by 0.2% to 4.4% in Q1-24 on strong writebacks, recoveries, write-offs and repayments
- Stage 2 loans reduced by 0.3% to 5.0% on repayments and staging transfers
- 69 bps Cost of Risk **credit** in Q1-24 on significant repayments
- Cost of Risk **guidance** lowered to **20-30 bps** for 2024 on Cost of Risk credit in Q1
- Stage 1, 2 and 3 coverage maintained at very healthy levels
- Coverage ratio extremely strong at 153% in Q1-24

Coverage by Stage



Stagewise ECL

(AED bn)



Total Gross Loans

FY-23 | AED 481 bn

Stage 1 90.1%

Stage 2 5.3%

Stage 3 4.6%



Q1-24 | AED 492 bn

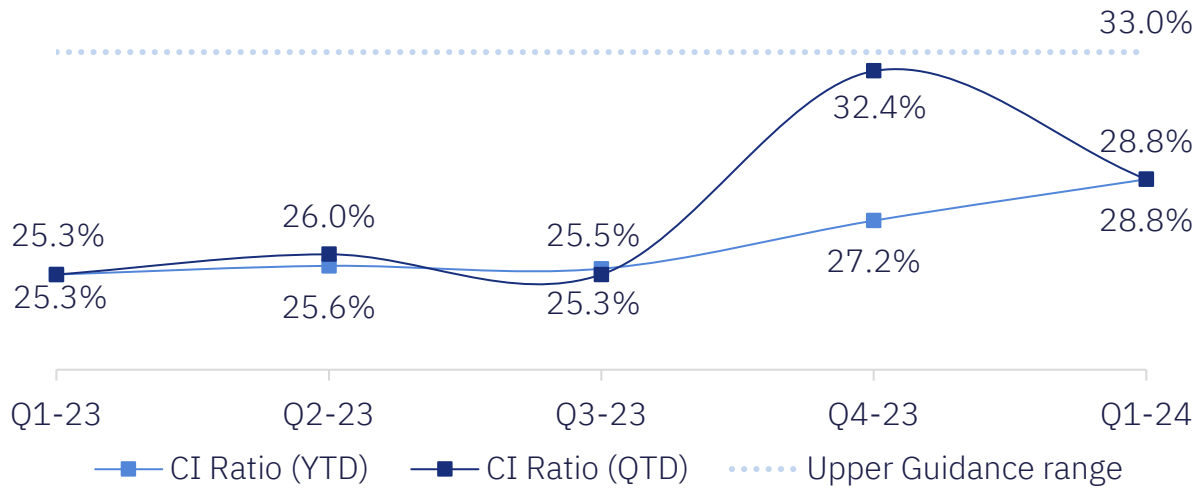
Stage 1 90.6%

Stage 2 5.0%

Stage 3 4.4%

Costs firmly controlled with focus on future growth

Cost to Income Ratio (%)

