

Q3 2015 Results Presentation

Oct 27, 2015



Disclaimer

The material in this presentation is general background information about the activities of Emirates NBD Bank PJSC (Emirates NBD), current at the date of this presentation, and believed by Emirates NBD to be accurate and true. It is information given in summary form and does not purport to be complete. Some of the information that is relied upon by Emirates NBD is obtained from sources believed to be reliable, but Emirates NBD (nor any of its directors, officers, employees, agents, affiliates or subsidiaries) does not guarantee the accuracy or completeness of such information, and disclaims all liability or responsibility for any loss or damage caused by any act taken as a result of the information. The information in this presentation is not intended to be relied upon as advice or a recommendation to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. An investor should seek independent professional advice when deciding if an investment is appropriate.

Forward Looking Statements

Certain matters discussed in this presentation about the future performance of Emirates NBD or members of its group (the Group), including without limitation, future revenues, earnings, strategies, prospects and all other statements that are not purely historical, constitute "forward-looking statements". Such forward-looking statements are based on current expectations or beliefs, as well as assumptions about future events, made from information currently available. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "seek", "believe", "will", "may", "should", "would", "could" or other words of similar meaning. Undue reliance should not be placed on any such statements in making an investment decision, as forward-looking statements, by their nature, are subject to known and unknown risks and uncertainties that could cause actual results, as well as the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements, such as changes in the global, political, economic, business, competitive, market and regulatory forces; future exchange and interest rates; changes in tax rates; and future business combinations or dispositions.

Emirates NBD undertakes no obligation to revise or update any statement, including any forward-looking statement, contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.

Q3-15 YTD Financial Results Highlights

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%)
Total income	11,155	10,887	2%
Operating expenses	(3,362)	(3,212)	(5%)
Pre-impairment operating profit	7,793	7,675	2%
Impairment allowances	(2,808)	(3,831)	27%
Operating profit	4,985	3,844	30%
Share of profits from associates	113	159	(29%)
Taxation charge	(108)	(90)	(21%)
Net profit	4,990	3,913	27%
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%

Individual figures may not add up to total due to rounding.

Q3-15 Financial Results Highlights

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 5th 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

