

FY 2013 Results Presentation

January 27, 2014



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Highlights

- Net profit improved 27% to AED 3.3 Bn
- Dividend of AED 0.25 per share proposed
- Net interest income improved 18% to AED 8.1 Bn helped by increased volumes in higher yielding retail and Islamic products
- Non-interest income improved by 12% on the back of higher banking fee income and higher property income
- Costs increased by 12% y-o-y (6% excluding costs associated with the Egyptian business). Cost to income ratio improved by 1.3% to 35.4%
- Conservative provisioning of AED 4.7 Bn increased the coverage ratio by over 8% to 57.5%
- AD ratio improved to 99.5% from 102% at end-2012
- NIM improved by 20 bps during 2013 to 2.63%
- Impaired loan ratio improved by 0.4% y-o-y to 13.9%
- Tier 1 ratio improved by 1.5% y-o-y to 15.3%
- Net loans increased 9% since end-2012
- Deposits increased 12% since end-2012

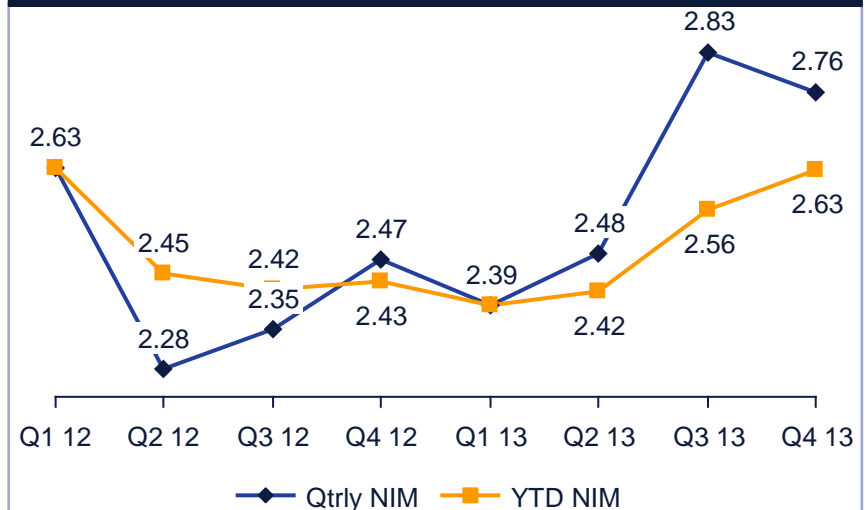
Key Performance Indicators

AED Mn	FY 2013	FY 2012	Better / (Worse)
Net interest income	8,139	6,912	18%
Non-interest income	3,717	3,305	12%
Total income	11,856	10,217	16%
Operating expenses	(4,194)	(3,754)	(12%)
Pre-impairment operating profit	7,662	6,463	19%
Impairment allowances	(4,713)	(4,004)	(18%)
Operating profit	2,949	2,459	20%
Share of profits from associates	147	110	34%
Gain on disposal of stake in associates / subsidiaries	202	0	n/a
Taxation charge	(41)	(15)	(173%)
Net profit	3,256	2,554	27%
Cost: income ratio (%)	35.4%	36.7%	1.3%
Net interest margin (%)	2.63%	2.43%	0.2%
AED Bn	31-Dec-13	31-Dec-12	%
Total assets	342.1	308.3	11%
Loans	238.3	218.2	9%
Deposits	239.6	213.9	12%

Highlights

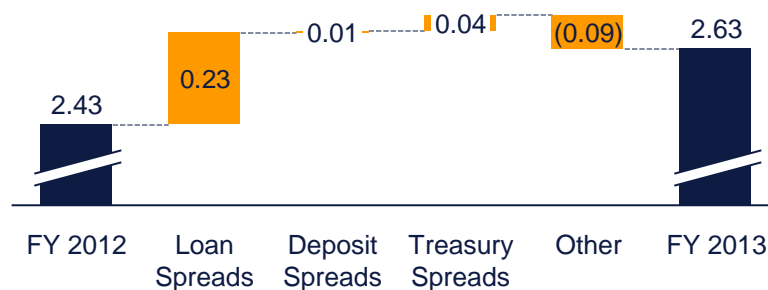
- NIMs contracted by 7 bps in Q4 and widened by 20 bps from 2.43% during 2013 to 2.63%
- Over 2013, Loan spreads improved as retail volumes increased in this higher yielding business, coupled with increased margins from the Egyptian business and a positive impact from the drop in EIBOR rates.
- In Q4 2013, Treasury spreads improved as the net amount of funding placed with other banks increased and the bank was able to improve interbank lending margins over year end
- Guidance for NIMs going forward will be in the range of 2.5 – 2.6%