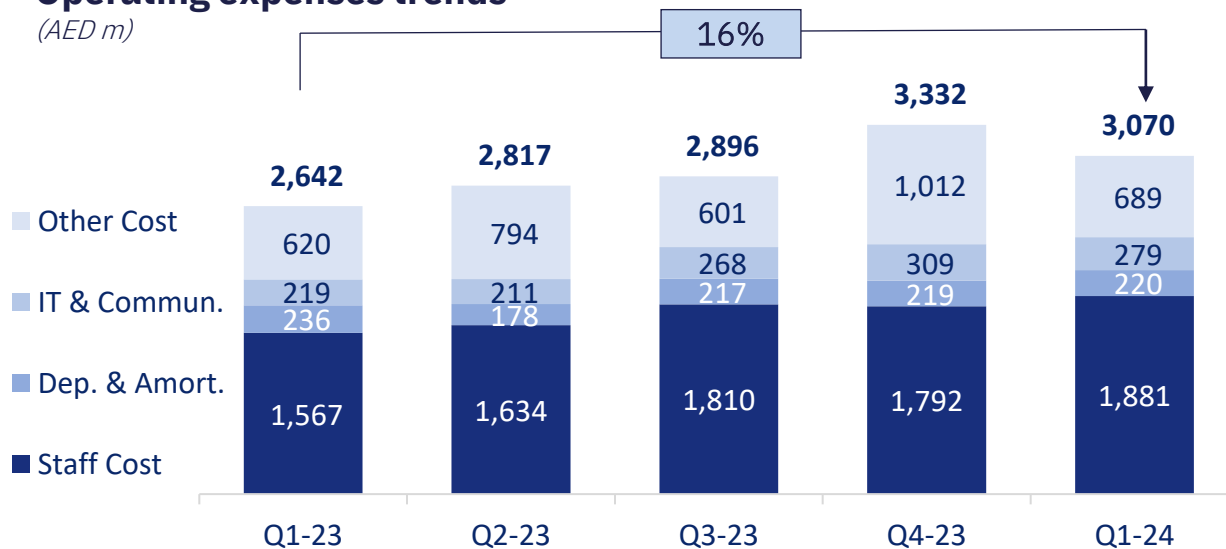


Key Highlights

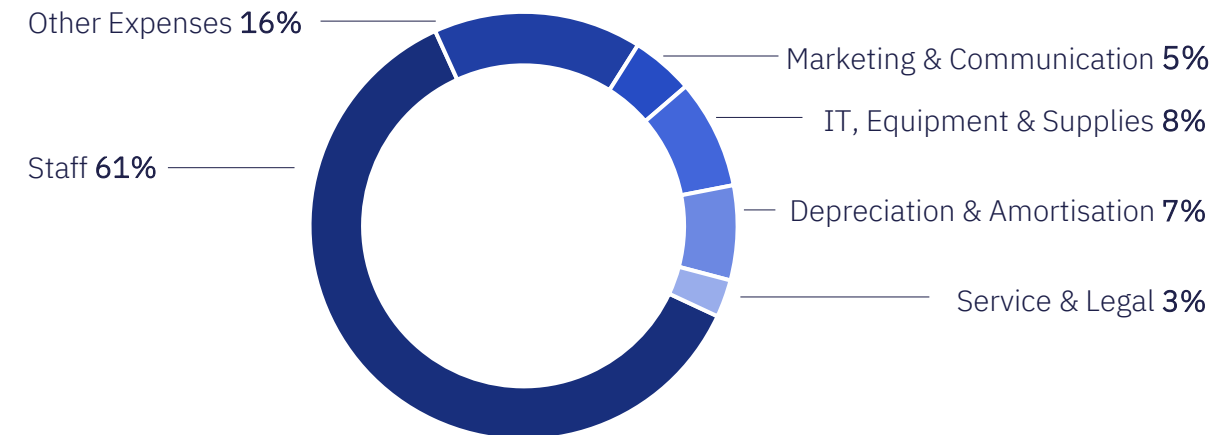
- Cost to Income ratio at 28.8% for Q1-24, comfortably within guidance, with continued investment for growth supported by income
- Staff costs increased to deliver strong business growth and invest in human capital for future growth in digital and international
- IT and Communication costs increased y-o-y on continued investment to deliver market leading technology solutions
- Other Costs reduced in Q1-24 on lower seasonal costs and earlier one-off marketing costs including COP28 sponsorship

Operating expenses trends

(AED m)

