

# Emirates NBD Investor Presentation

May 2017



**Emirates NBD**



# Important Information

## 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.

Due to rounding, numbers and percentages presented throughout this presentation may not add up precisely to the totals provided.

## 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.

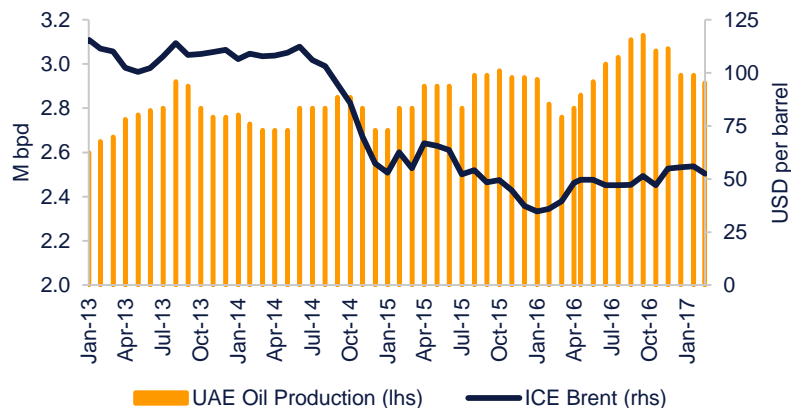
Emirates NBD undertakes no obligation to revise or update any statement, including any forward-looking statement, contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.

## UAE Economic Update

### Highlights

- We expect growth to improve to 3.4% in 2017 as higher oil prices contribute to improved consumer and business sentiment and facilitate higher slightly higher government spending.
- The Emirates NBD Purchasing Managers' Index was broadly unchanged in April at 56.1, compared with March's 19-month high of 56.2. Output and new orders growth remained very strong although slightly slower than March.

### Oil Price and UAE oil production



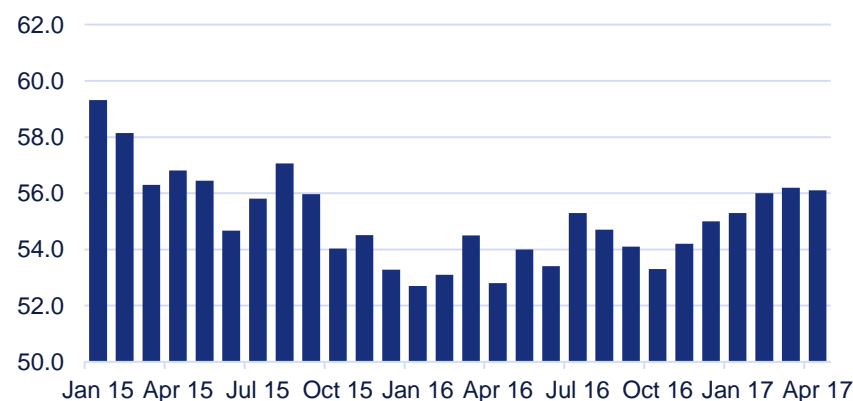
Source: Bloomberg, Emirates NBD Research

### Real GDP growth forecasts

	2014	2015	2016E	2017F	2018F
S. Arabia	3.6	3.4	1.4	1.8	2.5
UAE	3.1	3.8	3.0	3.4	4.1
Qatar	3.5	3.3	2.0	3.5	3.8
Kuwait	0.5	1.8	2.7	2.3	2.9
Oman	2.5	2.9	3.0	2.5	2.8
Bahrain	4.4	2.9	3.0	2.5	2.4
<b>GCC (average)</b>	<b>3.1</b>	<b>3.4</b>	<b>2.2</b>	<b>2.5</b>	<b>3.1</b>
Egypt	2.9	4.4	4.3	3.5	4.9
Jordan	3.1	2.4	2.0	2.8	3.0
Lebanon	1.8	1.5	2.4	3.1	3.3
Tunisia	2.3	0.8	1.1	2.8	4.0
Morocco	2.6	4.5	1.0	4.7	4.8
<b>MENA (average)</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



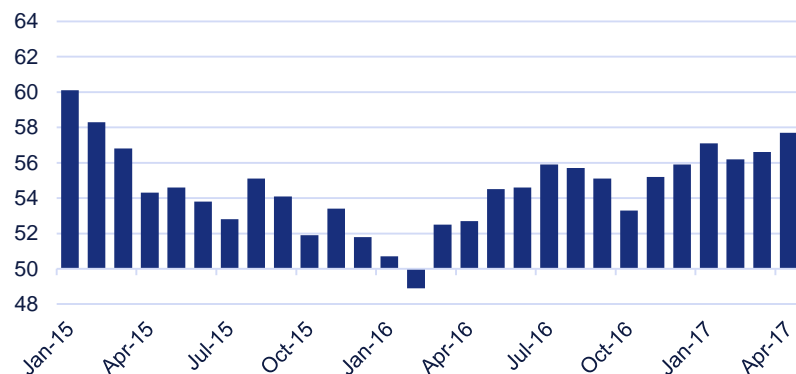
Source: Markit / Emirates NBD

## Dubai Economic Update (1/3)

### Highlights

- The Emirates NBD Dubai Economy Tracker Index rose to 57.7 in April from 56.6 in March, signaling the fastest rate of growth since February 2015. Output and new orders increased very strongly in April.
- Dubai's economy expanded 3.0% y/y in Q3-16. Hospitality (restaurant and hotels) was the fastest growing sector in Dubai in Q3-16, at 18.4% y/y, followed by Real Estate at 6.8% y/y.

