

# Emirates NBD Investor Presentation

December 2017





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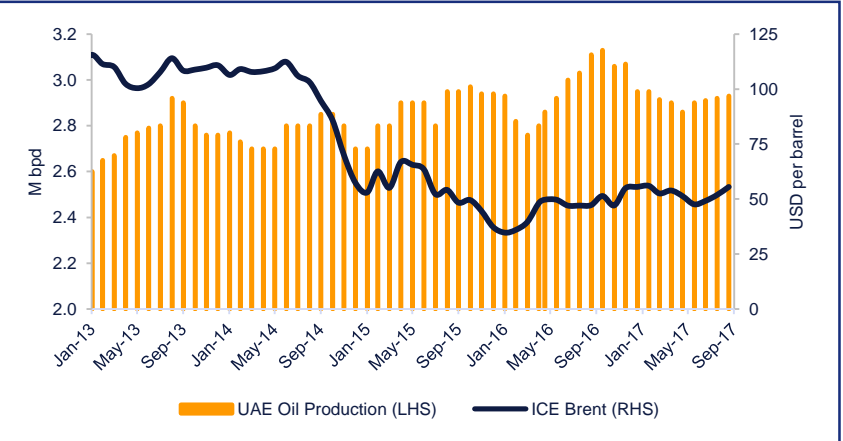


# UAE Economic Update

## Highlights

- Oil production increased further in Q3-17, slightly above the target agreed with OPEC. We have assumed compliance with the targets in H2-17 and Q1-18 in our GDP growth forecasts (2.0% in 2017 and 3.4% in 2018), so continued rises in oil output present an upside risk to these forecasts
- The Emirates NBD Purchasing Managers' Index for the UAE rose to 57.0 in November from 55.9 in October. This suggests that the driver of growth is domestic demand.

## Oil Price and UAE oil production



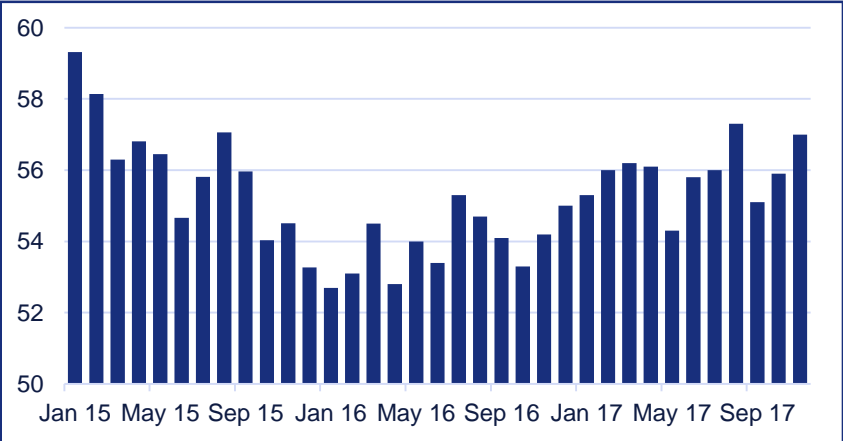
Source: Bloomberg, Emirates NBD Research

## Real GDP growth forecasts

	2013	2014	2015	2016	2017F	2018F
S. Arabia	2.7	3.7	4.1	1.7	0.5	2.5
UAE	4.7	3.3	3.8	3.0	2.0	3.4
Qatar	4.0	3.5	3.3	2.0	2.5	3.5
Kuwait	1.1	0.5	1.8	2.1	-1.0	2.1
Oman	4.4	2.5	5.7	3.7	1.0	2.3
Bahrain	5.4	4.4	2.9	3.0	2.2	3.0
<b>GCC (average)</b>	<b>3.3</b>	<b>3.2</b>	<b>3.8</b>	<b>2.3</b>	<b>1.1</b>	<b>2.8</b>
Egypt	2.1	2.9	4.4	4.3	3.5	4.9
Jordan	2.8	3.1	2.4	2.0	2.8	3.0
Lebanon	3.0	1.8	1.5	2.4	3.1	3.3
Tunisia	2.9	2.3	0.8	1.1	2.8	3.3
Morocco	4.4	2.6	4.5	1.0	4.7	3.7
<b>MENA (average)</b>	<b>2.8</b>	<b>2.7</b>	<b>3.8</b>	<b>3.1</b>	<b>3.7</b>	<b>4.4</b>

Source: Bloomberg, Emirates NBD Research

## UAE PMI – Non oil private sector activity



Source: Markit / Emirates NBD

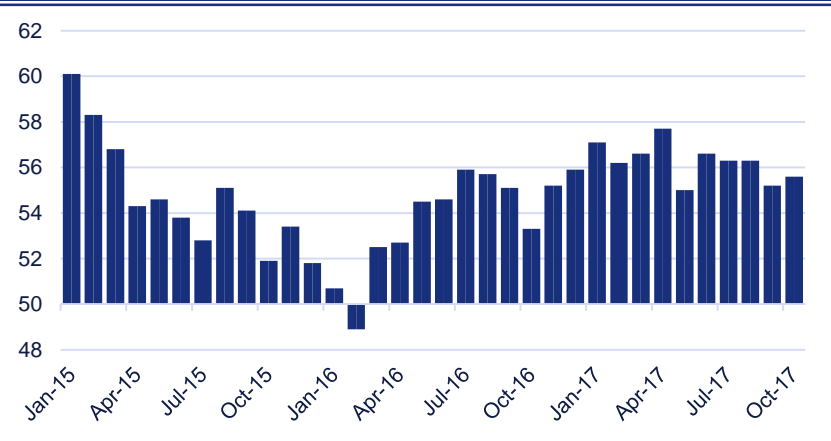


# Dubai Economic Update (1/3)

## Highlights

- The Emirates NBD Dubai Economy Tracker Index increased slightly to 55.6 in October from 55.2 in September
- Dubai's economy expanded 3.2% y-o-y in Q1-17. Hospitality (restaurants and hotels) was the fastest growing sector in Dubai at 8.8% followed by Real Estate at 7.2%

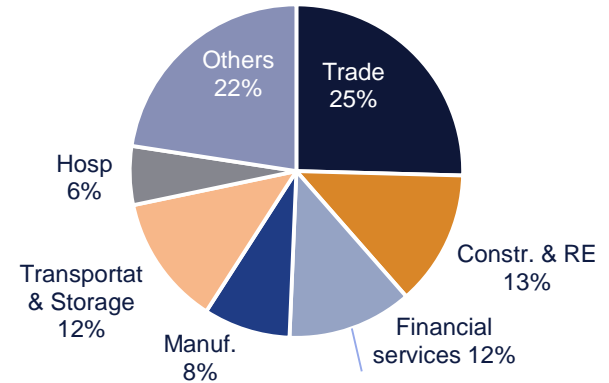
## Emirates NBD Dubai Economy Tracker Index



Source : Markit, Emirates NBD Research

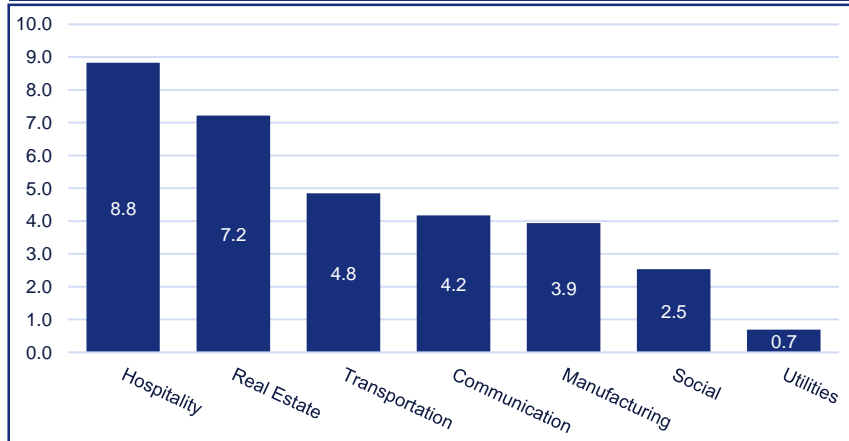
## Composition of Dubai GDP

Dubai GDP by Sector (%) – Q1-17



Source: Dubai Statistics Centre

## Dubai: Key sector growth rates in Q1-17



Source: Dubai Statistics Centre

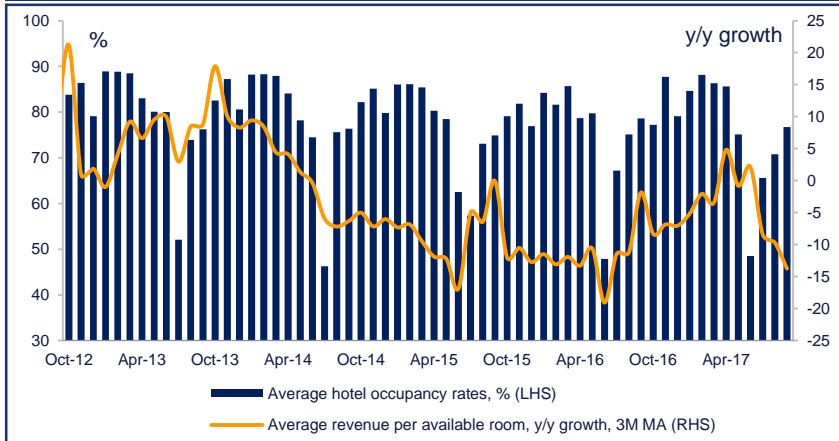


# Dubai Economic Update (2/3)

## Highlights

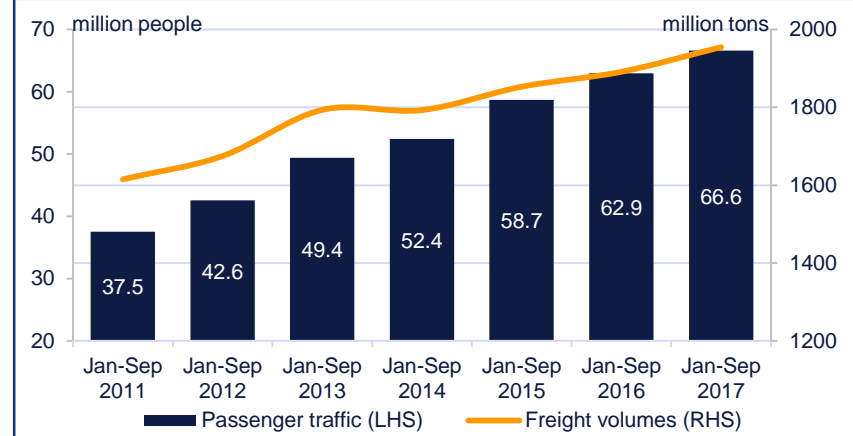
- Passenger traffic at the Dubai International Airport (DXB) rose to 66.6mn in Jan-Sep 2017, up 5.8% y/y. Cargo volume was up 3.4% y/y over the same period last year
- Passenger traffic is expected to exceed 89 million at DXB by the end of 2017, according to Dubai Airports
- Dubai's hotel occupancy averaged 75.7% in Jan-Sep 2017 up from 75.4% the same period a year ago
- The supply of hotel rooms in Dubai increased by 5.9% y/y in Jan-Sep to 94,543 rooms. The Department of Tourism and Commerce Marketing is targeting 140,000 to 160,000 hotel rooms by the end of the decade