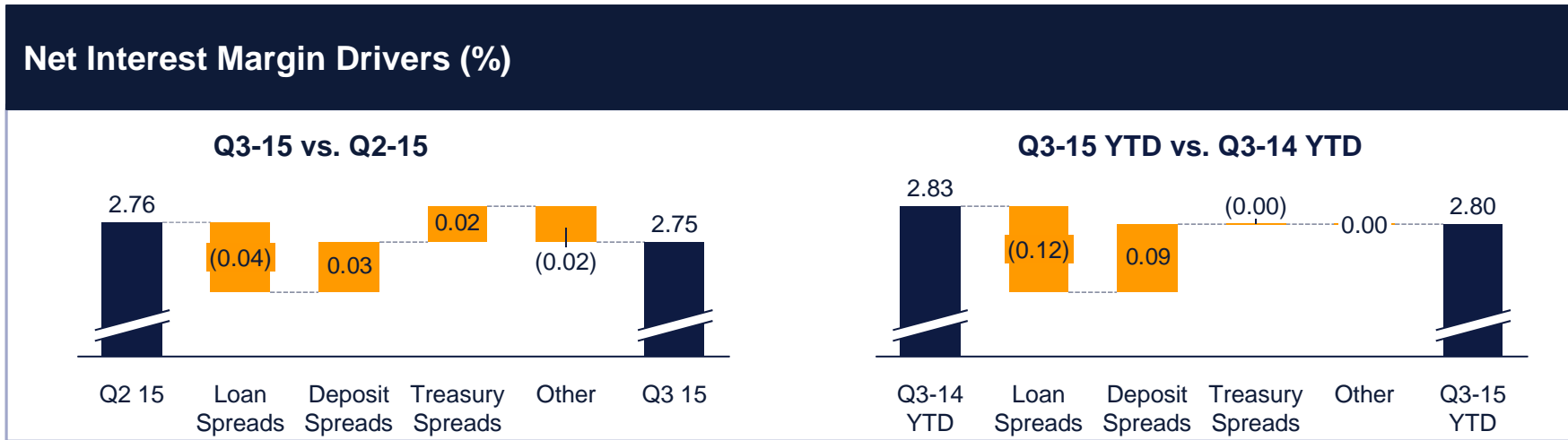
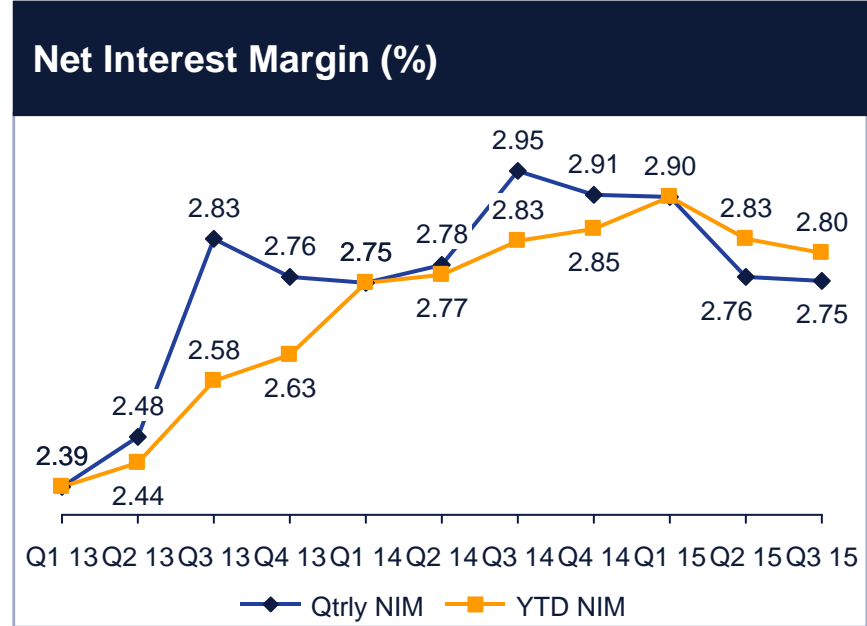
AED Mn	Q3-15	Q3-14	Better / (Worse)	Q2-15	Better / (Worse)
Net interest income	2,591	2,465	5%	2,497	4%
Non-interest income	1,009	1,380	(27%)	1,213	(17%)
Total income	3,600	3,845	(6%)	3,710	(3%)
Operating expenses	(1,126)	(1,075)	(5%)	(1,157)	3%
Pre-impairment operating profit	2,474	2,770	(11%)	2,553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

Individual figures may not add up to total due to rounding.

Net Interest Income

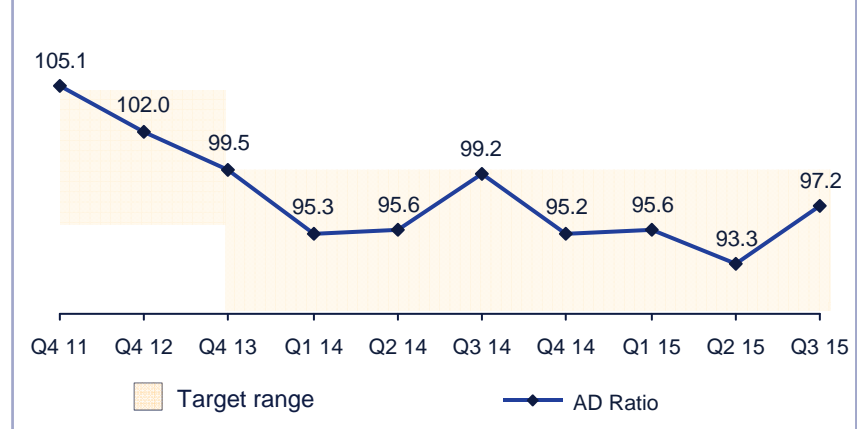
- ### Highlights
- Q3-15 NIMs declined marginally to 2.75%
 - Both Loan and deposit rates held steady against a 5bp increase in average EIBOR rates
 - Treasury spreads improved as the rate on medium term borrowings improved relative to EIBOR
 - Q3-15 YTD NIMs declined marginally to 2.80%
 - Loan spreads 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%