Net Interest Margin (%)

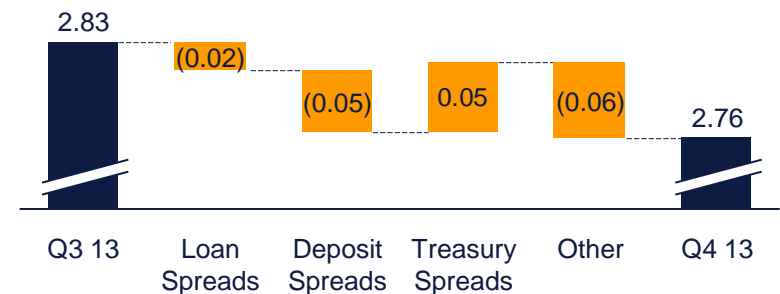


Net Interest Margin Drivers (%)

FY 2013 vs. FY 2012



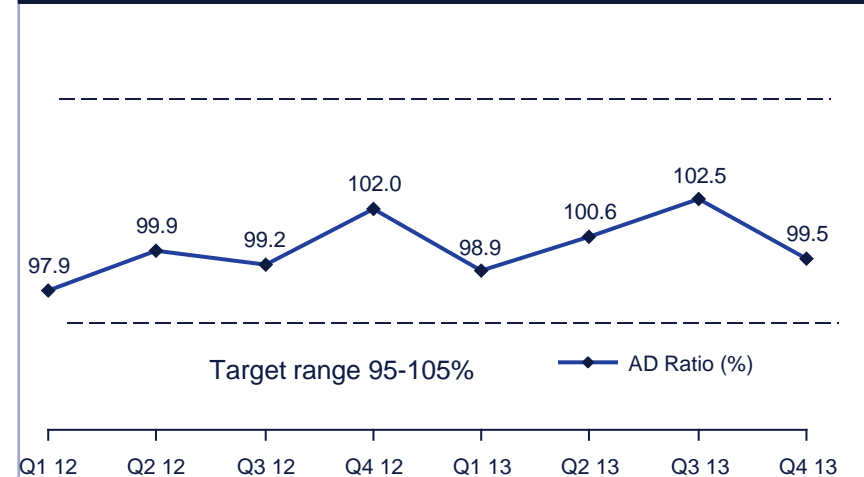
Q4 2013 vs. Q3 2013



Highlights

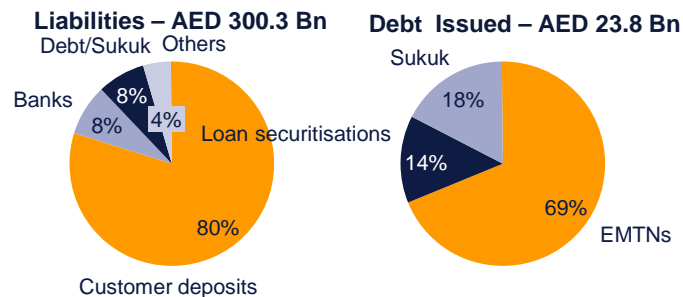
- Headline AD ratio improved to 99.5% at end 2013
- AD ratio managed within target range of 95%-105%
- Liquid assets* of AED 38.4 Bn as at 31 December 2013 (12.8% of total liabilities)
- Debt maturity profile comfortably within funding capabilities
- In 2013
 - Issued AED 3.7 Bn of Tier 1 capital notes
 - Issued AED 3.6 Bn of Tier 2 notes
 - Issued AED 3.7 Bn of senior debt
 - Issued AED 2.9 Bn of other senior term funding
 - Repaid AED 7.8 Bn to Ministry of Finance

Advances to Deposit (AD) Ratio (%)



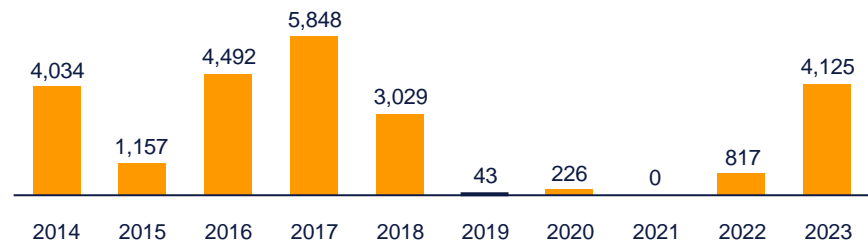
Composition of Liabilities/Debt Issued and Maturity Profile of Debt Issued (AED Mn)