## Hotel occupancy and RevPAR



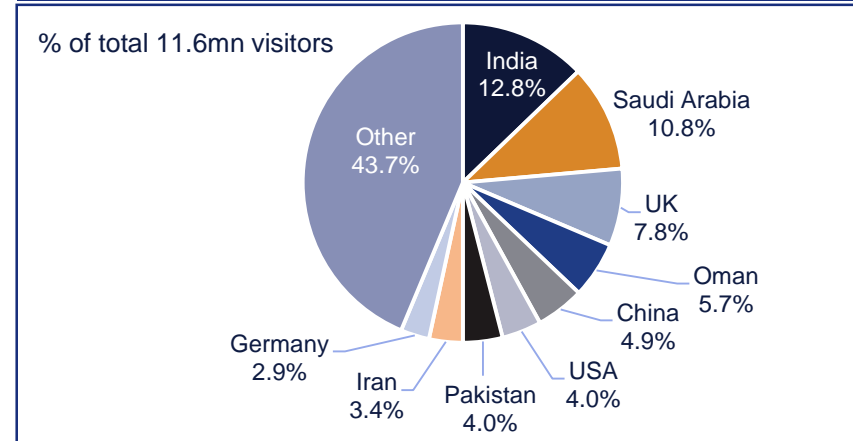
Source: STR Global, Emirates NBD Research

## Dubai Airports passenger traffic



Source: Dubai Airports, Emirates NBD Research

## Top 10 visitors by nationality in Jan-Sep 2017



Source: Department of Tourism and Commerce Marketing, Emirates NBD Research

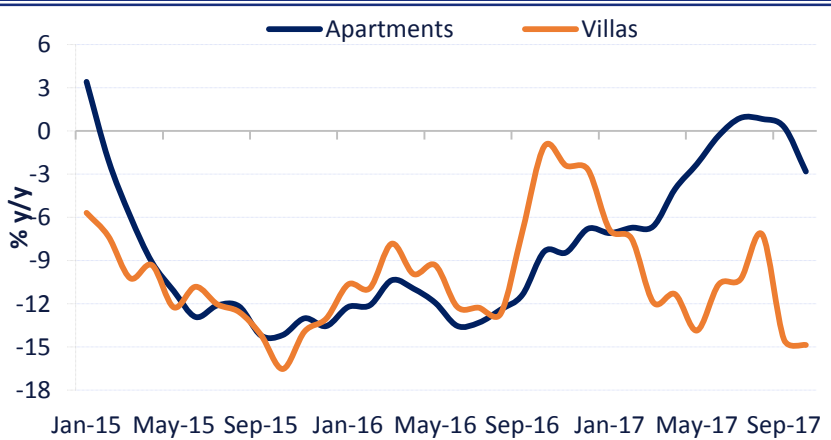


# Dubai Economic Update (3/3)

## Highlights

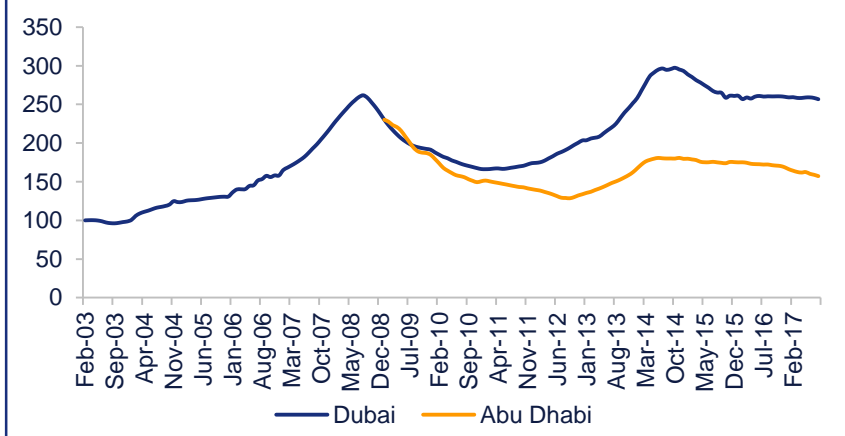
- Apartment price declined -2.8% y/y in October compared with -7.1% y/y in January. Villa prices fell -14.9% y/y in October
- Overall transaction volumes have fallen -16.0% y/y in Jan-Oct 2017, compared with -24% decline recorded in same period 2016, mainly driven by the significantly lower transaction volumes on villas
- Apartment rent were down by -5.8% y/y in October compare to -0.26% y/y same period last year, whereas villa rent went up by 6.9% y/y in October compare to -10.5% y/y last year.

## Dubai residential property prices



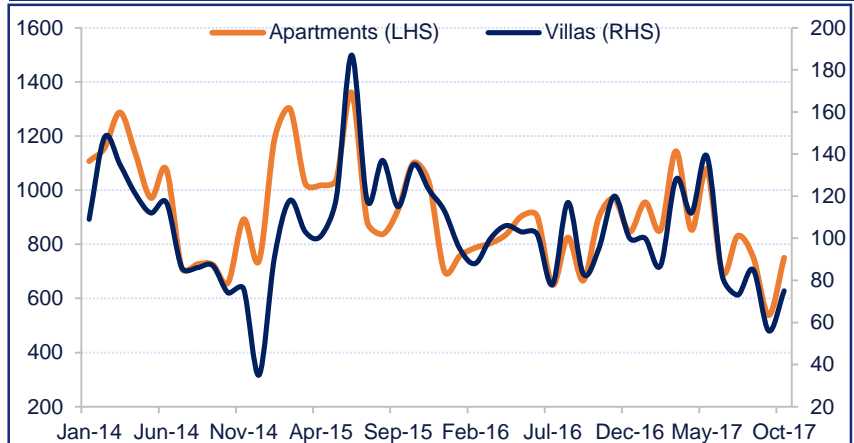
Source: Phidar Advisory, Emirates NBD Research

## Residential Property Price



Source: Bank of International Settlements

## Dubai transaction volumes



Source: Phidar Advisory, Emirates NBD Research

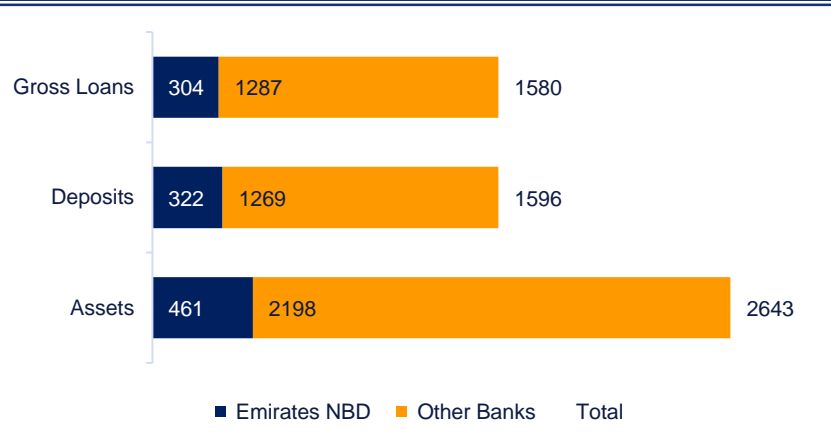


# UAE Banking Market Update

## Highlights

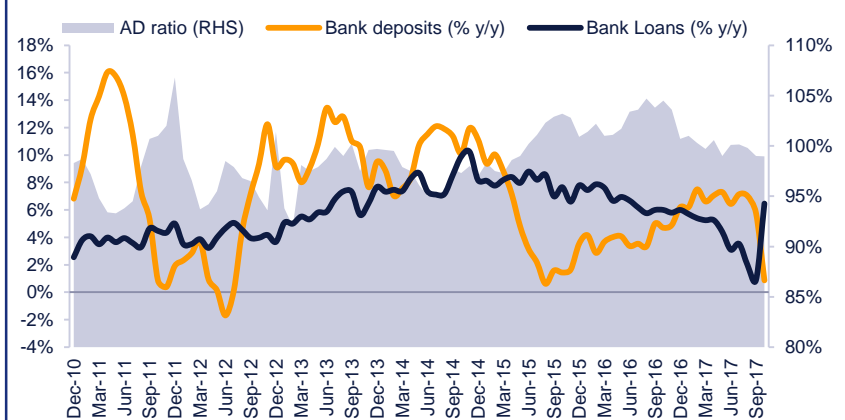
- Money supply (M2) slowed to 4.7% in September compared with 5.2% y/y in August
- Bank deposits increased by AED 97.2 bn and 6.4% y/y to AED 1600.4 bn in October
- Although the 3m EIBOR rate has increased in recent months, this has been mostly due to higher USD rates, with the spread over 3m LIBOR narrowing

## UAE banking market (AED Bn)



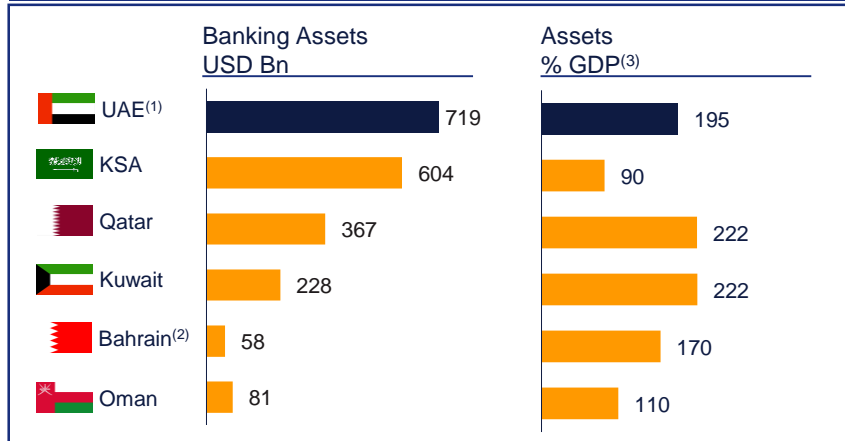
Source: UAE Central Bank Statistics and ENBD as at September 2017

## Bank deposit and loan growth



Source: UAE Central Bank; loan growth gross of provisions

## GCC banking market



1) Includes Foreign Banks; 2) Excludes Foreign Banks; 3) GDP data is for FY 2017 forecasted. UAE, KSA and Bahrain as at October 2017; Qatar, Kuwait and Oman as at September 2017. Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts.