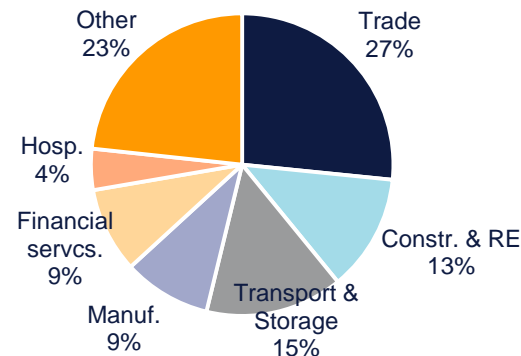
### Emirates NBD Dubai Economy Tracker Index



Source : Markit, Emirates NBD Research

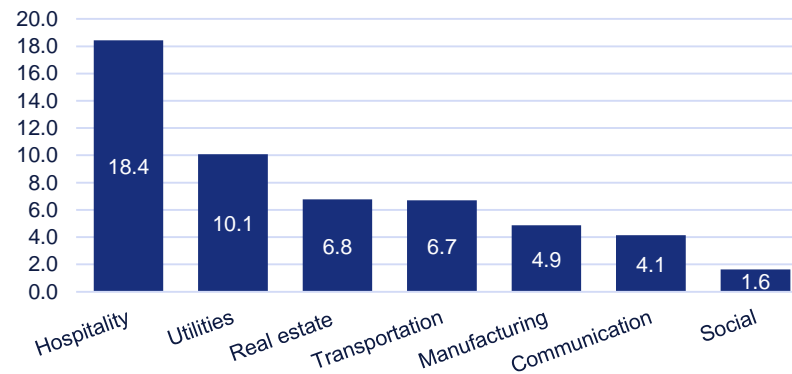
### Composition of Dubai GDP

Dubai GDP by Sector (%) - Q3 2016



Source: Dubai Statistics Centre

### Dubai: Key sector growth rates in Q3 2016



Source: Dubai Statistics Centre



## Dubai Economic Update (2/3)

### Highlights

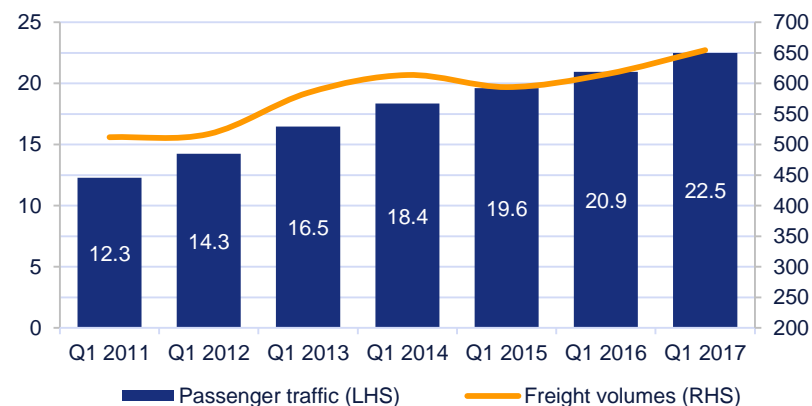
- Passenger traffic at the Dubai International Airport (DXB) rose to 22.5 million in Q1 2017, up by 7.4% y/y.
- Passenger traffic is expected to exceed 89 million at DXB by the end of 2017, according to Dubai Airports
- Dubai's hotel occupancy averaged 86.3% in Jan-Feb 2017 up from 83.0% the same period a year ago
- The supply of hotel rooms in Dubai increased by 5.9% y/y in Jan-Feb 2017 to 89,592 rooms with the Department of Tourism and Commerce Marketing (DTCM) targeting 140,000 to 160,000 hotel rooms by 2020.

### Hotel occupancy and RevPAR



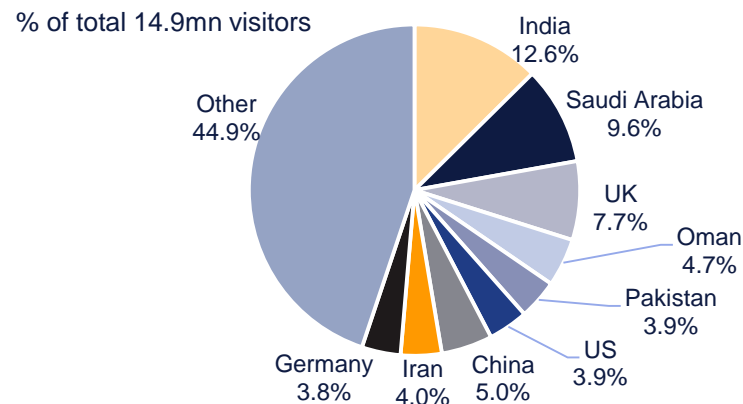
Source: STR Global, Emirates NBD Research

