

# Emirates NBD Investor Presentation

November/December 2015



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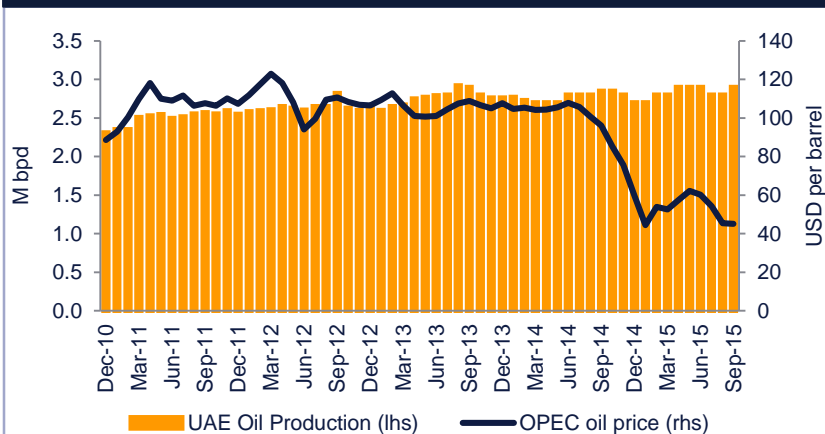
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## Highlights

- **2015 real GDP growth** forecast revised lower to 4.0% from 4.3%, and down from 4.6% in 2014. **Oil production** is up 2.8% year-to-date.
- Activity in the UAE non-oil private sector has slowed this year. **Average PMI** in the first ten months of 2015 was 56.5, down from 58.1 in the same period last year.
- UAE PMI eased further to 54.0 in October, the lowest reading in two-and-a-half years, suggesting a slower pace of expansion at the start of Q4.
- Although new orders (57.6) and output (56.9) indices have declined, they are well above the neutral 50-level, indicating robust growth.

## UAE Oil production



Source: Bloomberg, Emirates NBD Research

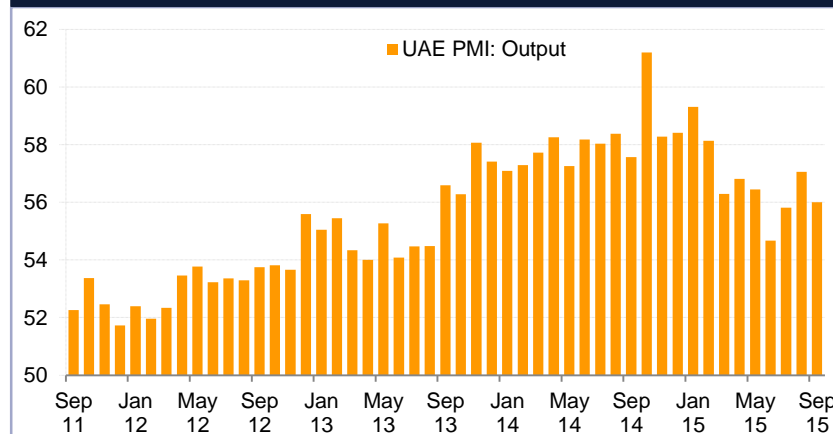
## Real GDP Growth Forecasts

| Country    | 2012        | 2013        | 2014        | 2015F       | 2016F       |
|------------|-------------|-------------|-------------|-------------|-------------|
| <b>UAE</b> | <b>6.9%</b> | <b>4.3%</b> | <b>4.6%</b> | <b>4.0%</b> | <b>4.5%</b> |
| China      | 7.7%        | 7.7%        | 7.3%        | 7.0%        | 6.7%        |
| Eurozone   | -0.8%       | -0.3%       | 0.9%        | 1.5%        | 1.8%        |
| India*     | 4.8%        | 4.7%        | 6.9%        | 7.4%        | 8.0%        |
| Japan      | 1.8%        | 1.6%        | -0.1%       | 1.0%        | 1.5%        |
| UK         | 0.7%        | 1.7%        | 3.0%        | 2.5%        | 2.3%        |
| US         | 2.3%        | 2.2%        | 2.4%        | 3.0%        | 3.0%        |
| Saudi      | 5.4%        | 2.7%        | 3.5%        | 3.0%        | 2.5%        |
| Egypt**    | 3.3%        | 2.1%        | 2.2%        | 4.5%        | 4.2%        |

\*India data refers to fiscal year (Apr-Mar) \*\*Egypt data refers to fiscal year (Jul-Jun)

Source: Haver Analytics, Bloomberg, Emirates NBD Research

## UAE PMI – Non Oil Private Sector Activity

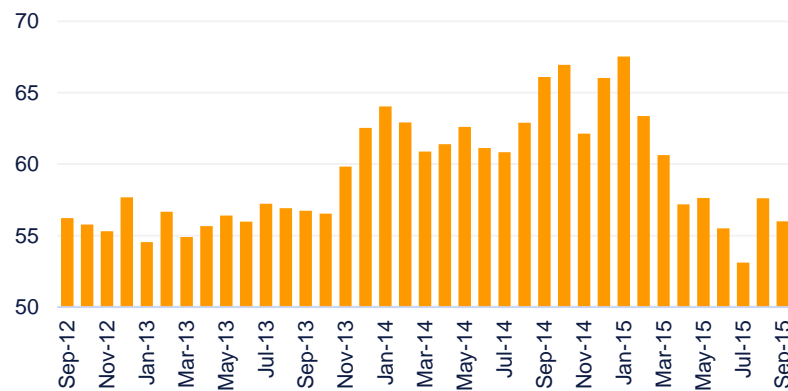


Source: Markit/ Emirates NBD

## Highlights

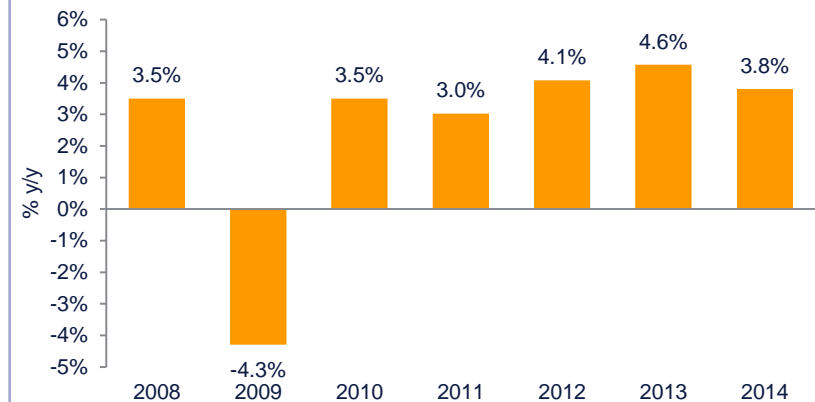
- Dubai's economy expanded 3.9% y/y in Q1 2015**, slower than 5.1% growth in Q1 2014. The **services sector** has enjoyed the strongest growth in Q1 2015, up 5.6% y/y, accounting for 38.3% of total Dubai GDP.
- The Emirates NBD Dubai Economy Tracker** indicates slower growth in the emirate's non-oil private sector in September but the index is still well above the neutral level. New orders growth was largely unchanged last month, indicating strong demand growth, while business optimism remains very high.

## Emirates NBD Dubai Economy Tracker



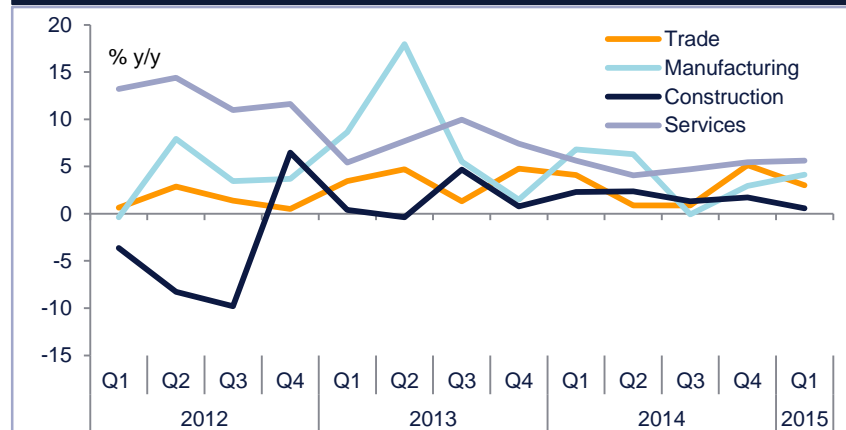
Source : Markit/ Emirates NBD

## Dubai: Real GDP growth



Source: Dubai Statistics Centre, Emirates NBD Research

## Dubai's fastest growing sectors

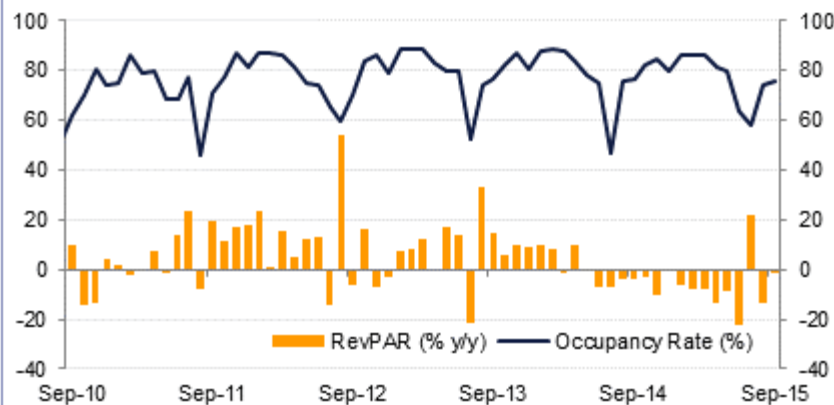


Source: Haver Analytics, Emirates NBD Research

## Highlights

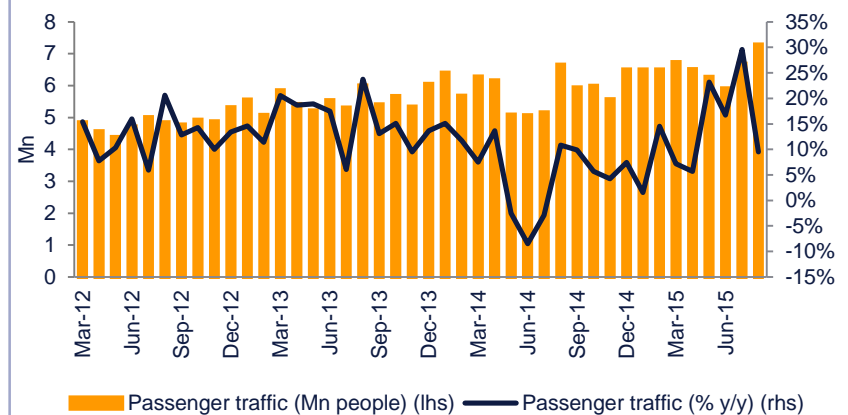
- Passenger traffic at the Dubai International Airport (DXB) rose to 52.3 million in Jan-Aug 2015, up by 12.4% y/y.
- Passenger traffic is expected to exceed 79 million at DXB by end 2015 and 103.5 million by 2020, according to Dubai Airports.
- Dubai's **hotel occupancy** averaged **76.8%** in Jan-Sep 2015, down from **77.7%** in the same period of 2014. **Supply** of hotel rooms in Dubai increased by **5.7%** y/y in September 2015. With supply of hotel rooms outpacing demand for Jan-Sep 2015, occupancy rates may remain stable or ease slightly with demand gradually catching up in run-up to 2020 Expo.