Liabilities and Debt Issued



Maturity Profile of Debt/Sukuk Issued

100% = AED 23.8 Bn

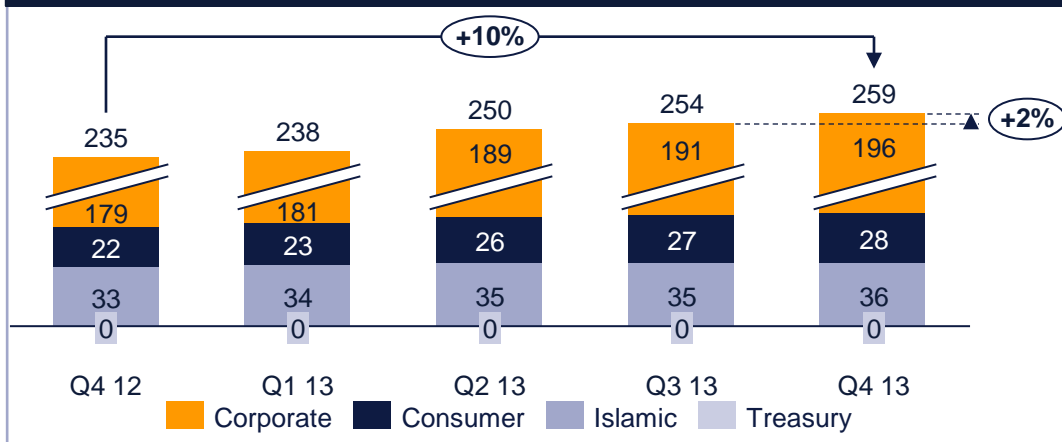


*including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities

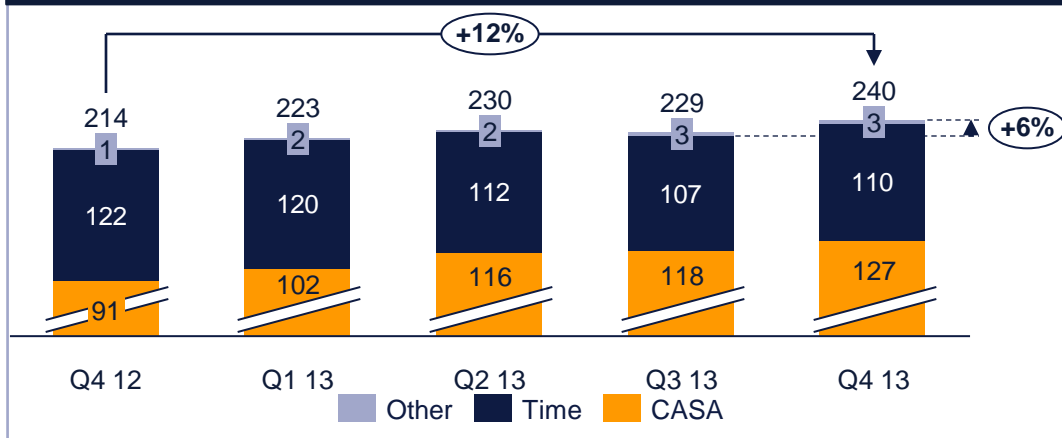
Highlights

- Continued growth in new underwriting across all business segments with 10% growth in gross loans in 2013 and 2% growth in Q4 2013. Egypt contributed 1% to loan growth in 2013
- Consumer lending showing strong growth, up 2% q-o-q and 26% y-o-y with y-o-y growth spread across all areas including Personal Loans (27%), Mortgages (19%), Credit Cards (25%) and Auto Loans (36%).
- Islamic financing showed good growth, up 2% q-o-q and 7% y-o-y
- More costly time deposits continue to decline.
- 39% CASA growth in 2013
- CASA deposits as a percentage of total deposits have increased to 53% at end of 2013 from 43% at the end of 2012
- The Egypt business contributed 4% to y-o-y deposit growth

Trend in Gross Loans by Type (AED Bn)



Trend in Deposits by Type (AED Bn)