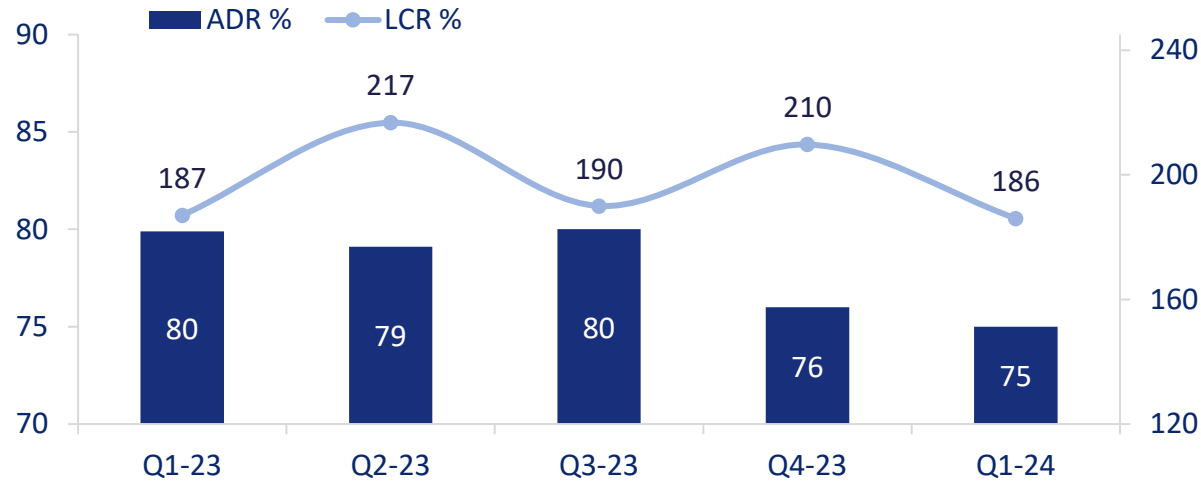


Operating expenses composition (%)



Funding & liquidity remains very healthy

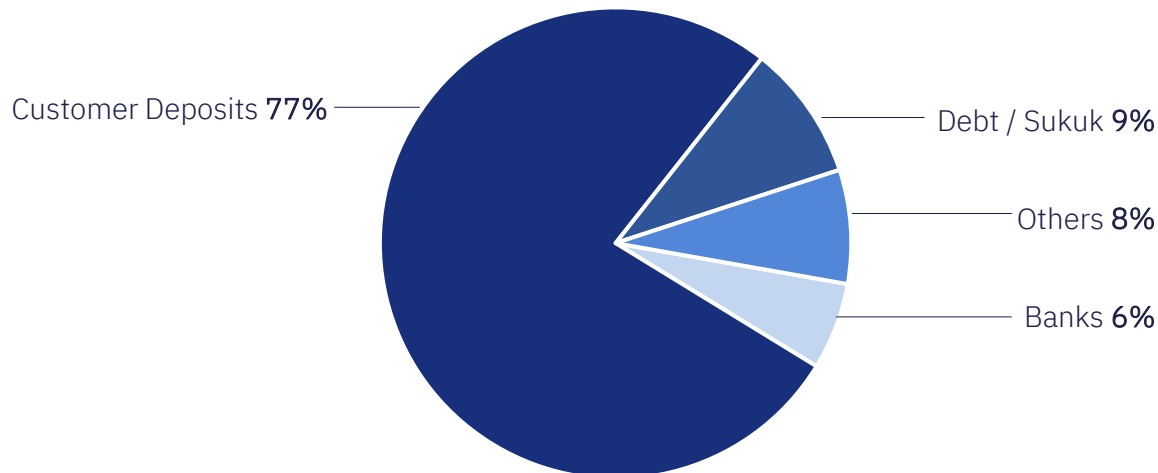
Advances to Deposit and Liquidity Coverage Ratio (%)