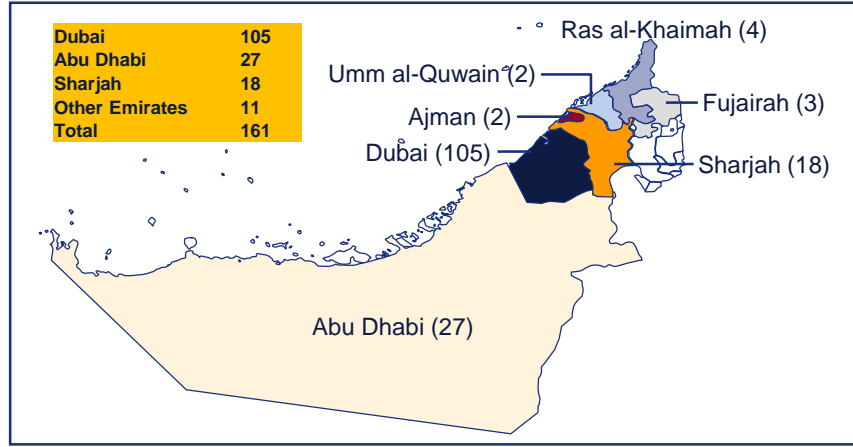


# Emirates NBD at a glance

## A leading bank in the region

- **Market share** in the UAE (as at 30 September 2017)
  - Assets 17.4%; Loans 19.2%; Deposits 20.2%
- **Leading retail banking franchise** in the UAE with the largest distribution network, complemented by a best-in-class mobile and online banking platform
- **Fully fledged financial services offerings** across retail banking, private banking, wholesale banking, global markets & trading, investment banking, brokerage, asset management, merchant acquiring and cards processing

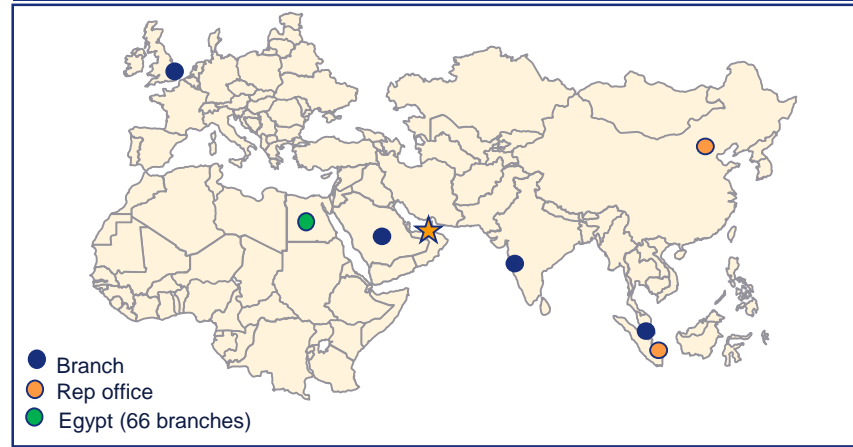
## Largest branch network in the UAE



## Credit ratings

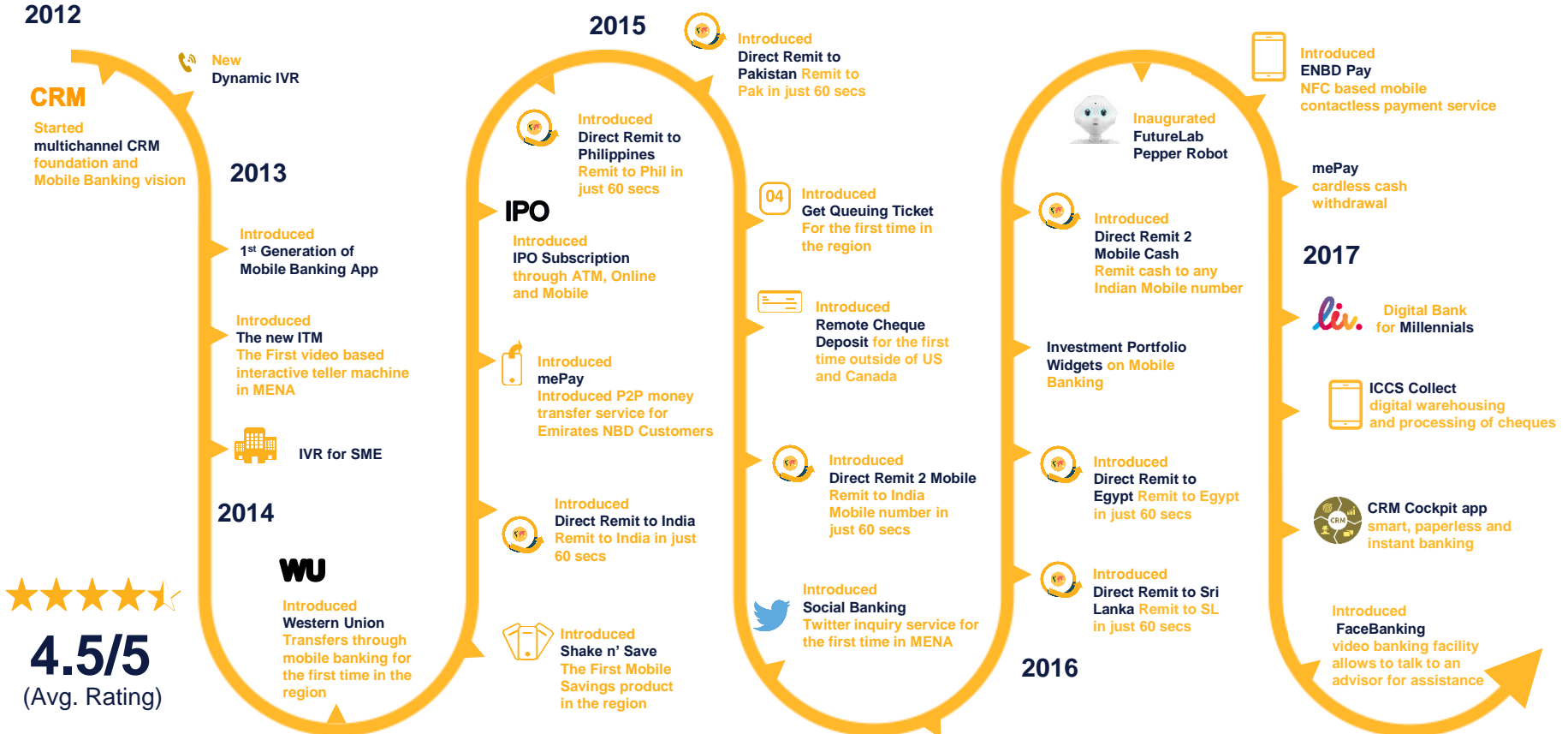
	Long Term / Short Term	Outlook	Most Recent Rating Action
	A+ / F1	Stable	Ratings affirmed (22-Feb-2017)
	A3 / P-2	Stable	LT ratings upgraded and outlook 'Stable' (16-Jun-16)
	A+ / A1	Stable	Ratings affirmed (11-Oct-2017)

## International presence





# Emirates NBD is the regional leader in digital innovation



★★★★★  
**4.5/5**  
(Avg. Rating)