### Dubai Airports passenger traffic



Source: Dubai Airports, Emirates NBD Research

### Top 10 visitors by nationality in Q1 2017



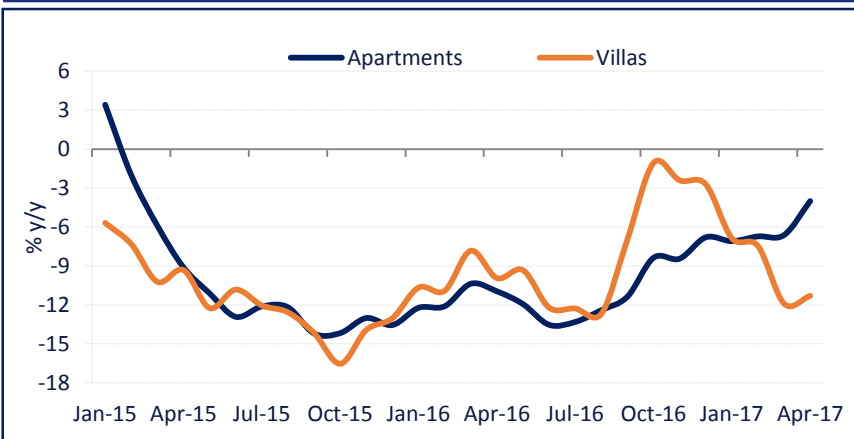
Source: Department of Tourism and Commerce Marketing, Emirates NBD Research

## Dubai Economic Update (3/3)

### Highlights

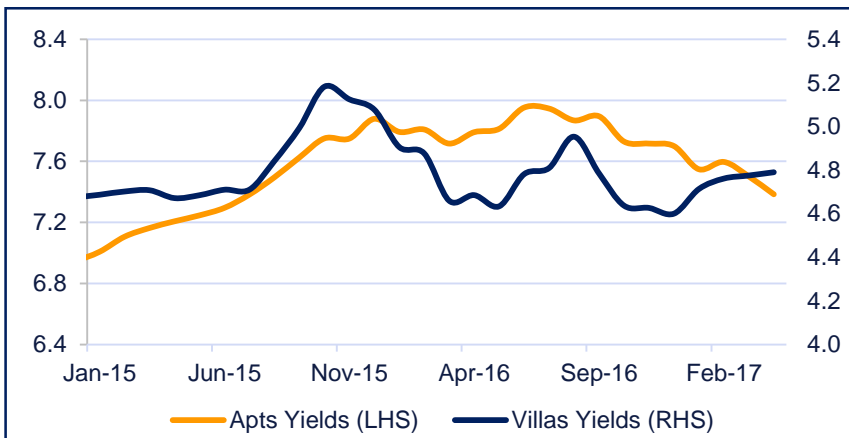
- Dubai real estate prices eased at a slower rate in Apr-17 compared to Apr-16, with apartment and villa prices down 4.0% y/y and 11.3% y/y respectively. Low-priced segments fared better than the luxury segment; with low and mid-range apartments down 1.4% and 0.3% y/y respectively.
- The slower contraction in real estate prices in Jan-Apr 2017 has been accompanied by higher transaction volumes; with volumes up 18.2% y/y in Jan-Apr 2017 vs. -27.7% decline in Jan-Apr 2016. USD strength remains a constraint on demand, particularly for foreign investors.
- Apartment yields averaged 7.5% in Jan-Apr 2017 vs. 7.8% in Jan-Apr 2016, whilst villa yields remain unchanged at 4.8%.

### Dubai residential property prices



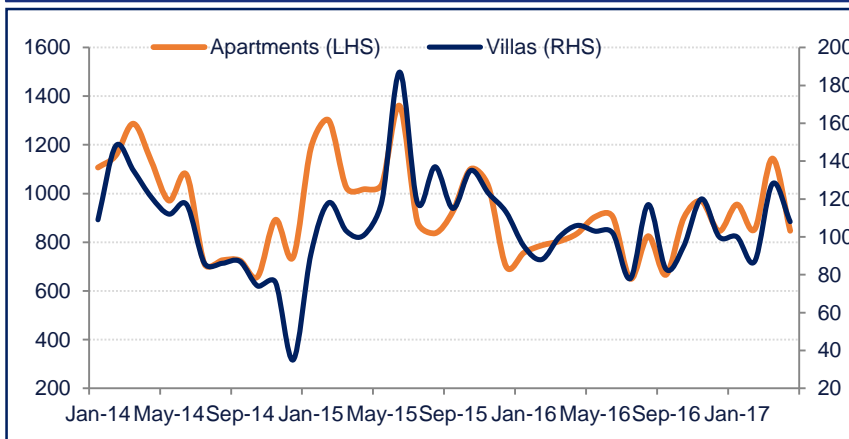
Source: Phidar Advisory, Emirates NBD Research