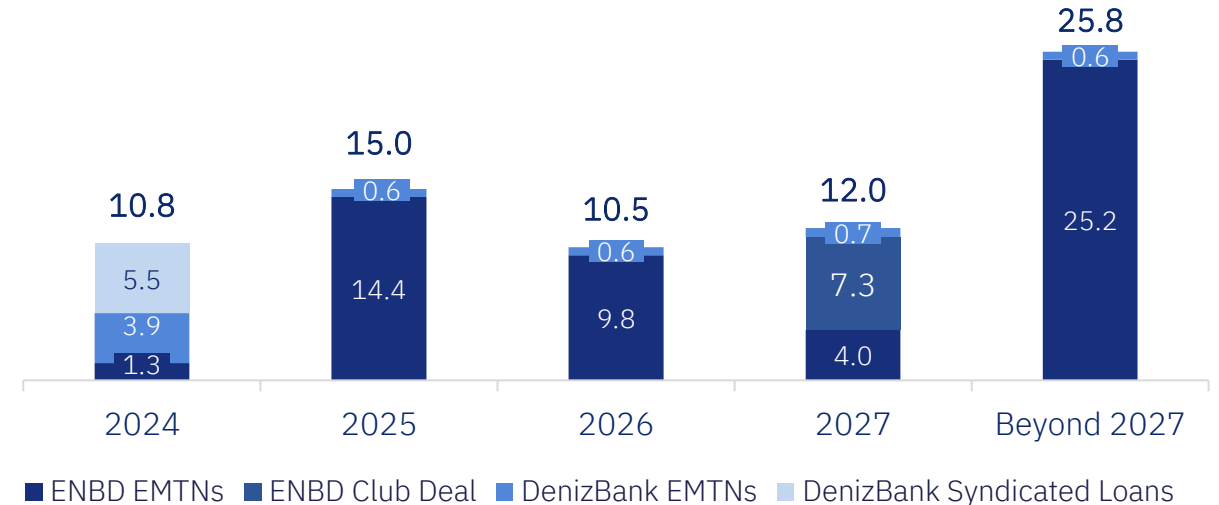
Key Highlights

- LCR of 186% and ADR of 75% demonstrate healthy liquidity
- Liquid assets* of AED 101 bn cover 13% of total liabilities, 17% of deposits
- AED 13 bn of term debt issued in Q1-24, including AED 7.2 bn 3-year syndicated loans for ENBD and EI, upsized and refinanced at considerably cheaper margin
- DenizBank 1-year syndicated loans largest component of 2024 maturities and expected to rollover as in previous years

Composition of Liabilities and Debt Issued (%)



Maturity Profile of AED 74 bn Term Debt/Sukuk/Syndicated Loans

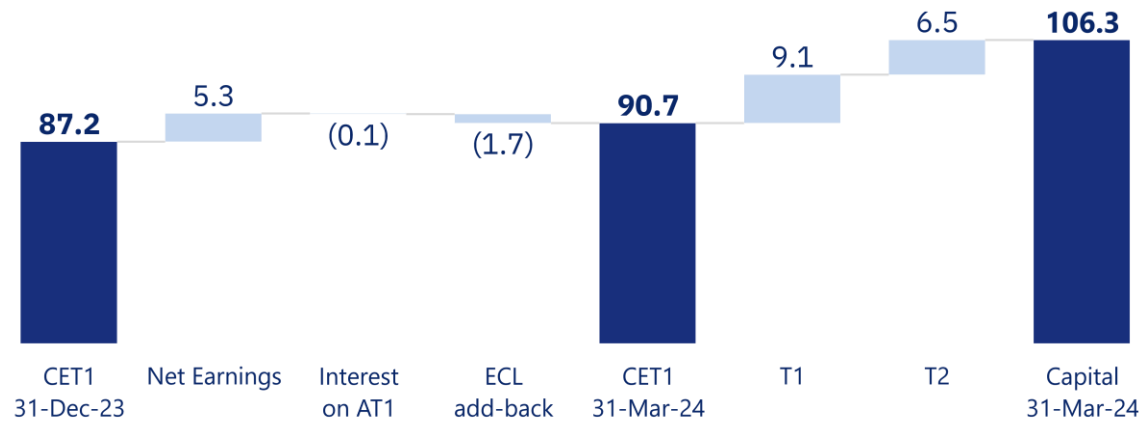


* Includes cash and deposits with Central Banks, excludes interbank balances and liquid investment securities

Total Capital ratio strong at 17.8%

Capital

(AED bn)