**6<sup>th</sup>** best app worldwide  
(as ranked by Forrester)



**Best Digital Bank in the Middle East**

Operating Environment

# Emirates NBD is one of the largest banks in the GCC

x% 2016 vs. 2015

Emirates NBD Profile

Financial &amp; Operating Performance

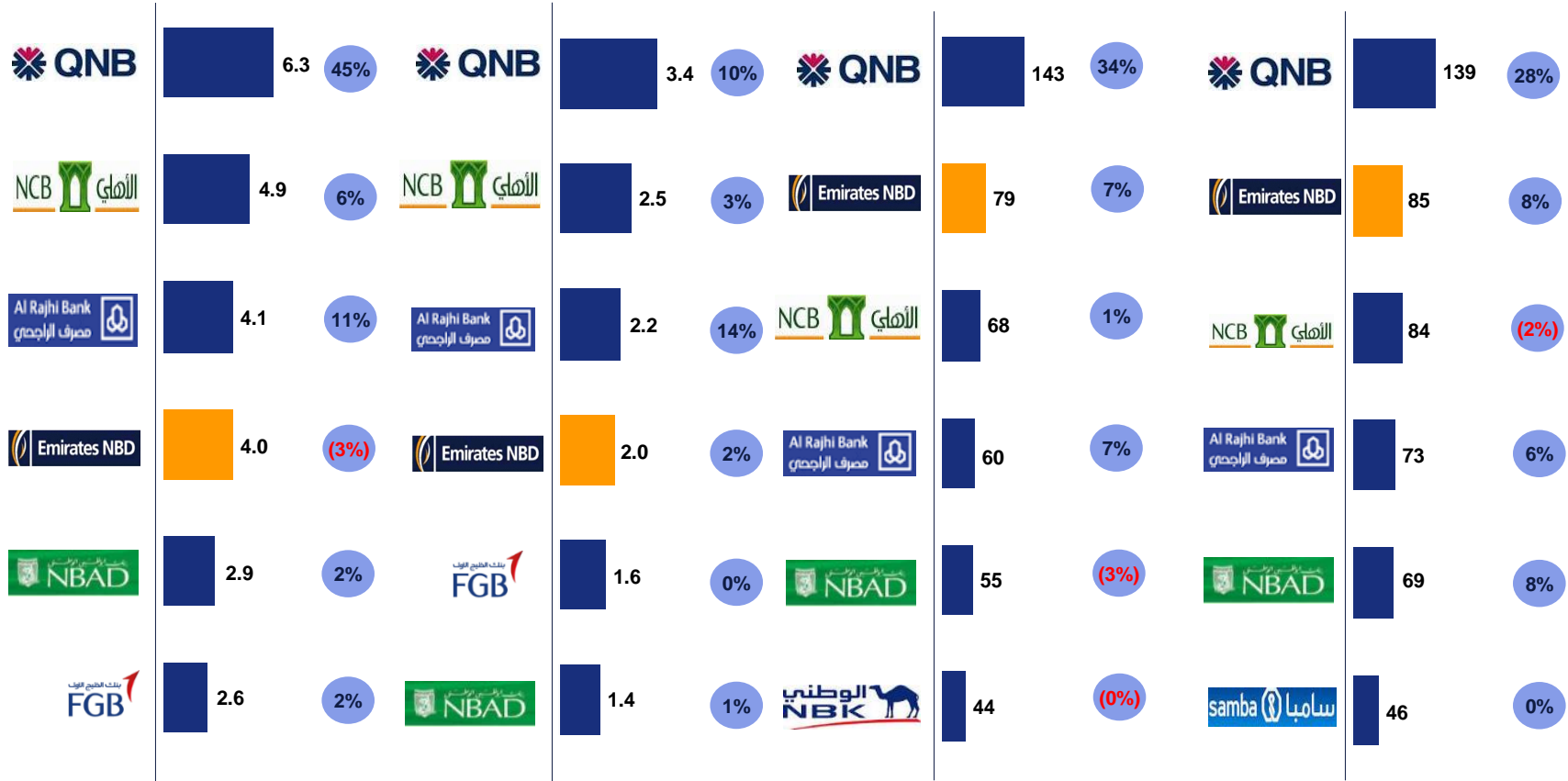
Strategy

Appendix

**Operating Income**  
 USD Bn, 2016

**Net Profit \***  
 USD Bn, 2016

**Loans**  
 USD Bn, 2016

**Total Deposits**  
 USD Bn, 2016


\* Net Income to Equity Shareholders



# Profit and Balance Sheet Growth in Recent Years

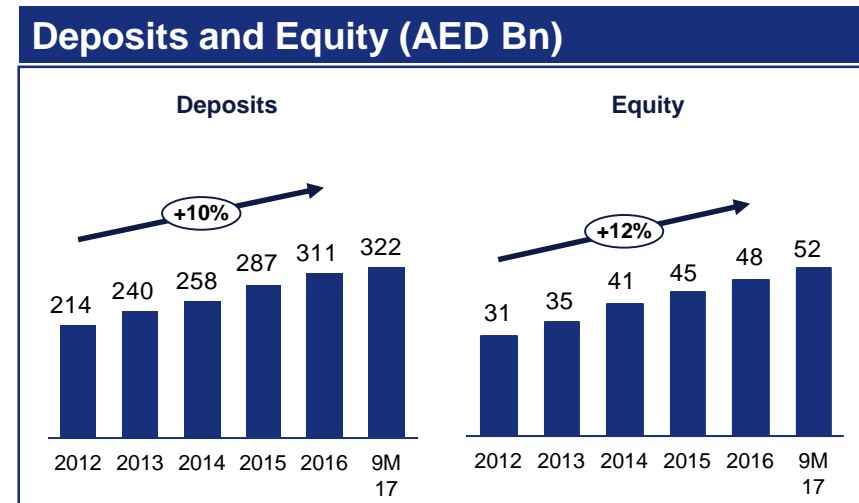
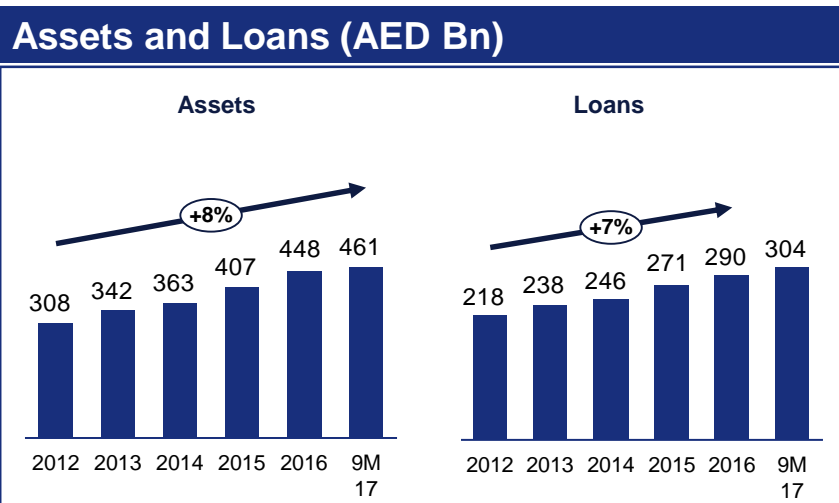
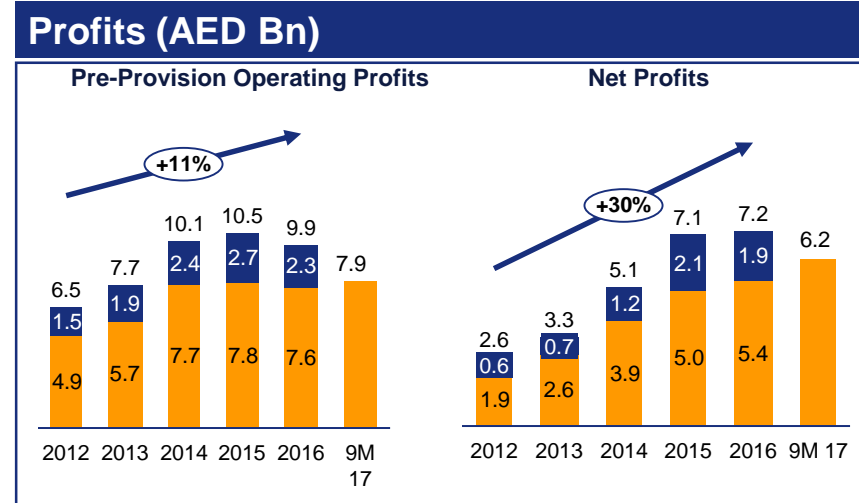
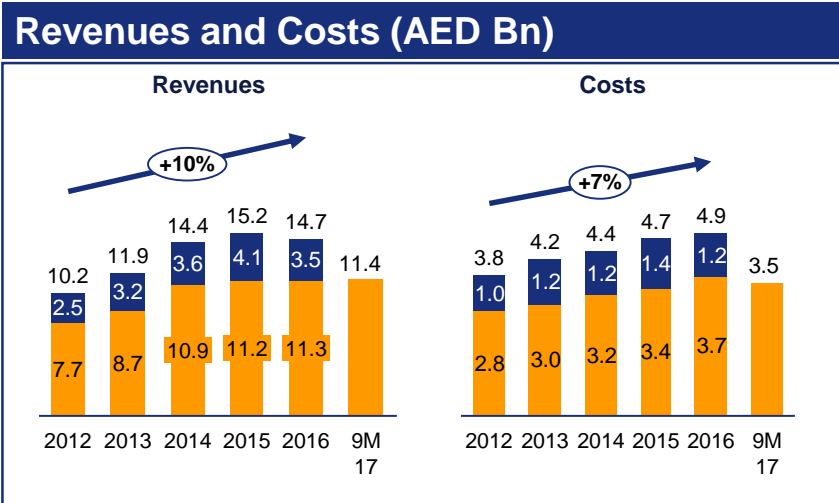
Operating Environment

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix



Equity is Tangible Shareholder's Equity excluding Goodwill and Intangibles. All P&L numbers are YTD, all Balance Sheet numbers are at end of period  
 Source: Financial Statements



Operating Environment

# Emirates NBD delivered a strong set of results in Q3-17

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix

Q3 2017 YTD at a glance		Q3 2017 YTD	vs. 2017 guidance
Profitability	<b>Net profit</b>	<b>AED 6.17 Bn</b>	
		<b>+15% y-o-y</b>	
	Net interest margin	2.46%	2.45 – 2.50%*
	Cost-to-income ratio	30.8%	33%
Credit Quality	NPL ratio	6.1%	✓
	Coverage ratio	124.9%	✓
Capital & Liquidity	Tier 1 ratio	18.8%	
	Capital adequacy ratio	21.2%	
	AD ratio	94.4%	90-100%
	LCR ratio	139.1%	
Assets	Net Loan growth	5% ytd	mid-single digit

\* Revised upwards

2017 Macro themes			
	Regional	Global	
+	<ul style="list-style-type: none"> <li>Resilience of UAE economy underpinned by non-oil activity growth</li> <li>Positive business sentiment</li> <li>Improving liquidity</li> </ul>	<ul style="list-style-type: none"> <li>Emirates NBD's balance sheet positioned to benefit from rising interest rates</li> <li>Improved banking system liquidity to support private sector growth</li> </ul>	
	-	<ul style="list-style-type: none"> <li>Impact on GCC of prolonged standoff with Qatar</li> <li>Strong dollar impact on Dubai tourism</li> <li>Introduction of VAT</li> </ul>	<ul style="list-style-type: none"> <li>Potential Euro area volatility from implementation of Brexit and key government elections</li> <li>Tensions in the Korean Peninsula</li> </ul>



## Q3-17 YTD Financial Results

### Highlights

- Net profit of AED 6,170 Mn for Q3-17 YTD improved 15% y-o-y
- Net interest income improved 4% y-o-y due to loan growth and a sustained improvement in margins
- Non-interest income declined 6% y-o-y due to lower one-off gains from the sale of investment securities
- Costs improved 5% y-o-y as cost control measures introduced in 2016 have taken effect. This gives Emirates NBD headroom as we embark on a multi-year planned investment in our digital offering and a technology refresh
- Provisions of AED 1,692 Mn improved 23% y-o-y as cost of risk continues to normalize on the back of improving asset quality metrics
- NPL ratio stable at 6.1% and coverage ratio strengthened to 124.9%
- Liquidity Coverage Ratio (LCR) of 139.1% and AD ratio of 94.4% demonstrates healthy liquidity position
- NIMs widened since the beginning of the year as loans reset at higher EIBOR rates and Deposit and Wholesale funding costs eased on improved liquidity

### Key Performance Indicators

AED Mn	Q3-17 YTD	Q3-16 YTD	Better / (Worse)
Net interest income	7,991	7,651	4%
Non-interest income	3,428	3,634	(6%)
<b>Total income</b>	<b>11,419</b>	<b>11,285</b>	<b>1%</b>
Operating expenses	(3,522)	(3,693)	5%
<b>Pre-impairment operating profit</b>	<b>7,896</b>	<b>7,592</b>	<b>4%</b>
Impairment allowances	(1,692)	(2,184)	23%
<b>Operating profit</b>	<b>6,204</b>	<b>5,407</b>	<b>15%</b>
Share of profits from associates	54	86	(37%)
Taxation charge	(89)	(111)	20%
<b>Net profit</b>	<b>6,170</b>	<b>5,382</b>	<b>15%</b>
Cost: income ratio (%)	30.8%	32.7%	1.9%
Net interest margin (%)	2.46%	2.54%	(0.08%)

AED Bn	30-Sep-17	31-Dec-16	%
Total assets	461.1	448.0	3%
Loans	304.1	290.4	5%
Deposits	322.1	310.8	4%
AD ratio (%)	94.4%	93.4%	(1.0%)
NPL ratio (%)	6.1%	6.4%	0.3%



## Q3-17 Financial Results Highlights

### Highlights

- Net profit of AED 2,276 Mn for Q3-17 increased 37% y-o-y and 13% q-o-q
- Net interest income improved 10% y-o-y due to loan growth and higher margins. Net interest income improved 4% q-o-q as a result of growing margins
- Non-interest income improved 9% y-o-y due to higher Foreign Exchange income
- Costs were higher by 12% q-o-q on higher staff costs and higher cost from seasonal marketing campaigns
- Provisions of AED 431 Mn improved 41% y-o-y and 31% q-o-q as cost of risk continues to normalize on the back of improving asset quality metrics
- NPL ratio stable at 6.1% and coverage ratio strengthened to 124.9%
- Liquidity Coverage Ratio (LCR) of 139.1% and AD ratio of 94.4% demonstrates healthy liquidity position
- NIMs widened since the beginning of the year as loans reset at higher EIBOR rates and Deposit and Wholesale funding costs eased on improved liquidity

### Key Performance Indicators

AED Mn	Q3-17	Q3-16	Better / (Worse)	Q2-17	Better / (Worse)
Net interest income	2,806	2,551	10%	2,699	4%
Non-interest income	1,160	1,063	9%	1,137	2%
<b>Total income</b>	<b>3,965</b>	<b>3,614</b>	<b>10%</b>	<b>3,836</b>	<b>3%</b>
Operating expenses	(1,270)	(1,218)	(4%)	(1,136)	(12%)
<b>Pre-impairment operating profit</b>	<b>2,696</b>	<b>2,397</b>	<b>12%</b>	<b>2,699</b>	<b>(0%)</b>
Impairment allowances	(431)	(729)	41%	(621)	31%
<b>Operating profit</b>	<b>2,264</b>	<b>1,668</b>	<b>36%</b>	<b>2,078</b>	<b>9%</b>
Share of profits from associates	42	25	69%	(26)	260%
Taxation charge	(30)	(29)	(6%)	(31)	2%
<b>Net profit</b>	<b>2,276</b>	<b>1,664</b>	<b>37%</b>	<b>2,021</b>	<b>13%</b>
Cost: income ratio (%)	32.0%	33.7%	1.7%	29.6%	2.4%
Net interest margin (%)	2.56%	2.44%	0.12%	2.49%	0.07%

AED Bn	30-Sep-17	31-Dec-16	%	30-Jun-17	%
Total assets	461.1	448.0	3%	456.2	1%
Loans	304.1	290.4	5%	304.0	0%
Deposits	322.1	310.8	4%	319.9	1%
AD ratio (%)	94.4%	93.4%	(1.0%)	95.0%	0.6%
NPL ratio (%)	6.1%	6.4%	0.3%	6.1%	0.0%