## Hotel occupancy and RevPAR



Source: STR Global, Emirates NBD Research

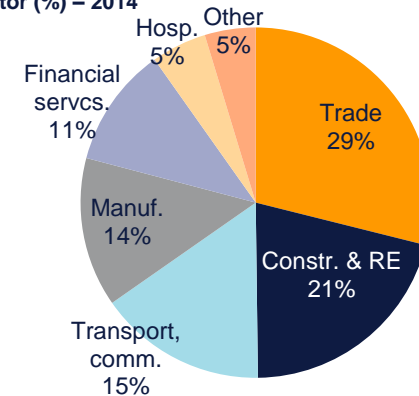
## Dubai Airports passenger traffic



Source: Dubai Airports, Emirates NBD Research

## Composition of Dubai GDP

Dubai GDP by Sector (%) – 2014

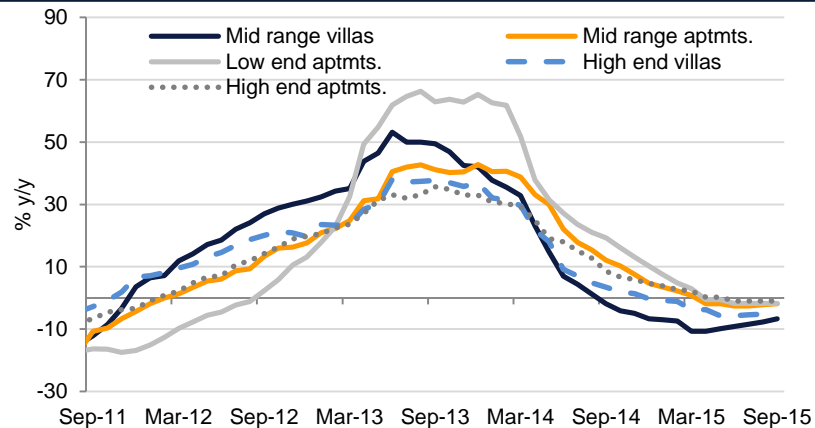


Source: Dubai Statistics Centre

## Highlights

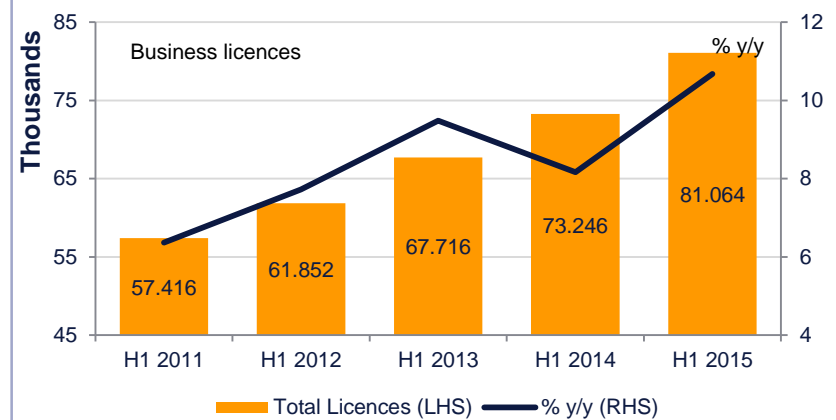
- Residential real estate prices continued to decline across all sectors on an annual basis, according to Cluttons, with mid-range villas down -6.7% y/y in September. Apartment prices have been more resilient, according to Cluttons data.
- The Emirates NBD Dubai Real Estate Tracker** indicates that activity in the residential real estate market slowed further in the three months to August with some of the weakness in the survey likely due to the summer lull.
- We expect the long term residential outlook to remain strong as population and economic growth should **underpin demand in the run-up to 2020**.

## Dubai Residential Property Prices



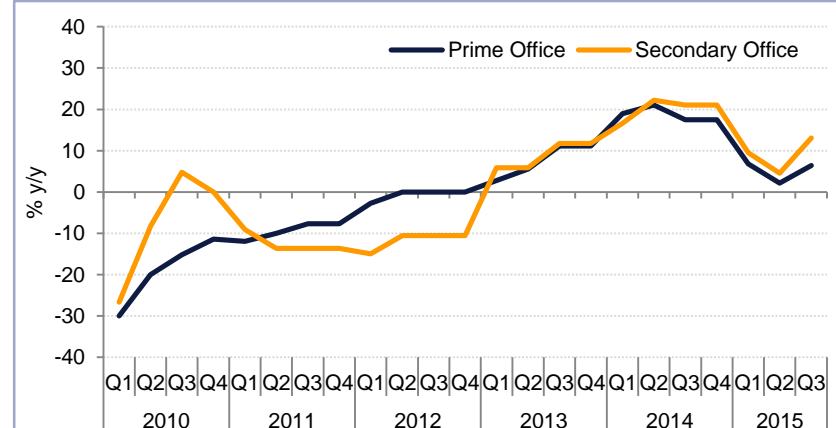
Source: Cluttons via Bloomberg, Emirates NBD Research

## Business Licenses issued\*



Source: DSC, \*Licenses issued by DED only (excludes Freezones)

## Dubai Commercial Property Lease Rates



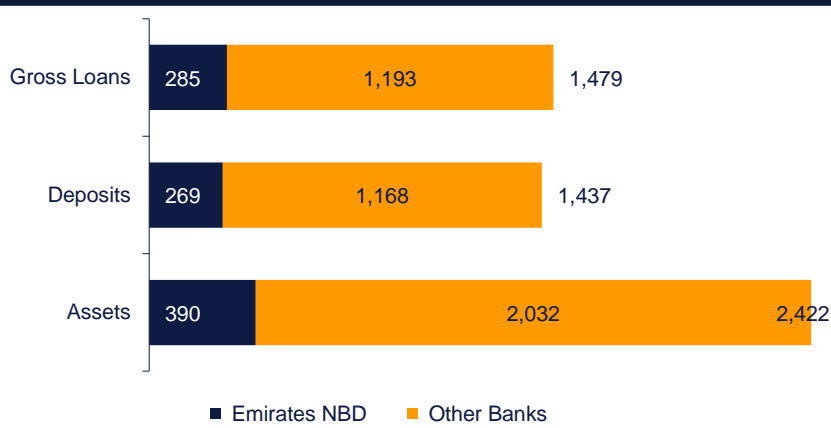
Source: Cluttons via Bloomberg, Emirates NBD Research

## Highlights

### Tighter liquidity conditions are evident:

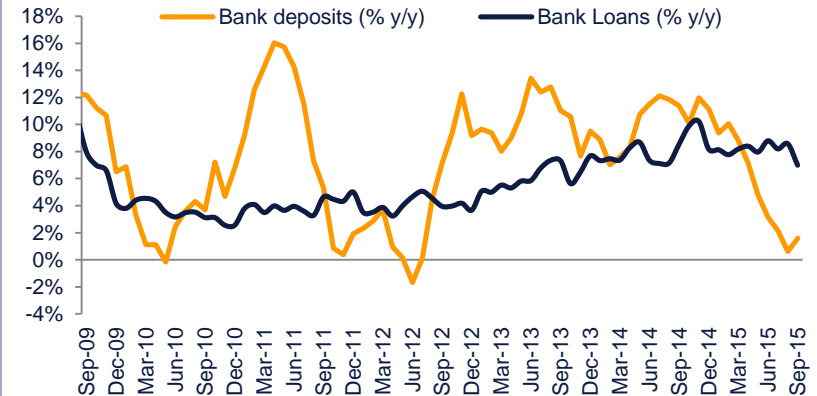
- **M2 growth slowed to 3.5%** in Sept. (8.0% in Dec.)
- **Bank deposits declined m/m Jun. to Aug.** and increased slightly in Sept., y/y growth at 1.6%. (Gross) loan growth at 7.0% y/y, so LTD ratio increased to 102.9%.
- 3-month EIBOR has risen 17bp to 0.85% at 2-Nov-15 compared to 0.68% at start of year. 3 month \$ LIBOR has increased by 8bp to 0.33% over the comparable period.

## Composition of UAE Banking Market (AED Bn)



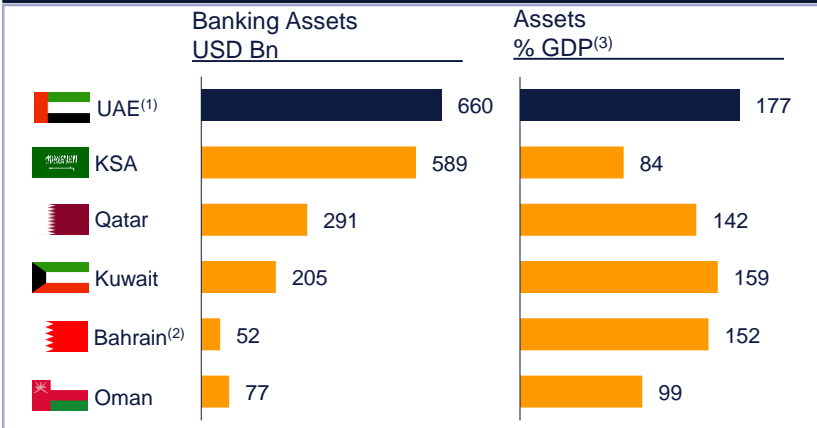
Source: UAE Central Bank Statistics, ENBD data as at end Sept 2015

## 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 2015 forecasted. UAE as at Sep 2015; Bahrain as at Jun 2015; Kuwait as at Jul 2015; Saudi, Oman & Qatar as at Aug 2015  
Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts

# Emirates NBD is a leading banking group in the region and the largest bank in the UAE

Operating Environment

|             |  |
|-------------|--|
| <b>Size</b> | <ul style="list-style-type: none"> <li>• One of the largest financial institutions (by asset size) in the GCC</li> </ul> |
|-------------|--|

Emirates NBD Profile

|                 |  |
|-----------------|--|
| <b>Flagship</b> | <ul style="list-style-type: none"> <li>• Flagship bank for Dubai Government</li> </ul> |
|-----------------|--|

|                  |   |
|------------------|---|
| <b>Ownership</b> | <ul style="list-style-type: none"> <li>• 56% owned by Dubai Government</li> </ul> |
|------------------|---|