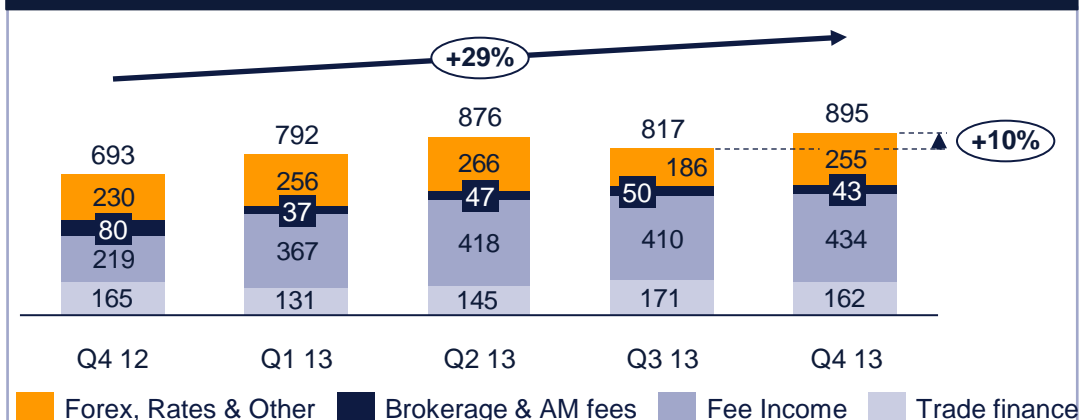
Highlights

- Non-interest income improved 5% q-o-q and 26% y-o-y
- Quarterly improvement mainly due to seasonal factors in forex and rates income
- Core gross fee income improved 10% q-o-q and 29% y-o-y, key trends being:
 - Forex, Rates & Derivatives income was up 37% q-o-q and 11% y-o-y
 - Banking fee income improved 6% q-o-q and 98% y-o-y, arising from increased fee income on Trade Finance and Loan Syndications
- Non-Core fee income declined 14% q-o-q and improved 22% y-o-y due to:
 - Property income which improved 7% q-o-q and 74% y-o-y
 - Lower investment securities income in Q4 2013

Composition of Non Interest Income (AED Mn)

AED Mn	Q4 13	Q3 13	Better / (Worse)	Q4 12	Better / (Worse)
Core gross fee income	895	817	10%	693	29%
Fees & commission expense	(137)	(136)	(1%)	(95)	(44%)
Core fee income	758	681	11%	598	27%
Property income / (loss)	118	110	7%	68	74%
Investment securities	62	101	(39%)	80	(22%)
Total Non Interest Income	938	891	5%	746	26%

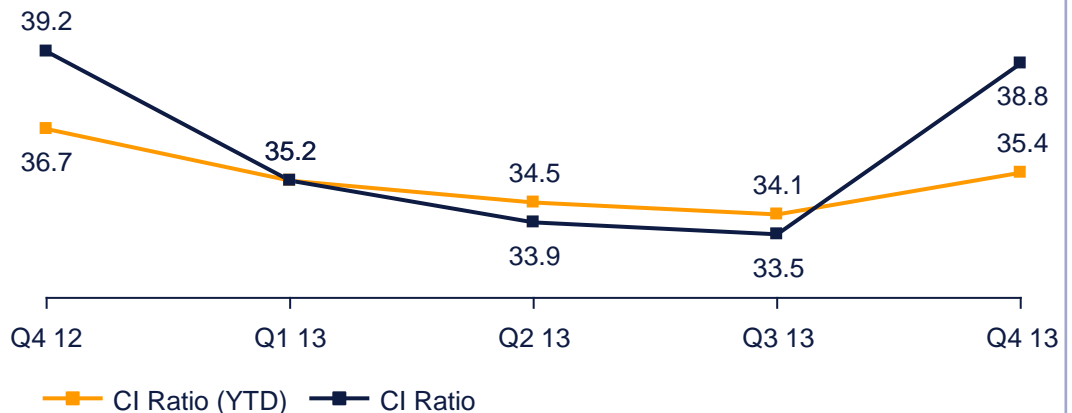
Trend in Core Gross Fee Income (AED Mn)