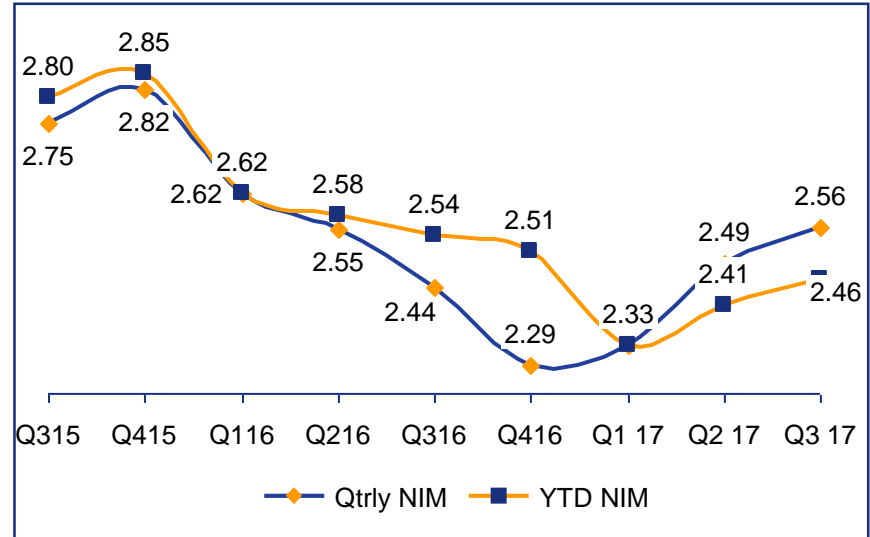


# Net Interest Income

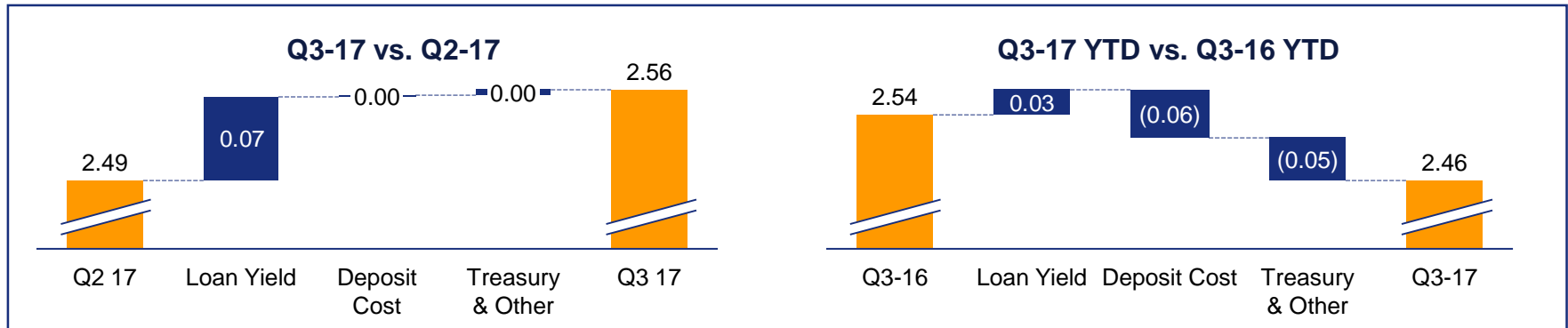
## Highlights

- While NIMS appear lower y-o-y due to funding costs, average funding rates are being managed lower and, together with rate rises flowing into loan yields, this has resulted in a 7 bps improvement q-o-q
- Loan yields improved 3 bps y-o-y and 7bps q-o-q as loans reset at higher rates due to the recent rise in interest rates
- Contribution from both Deposits and Treasury have improved as impact from higher funding costs eased
- We expect some further improvement in NIMs next quarter as the effect of recent rate rises and cheaper funding continues to flow through
- 2017 NIM guidance increased to 2.45-2.50%

## Net Interest Margin (%)



## Net Interest Margin Drivers (%)





## Non-Interest Income

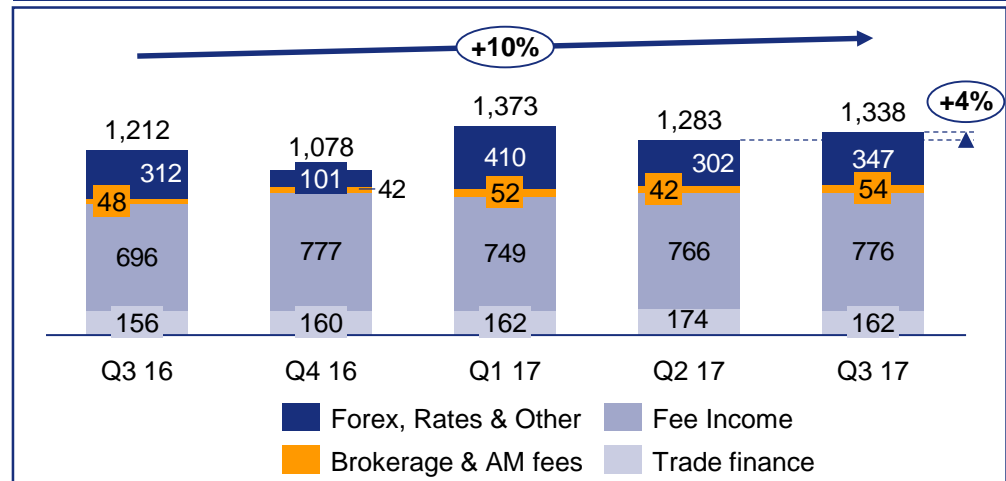
### Highlights

- Core fee income improved 3% y-o-y driven by growth in foreign exchange and credit card, trade finance and processing fee income
- Non-interest income declined 6% y-o-y due to lower one-off gains from the sale of investment securities
- Income from property declined 184% y-o-y due to a downward revaluation of illiquid inventory
- Investment securities & other income was 38% lower y-o-y due to lower income from dividend and investment securities sales

### Composition of Non Interest Income (AED Mn)

AED Mn	Q3-17 YTD	Q3-16 YTD	Better / (Worse)
Core gross fee income	3,994	3,811	5%
Fees & commission expense	(743)	(667)	(11%)
<b>Core fee income</b>	<b>3,250</b>	<b>3,144</b>	<b>3%</b>
Property income / (loss)	(72)	86	(184%)
Investment securities & other income	250	405	(38%)
<b>Total Non Interest Income</b>	<b>3,428</b>	<b>3,634</b>	<b>(6%)</b>

### Trend in Core Gross Fee Income (AED Mn)





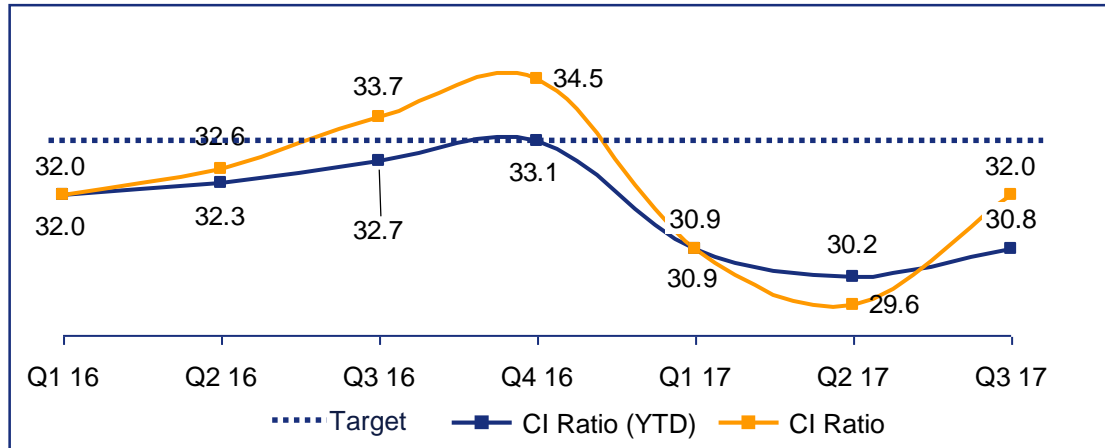


# Operating Costs and Efficiency

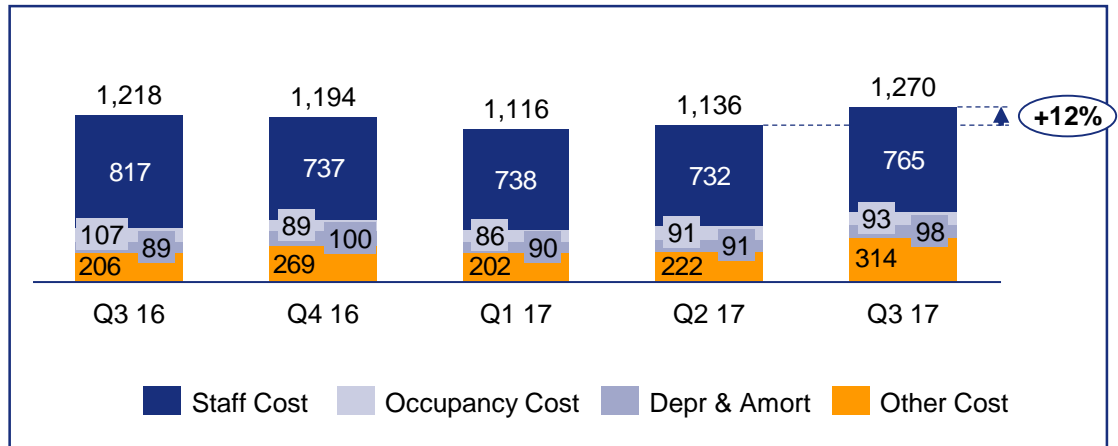
## Highlights

- Q3-17 YTD costs improved by 5% y-o-y helped by a containment in staff costs following cost control measures implemented in 2016
- Costs increased in Q3-17 by 4% y-o-y as Other Costs rose due to a combination of factors including an increase in marketing spend and higher IT costs as signaled earlier
- Costs expected to be within 2017 guidance
- We still have headroom to fund our multi-year planned investment in digital