Financial & Operating Performance

|                   |   |
|-------------------|---|
| <b>Profitable</b> | <ul style="list-style-type: none"> <li>• Consistently profitable; despite significant headwinds during the global financial crisis</li> </ul> |
|-------------------|---|

|                             |  |
|-----------------------------|--|
| <b>Diversified offering</b> | <ul style="list-style-type: none"> <li>• Fully fledged, diversified financial services offering</li> </ul> |
|-----------------------------|--|

|                            |   |
|----------------------------|---|
| <b>Geographic presence</b> | <ul style="list-style-type: none"> <li>• Ever increasing presence in the UAE, the GCC and globally</li> </ul> |
|----------------------------|---|

Strategy

|               |   |
|---------------|---|
| <b>Growth</b> | <ul style="list-style-type: none"> <li>• Well positioned to grow and deliver outstanding value to its shareholders, customers, and employees</li> </ul> |
|---------------|---|

Appendix



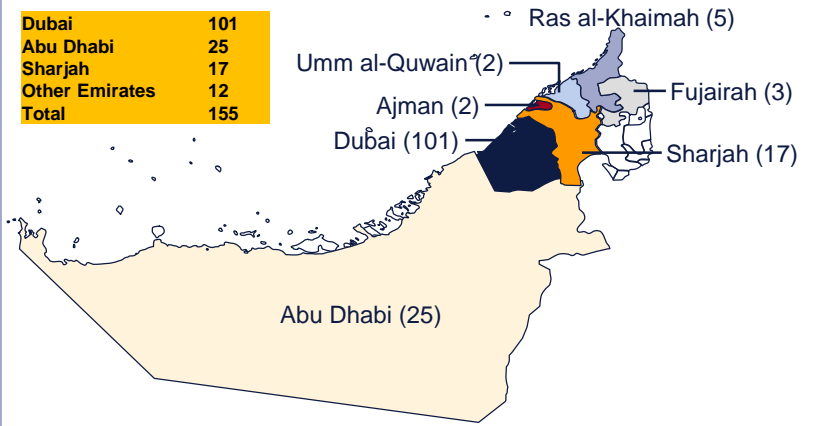
## A Leading Bank in the UAE

- **Market share in UAE** (at 30 Sep 2015):
  - Assets c.16.1%; Loans c.19.3%
  - Deposits c.18.7%
- **Retail market shares** (estimated at 30 Sep 2015):
  - Personal loans c.14%
  - Home loans c.4%
  - Auto loans c.15%
  - Credit cards c.18%
  - Debit cards c.24%
- **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

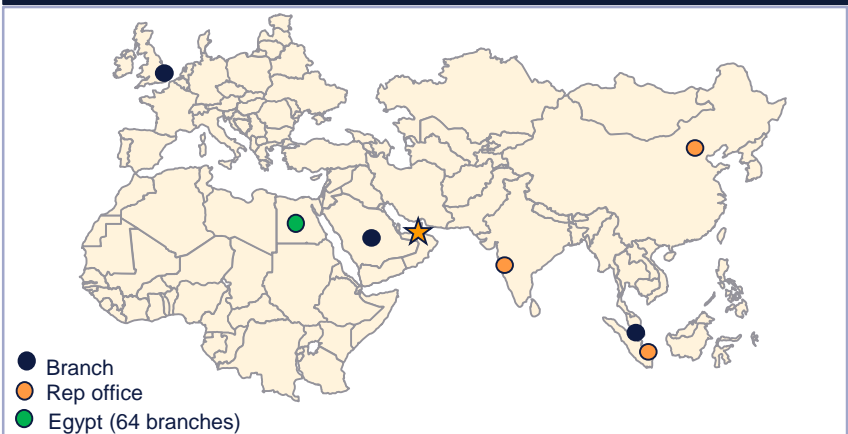
## Credit Ratings

|  | Long Term | Short Term | Outlook  |
|--|-----------|------------|----------|
|  | Baa1      | P-2        | Positive |
|  | A+        | F1         | Stable   |
|  | A         | A1         | Positive |