### Dubai residential yield



Source: UAE Central Bank; loan growth gross of provisions

### Dubai transaction volumes



Source: Phidar Advisory, Emirates NBD Research

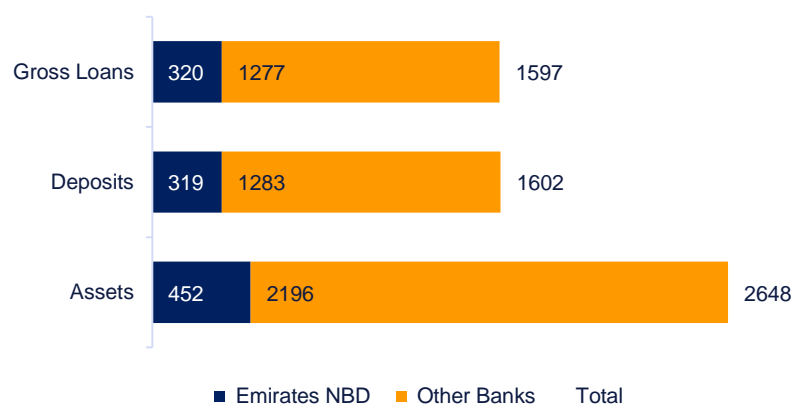


## UAE Banking Market Update

### Highlights

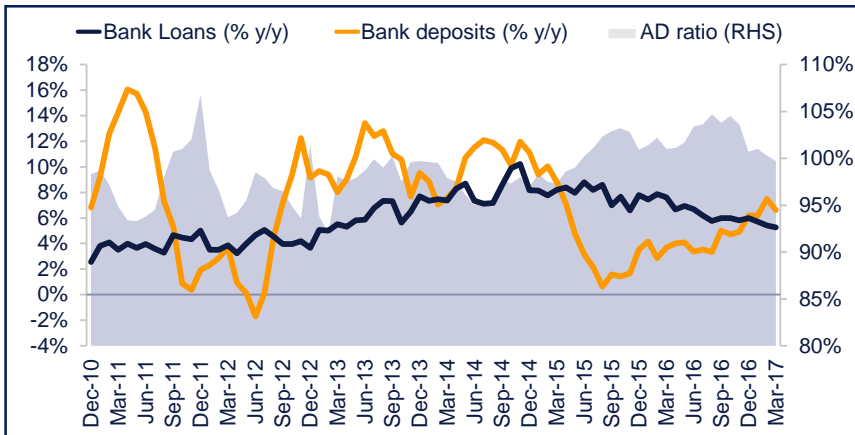
- Money supply (M2) accelerated to 4.4% y/y in March from 4.2% y/y in February 2017.
- Bank deposits rose AED 20.6bn in the first three months of the year, up 6.6% y/y in March. Residents' deposit growth was due to higher government, GRE and corporate deposits.
- Although the 3m EIBOR rate has increased in recent months, this has been mostly due to higher USD rates, with the spread over 3m LIBOR narrowing

### UAE banking market (AED Bn)



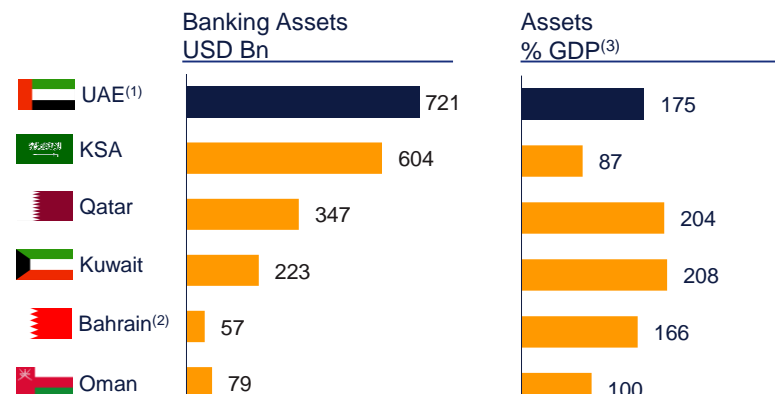
Source: UAE Central Bank Statistics and ENBD as at March 2017

### 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, Saudi and Kuwait as at March 2017; Qatar, Bahrain and Oman as at February 2017. Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts.

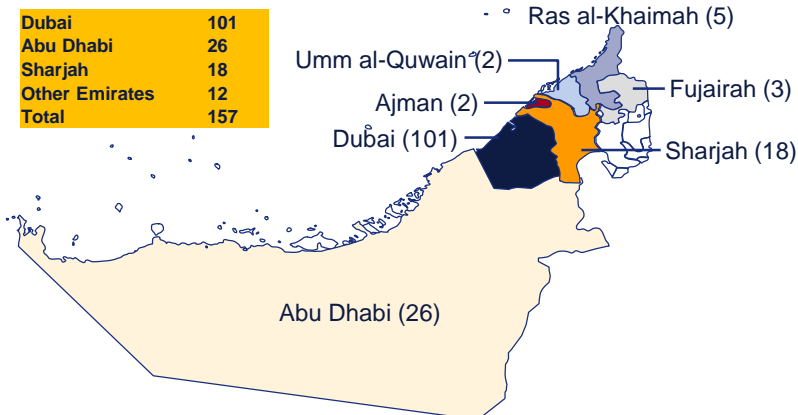


## Emirates NBD at a glance

### A leading bank in the region

- **Market share** in the UAE (as at 31 March 2017)
  - Assets 17.1%; Loans 20.0%; Deposits 19.9%
- **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