## Cost to Income Ratio (%)



## Cost Composition (AED Mn)



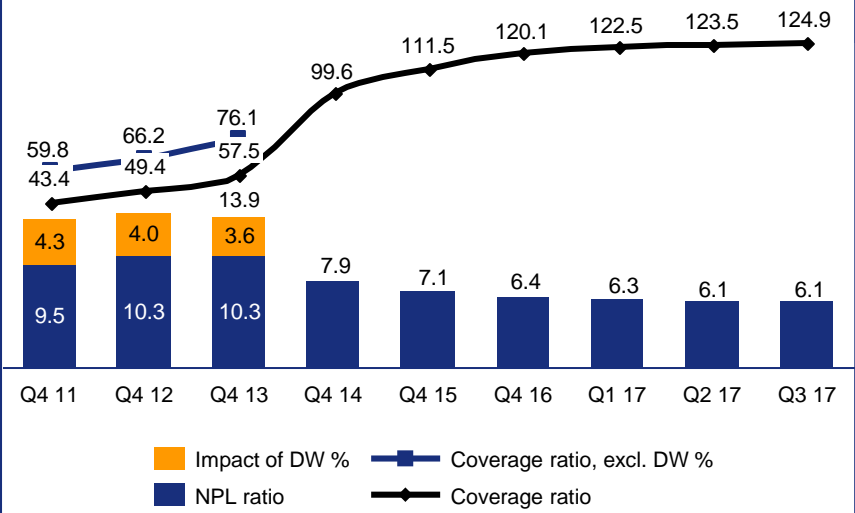


# Credit Quality

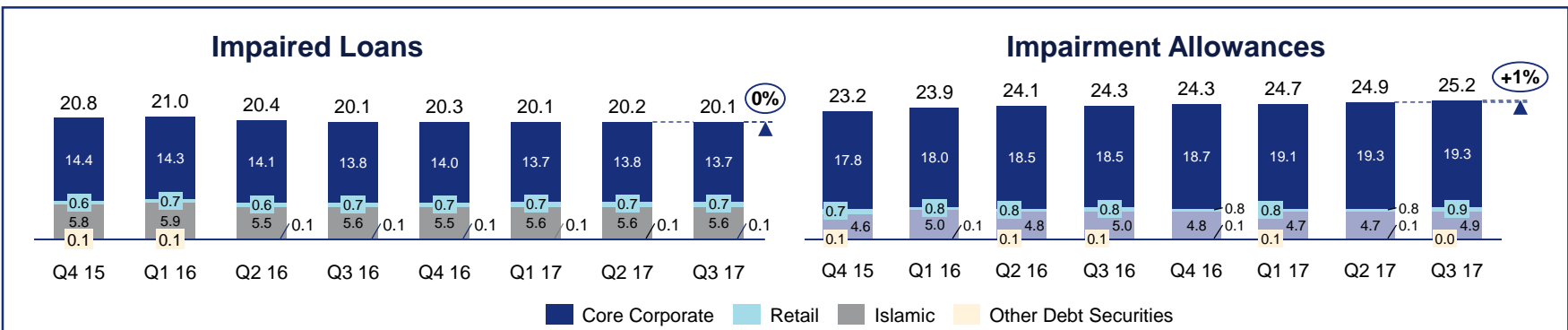
## Highlights

- NPL ratio improved to 6.1% during 2017 and held steady q-o-q
- Impaired loans were steady at AED 20.1 Bn during 2017 helped by AED 1,052 Mn of write backs & recoveries
- Q3-17 YTD cost of risk at 69 bps (annualized) continued to improve as net impairment charge of AED 1,692 Mn improved 23% y-o-y
- Coverage ratio strong at 124.9%
- Total portfolio impairment allowances amount to AED 7.5 Bn or 3.16% of credit RWAs

## Impaired Loan & Coverage Ratios (%)



## Impaired Loans and Impairment Allowances (AED Bn)



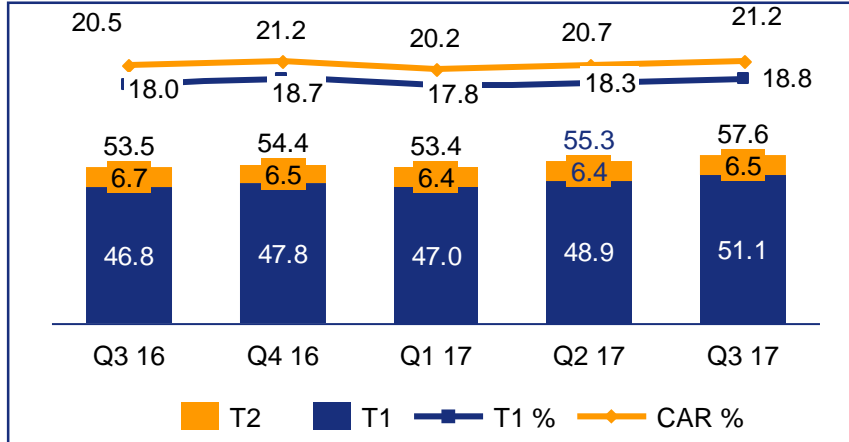


# Capital Adequacy

## Highlights

- In Q3-17, Tier 1 ratio improved by 0.5% to 18.8% and CAR increased by 0.5% to 21.2%
- Increase in Tier 1 capital from retained earning more than offsetting modest increase in risk weighted assets

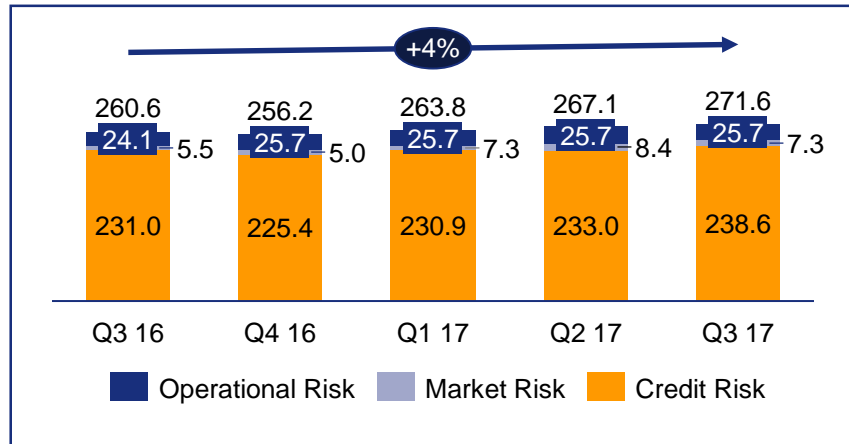
## Capitalisation



## Capital Movements

AED Bn	Tier 1	Tier 2	Total
<b>Capital as at 31-Dec-2016</b>	<b>47.8</b>	<b>6.5</b>	<b>54.4</b>
Net profits generated	6.2	-	<b>6.2</b>
FY 2016 dividend paid	(2.2)	-	<b>(2.2)</b>
Tier 1 Issuance/Repayment	-	-	-
Tier 2 Issuance/Repayment	-	-	-
Amortisation of Tier 2	-	-	-
Interest on T1 securities	(0.4)	-	<b>(0.4)</b>
Other	(0.3)	0.0	(0.2)
<b>Capital as at 30-Sep-2017</b>	<b>51.1</b>	<b>6.5</b>	<b>57.6</b>

## Risk Weighted Assets – Basel II (AED Bn)



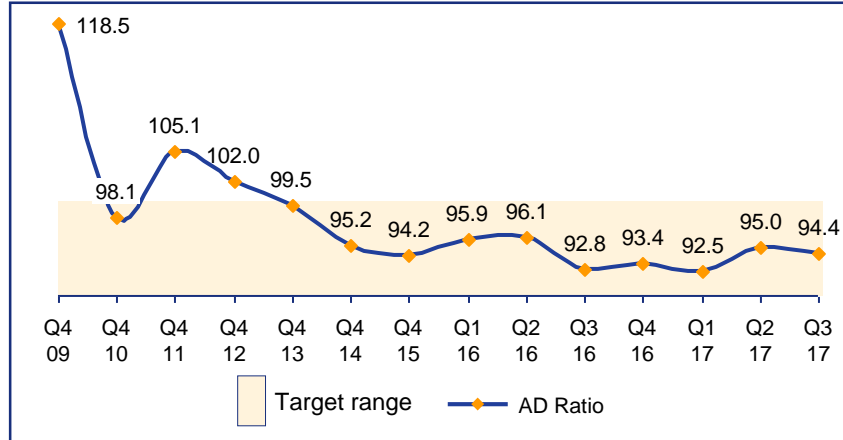


# Funding and Liquidity

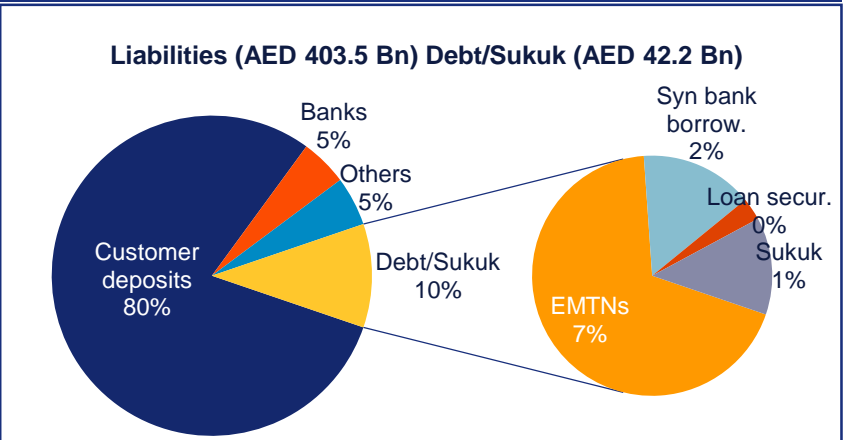
## Highlights

- Liquidity Coverage Ratio (LCR) of 139.1% and AD ratio of 94.4% demonstrates healthy liquidity position
- Liquid assets\* of AED 67.9 Bn as at Q3-17 (16.8% of total liabilities)
- Debt & Sukuk term funding represent 10% of total liabilities
- In 2017 YTD, AED 6.9 Bn of term-debt issued in 4 currencies with maturities out to 20 years
- Maturity profile for 2017 and 2018 allows the Group ability to consider public and private debt issues opportunistically

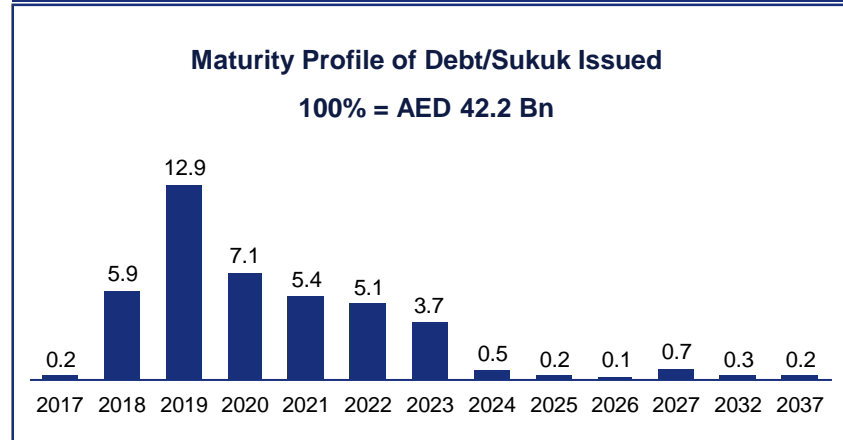
## Advances to Deposit (AD) Ratio (%)