## Largest Branch Network in the UAE



## International Presence



x% 9M 2015 vs. 9M 2014  
 x% Q3 2015 vs. Q4 2014

# Emirates NBD is the largest bank in the UAE by Operating Income, Net Profit, Loans and Deposits in 9M 2015

Operating Environment

Emirates NBD Profile

Financial & Operating Performance

Strategy

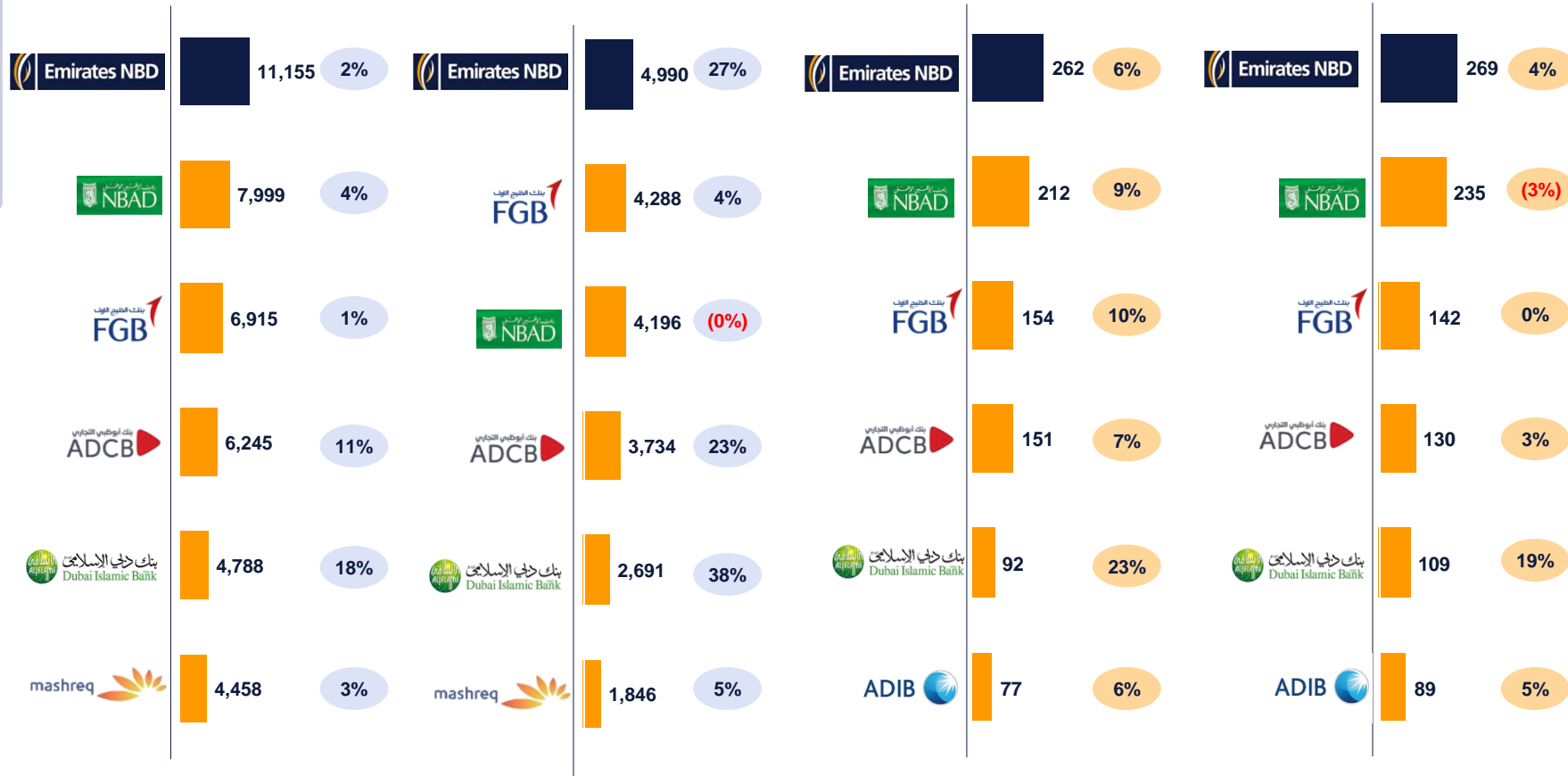
Appendix

**Operating Income**  
AED Mn, 9M 2015

**Net Profit**  
AED Mn, 9M 2015

**Loans**  
AED Bn, Q3 2015

**Total Deposits**  
AED Bn, Q3 2015

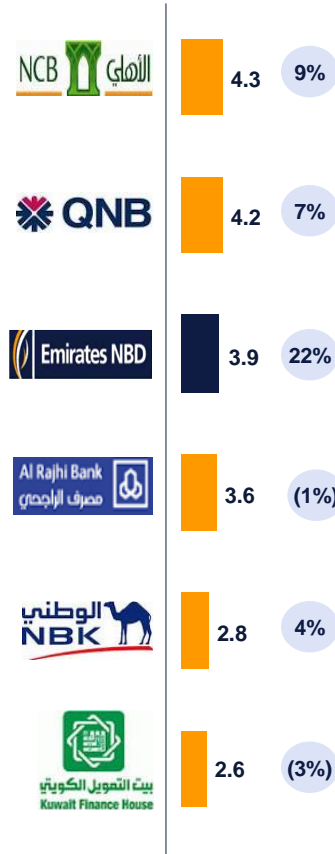


# Emirates NBD is among top 3 banks in the GCC by Operating Income, Loans and Deposits in 2014

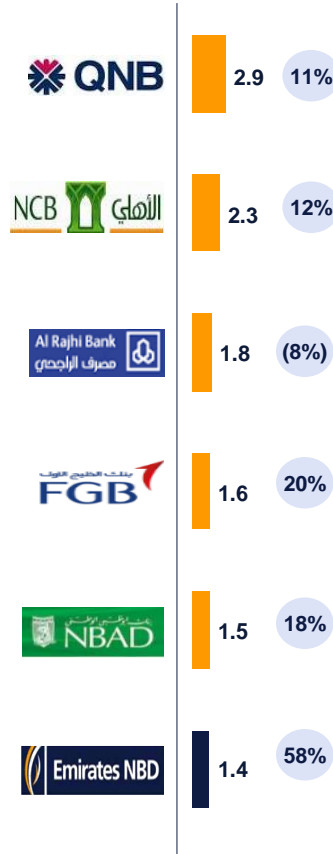


x% 2014 vs. 2013

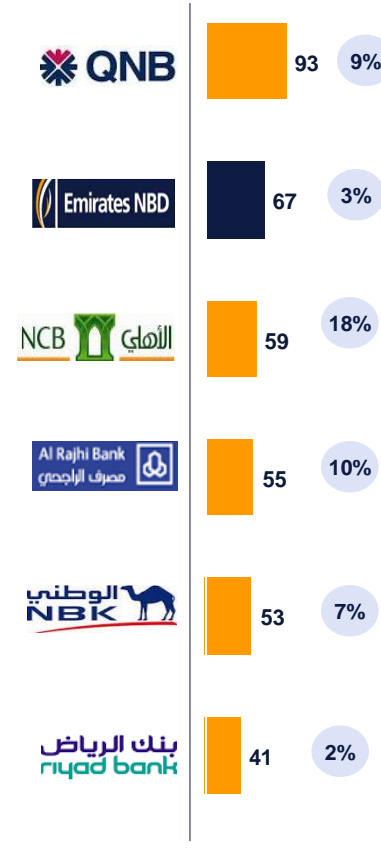
## Operating Income USD Bn, 2014



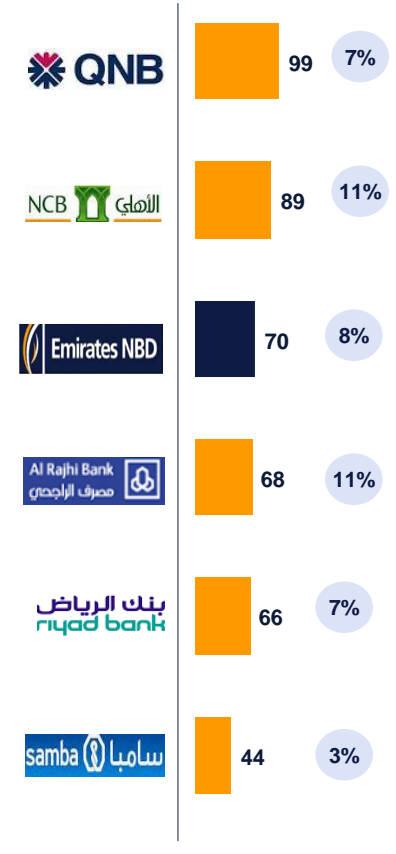
## Net Profit USD Bn, 2014



## Loans USD Bn, 2014



## Deposits USD Bn, 2014



# Profit and Balance Sheet Growth in Recent Years

Operating Environment

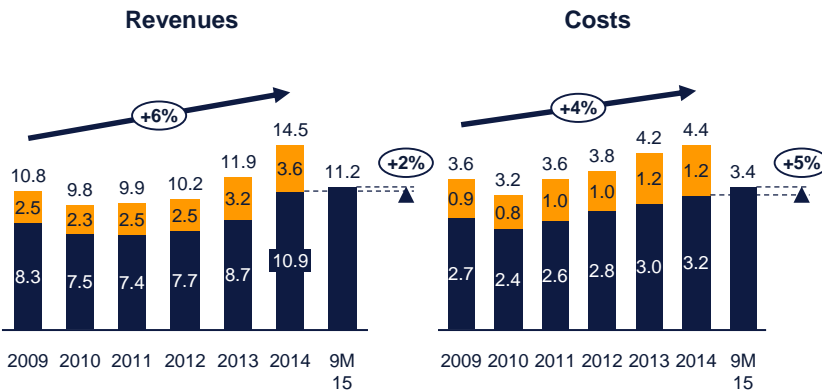
Emirates NBD Profile

Financial & Operating Performance

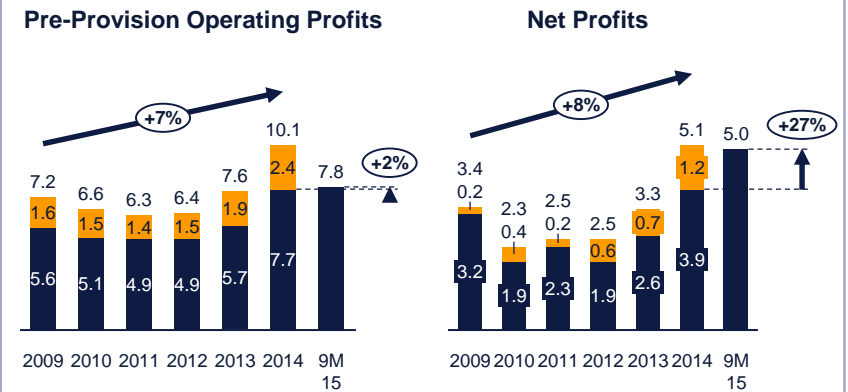
Strategy

Appendix

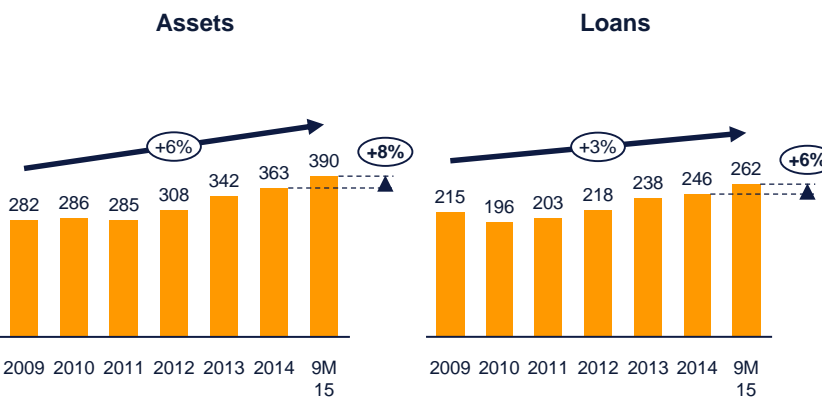
## Revenues and Costs (AED Bn)



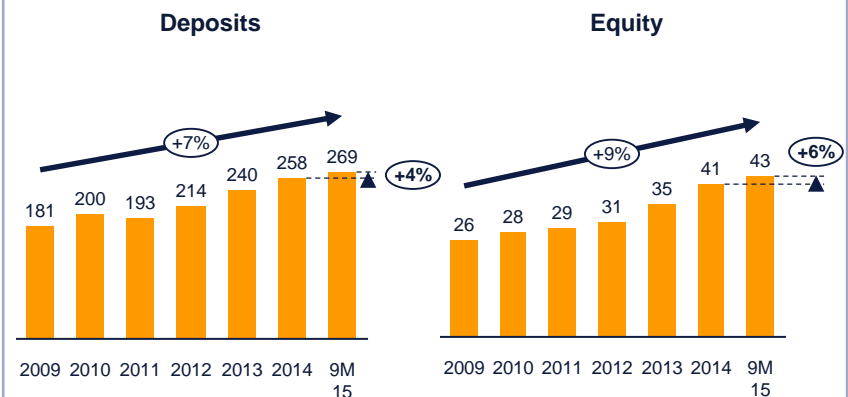
## Profits (AED Bn)



## Assets and Loans (AED Bn)



## Deposits and Equity (AED Bn)



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

## Highlights

- Net profit of AED 4,990 Mn for Q3-15 YTD improved 27% y-o-y
- Net interest income rose 8% y-o-y due to growth in Retail assets and a lower cost of funds
- Non-interest income declined 7% y-o-y due to lower gains from the sale of properties and investments. However core fee income improved 14% y-o-y driven by growth in foreign exchange and derivative income, growing credit card volumes and higher asset management fees
- Costs grew 5% y-o-y due to staff costs linked with rising business volumes and partially offset by a control on other costs
- Provisions of AED 2,808 Mn improved 27% y-o-y as cost of risk continues to normalize
- AD ratio of 97.2% within management range demonstrates strong bank liquidity particularly during a challenging quarter for regional liquidity in the banking sector
- NPL ratio improved to 7.1% and coverage ratio strengthened to 115.3%
- NIMs declined marginally to 2.80% as downward pressure on loan spreads largely offset by growth in low-cost CASA deposits

## Key Performance Indicators

| AED Mn                                 | Q3-15 YTD      | Q3-14 YTD     | Better / (Worse) |
|--|----------------|---------------|------------------|
| Net interest income                    | 7,572          | 7,024         | 8%               |
| Non-interest income                    | 3,583          | 3,863         | (7%)             |
| <b>Total income</b>                    | <b>11,155</b>  | <b>10,887</b> | <b>2%</b>        |
| Operating expenses                     | (3,362)        | (3,212)       | (5%)             |
| <b>Pre-impairment operating profit</b> | <b>7,793</b>   | <b>7,675</b>  | <b>2%</b>        |
| Impairment allowances                  | <b>(2,808)</b> | (3,831)       | 27%              |
| <b>Operating profit</b>                | <b>4,985</b>   | <b>3,844</b>  | <b>30%</b>       |
| Share of profits from associates       | 113            | 159           | (29%)            |
| Taxation charge                        | (108)          | (90)          | (21%)            |
| <b>Net profit</b>                      | <b>4,990</b>   | <b>3,913</b>  | <b>27%</b>       |
| Cost: income ratio (%)                 | 30.1%          | 29.5%         | (0.6%)           |
| Net interest margin (%)                | 2.80%          | 2.83%         | (0.03%)          |

| AED Bn        | 30-Sep-15 | 31-Dec-14 | %      |
|---------------|-----------|-----------|--------|
| Total assets  | 390.4     | 363.0     | 8%     |
| Loans         | 261.6     | 246.0     | 6%     |
| Deposits      | 269.3     | 258.3     | 4%     |
| AD ratio (%)  | 97.2%     | 95.2%     | (2.0%) |
| NPL ratio (%) | 7.1%      | 7.9%      | 0.8%   |

## Highlights

- Net profit of AED 1,673 Mn for Q3-15 improved 7% y-o-y and 2% q-o-q
- Net interest income improved 5% y-o-y and 4% q-o-q as loan growth largely offset a contraction in margins
- Non-interest income declined 27% y-o-y and 17% q-o-q due to lower gains from the sale of investments and properties on reduced volumes and lower income from foreign exchange and derivatives due to seasonal effect
- Costs declined 3% q-o-q and increased 5% y-o-y due to staff costs linked with changing business volumes
- Provisions of AED 821 Mn improved 33% y-o-y and 9% q-o-q as cost of risk improved for the 5<sup>th</sup> consecutive quarter
- AD ratio of 97.2% within management range demonstrates strong bank liquidity particularly during a challenging quarter for regional liquidity in the banking sector
- NPL ratio improved to 7.1% and coverage ratio strengthened to 115.3%
- NIMs declined marginally by 1bp to 2.75% as both loan and deposit rates held steady against a 5bp increase in average EIBOR rates and wholesale funding rates improved relative to EIBOR