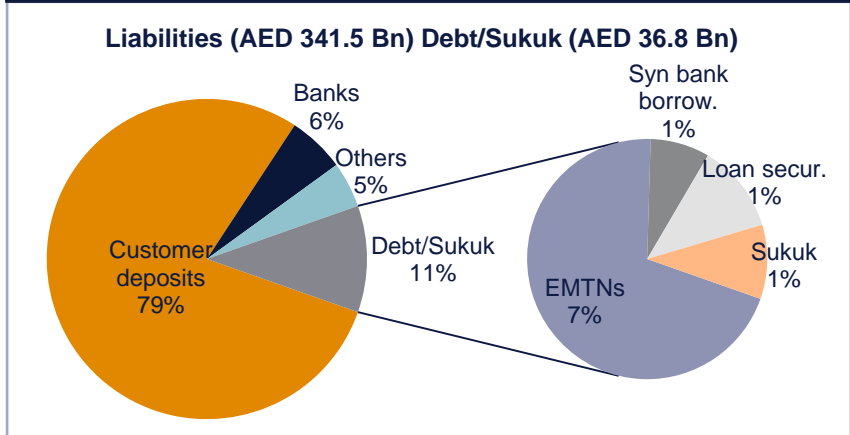
Highlights

- 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

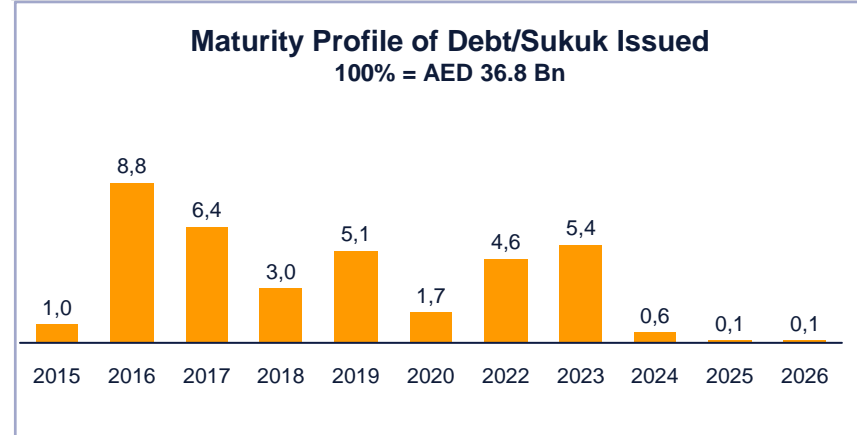
Advances to Deposit (AD) Ratio (%)



Composition of Liabilities/Debt Issued (%)



Maturity Profile of Debt Issued (AED Bn)



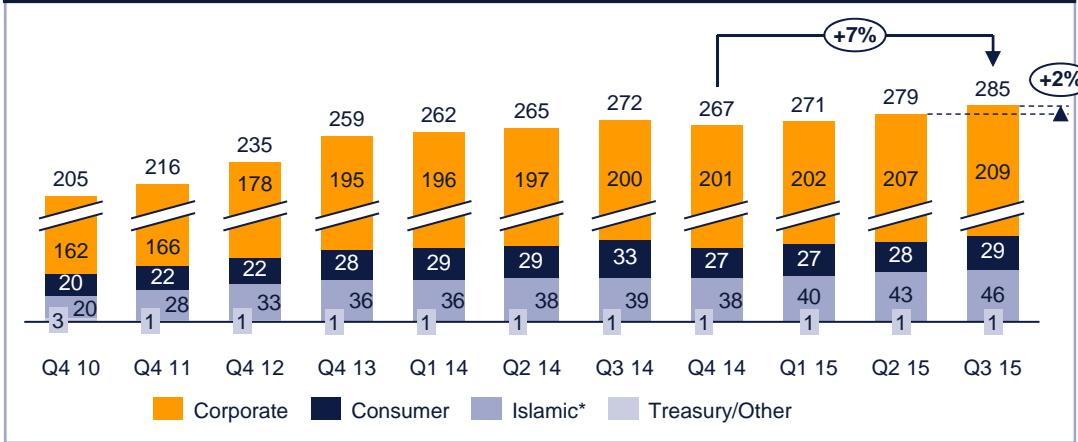
*including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities

Loan and Deposit Trends

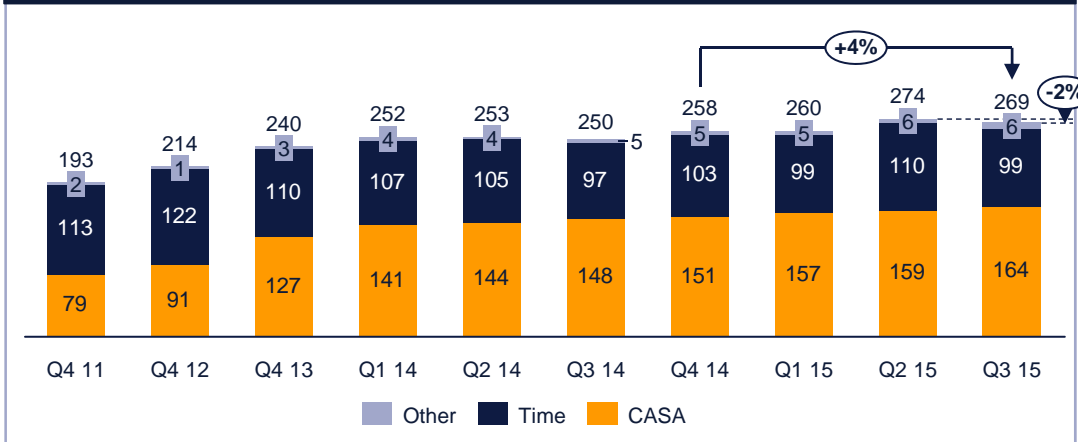
Highlights

- 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

Non-Interest Income

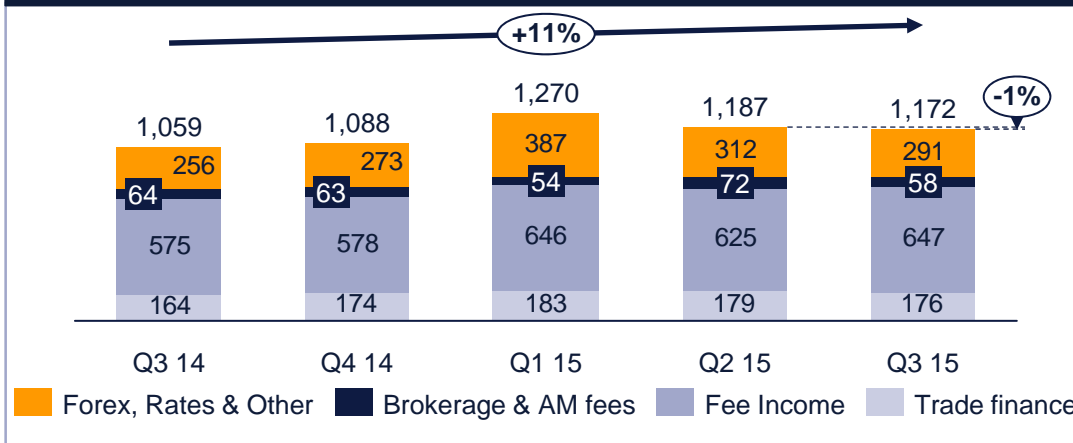
Highlights

- 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%)
Core fee income	3,072	2,685	14%
Property income / (loss)	262	510	(49%)
Investment securities	247	668	(63%)
Total Non Interest Income	3,583	3,863	(7%)

Trend in Core Gross Fee Income (AED Mn)



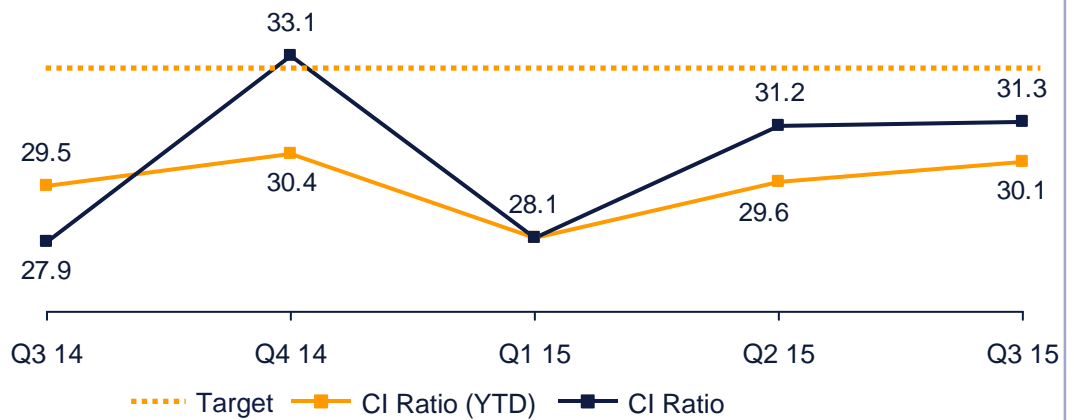
Individual figures may not add up to total due to rounding.