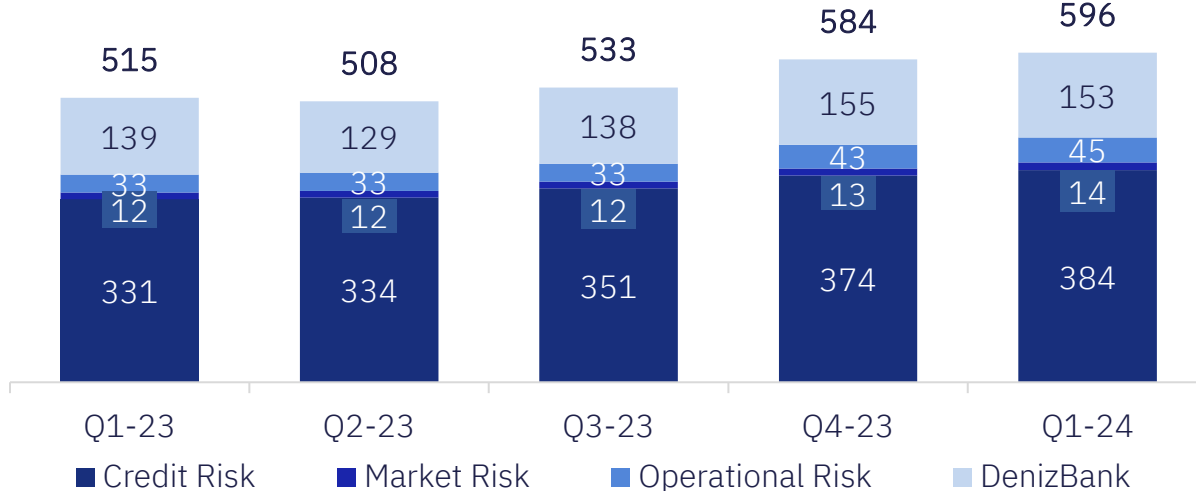


Key Highlights

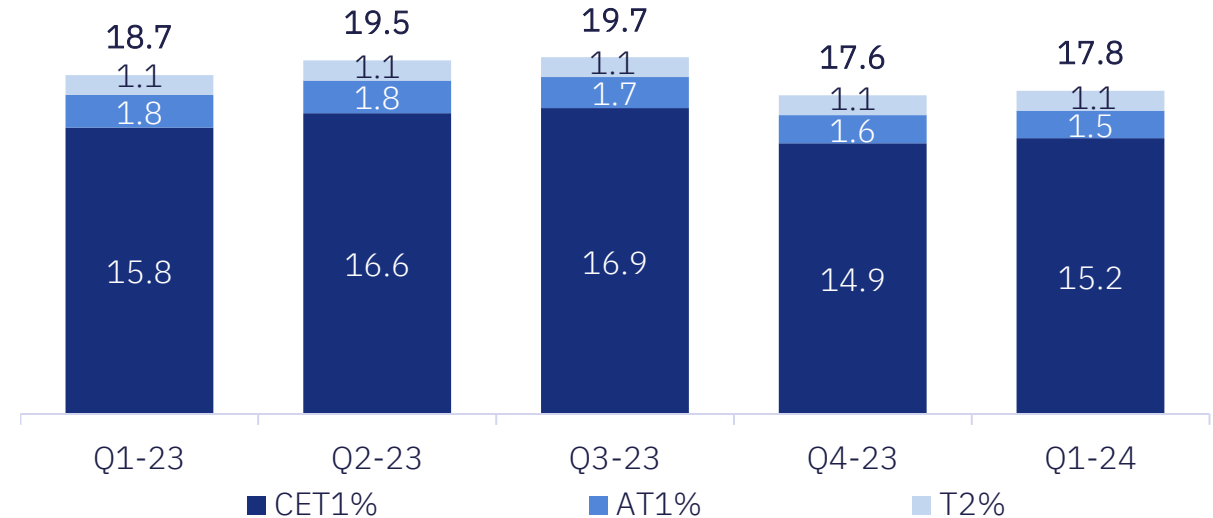
- 15.2% CET-1 ratio strengthened in Q1-24 as retained earnings more than offset 2% growth in RWAs
- Credit RWA increase from strong Retail and Corporate loan growth
- CET-1 at 15.0% excluding ECL regulatory add back
- Capital ratios well above 11% / 12.5% / 14.5% CBUAE minimum requirements
- IAS 29 hyperinflation adjustment is capital neutral

Risk Weighted Assets

(AED bn)



Capital Ratios (%)



Divisional Performance

Operating Segment	Metrics	Q1-24	Q1-23	%Δ YoY
Retail Banking and Wealth Management	Income (mn)	4,428	3,855	15%
	Expense (mn)	1,156	949	22%
	PBT (mn)	2,751	2,033	35%
	Loans (bn)	122	101	21%
	Deposits (bn)	310	271	15%
Corporate and Institutional Banking	Income (mn)	2,240	2,091	7%
	Expense (mn)	182	168	9%
	PBT (mn)	3,143	2,176	44%
	Loans (bn)	295	296	(0)%
	Deposits (bn)	213	178	20%
Global Markets and Treasury	Income (mn)	618	1,145	(45)%
	Expense (mn)	55	52	6%
	PBT (mn)	517	1,084	(58)%
DenizBank	Income (mn)	2,262	2,580	(12)%
	Expense (mn)	1,028	907	13%
	PBT (mn)	705	1,273	(45)%
	Loans (bn)	75	73	2%
	Deposits (bn)	87	89	(7)%