## Key Performance Indicators

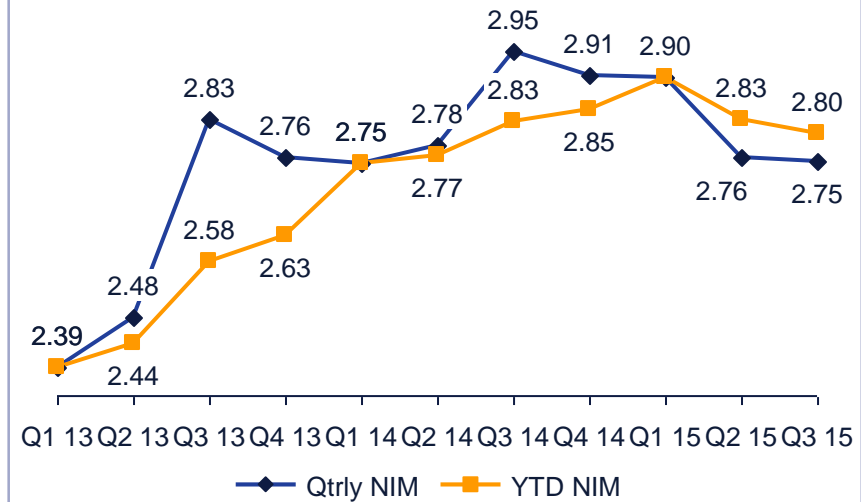
| AED Mn                                 | Q3-15        | Q3-14        | Better / (Worse) | Q2-15        | Better / (Worse) |
|--|--------------|--------------|------------------|--------------|------------------|
| Net interest income                    | 2,591        | 2,465        | 5%               | 2,497        | 4%               |
| Non-interest income                    | 1,009        | 1,380        | (27%)            | 1,213        | (17%)            |
| <b>Total income</b>                    | <b>3,600</b> | <b>3,845</b> | <b>(6%)</b>      | <b>3,710</b> | <b>(3%)</b>      |
| Operating expenses                     | (1,126)      | (1,075)      | (5%)             | (1,157)      | 3%               |
| <b>Pre-impairment operating profit</b> | <b>2,474</b> | <b>2,770</b> | <b>(11%)</b>     | <b>2,553</b> | <b>(3%)</b>      |
| Impairment allowances                  | (822)        | (1,219)      | 33%              | (901)        | 9%               |
| <b>Operating profit</b>                | <b>1,652</b> | <b>1,552</b> | <b>6%</b>        | <b>1,652</b> | <b>0%</b>        |
| Share of profits from associates       | 39           | 38           | 3%               | 39           | 0%               |
| Taxation charge                        | (18)         | (27)         | 33%              | (45)         | 60%              |
| <b>Net profit</b>                      | <b>1,673</b> | <b>1,563</b> | <b>7%</b>        | <b>1,646</b> | <b>2%</b>        |
| Cost: income ratio (%)                 | 31.3%        | 27.9%        | (3.4%)           | 31.2%        | (0.1%)           |
| Net interest margin (%)                | 2.75%        | 2.95%        | (0.20%)          | 2.76%        | (0.01%)          |

| AED Bn        | 30-Sep-15 | 31-Dec-14 | %      | 30-Jun-15 | %      |
|---------------|-----------|-----------|--------|-----------|--------|
| Total assets  | 390.4     | 363.0     | 8%     | 388.1     | 1%     |
| Loans         | 261.6     | 246.0     | 6%     | 256.2     | 2%     |
| Deposits      | 269.3     | 258.3     | 4%     | 274.4     | (2%)   |
| AD ratio (%)  | 97.2%     | 95.2%     | (2.0%) | 93.3%     | (3.9%) |
| NPL ratio (%) | 7.1%      | 7.9%      | 0.8%   | 7.4%      | 0.3%   |

## Highlights

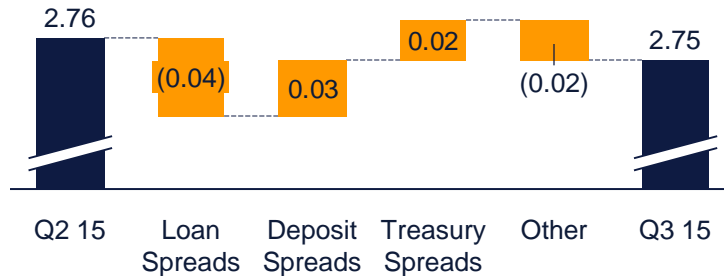
- Q3-15 NIMs declined marginally to 2.75%
  - Both Loan and deposit rates held steady against a 5bp increase in average EIBOR rates
  - Treasury spreads improved as the rate on medium term borrowings improved relative to EIBOR
- Q3-15 YTD NIMs declined marginally to 2.80%
  - Loan spreads experienced downward pressure y-o-y across a broad range of products
  - Deposit spreads improved y-o-y due to growth in low-cost CASA replacing more expensive time deposits.
  - Treasury Spreads remained flat as cheaper short term funding offset an increase in more expensive term funding
- Guidance for 2015 NIMs unchanged at 2.7 - 2.8%

## Net Interest Margin (%)

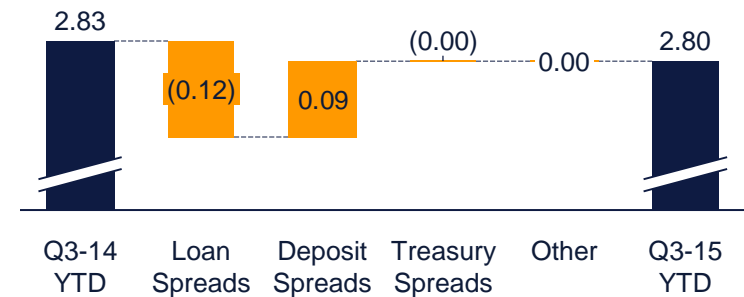


## Net Interest Margin Drivers (%)

Q3-15 vs. Q2-15



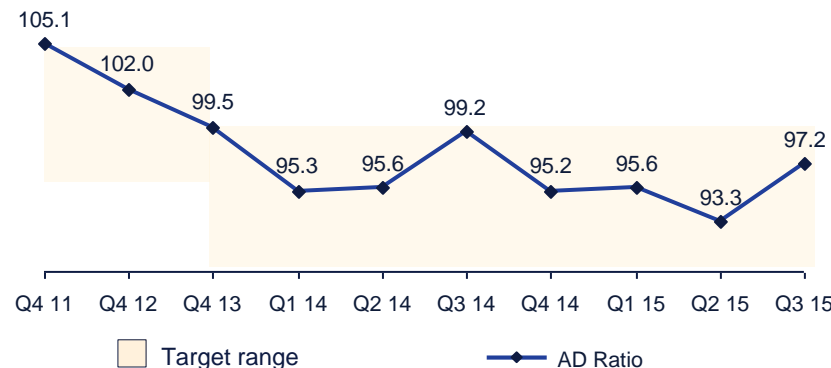
Q3-15 YTD vs. Q3-14 YTD



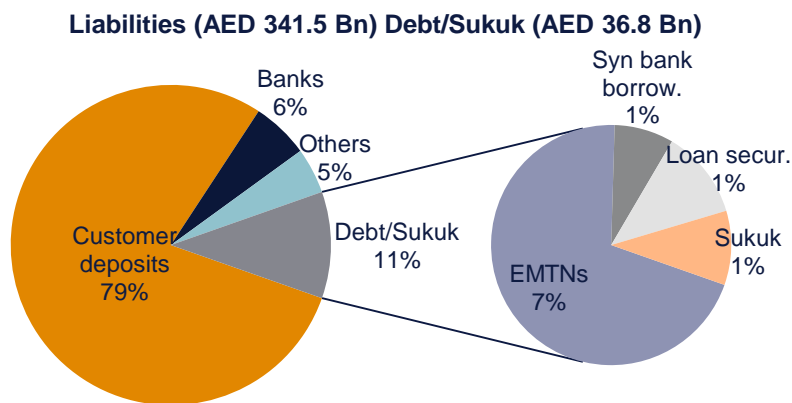
## Highlights

- AD ratio of 97.2% within 90-100% management target range
- Liquid assets\* of AED 50.5 Bn as at Q3-15 (14.8% of total liabilities)
- Debt & Sukuk term funding represent 11% of total liabilities
- Maturity Profile extended thanks to AED 9.5 Bn issuance in Q3-15 YTD through
  - Public Issuance of AED 4.7 Bn in 3 currencies and
  - Private Placements of AED 4.8 Bn in 8 currencies
- Maturity profile affords Emirates NBD ability to consider public and private debt issues opportunistically

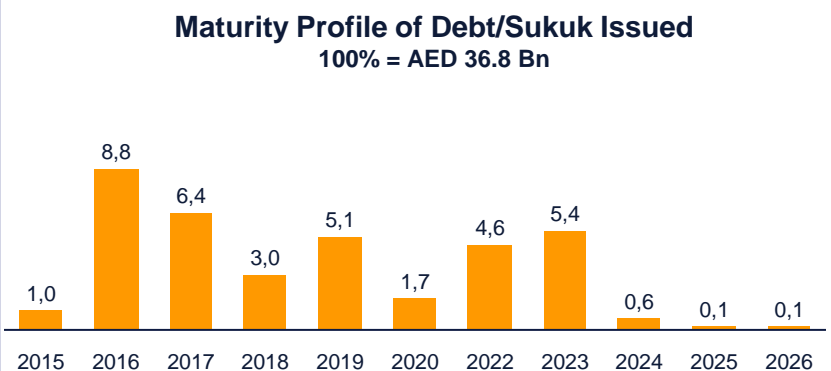
## Advances to Deposit (AD) Ratio (%)



## Composition of Liabilities/Debt Issued (%)



## Maturity Profile of Debt Issued (AED Bn)



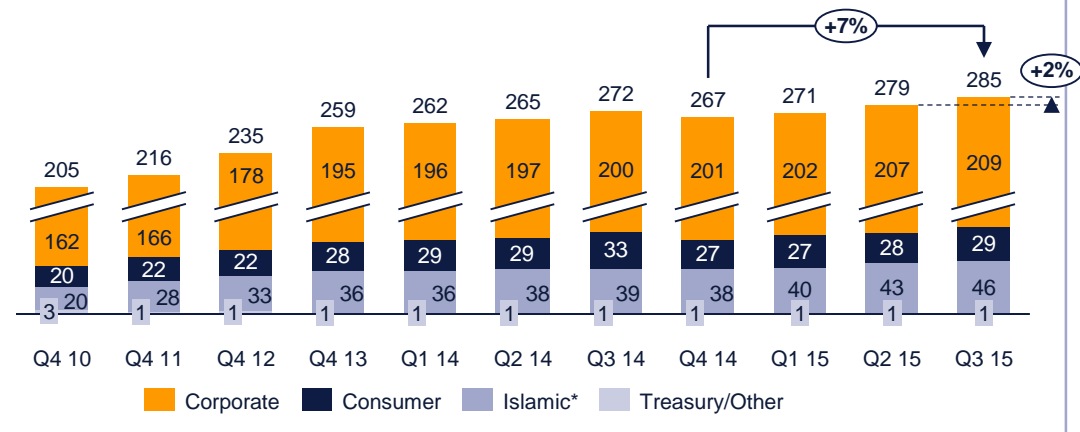
\*including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities



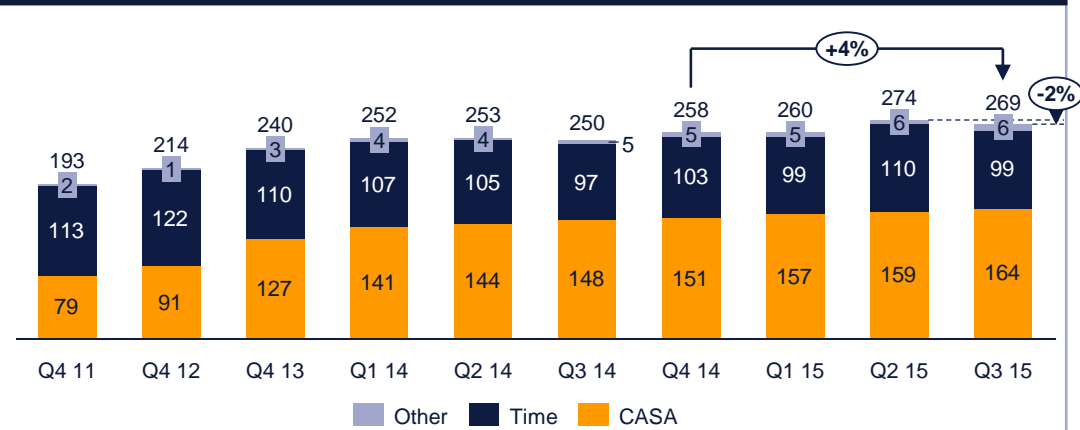
## Highlights

- Gross loans grew 7% since end 2014 with strong growth in Retail and Islamic banking
- Islamic financing grew 20% since end 2014
- Consumer lending grew 9% since end 2014, mainly due to auto loans and credit cards
- Deposits decreased 2% q-o-q and increased by 4% from end 2014
- CASA deposits up 3% q-o-q and 9% since end 2014 and represent 61% of total deposits, up from 43% at end 2012

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



## Trend in Deposits by Type (AED Bn)



\* Gross Islamic Financing Net of Deferred Income

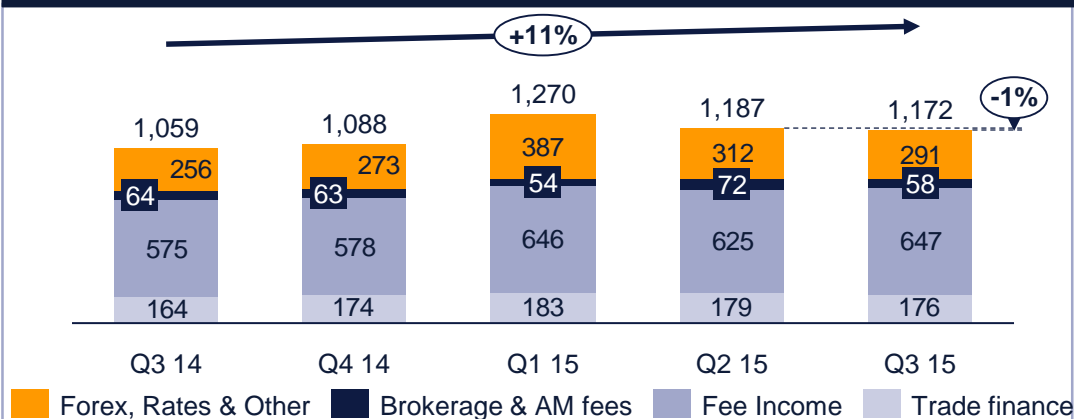
## Highlights

- Non-interest income declined 7% y-o-y due to lower gains from the sale of properties and investment securities
- Core fee income improved 14% y-o-y driven by increases in foreign exchange and derivative income, growing credit card volumes as well as higher asset management fees which were partially offset by lower brokerage fees
- Property income declined on lower demand for bulk and individual property sales compared to the previous period
- Income from Investment Securities declined on the back of greater uncertainty in global markets, coupled with some large disposals in 2014 not repeated in 2015.

## Composition of Non Interest Income (AED Mn)

| AED Mn                           | Q3-15 YTD    | Q3-14 YTD    | Better / (Worse) |
|----------------------------------|--------------|--------------|------------------|
| Core gross fee income            | 3,630        | 3,236        | 12%              |
| Fees & commission expense        | (557)        | (551)        | (1%)             |
| <b>Core fee income</b>           | <b>3,072</b> | <b>2,685</b> | <b>14%</b>       |
| Property income / (loss)         | 262          | 510          | (49%)            |
| Investment securities            | 247          | 668          | (63%)            |
| <b>Total Non Interest Income</b> | <b>3,583</b> | <b>3,863</b> | <b>(7%)</b>      |

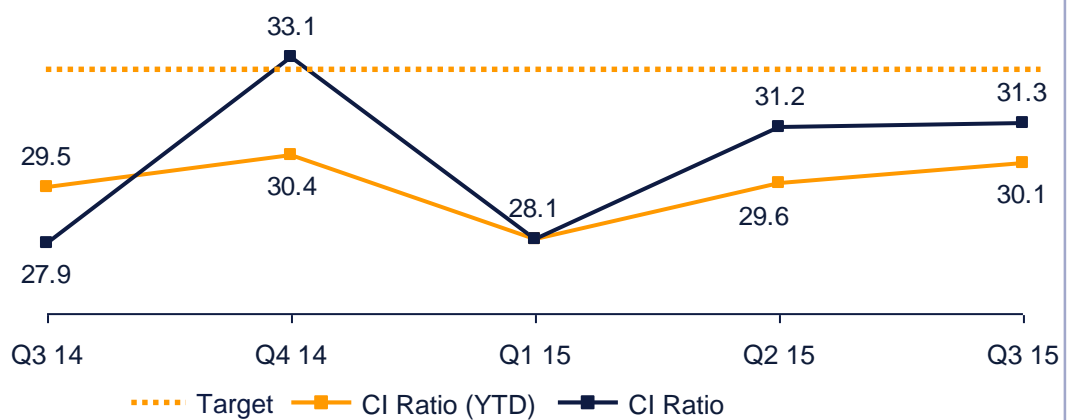
## Trend in Core Gross Fee Income (AED Mn)



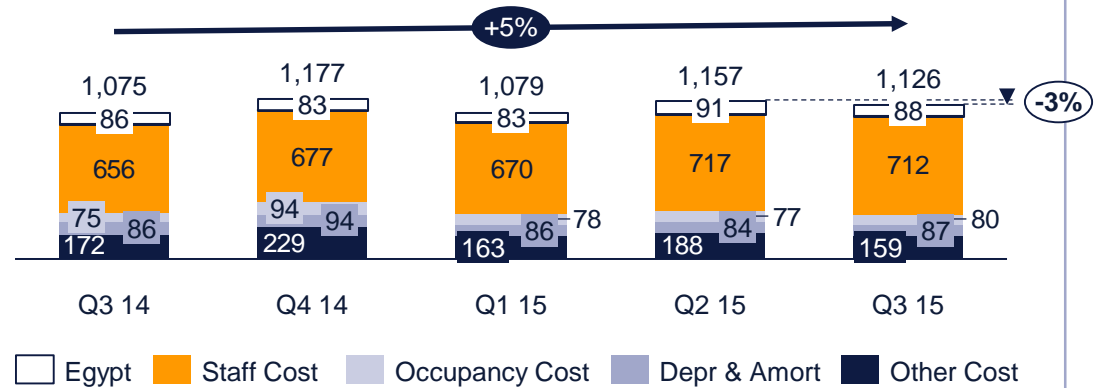
## Highlights

- Costs declined 3% q-o-q
- Costs increased 5% y-o-y in Q3-15 due to higher staff costs linked with rising business volumes
- Cost to Income Ratio rose marginally by 0.1% q-o-q to 31.3%
- Adjusted for one-offs, the year-to-date Cost to Income Ratio was 31.7%
- The longer term management target for cost to income ratio is 33% which provides headroom for future investment

## Cost to Income Ratio (%)



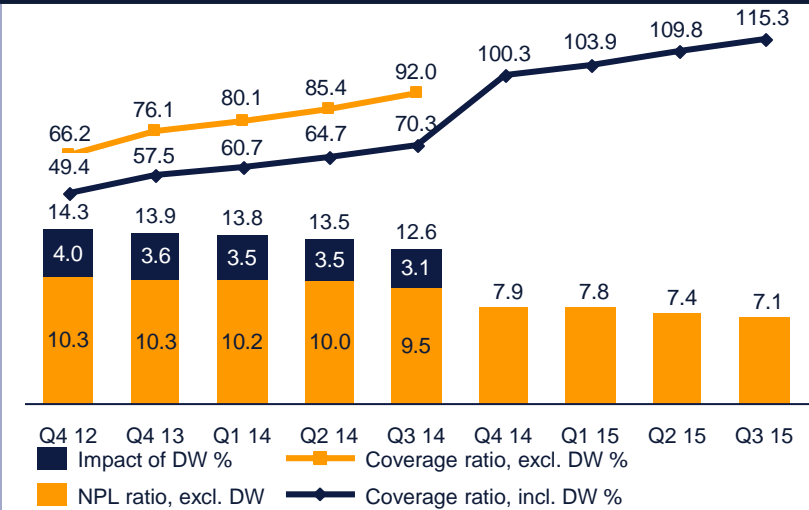
## Cost Composition (AED Mn)



## Highlights

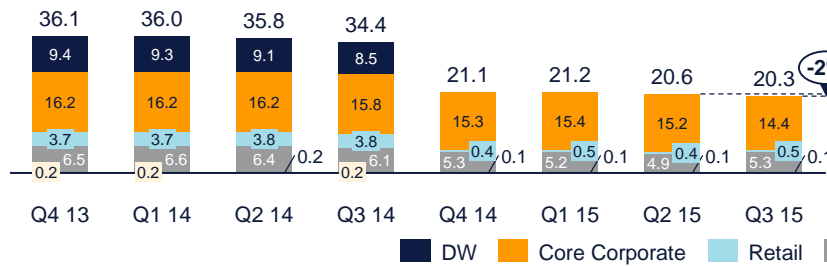
- NPL ratio improved by 0.8% year to date to 7.1%
- Impaired loans improved to AED 20.3 Bn helped by over AED 1 Bn of writebacks & recoveries
- Cost of risk fell for the 5<sup>th</sup> consecutive quarter in Q3-15 with net impairment charge of AED 2.8 Bn in Q3-15 YTD, over AED 1 Bn lower than in Q3-14 YTD
- Coverage ratio increased to 115.3% due to the combined effect of routine provisioning and increased writebacks & recoveries
- Total portfolio impairment allowances amount to AED 5.6 Bn or 2.65% of credit RWAs