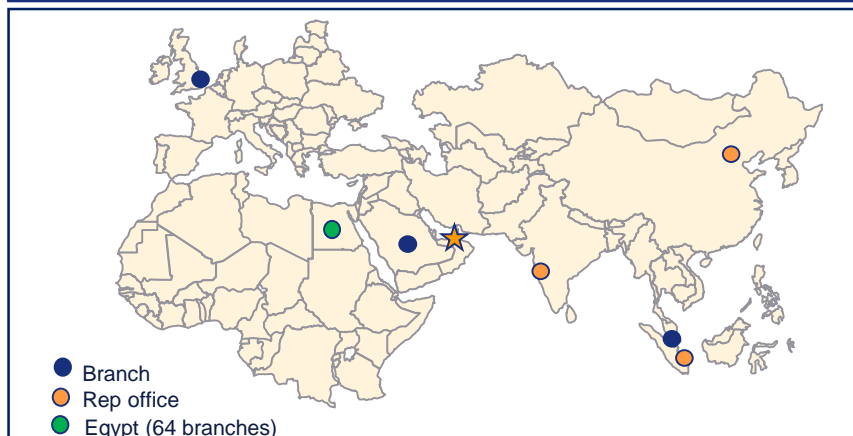
### Largest branch network in the UAE



### Credit ratings

	Long Term / Short Term	Outlook	Most Recent Rating Action
<b>Fitch Ratings</b>	A+ / F1	Stable	Ratings affirmed (22-Feb-2017)
<b>Moody's</b>	A3 / P-2	Stable	LT ratings upgraded and outlook 'Stable' (16-Jun-16)
<b>CI CAPITAL intelligence</b>	A+ / A1	Stable	LT FCR and FSR upgraded (12-Oct-16)

### International presence







# Emirates NBD is the regional leader in digital innovation

Operating Environment

Emirates NBD Profile

Financial &amp; Operating Performance

Strategy

Appendix

2012

**CRM**

Started multichannel CRM foundation and Mobile Banking vision

New Dynamic IVR

2013

Introduced 1<sup>st</sup> Generation of Mobile Banking App

Introduced The new ITM  
The First video based interactive teller machine in MENA

IVR for SME

2014

**WU**

Introduced Western Union Transfers through mobile banking for the first time in the region

2015



Introduced Direct Remit to Philippines Remit to Phil in just 60 secs



**IPO**  
Introduced IPO Subscription through ATM, Online and Mobile



Introduced mePay  
Introduced P2P money transfer service for Emirates NBD Customers



Introduced Direct Remit to India Remit to India in just 60 secs



Introduced Shake n' Save  
The First Mobile Savings product in the region



Introduced Direct Remit to Pakistan Remit to Pak in just 60 secs



Introduced Get Queuing Ticket For the first time in the region



Introduced Remote Cheque Deposit for the first time outside of US and Canada



Introduced Direct Remit 2 Mobile Remit to India Mobile number in just 60 secs



Introduced Social Banking  
Twitter inquiry service for the first time in MENA

2016



Introduced InstaLoan  
The first instant paperless loan disbursal in MENA



Inaugurated FutureLab Pepper Robot



Introduced Direct Remit 2 Mobile Cash Remit cash to any Indian Mobile number



Introduced Direct Remit to Egypt Remit to Egypt in just 60 secs



Introduced Direct Remit to Sri Lanka Remit to SL in just 60 secs



Introduced ENBD Pay  
NFC based mobile contactless payment service

mePay  
cardless cash withdrawal

2017

**liv.** Digital Bank for Millennials



4.5/5

(Avg. Rating)