Key Highlights

Retail Banking and Wealth Management (RBWM) had an excellent first quarter with the highest ever revenue, strongest ever loan acquisition and a substantial growth in balance sheet

- Lending increased by a record AED 9 billion in first three months of 2024, with loan origination up 40% y-o-y
- Strongest ever quarterly Deposit growth of AED 17 billion with a healthy CASA to Deposit ratio of 76%
- One-third market share of UAE Credit Card spend as card spend grew 16 % y-o-y
- Income grew 15% y-o-y as RBWM delivered its highest ever quarterly funded & non-funded income
- 'ENBD X' & 'EI +' mobile app successfully rolled out with all UAE RBWM customers onboarded onto new app
- AUMs grew by an impressive 37% y-o-y, reflecting early success of our ongoing wealth management strategy

Corporate and Institutional Banking delivered strong results with profit before tax up 44% mainly due to higher income and higher recoveries

- Net Interest Income remained flat with a significant AED 24 billion in gross lending and impressive growth in low-cost deposits, helping offset Sovereign and other scheduled repayments
- Continued CASA growth backed by Bank's best-in-class digital escrow capabilities, APIs and virtual accounts
- Non-funded income grew on higher Capital Market Activity, increased cross-sell across all products including FX and Derivatives and higher fee income on increased lending
- Higher International revenues across locations on capitalisation of network opportunities
- Healthy impairment reversals due to continued recoveries and improved lending credit quality

Global Markets and Treasury delivered another solid performance, generating AED 618m of income in Q1-24

- Net Interest Income strong at AED 666m, lower than Q1-23 due to y-o-y increase in cost of wholesale funding and term deposits
- Trading desk income was lower due to volatility associated with the Egyptian currency devaluation
- Sales delivered strong income growth, driven by new innovative structured solutions for clients
- Product offering enhanced with Carbon future contract trading facility and first green repo executed

DenizBank delivered an impressive AED 0.5 billion profit in Q1-24 providing fresh funding to the Turkish economy as their balance sheet grew to AED 150 billion

Appendix



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Financial Results Highlights Q1-24



Excluding DenizBank



Income Statement	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
<i>(All figures are in AED bn)</i>					
Net interest income	7.4	7.2	3%	7.8	(5)%
Non-funded income	3.3	3.3	(1)%	2.5	30%
Total income	10.7	10.5	2%	10.3	3%
Operating expenses	(3.1)	(2.6)	16%	(3.3)	(8)%
Operating profit before impairment	7.6	7.8	(3)%	7.0	9%
Impairment allowances	0.9	(0.5)	n/m	(1.9)	n/m
Profit before tax & others	8.5	7.3	15%	5.0	68%
Hyperinflation adjustment	(0.9)	(0.8)	6%	(1.1)	(17)%
Tax	(0.9)	(0.5)	74%	0.1	n/m
Profit	6.7	6.0	12%	4.0	67%
Cost: income ratio	28.8%	25.3%	3.5%	32.4%	(3.6)%
NIM	3.52%	4.05%	(53) bps	3.81%	(29) bps

	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
Net interest income	6.3	5.8	8%	6.1	2%
Non-funded income	2.1	2.0	3%	1.9	10%
Total income	8.4	7.9	7%	8.1	4%
Operating expenses	(2.0)	(1.7)	18%	(2.3)	(13)%
Operating profit before impairment	6.4	6.1	3%	5.7	11%
Impairment allowances	0.5	(0.9)	n/m	(1.3)	n/m
Profit before tax & others	6.9	5.2	31%	4.4	57%
Hyperinflation adjustment	-	-	-	-	-
Tax	(0.7)	(0.1)	n/m	(0.1)	n/m
Profit	6.2	5.2	20%	4.3	43%
Cost: income ratio	24.4%	22.1%	2.3%	29.1%	(4.7)%
NIM	3.56%	3.94%	(38) bps	3.58%	(2) bps