Operating Costs and Efficiency

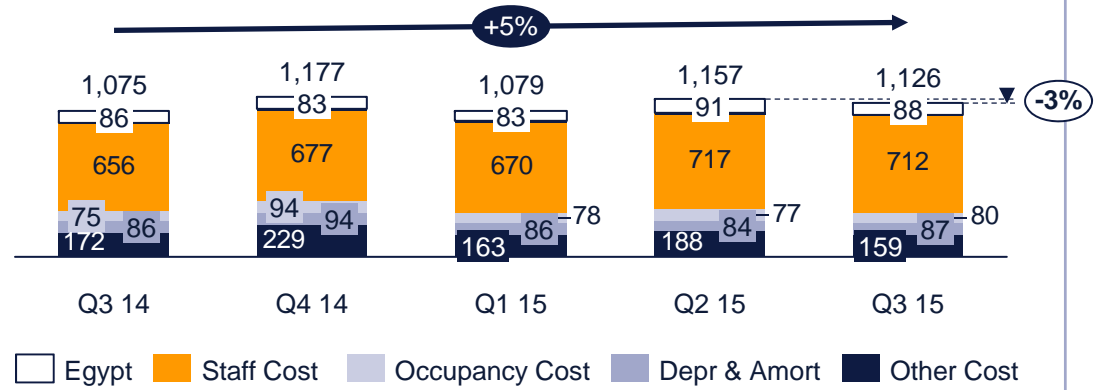
Highlights

- 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 (%)

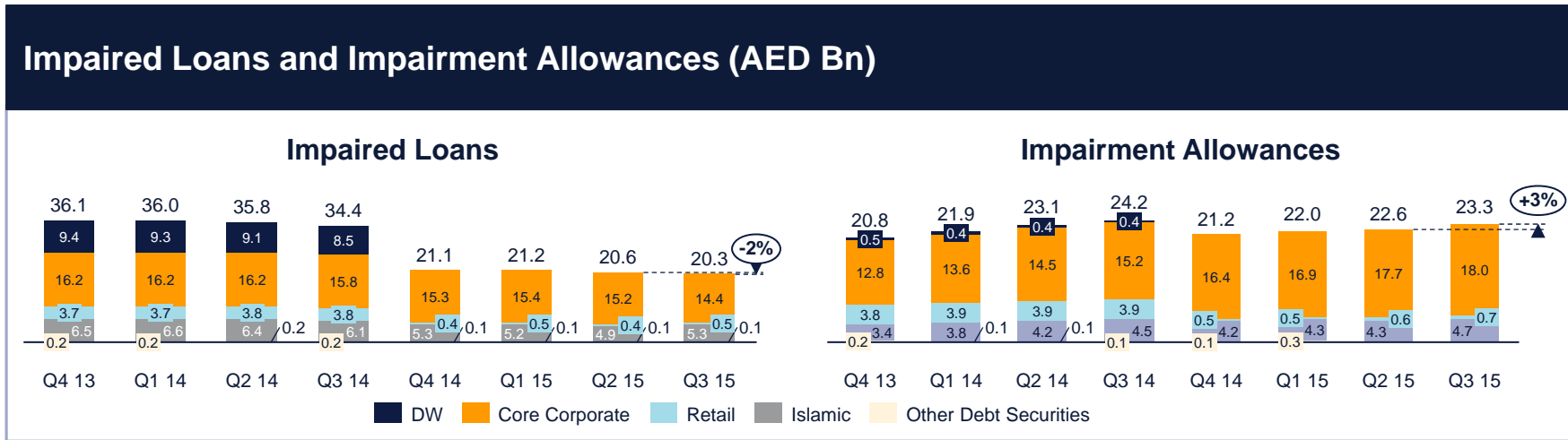
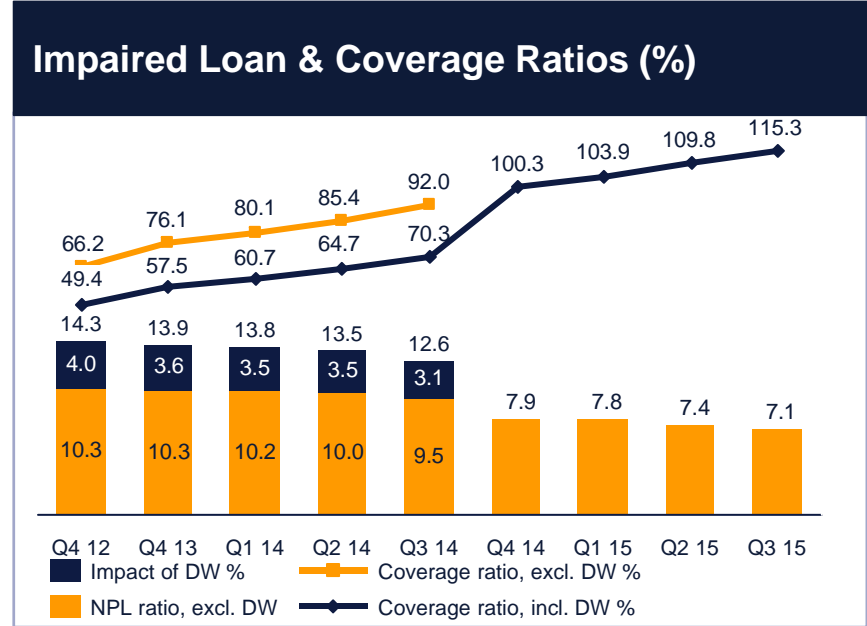