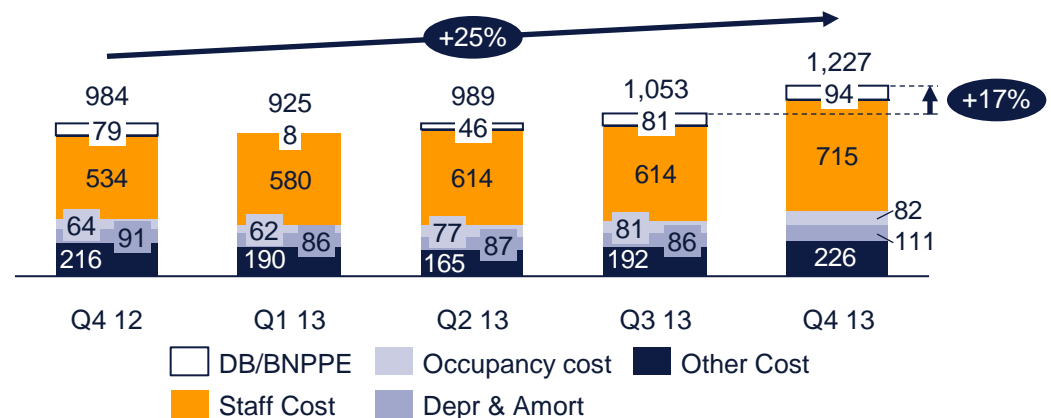
Highlights

- Cost to Income Ratio (YTD) improved by 1.3% y-o-y to 35.4%
- Costs increased by 12% in 2013; excluding costs associated with the Egyptian business costs increased by 6% in 2013
- Higher absolute costs in Q4 2013 due to one-off rebranding & restructuring costs and 50th anniversary related costs, ongoing investment in IT and customer related services.
- Without the one-off expenses in Q4 2013, costs would have only increased by 5% q-o-q due to concentration of marketing spend in Q4 and positioning the front office to capture customer wallet share in early 2014
- The longer term management targets for cost to income ratio is 33 – 34%

Cost to Income Ratio (%)



Cost Composition (AED Mn)



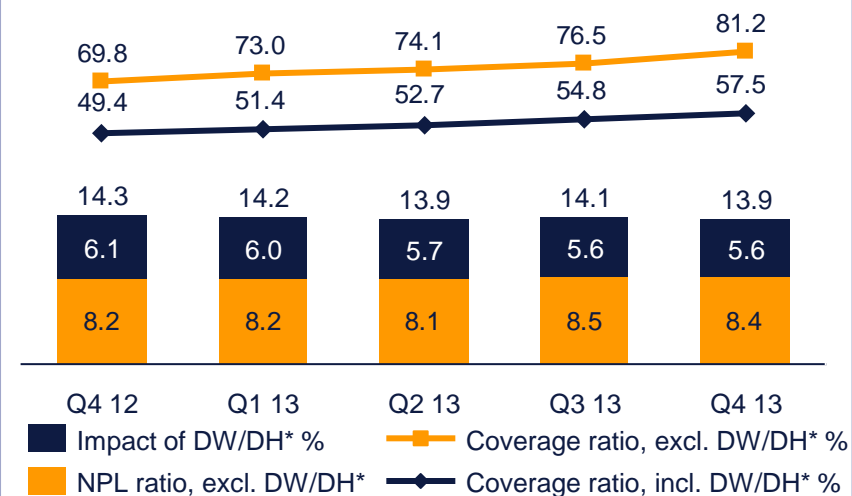
Highlights

- The impaired loans ratio improved by 0.2% q-o-q to 13.9%
- Net impaired loans increased by AED 0.2 Bn mainly due to a AED 0.3 Bn increase in impaired loans in the Islamic corporate portfolio
- Net provisions increased by AED 1.1 Bn
- Coverage ratio increased by 2.7% to 57.5%
- Total portfolio impairment allowances amount to AED 3.95 Bn or 2.6% of credit RWAs
- Medium term management targets:

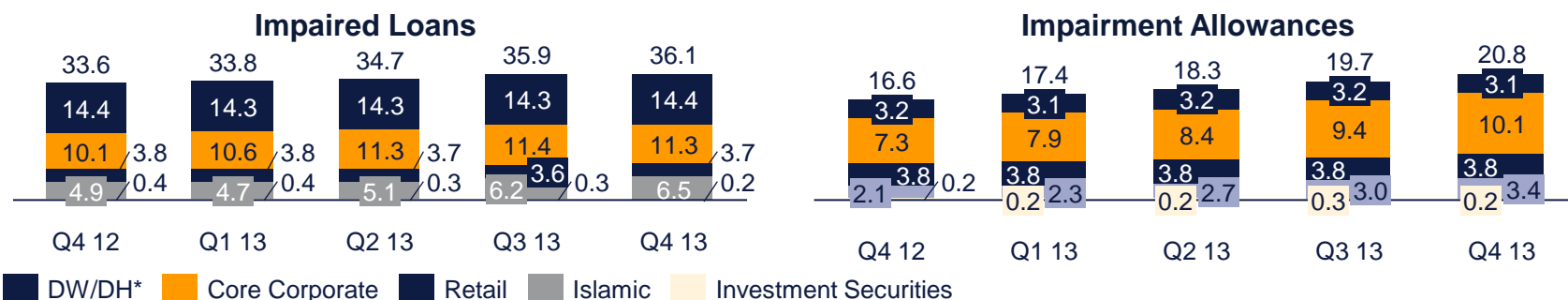
Impaired Loan Ratio 12%

Overall impaired Loans Coverage Ratio 80%

Impaired Loan & Coverage Ratios (%)