## Impaired Loan & Coverage Ratios (%)

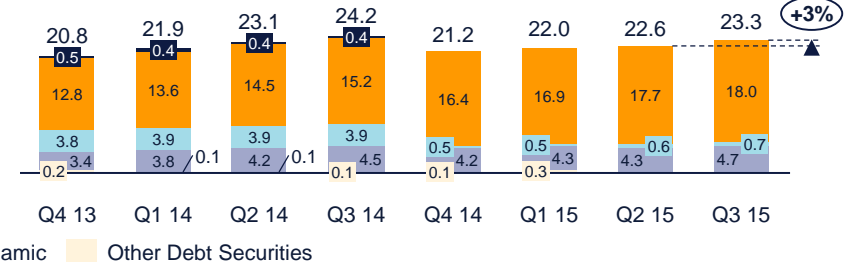


## Impaired Loans and Impairment Allowances (AED Bn)

### Impaired Loans



### Impairment Allowances



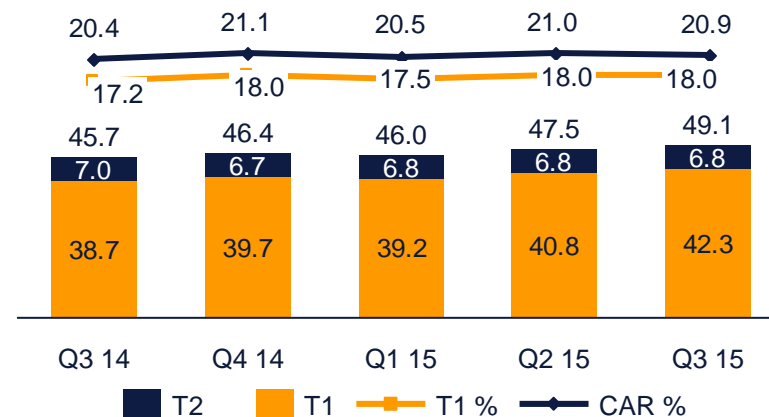
## Highlights

- Tier 1 ratio remained steady at 18% and CAR declined marginally by 0.1% to 20.9%
- Increase in Capital due to retained earnings largely offset increase in RWAs
- Increase in RWAs in Q3-15 due to growth in lending and treasury products

## Capital Movements (AED Bn)

| Q4-14 to Q3-15 (AED Bn)          | Tier 1      | Tier 2     | Total       |
|----------------------------------|-------------|------------|-------------|
| <b>Capital as at 31-Dec-2014</b> | <b>39.7</b> | <b>6.7</b> | <b>46.4</b> |
| Net profits generated            | 5.0         | -          | 5.0         |
| FY 2014 dividend paid            | (1.9)       | -          | (1.9)       |
| Tier 1 Issuance/Repayment        | -           | -          | -           |
| Tier 2 Issuance/Repayment        | -           | -          | -           |
| Amortisation of Tier 2           | -           | -          | -           |
| Interest on T1 securities        | (0.4)       | -          | (0.4)       |
| Goodwill                         | 0.1         | -          | 0.1         |
| Other                            | (0.1)       | 0.1        | (0.0)       |
| <b>Capital as at 30-Sep-2015</b> | <b>40.8</b> | <b>6.8</b> | <b>49.1</b> |

## Capitalisation



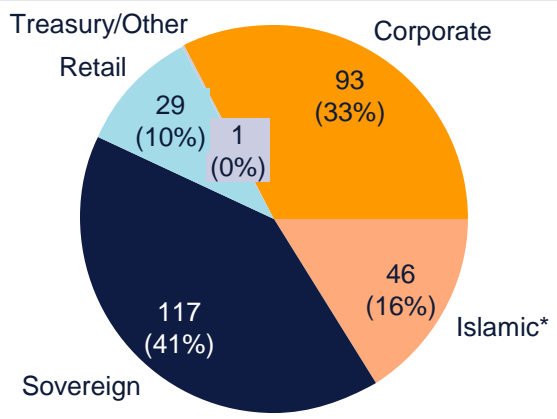
## Risk Weighted Assets – Basel II (AED Bn)



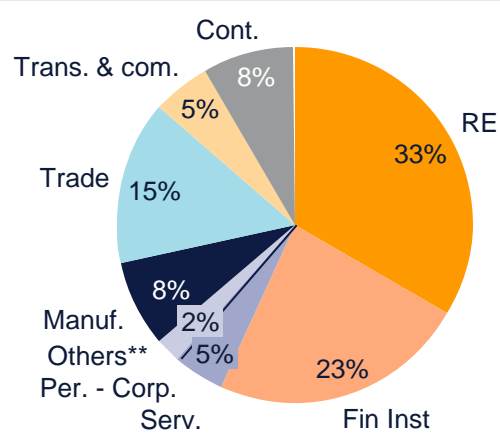
# Loan Composition

Appendix Strategy Financial & Operating Performance Emirates NBD Profile Operating Environment

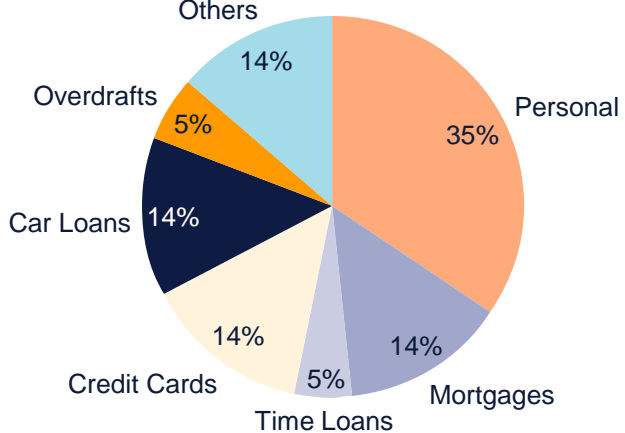
## Total Gross Loans (AED 285 bn)



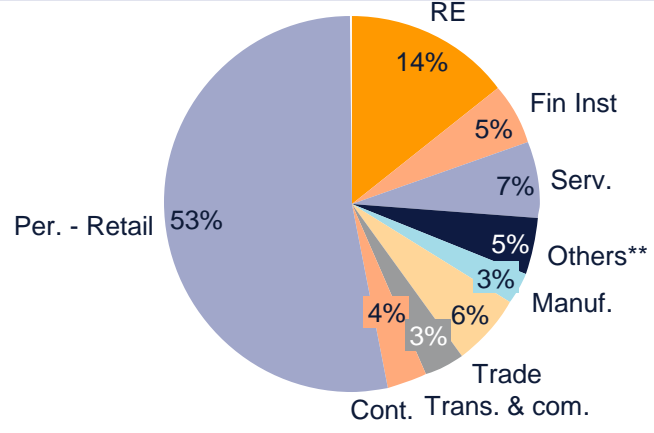
## Corporate Loans (AED 93 bn)



## Retail Loans (AED 29 bn)



## Islamic\* Loans (AED 46 bn)

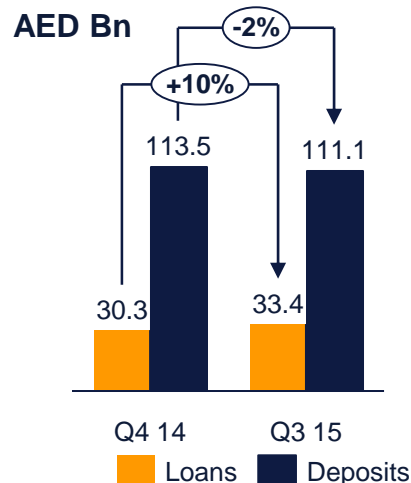


\*Islamic loans net of deferred income; \*\*Others include Agriculture and allied activities and Mining and quarrying

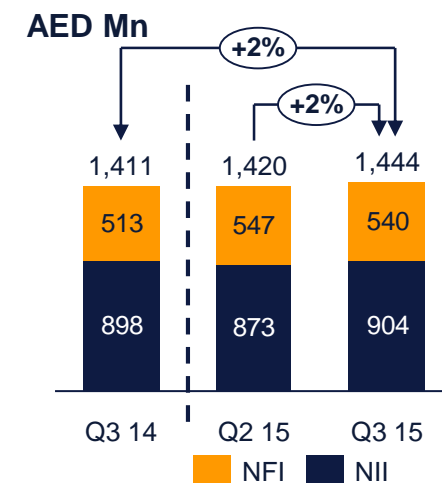
## Retail Banking & Wealth Management

- Retail loans grew 10% in 2015 whilst revenue grew 2% y-o-y due to a change in internal transfer pricing
- Loans grew 10% from end 2014 thanks to growth in Auto Loans, Cards and Mortgages
- Deposits declined 2% from end 2014 whereas CASA balances grew by 5%
- The bank has improved its distribution as part of its channel optimization strategy and had 535 ATMs and 97 branches as at 30-Sep-15
- RBWM offers an award winning 'best-in-class' online and mobile banking solution with innovative services such as DirectRemit, Mobile Cheque Deposit and Smart Touch.

### Balance Sheet Trends



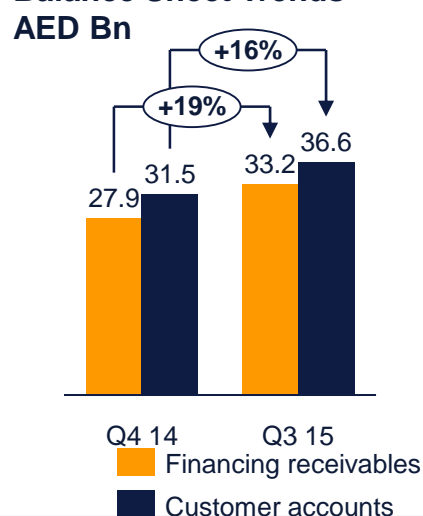
### Revenue Trends



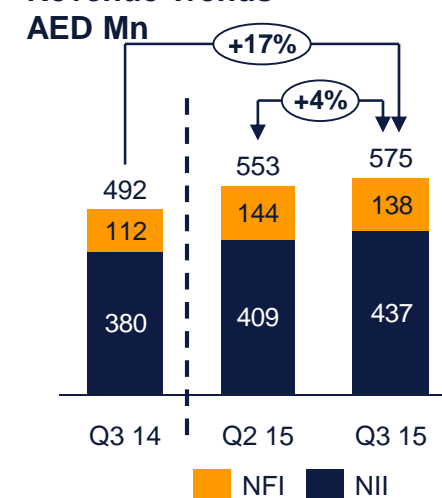
## Islamic Banking

- Islamic Banking revenue grew 17% y-o-y and 4% q-o-q
- Financing receivables grew 19% from end 2014 across a range of products
- Customer accounts also increased by 16% from end 2014
- Net Interest Income continued to grow on the back of higher Financing Receivables
- As at 30-Sep-15, EI had 58 branches and an ATM & CDM network of 180