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

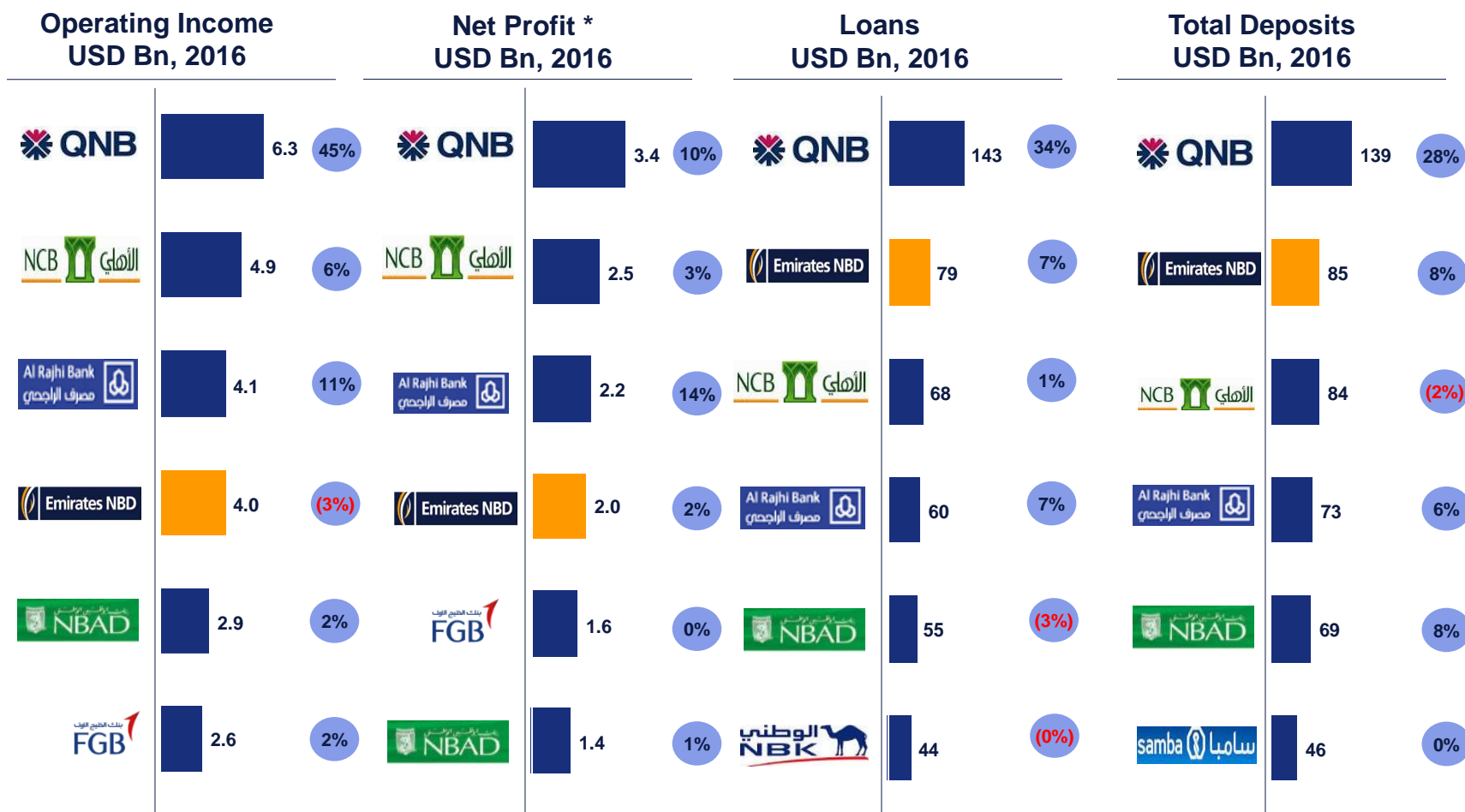


**Best Digital Bank in the Middle East**



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

x% 2016 vs. 2015



\* Net Income to Equity Shareholders



## Profit and Balance Sheet Growth in Recent Years

Operating Environment

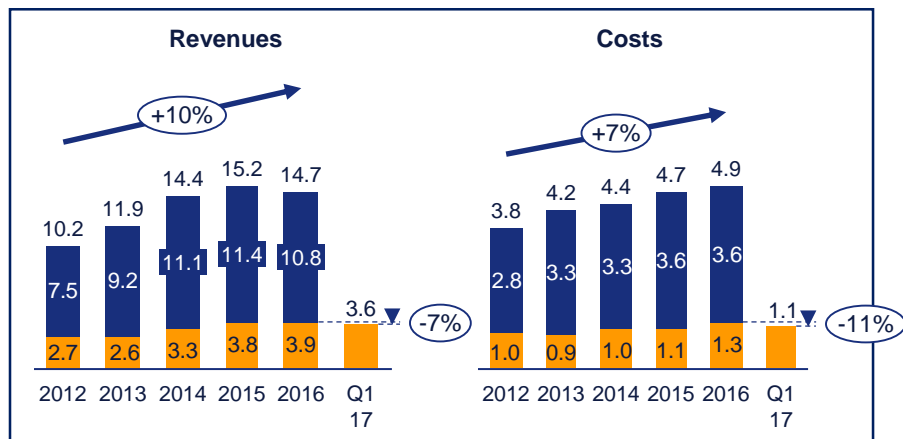
Emirates NBD Profile

Financial &amp; Operating Performance

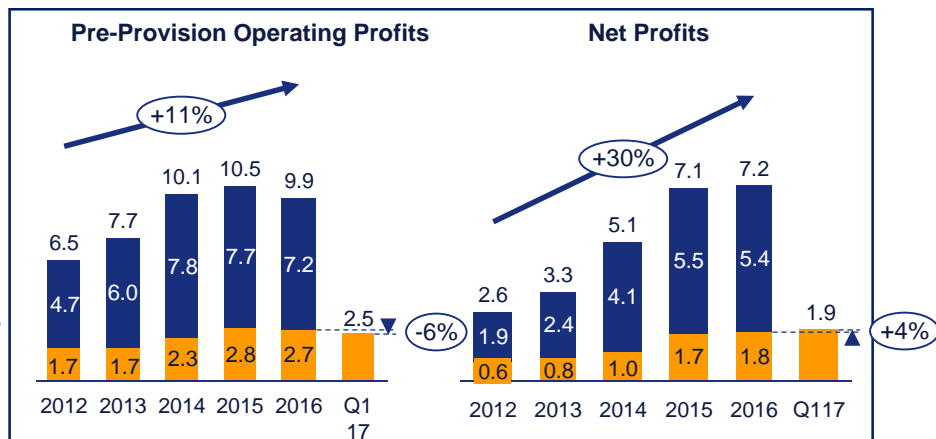
Strategy

Appendix

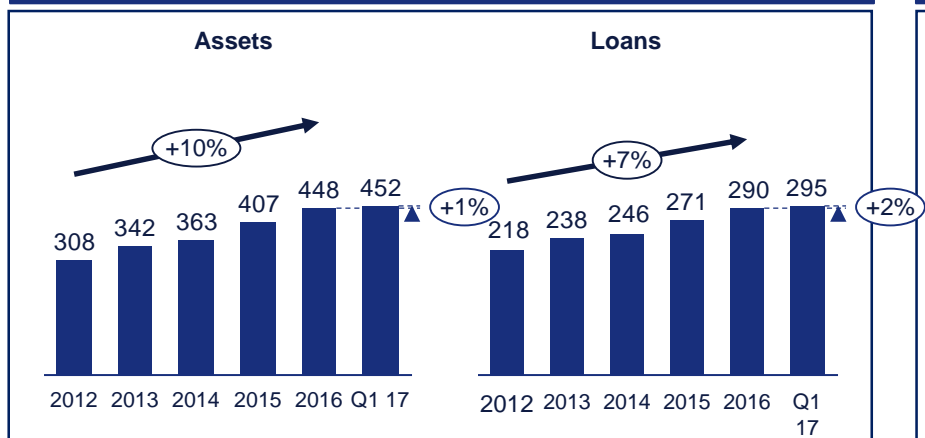
## Revenues and Costs (AED Bn)



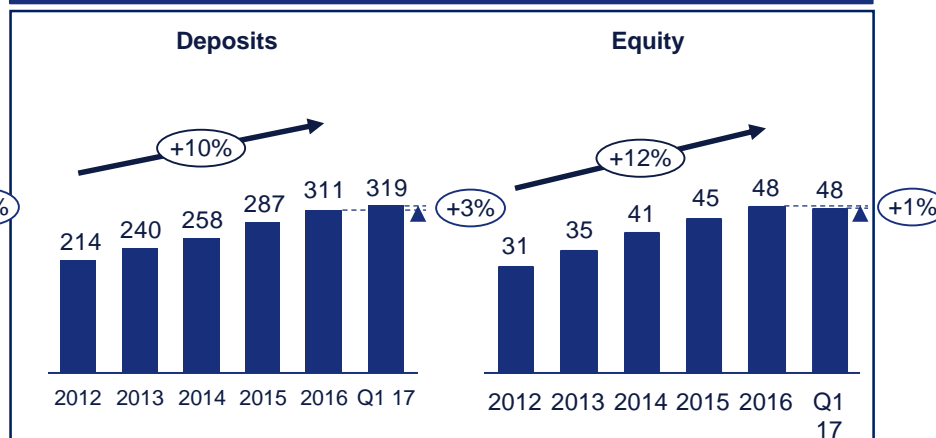
## Profits (AED Bn)



## Assets and Loans (AED Bn)



## Deposits and Equity (AED Bn)





## Emirates NBD delivered a solid set of results in Q1-17 amid a challenging environment

### Q1 2017 at a glance

		Q1 2017	vs. 2017 guidance
Profitability	<b>Net profit</b>	<b>AED 1.87 Bn</b> <b>+4% y-o-y</b>	
	Net interest margin	2.33%	2.35 – 2.45%
	Cost-to-income ratio	30.9%	33%
Credit Quality	NPL ratio	6.3%	
	Coverage ratio	122.5%	
Capital & Liquidity	Tier 1 ratio	17.8%	
	Capital adequacy ratio	20.2%	
	AD ratio	92.5%	90-100%
Assets	Loan growth (net)	2% ytd	mid-single digit

### 2017 Macro themes

	Regional	Global
+	<ul style="list-style-type: none"> <li>Resilience of UAE economy underpinned by non-oil activity growth</li> </ul>	<ul style="list-style-type: none"> <li>Emirates NBD's balance sheet positioned to benefit from rising interest rates</li> </ul>
	<ul style="list-style-type: none"> <li>Improved business sentiment due to higher and more stable oil prices</li> </ul>	<ul style="list-style-type: none"> <li>Higher oil prices and revenues may alleviate banking system liquidity, to support private sector growth</li> </ul>
	<ul style="list-style-type: none"> <li>Regional growth opportunities</li> </ul>	
-	<ul style="list-style-type: none"> <li>Strong dollar impact on Dubai tourism</li> </ul>	<ul style="list-style-type: none"> <li>Execution of UK's Brexit decision</li> </ul>
		<ul style="list-style-type: none"> <li>Potential volatility in Euro area from further key government elections</li> <li>US policy impact on global trade</li> </ul>