Impaired Loans and Impairment Allowances (AED Bn)

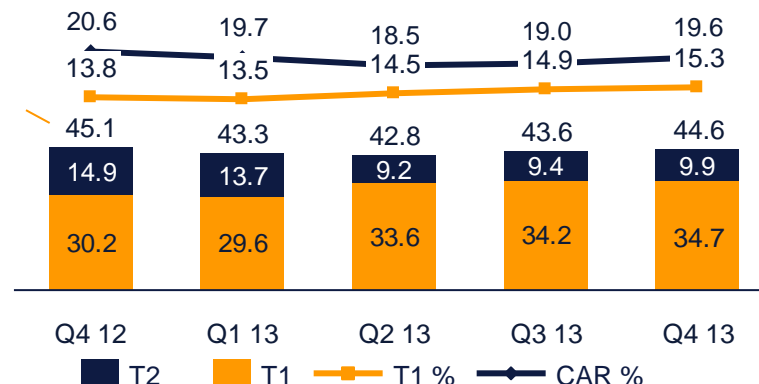


*DW/DH = includes D1 (exposure AED 9.4 Bn; provision AED 458 Mn) and D2B (exposure AED 4.62 Bn; provision AED 2.51 Bn)

Highlights

- CAR and T1 steadily improved by 0.6% and 0.4% in Q4 to 19.6% and 15.3% respectively resulting from:
 - increase in Tier 1 capital through profit generation
 - Ongoing issuance of Tier 2 private placements
 - 1% reduction in credit risk RWAs due to re-rating of Egypt
- Tier 1 Capital has improved by 1.5% y-o-y from 13.8% to 15.3%.
- To date we have repaid AED 7.8 Bn of the AED 12.6 Bn Ministry of Finance Tier 2 deposits.

Capitalisation



Capital Movements (AED Bn)

FY 2012 to FY 2013 (AED Bn)	Tier 1	Tier 2	Total
Capital as at 31-Dec-2012	30.2	14.9	45.0
Net profits generated	3.3		3.3
FY 2012 dividend paid	(1.4)		(1.4)
Tier 1 Issuance	3.6		3.6
Repayment of Tier 2		(6.2)	(6.2)
Amortisation of MOF T2 / sub debt		(1.4)	(1.4)
Interest on T1 securities	(0.4)		(0.4)
Tier 2 Issuance		3.7	3.7
Repayment of subordinated debt		(1.3)	(1.3)
Goodwill	(0.5)		(0.5)
Other	(0.0)	0.4	0.4
Capital as at 31-Dec-2013	34.7	9.9	44.6

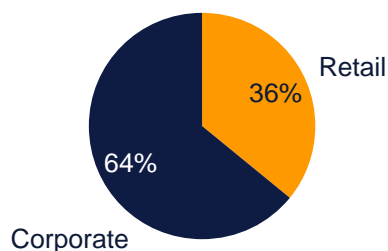
Risk Weighted Assets – Basel II (AED Bn)



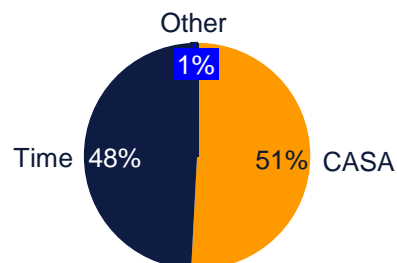
Highlights

- Full service commercial banking platform:
 - Corporate Banking: focused on large corporate and MNCs; serves c.4,000 clients
 - Retail Banking: High growth segment; serves c.246,000 clients
- Wide presence in Egypt through 70 branches and 183 ATMs
- Financially sound with robust profitability and a healthy balance sheet