Cost Composition (AED Mn)



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 5th 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

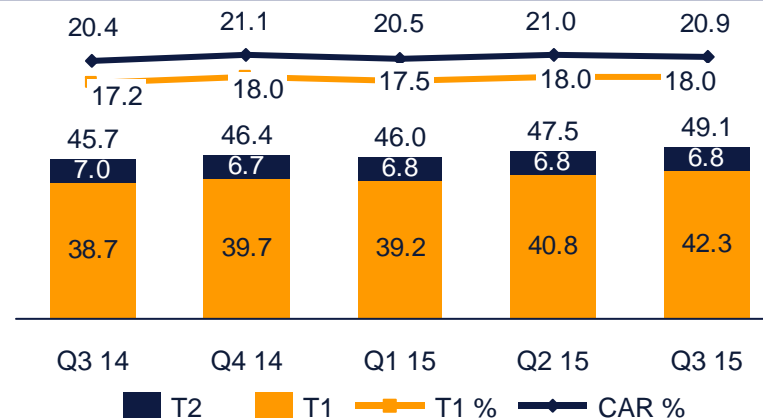


Capital Adequacy

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

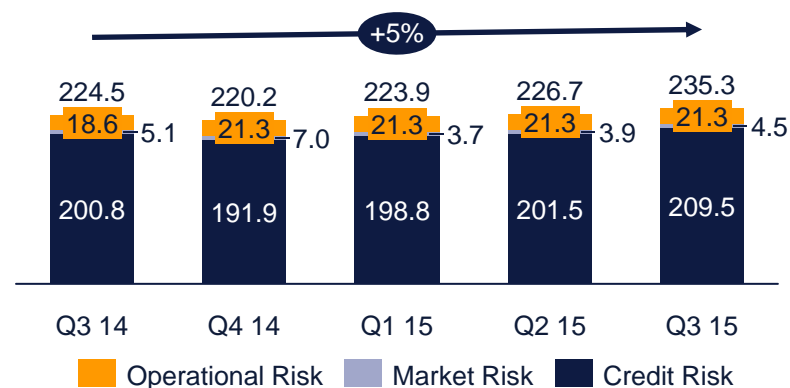
Capitalisation



Capital Movements (AED Bn)

Q4-14 to Q3-15 (AED Bn)	Tier 1	Tier 2	Total
Capital as at 31-Dec-2014	39.7	6.7	46.4
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)
Capital as at 30-Sep-2015	40.8	6.8	49.1

Risk Weighted Assets – Basel II (AED Bn)