	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
Net interest income	1.1	1.4	(17)%	1.7	(33)%
Non-funded income	1.1	1.2	(7)%	0.6	96%
Total income	2.3	2.6	(12)%	2.3	-
Operating expenses	(1.0)	(0.9)	13%	(1.0)	3%
Operating profit before impairment	1.2	1.7	(26)%	1.3	(2)%
Impairment allowances	0.4	0.4	(19)%	(0.6)	n/m
Profit before tax & others	1.6	2.1	(25)%	0.7	n/m
Hyperinflation adjustment	(0.9)	(0.8)	6%	(1.1)	(17)%
Tax	(0.2)	(0.4)	(57)%	0.1	n/m
Profit	0.5	0.9	(38)%	(0.3)	n/m
Cost: income ratio	45.3%	35.0%	10.3%	44.1%	1.2%
NIM	3.30%	4.57%	(127) bps	5.11%	(181) bps

Balance Sheet	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	902	782	15%	863	5%
Total Gross Loans	492	470	5%	481	2%
Deposits	610	538	13%	585	4%

	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	753	648	16%	715	5%
Total Gross Loans	417	397	5%	407	3%
Deposits	523	449	17%	494	6%

	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	150	134	12%	147	2%
Total Gross Loans	75	73	2%	74	1%
Deposits	87	89	(2)%	91	(4)%

US\$ convenience translation

Excluding DenizBank

Income Statement	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
<i>(All figures are in AED bn)</i>					
Net interest income	2.0	2.0	3%	2.1	(5)%
Non-funded income	0.9	0.9	(1)%	0.7	30%
Total income	2.9	2.8	2%	2.8	3%
Operating expenses	(0.8)	(0.7)	16%	(0.9)	(8)%
Operating profit before impairment	2.1	2.1	(3)%	1.9	9%
Impairment allowances	0.2	(0.1)	n/m	(0.5)	n/m
Profit before tax & others	2.3	2.0	15%	1.4	68%
Hyperinflation adjustment	(0.2)	(0.2)	6%	(0.3)	(17)%
Tax	(0.2)	(0.1)	74%	0.0	n/m
Profit	1.8	1.6	12%	1.1	67%
Cost: income ratio	28.8%	25.3%	3.5%	32.4%	(3.6)%
NIM	3.52%	4.05%	(53) bps	3.81%	(29) bps

	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
Net interest income	1.7	1.6	8%	1.7	2%
Non-funded income	0.6	0.6	3%	0.5	10%
Total income	2.3	2.1	7%	2.2	4%
Operating expenses	(0.6)	(0.5)	18%	(0.6)	(13)%
Operating profit before impairment	1.7	1.7	3%	1.6	11%
Impairment allowances	0.1	(0.2)	n/m	(0.4)	n/m
Profit before tax & others	1.9	1.4	31%	1.2	57%
Hyperinflation adjustment	-	-	-	-	-
Tax	(0.2)	(0.0)	n/m	(0.0)	n/m
Profit	1.7	1.4	20%	1.2	43%
Cost: income ratio	24.4%	22.1%	2.3%	29.1%	(4.7)%
NIM	3.56%	3.94%	(38) bps	3.58%	(2) bps

	Q1-24	Q1-23	%Δ YoY	Q4-23	%Δ QoQ
Net interest income	0.3	0.4	(17)%	0.5	(33)%
Non-funded income	0.3	0.3	(7)%	0.2	96%
Total income	0.6	0.7	(12)%	0.6	-
Operating expenses	(0.3)	(0.2)	13%	(0.3)	3%
Operating profit before impairment	0.3	0.5	(26)%	0.3	(2)%
Impairment allowances	0.1	0.1	(19)%	(0.2)	n/m
Profit before tax & others	0.4	0.6	(25)%	0.2	n/m
Hyperinflation adjustment	(0.2)	(0.2)	6%	(0.3)	(17)%
Tax	(0.0)	(0.1)	(57)%	0.0	n/m
Profit	0.1	0.2	(38)%	(0.1)	n/m
Cost: income ratio	45.3%	35.0%	10.3%	44.1%	1.2%
NIM	3.30%	4.57%	(127) bps	5.11%	(181) bps

Balance Sheet	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	246	213	15%	235	5%
Total Gross Loans	134	128	5%	131	2%
Deposits	166	147	13%	159	4%