## Composition of Liabilities/Debt Issued (%)



## Maturity Profile of Debt Issued (AED Bn)



\*Including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities

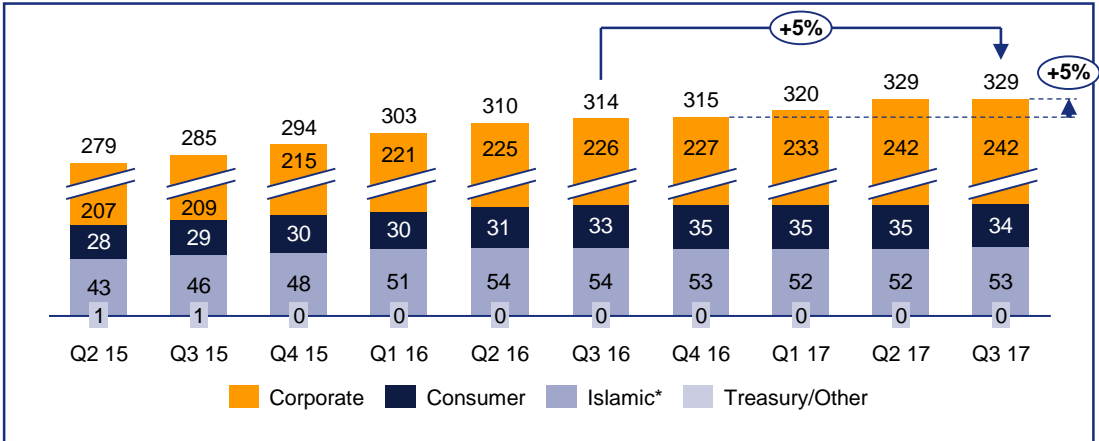


# Loan and Deposit Trends

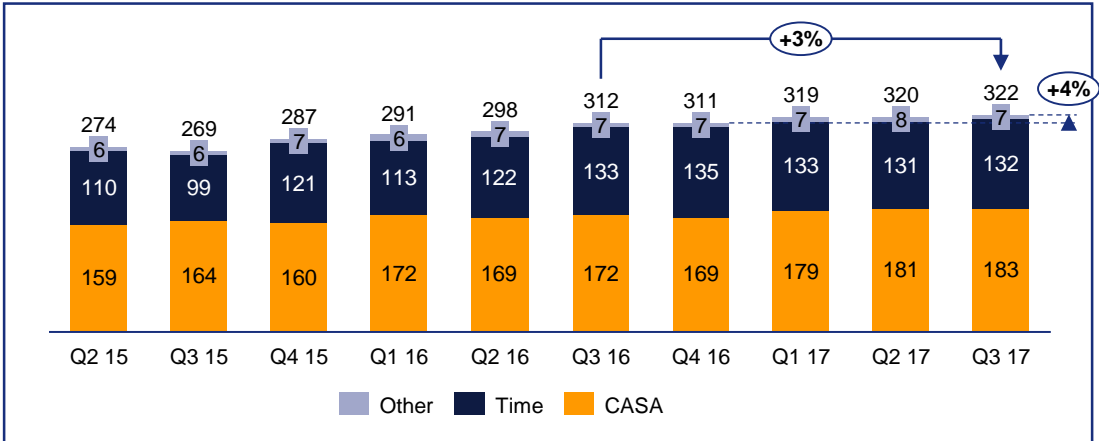
## Highlights

- Gross loans for Q3-17 YTD grew 5% with good growth in corporate lending
- Corporate lending for Q3-17 YTD grew 7% due to growth in real estate, services and trade sectors
- Consumer lending for Q3-17 YTD was flat with growth in credit cards and mortgages being offset by a decline in micro-SME balances
- Islamic financing for Q3-17 YTD grew 1% due to growth in services, trade and construction sectors
- Deposits grew 4% since the start of the year with CASA balances growing 8% and Fixed deposits declining 2%.
- CASA deposits now represent 57% of total deposits

## Trend in Gross Loans by Type (AED Bn)



## Trend in Deposits by Type (AED Bn)

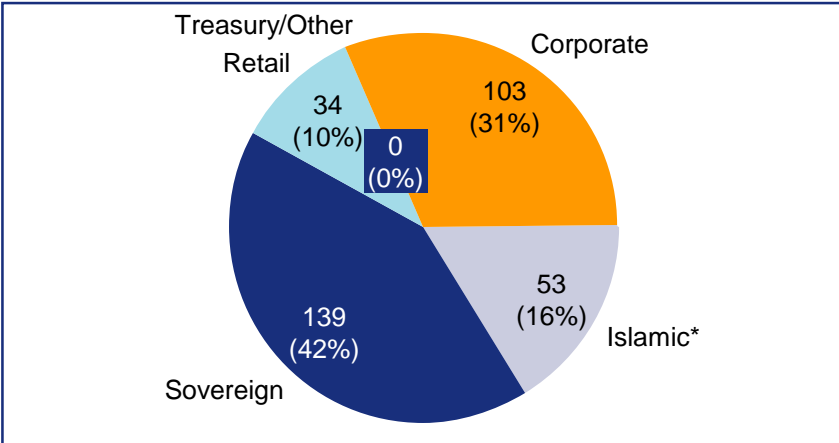


\* Gross Islamic Financing Net of Deferred Income

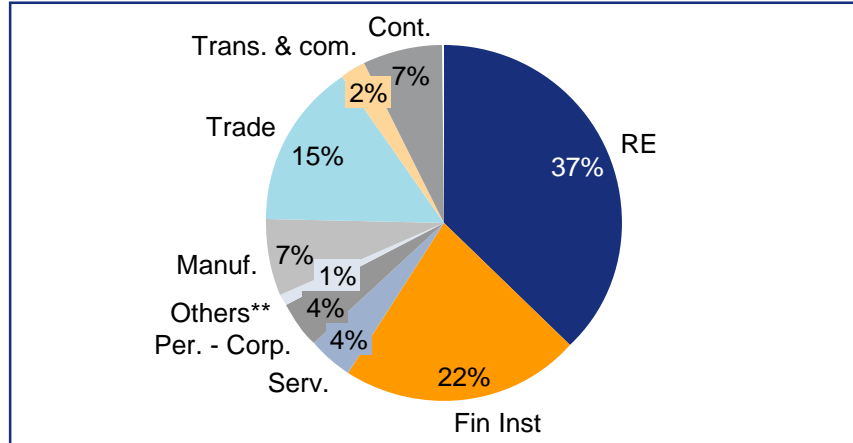


# Loan Composition

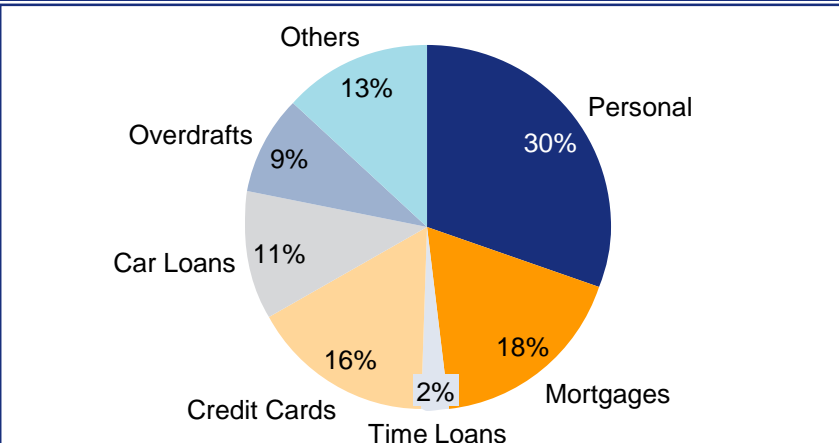
### Total Gross Loans (AED 332 bn)



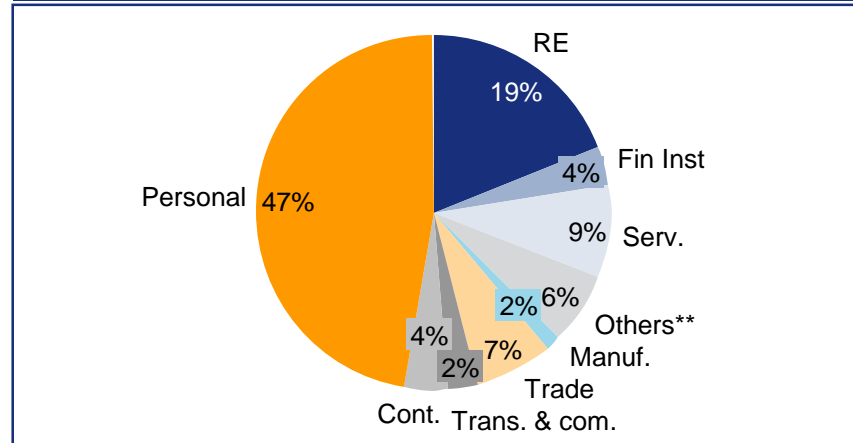
### Corporate Loans (AED 103 bn)



### Retail Loans (AED 34 bn)



### Islamic\* Loans (AED 53 bn)



\* Islamic loans net of deferred income; \*\*Others include Agriculture & allied activities and Mining & quarrying

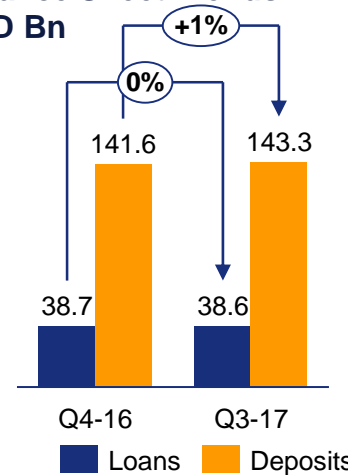


# Divisional Performance

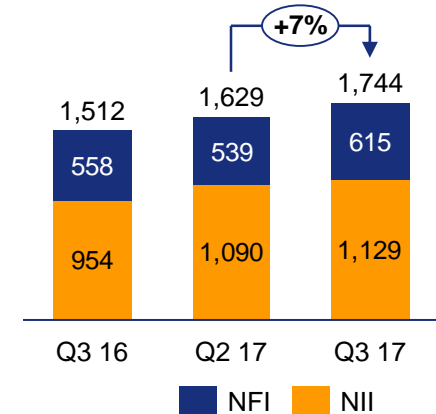
## Retail Banking & Wealth Management

- Revenues increased 15% y-o-y and 7% q-o-q
- Q3-17 fee income accounted for 35% of total RBWM revenue, up from 33% in the previous quarter
- Loan growth was flat as a decline in micro-SME balances was largely offset by growth in credit cards and mortgages; deposits grew by 1% from end 2016
- RBWM continued to lead the market in digital and innovation with the revamp of its online banking platform and the recently launched FaceBanking video banking facilities. The Liv. digital banking proposition was also enhanced with the addition of new services
- The bank continues to optimize its distribution network with 584 ATMs and 95 branches as at 30-Sep-17

### Balance Sheet Trends AED Bn



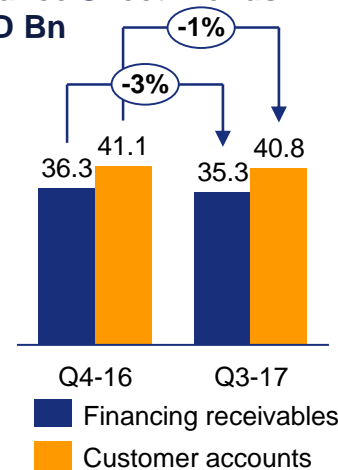
### Revenue Trends AED Mn



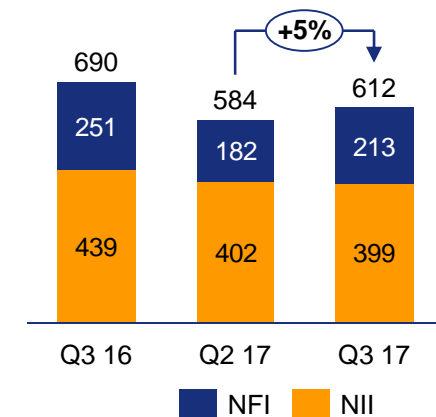
## Emirates Islamic

- Emirates Islamic recorded a four-fold improvement in net profit to AED 498 million for the first nine months of 2017
- Financing receivables declined 3% in 2017 and Q3-17 revenue declined 11% y-o-y due to a slowdown in new business as EI tightened underwriting standards. EI well positioned after the 2016 business review as reflected by the 5% increase in quarterly revenue
- Customer accounts decreased 1% during 2017 as EI focused on improving liability mix and cost of funding. CASA now represents 70% of EI's customer deposits
- As at 30-Sep-17, EI had 66 branches and an ATM & CDM network of 207