### Balance Sheet Trends



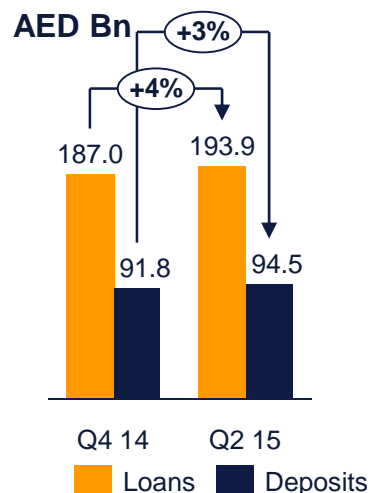
### Revenue Trends



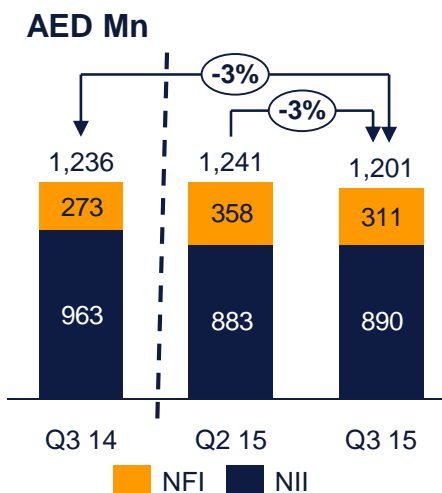
## Wholesale Banking

- Wholesale Banking revenues declined 3% y-o-y and 3% q-o-q
- Loans grew 4% from end 2014
- Deposits grew by 3% from end 2014
- Focus during 2015 is 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



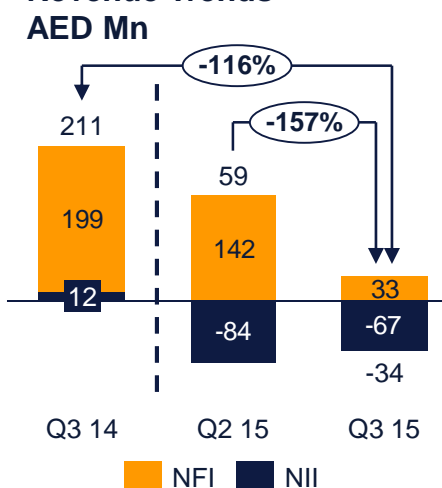
### Revenue Trends



## Global Markets & Treasury

- Revenue declined 116% y-o-y primarily due to a realignment in internal transfer pricing adjustments
- Revenue declined 157% q-o-q on lower trading income due to recent volatility in global markets and seasonal effects
- Sales revenue grew on higher volumes in Interest Rate hedging products and FX Sales. This is expected to continue to grow as more corporate clients look to hedge their interest rate exposures on the expectation that global interest rates will rise

### Revenue Trends





## Profitability

- Net profit of AED 5.0 Bn for Q3-15 YTD improved 27% y-o-y due to growth in net interest income and lower provisions

## Credit Quality

- NPL ratio improved to 7.1% helped by over AED 1 billion of writebacks and recoveries

## Provisions

- Cost of risk continues to normalise, falling for 5<sup>th</sup> consecutive quarter
- Provisions of AED 2.8 Bn in Q3-15 YTD, strengthened coverage ratio to 115.3%

## Capital & Liquidity

- Tier 1 ratio remained at 18.0%
- AD ratio of 97.2% demonstrates strong bank liquidity during a challenging quarter

## Income

- Total income rose 2% y-o-y to AED 11.2 Bn helped by an improving asset mix and an efficient funding base

## Net Interest Margin

- NIMs marginally declined to 2.80% as downward pressure on loan spreads largely offset by growth in low-cost CASA deposits

## CI Ratio

- Cost to Income ratio within management target at 30.1% in Q3-15

## Outlook

- Some signs of a slowdown in the economy due to lower oil prices and a strong dollar, but this is from a relatively high base
- The strong balance sheet enables the Bank to meet challenges and to take advantage of any regional growth opportunities

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

Operating Environment

**Key Objective**

**Deliver an excellent customer experience**

Emirates NBD Profile

**Strategic Levers**

**Drive core business**

**Run an efficient organization**

**Drive geographic expansion**

Financial & Operating Performance

Strategy

**Enablers**

**Build a high performing organization**

Appendix

Operating Environment

## Priorities

## Focus Areas

1

**Deliver an excellent customer experience**

- Continue to deliver superior customer experience through better service and product offerings
- Drive front line cultural/ behavior change
- Reinforce ENBD's position as a digital innovator in the region via best-in-class online and mobile banking services
- Enhance customer relationships in Wholesale Banking through new tools

2

**Build a high performing organization**

- Increase nationalization efforts with a focus on developing local leadership talent
- Improved performance and reward management
- Continue raising Employee Engagement level to meet global standards

3

**Drive core business**

- Drive asset growth through the fast growing Retail and Islamic franchises
- Diversify loans portfolio to include broader representation of sectors and markets
- Increase penetration in key Wholesale Bank growth sectors, e.g., Trade Finance, Manufacturing
- Increase fee and commission income, e.g., via increased Trade Finance penetration and improved Treasury product offering

4

**Run an efficient organization**

- Drive digital channel adoption to lower transaction costs
- Develop robust risk and compliance culture to meet enhanced regulatory standards
- Streamline processes and procedures in key business units

5

**Drive geographic expansion**

- Complete IT and systems integration in Egypt in 2015
- 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

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix

# 2015 Selected Awards

Operating Environment

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix

**GLOBAL FINANCE**

'Best Mobile Banking App'  
'Best Consumer Digital Bank in MEA'  
'Best in Mobile Banking'

'Award for Excellence 2015 Middle East'  
'Best Private Bank in the UAE for Philanthropy and Social Impact Investing'

**THE ASIAN BANKER®**

'Best Retail Bank in the Middle East and the UAE'

'Best Prepaid Program – Emirates Islamic'

جائزة محمد بن راشد آل مكتوم للأعمال  
MOHAMMED BIN RASHID AL MAKTOUM BUSINESS AWARD  
AN INITIATIVE BY DUBAI CHAMBER OF COMMERCE & INDUSTRY

'Business Excellence Award'

'Most Valuable Banking Brand in the UAE'

'Top 25 Global Banks on Social Media'

'World's Top Financial Services Brand'

'UAE Cash Management Bank of the Year'

'Best Managed Company in the Middle East by Sector (Banking & Finance)'

'Best Financial Institution borrower 2014'  
'Best Sukuk house' & 'Best Local Investment Bank' in UAE  
'Most Innovative Bank' in Pan-Middle East

'UAE Asset Manager of the Year'

# Large Deals Concluded in 2015 (1/2)



Operating Environment

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix

RELIANCE INFRA TEL LIMITED  
USD 350,000,000

TERM LOAN FACILITY.  
SEPTEMBER 2015  
*Mandated Lead Arranger*

SEKERBANK  
USD 54,000,000  
EUR 71,000,000

DUAL CURRENCY TERM LOAN FACILITY.  
SEPTEMBER 2015  
*Mandated Lead Arranger*

EMIRATES INTERNATIONAL TELECOMMUNICATIONS  
USD 2,100,000,000

SYNDICATED CONVENTIONAL AND ISLAMIC FINANCING FACILITIES  
SEPTEMBER 2015  
*Islamic Structuring Bank, Bookrunner & Investment Agent*

ALBARAKA TURK KATILIM BANKASI  
USD 278,000,000  
EUR 154,500,000

DUAL TRANCHE SYNDICATED MURABAHA FINANCING FACILITY.  
SEPTEMBER 2015  
*Initial Mandated Lead Arranger, Coordinator & Bookrunner*

ARMADA DI PTE LTD  
USD 202,000,000

TERM LOAN FACILITY  
AUGUST 2015  
*Mandated Lead Arranger, Bookrunner & Underwriter*

E-LAND  
US\$ 225,000,000

TERM LOAN FACILITY

US\$ 75,000,000

REVOLVING LOAN FACILITY  
JULY 2015  
*Mandated Lead Arranger & Bookrunner*

GEMS MENASA (Cayman) limited  
AED 3,000,000,000

CONVENTIONAL AND ISLAMIC FINANCING FACILITIES  
JULY 2015  
*Conventional Mandated Lead Arranger*

AFREXIMBANK  
USD 458,000,000  
EUR 406,500,000

DUAL TRANCHE TERM LOAN FACILITY  
JULY 2015  
*Initial Mandated Lead Arranger & Bookrunner*

FAR EAST HORIZON LIMITED  
USD 250,000,000

远东宏信有限公司  
FAR EAST HORIZON LIMITED

SYNDICATED TERM LOAN FACILITY.  
JUNE 2015  
*Mandated Lead Arranger & Bookrunner*

EMIRATES NATIONAL OIL COMPANY LTD. (ENOC) LLC  
USD 1,500,000,000

DUAL CURRENCY CONVENTIONAL CREDIT & COMMODITY MURABAHA FACILITIES.  
JUNE 2015  
*Initial Mandated Lead Arranger & Bookrunner, Underwriter*

# Large Deals Concluded in 2015 (2/2)

PT BFI FINANCE INDONESIA  
TBK.  
USD 50,000,000

FINANCE  
SECURED TERM LOAN  
FACILITY.  
JUNE 2015

*Mandated Lead Arranger,  
Bookrunner & Documentation  
Agent*

PUMA INTERNATIONAL  
FINANCING S.A  
USD 1,250,000,000

ENERGY  
REVOLVING AND TERM  
CREDIT FACILITIES.  
MAY 2015

*Mandated Lead Arranger &  
(Active) Bookrunner*

FIRSTRAND BANK LIMITED  
USD 235,000,000

FIRSTRAND  
TERM LOAN FACILITY.  
May 2015

*Mandated Lead Arranger,  
Bookrunner Coordinator &  
Facility Agent*

GUNVOR SINGAPORE PTE.  
LTD.  
USD 911,700,000

GUNVOR  
REVOLVING CREDIT  
FACILITIES.  
MAY 2015

*Mandated Lead Arranger &  
Bookrunner*

INDUSIND BANK LIMITED  
USD 240,000,000

**IndusInd Bank**  
TWO YEAR CLUB LOAN  
FACILITY.  
APRIL 2015

*Mandated Lead Arranger &  
Coordinator*

ALBARAKA TURK KATILIM  
BANKASI  
USD 268,000,000

alBaraka  
SYNDICATED MURAHABA  
FINANCING FACILITY.  
APRIL 2015

*Initial Mandated Lead  
Arranger, Joint-Coordinator &  
Bookrunner*

PORT & FREE ZONE WORLD  
FZE  
USD 1,100,000,000

DP WORLD  
CREDIT FACILITIES.  
MARCH 2015

*Initial Mandated Lead  
Arranger, Bookrunner &  
Underwriter*

STANBIC BANK UGANDA  
LIMITED  
USD 85,000,000

Stanbic  
Bank  
EIGHTEEN MONTH TERM  
LOAN FACILITY.  
JANUARY 2015

*Initial Mandated Lead  
Arranger, Bookrunner  
Coordinator, Documentation &  
Publicity Agent*

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