Divisional Performance

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 AED Bn

Quarter	Loans (AED Bn)	Deposits (AED Bn)
Q4 14	30.3	113.5
Q3 15	33.4	111.1

Legend: Loans (Orange), Deposits (Dark Blue)

Revenue Trends AED Mn

Quarter	NFI (AED Mn)	NII (AED Mn)	Total (AED Mn)
Q3 14	513	898	1,411
Q2 15	547	873	1,420
Q3 15	540	904	1,444

Legend: NFI (Orange), NII (Dark Blue)

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 AED Bn

Quarter	Financing receivables (AED Bn)	Customer accounts (AED Bn)
Q4 14	27.9	31.5
Q3 15	33.2	36.6

Legend: Financing receivables (Orange), Customer accounts (Dark Blue)

Revenue Trends AED Mn

Quarter	NFI (AED Mn)	NII (AED Mn)	Total (AED Mn)
Q3 14	112	380	492
Q2 15	144	409	553
Q3 15	138	437	575

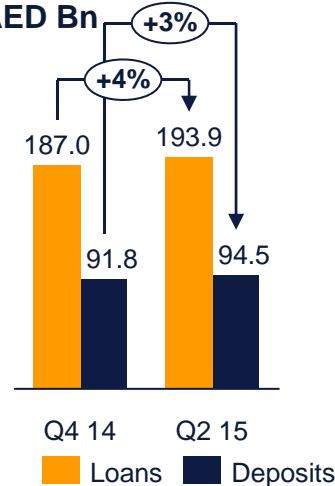
Legend: NFI (Orange), NII (Dark Blue)

Divisional Performance (cont'd)

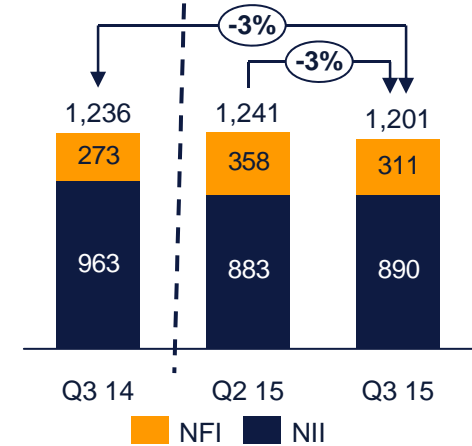
Wholesale Banking

- 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
AED Bn



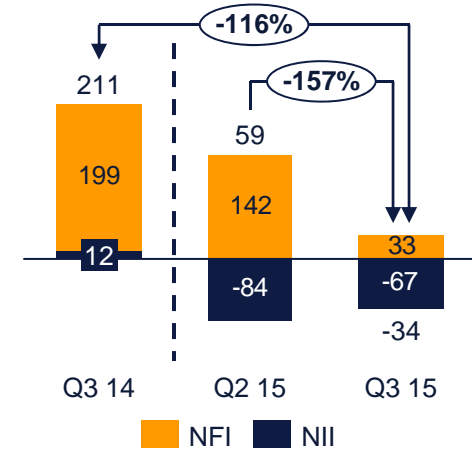
Revenue Trends
AED Mn



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
AED Mn



Economic Outlook

- UAE's GDP growth forecast for 2015 adjusted down to 4.0% (from 4.3%) as a result of sustained lower oil prices and lower growth prospects for the global economy
- UAE PMI eased to 56.0 in September, but still indicates robust growth in the non-oil private sector
- Emirates NBD Dubai Economy Tracker, as of September 2015, shows:
 - 'New Orders' growth was largely unchanged at 58.6 whilst Business Optimism remain very high at 65.8
 - Employment increased at the slowest pace since records began in 2010, with a decline in employment in travel and tourism offsetting growth in construction and trade sectors
- Medium term outlook for Dubai's residential real estate sector is balanced, with growth prospects in the 'affordable housing' sector. Residential real estate prices continued to decline across most sectors on an annual basis, with mid-range villa prices down 6.7% y-o-y in September while apartment prices have been more resilient
- Emirates NBD recognizes the headwinds that recent regional liquidity, a strong dollar and low oil price can present. The Bank is well placed to meet these challenges and to take advantage of opportunities within the region

Summary



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 5th 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

Investor Relations

PO Box 777
Emirates NBD Head Office, 4th Floor
Dubai, UAE
Tel: +971 4 201 2606
Email: IR@emiratesnbd.com