Net Loans
100% = AED 3.7 Bn



Deposits
100% = AED 9 Bn



Financials

AED Mn	Year 2013 (from 9-June-13)
Net interest income	224
Non-interest income	132
Total income	356
Operating expenses	(191)
Pre-impairment operating profit	164
Impairment allowances	(22)
Operating profit	143
Taxation charge	(30)
Net profit	113

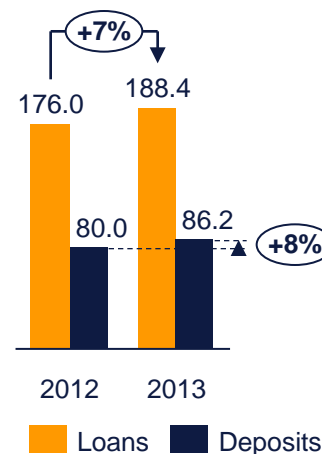
AED Bn	31-Dec-12	31-Dec-13
Net Loans	3.5	3.7
Deposits	7.6	9.0
Impaired Loan Ratio (%)	3.8%	0.2%
Cost to Income Ratio (%)	56.1%	53.8%

Wholesale Banking

- Main focus during 2013 was on continued strategy evolution by building center of excellence around key sectors and geographic locations to enhance customer service quality and share of wallet, increased cross-sell of Treasury and Investment Banking products and larger Cash Management and Trade Finance penetration
- Revenue increased 6% y-o-y
- Loans rose by 7% from end 2012 as new underwriting more than offset normal loan repayments
- Deposits grew by 8% from end 2012

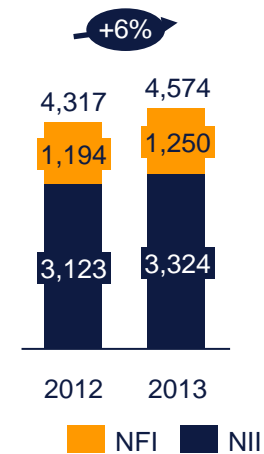
Balance Sheet Trends

AED Bn



Revenue Trends

AED Mn

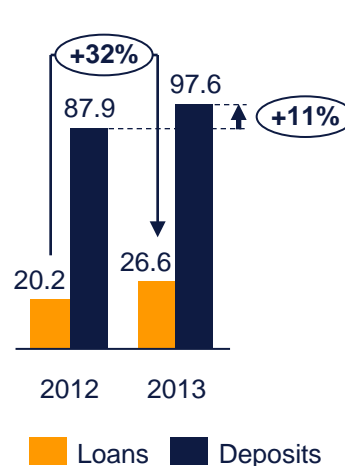


Consumer Banking & Wealth Management

- Revenue improved 15% y-o-y
- Deposits grew 11% from end 2012, driven mainly by CASA growth
- Loans grew 32% from end 2012 driven by growth in mortgages, personal loans, credit cards and auto loans
- The bank has improved its distribution capability as part of its channel optimization strategy and had 564 ATMs and 100 branches as at end 2013

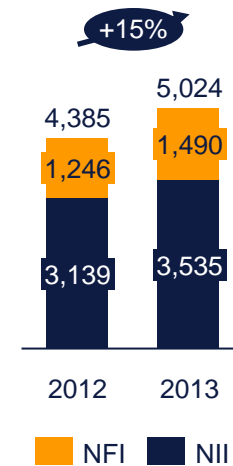
Balance Sheet Trends

AED Bn



Revenue Trends

AED Mn



Global Markets & Treasury

- Revenue decreased from AED 528 Mn in 2012 to AED 461 Mn in 2013 mainly driven by lower non-interest income partially offset by higher net interest income
- Trading in 2013 faced challenges during H2 2013 due to the market volatility caused by the US Federal Reserve's decision to defer the tapering decision
- During the year, the Sales desk continued to show modest revenue growth on demand for foreign exchange and interest rate hedging products

Revenue Trends AED Mn



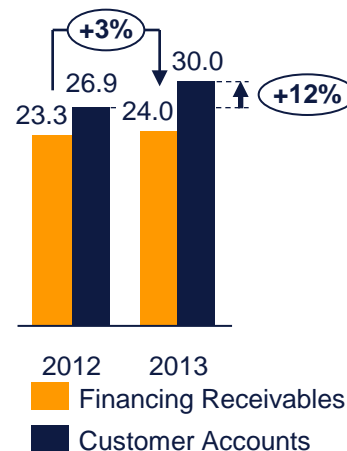
Net Revenue Trends AED Mn



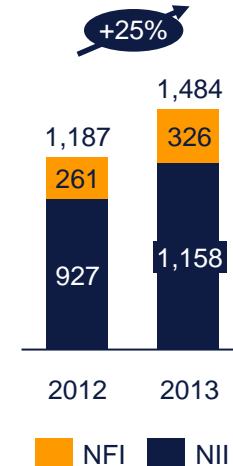
Islamic Banking

- Strengthened core franchise through expansion of retail, SME, and corporate offerings
- Islamic Banking revenue improved 25% y-o-y
- Financing receivables grew 3% from end 2012
- Customer accounts rose by 12% from end 2012
- At end 2013, branches totalled 50 while the ATM & SDM network totalled 180