### Balance Sheet Trends AED Bn



### Revenue Trends AED Mn



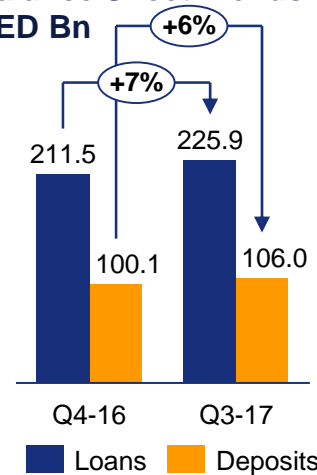


# Divisional Performance (cont'd)

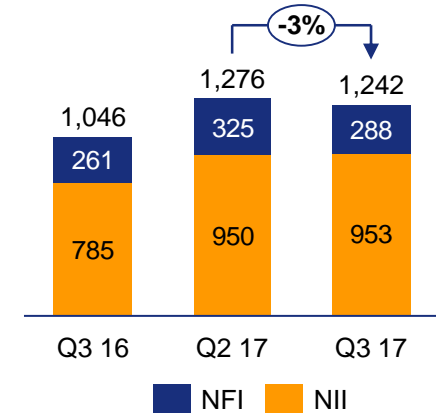
## Wholesale Banking

- Wholesale Banking revenues increased 19% y-o-y and declined 3% q-o-q
- Loans grew 7% in 2017 due to growth in real estate, services and trade sectors. Deposits up 6% during 2017
- Net Interest Income grew 21% y-o-y on improved loan yields and better funding costs as high yield deposits rolled off
- Fee income grew 10% y-o-y but declined 11% in Q3 due to lower business volumes during the holiday period
- Focus in 2017 on enhancing customer service quality in key sectors, share of wallet, increased cross-sell of Treasury and Investment Banking products and larger Cash Management and Trade Finance penetration

### Balance Sheet Trends AED Bn



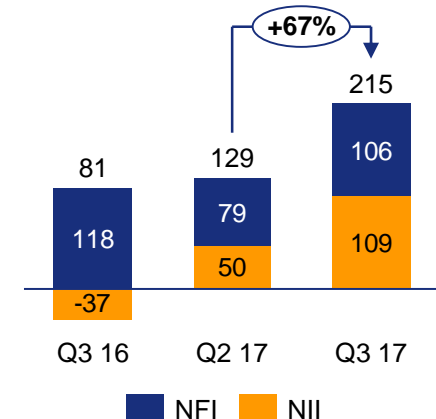
### Revenue Trends AED Mn



## Global Markets & Treasury

- GM&T revenues increased 164% y-o-y and 67% q-o-q
- Revenue growth helped by Balance Sheet positioning to take advantage of rate rises.
- Sales revenue from FX increased on higher volumes but offset by lower income from Structured & Fixed Income sales.
- Trading revenue in Credit & Foreign Exchange declined on increased 'event driven' volatility in global markets; partially offset by improved performance in Interest Rate Derivative Trading
- Raised AED 6.9 billion of term funding through private placements with maturities out to twenty years and an Australian Dollar ten-year public bond issue.

### Revenue Trends AED Mn







Emirates NBD's core strategy is focused on the following building blocks

**Key Objective**

**Deliver an excellent customer experience (with digital being the focus)**

**Strategic Levers**

**Drive core business**

**Run an efficient organization**

**Drive geographic expansion**

**Enablers**

**Build a high performing organization**



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# Highlights of strategic achievements in 2016

## 2016 Strategic Priorities

## Key Achievements

**1**

**Deliver an excellent customer experience**

- Extend servicing of products through online, mobile, social channels
- Reinforce ENBD's position as a digital innovator in the region via best-in-class online and mobile banking services
- Keep investing in new digital channels, products, and capabilities

- Won Best Bank in the Middle East, Best Bank in the UAE and Best Digital Bank in the Middle East at the Euromoney Awards for Excellence 2016 – first bank in UAE and Middle East to win in all three categories.
- Awarded 'Best Bank UAE - 2016' by The Banker, second year in a row.
- Emirates NBD's mobile banking app crossed 400K active users and Increased digital offerings like DirectRemit (to Sri Lanka and Egypt), Emirates NBD Pay, mePay and SmartPass.

**2**

**Drive core business**

- Drive asset growth and cross-sell in Retail and Islamic
- Diversify wholesale banking loans portfolio
- Grow fee income via improved Transaction Banking, Treasury and online offerings

- Transformation on track with key investments in developing our non-lending offering and services and Transaction Banking enhanced to include a host-to-host channel and a corporate cheque printing service.
- Retail loans growth of 14%, asset growth of 10%, with consistent efforts in launching best-in-class offerings. Islamic Financing Receivables growth of 8% (ENBD Group).

**3**

**Run an efficient organization**

- Optimize IT landscape to increase agility and enable digital banking
- Streamline key processes and enhance cross-functional collaboration throughout Group
- Enhance risk governance and compliance controls
- Align risk appetite to strategy and use of capital

- Healthy capital adequacy ratio at 21.2% and Tier 1 capital ratio at 18.7%
- Advances to deposits ratio improved 0.8% to 93.4% amid tighter liquidity.
- Drove profitable growth by controlling NPLs from 7.1% to 6.4%.
- Successfully implemented new core banking system in Emirates Islamic.
- As part of an AED 500 mn planned digital initiatives investment in the next three years, the bank launched Emirates NBD Future Lab™.

**4**

**Drive geographic expansion**

- Sustain our growth path and deepen footprint in Egypt and other offshore locations
- Catalyze growth in current international markets
- Continue to evaluate potential organic and inorganic opportunities in selected markets

- Received a license to operate a full fledged branch in India and expect to start operations on Q3 2017.
- Approval to open three additional branches in KSA.

**5**

**Build a high performing organization**

- Continue to drive nationalisation efforts with a focus on developing local leadership talent
- Improve performance management with greater recognition for high performers
- Continue successful Employee Engagement level programs

- National Leadership Program launched and implemented to identify and develop National leaders for the future.
- High Potential Talent and High Performers identified and efforts made to maintain high levels of engagement and retention.
- Emirates NBD engagement level in 2016 stood at 64% compared to 62% for Global Commercial Banks and 53% for GCC Commercial Banks.



# Strategic priorities for 2017

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## Pillars of our strategy

## Key focus areas

1

**Deliver an excellent customer experience (with digital being the focus)**

- Continue to deliver superior customer experience via investing into new digital channels, products, and capabilities
- Reinforce ENBD's position as a digital innovator in the region via best-in-class online and mobile banking services
- Launching digital platform in the corporate and transaction banking to provide seamless service to corporate clients

2

**Drive core business**

- Continue cross-sell efforts in the Retail business and focus on gaining market share in all products and segments
- Rebalance the Islamic franchise with a focus on delivering profitable growth
- Continue diversification of wholesale banking loans portfolio to include broader representation of sectors and segments
- Increase fee and commission income via improved Transaction Banking, Treasury and online offerings

3

**Run an efficient organization**

- Transform the IT platform to increase agility and enable digital banking through an organization wide plan
- Streamline and automate key processes while working on the end to end digitization program
- Align risk appetite and portfolio management framework to optimize risk return matrix and focus on lowering cost of risk
- Enhance cross-functional collaboration through alignment of KPIs and optimization of governance structures
- Identify areas of further operational efficiencies (cost and process)

4

**Drive geographic expansion**

- Sustain our growth path and deepen footprint in Egypt and develop other offshore locations
- Drive new markets and catalyze growth in current international markets by focusing on cross border trade and other opportunities
- Continue to evaluate potential organic and inorganic opportunities in selected markets

5

**Build a high performing organization**

- Continue to drive nationalization efforts with a focus on developing local leadership talent
- Improve performance management through people management capabilities and reward systems
- Keep the momentum on employee engagement through leadership commitment and impactful action plans



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### Q3-17 YTD Selected Awards



'Banking Company of the Year'



'Top banking brand in the UAE'



'Best equity house in the Middle East'



'Best Retail Bank in the Middle East', 'Best Retail Bank in UAE' and 'Auto Loan Product of the Year in Asia Pacific'



'Most Improved Website' and 'Best Social Media Reach' – Emirates Islamic



'Bank of the Year – UAE 2016'



'Most Innovative Financial Services Organization of the Year'



'Islamic Personal Finance Provider of the Year' – Emirates Islamic



'Best Retail Customer Service' and 'Best Online Banking Services'



'Best Digital Bank in the Middle East', 'Best Bank in the UAE' and 'Best Bank in the Middle East'



'UAE Domestic Cash Management Bank of the year'



Gulf Customer Experience Awards

'best Customer Experience Team'



# Large Deals Concluded in Q3-17

TÜRK EKONOMİ BANKASI A.Ş.  
USD 160,000,000 AND EUR 385,000,000



Multi Tranche Dual Currency Term Loan Facility  
September 2017

Mandated Lead Arranger and Bookrunner, Joint-Coordinator and Publicity Agent



TURKIYE VAKIFLAR BANKASI T.A.O.  
USD 131,000,000 AND EUR 634,000,000



Dual Currency Term Loan Facility  
September 2017

Mandated Lead Arranger and Bookrunner, Joint-Coordinator and Documentation Agent



AKBANK T.A.S.  
USD 542,600,000 AND EUR 515,100,000



DUAL CURRENCY TERM LOAN FACILITY  
August 2017

Mandated Lead Arranger and Bookrunner, Joint-Coordinator and Publicity Agent



BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM  
USD 50,000,000



NGÂN HÀNG ĐẦU TƯ VÀ PHÁT TRIỂN VIỆT NAM

TERM LOAN FACILITY  
August 2017

Mandated Lead Arranger and Sole Coordinator



ETIHAD AIRWAYS PJSC  
USD 300,000,000



MURABAHA FINANCING FACILITY  
August 2017

Murabaha Arranger



THE STANDARD BANK OF SOUTH AFRICA LIMITED  
USD 1,000,000,000



SYNDICATED TERM LOAN FACILITY  
August 2017

Coordinator, Mandated Lead Arranger and Bookrunner



YAPI KREDİ FİNANSAL KİRALAMA A.O.  
USD 115,000,000 AND EUR 30,000,000




DUAL CURRENCY TERM LOAN FACILITY  
August 2017

Initial Mandated Lead Arranger, Bookrunner and Publicity Agent




THE ISLAMIC REPUBLIC OF PAKISTAN  
USD 650,000,000



SYNDICATED TERM LOAN FACILITY  
June 2017

Mandated Lead Arranger and Bookrunner



CITY LAND REAL ESTATE DEVELOPMENT  
USD 142,741,748



PROJECT FINANCE FACILITY  
June 2017

Mandated Lead Arranger and Sole Coordinator



BANK FOR INVESTMENT AND DEVELOPMENT OF VIETNAM  
USD 400m + USD 200m Tap



Joint Lead Manager & Joint Bookrunner  
May & August 2017

5 yr Sukuk



As at end of September

# Investor Relations

PO Box 777

Emirates NBD Head Office, 4th Floor

Dubai, UAE

Tel: +971 4 201 2606

Email: [IR@emiratesnbd.com](mailto:IR@emiratesnbd.com)