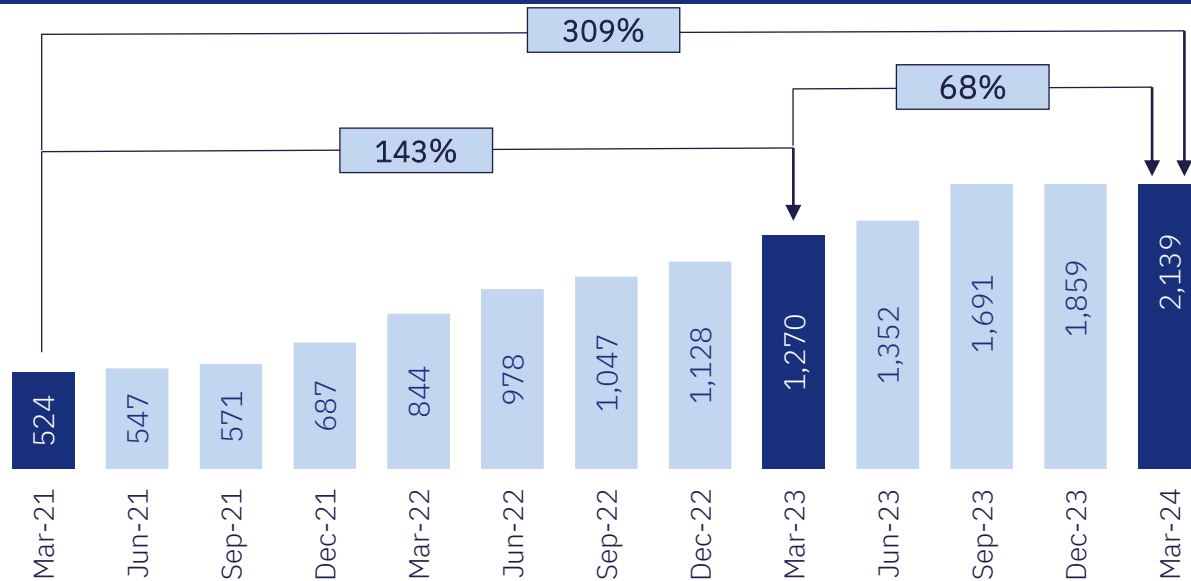
	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	205	177	16%	195	5%
Total Gross Loans	114	108	5%	111	3%
Deposits	143	122	17%	134	6%

	31-Mar-24	31-Mar-23	%Δ YoY	31-Dec-23	%Δ QoQ
Total Assets	41	37	12%	40	2%
Total Gross Loans	20	20	2%	20	1%
Deposits	24	24	(2)%	25	(4)%

Hyperinflation



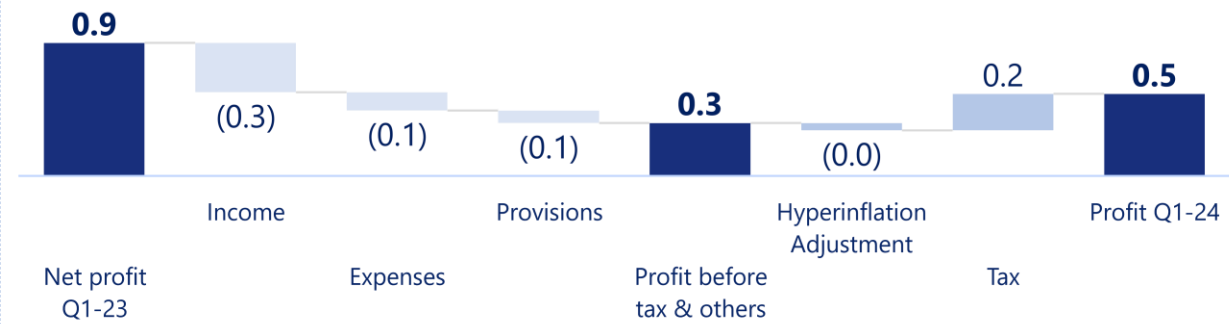
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- Turkish CPI grew by 309% over preceding three-years and by 68% in the preceding 12 months
- DenizBank's results and financial position included within ENBD's consolidated Financial Statements are adjusted for hyperinflation with effect from 1-Jan-22



Key Highlights



- 23 bps positive impact on capital from hyperinflation adjustment is excluded from capital adequacy computations
- Group EPS for 2024, excluding hyperinflation adjustment, is 11% higher at AED 1.18 compared to AED 1.06 for 2023
- Hyperinflation accounting not mandated by local regulator in 2024



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