Balance Sheet Trends AED Bn



Revenue Trends AED Mn



Economic Outlook

- 2013 GDP growth for the UAE expected to be 4.6%, on the back of higher than expected oil output, as well as strong expansion in the non-oil private sector.
- UAE GDP growth forecast at 4.5% in 2014
- 2013 GDP growth expected to be 4.5% for Dubai, as manufacturing, trade and hospitality expanded robustly. GDP growth likely to increase to 4.7% in 2014 on the back of continued growth in tourism and hospitality, which should boost trade, transport and associated services as well. Also a recovery in real estate and construction activity will boost growth
- Official inflation remained low in 2013, averaging around 1.1% expected to rise to 3% in 2014 on the back of higher housing costs and higher input prices
- Emirates NBD has improved its capital and funding profile allowing it to take advantage of the expected future growth in Dubai and the region
- As Dubai recovers we expect a further positive trend in impaired loans leading to a stronger balance sheet
- The Bank will continue to implement its successful strategy

Profitability

- Pre-impairment operating profit improved 19% in 2013
- Net profit of AED 3,256m improved 27% in 2013

Provisions

- Conservative provisioning with net impairment allowances up 18% in 2013 to AED 4,713 Mn

Income

- Total income improved 16% in 2013 to AED 11,856 Mn

Net Interest Margin

- NIM rose 0.20% to 2.63% in 2013

CI Ratio

- Cost to Income ratio improved by 1.3% to 35.4% in 2013

Credit Quality

- NPL ratio improved by 0.4% during 2013 to 13.9%
- Coverage ratio improved by over 8% to 57.5%

Capitalisation and Liquidity

- Capitalisation and liquidity extremely strong offering resilience for the future
- Tier 1 ratio improved by 1.5% during 2013 to 15.3%

Outlook

- The Bank will continue to implement its successful strategy and take advantage of the positive growth opportunity in Dubai and the region

Emirates NBD continues to operate with a clear vision and mission...

VISION

To be globally recognized as the most valued financial services provider based in the Middle East.

MISSION

Everyday we make our customers' life simpler by providing solutions that help them fulfill their financial aspirations.

...and with a focused longer-term strategy built on 5 core building blocks



2013 Strategic Imperatives

Summary of Key Achievements

1

Deliver an excellent customer experience

- Customer Service Excellence embedded in organizational culture
- Continued investments to enhance digital capabilities across the bank
- Building the leading multi-channel bank in the UAE

2

Build a high performing organization

- Significant enhancements to Emirates NBD value proposition for Nationals
- Increased staff engagement across Group

3

Drive core business

- Wholesale Banking transformation progressing well
- Retail & Islamic franchises continue outperforming market
- Consolidation of WM platform completed

4

Run an efficient organization

- Organizational streamlining through elimination of overlaps
- IT lean transformation on-going
- End-to-end transformation of key bank processes

5

Drive geographic expansion

- System enhancements across International locations
- Indonesia rep office opened in Q4
- Acquisition of BNP Paribas Egypt completed; Integration underway

1

Deliver an excellent customer experience

- Continue on Group wide Service Excellence Program
- Continue to lead the way on multi-channel banking in the UAE
- Drive customer service through social media, and expand to other platforms

2

Build a high performing organization

- Continue to drive Nationalization efforts (training/ recruiting)
- Raise employee engagement to be at par with best in class global banks
- Improve performance management and accountability across Group

3

Drive core business

- Continue on transformation of Wholesale Banking franchise
- Fortify Retail franchise and turbo-charge Islamic franchise
- Focus on Tail management

4

Run an efficient organization

- Ongoing organizational review and streamlining of organizational set-up
- Consolidate and rationalize operations & platforms
- Drive end-to-end process transformation across the Group

5

Drive geographic expansion

- Integrate Egypt business into Emirates NBD Group (Target completion: Q2 2015)
- Selectively pursue organic growth in current international markets

Investor Relations

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