## Q1-17 Financial Results Highlights

### Highlights

- Net profit of AED 1,873 Mn for Q1-17 increased 1% q-o-q and 4% y-o-y
- Net interest income improved 1% q-o-q on loan growth coupled with an improvement in margins but declined 3% y-o-y due to NIM contraction
- Non-interest income improved 13% q-o-q due to the impact from the Egyptian Pound devaluation in Q4. Whilst core gross fee income grew 7%, non-interest income declined 16% y-o-y as a one-off gain on sale of investments in Q1-16 was not repeated
- Costs improved 7% q-o-q and 11% y-o-y as cost control measures introduced in 2016 have taken effect
- Provisions of AED 639 Mn improved 23% y-o-y and increased 51% q-o-q which boosted the coverage ratio to 122.5%
- AD ratio of 92.5% demonstrates the Group's healthy liquidity position
- NPL ratio improved to 6.3% on further writebacks and recoveries in Corporate book
- NIMs improved 4 bps q-o-q as rate rises flowed into loan yields and funding pressures receded but tightened by 29 bps y-o-y on higher funding costs

### Key Performance Indicators

AED Mn	Q1-17	Q1-16	Better / (Worse)	Q4-16	Better / (Worse)
Net interest income	2,486	2,555	(3%)	2,460	1%
Non-interest income	1,131	1,350	(16%)	1,003	13%
<b>Total income</b>	<b>3,617</b>	<b>3,905</b>	<b>(7%)</b>	<b>3,463</b>	<b>4%</b>
Operating expenses	(1,116)	(1,250)	11%	(1,194)	7%
<b>Pre-impairment operating profit</b>	<b>2,501</b>	<b>2,655</b>	<b>(6%)</b>	<b>2,269</b>	<b>10%</b>
Impairment allowances	(639)	(829)	23%	(424)	(51%)
<b>Operating profit</b>	<b>1,862</b>	<b>1,826</b>	<b>2%</b>	<b>1,845</b>	<b>1%</b>
Share of profits from associates	39	27	44%	49	(21%)
Taxation charge	(27)	(45)	39%	(37)	27%
<b>Net profit</b>	<b>1,873</b>	<b>1,808</b>	<b>4%</b>	<b>1,857</b>	<b>1%</b>
Cost: income ratio (%)	30.9%	32.0%	1.1%	34.5%	3.6%
Net interest margin (%)	2.33%	2.62%	(0.29%)	2.29%	0.04%

AED Bn	31-Mar-17	31-Mar-16	%	31-Dec-16	%
Total assets	452.0	414.5	9%	448.0	1%
Loans	295.3	279.1	6%	290.4	2%
Deposits	319.2	290.9	10%	310.8	3%
AD ratio (%)	92.5%	95.9%	3.4%	93.4%	(0.9%)
NPL ratio (%)	6.3%	6.9%	0.7%	6.4%	0.1%

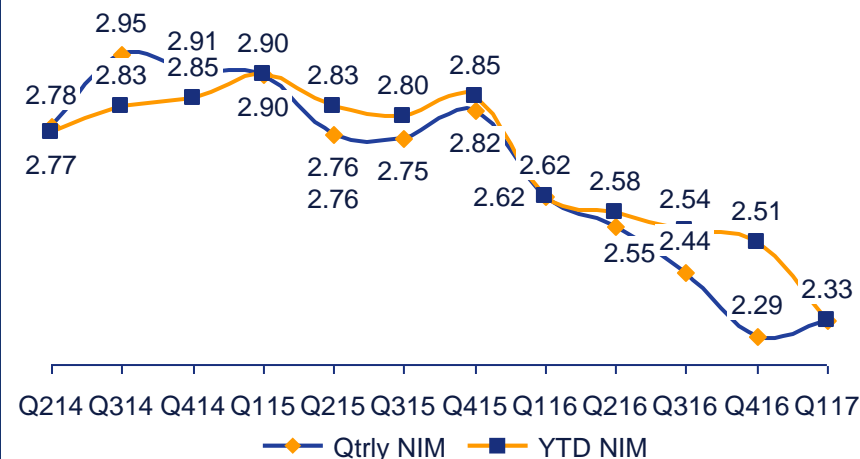


# Net Interest Income

## Highlights

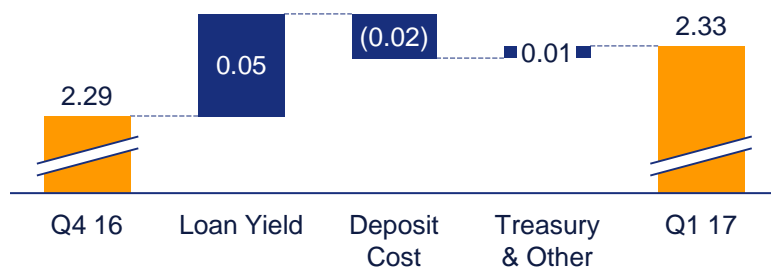
- NIMs improved 4 bps q-o-q as rate rises flowed into loan yields and funding pressures receded but tightened by 29 bps y-o-y on higher funding costs
- Loan yields improved 5 bps q-o-q as loans reset at higher rates due to the recent rise in interest rates and declined 7 bps y-o-y due to competitive pressures
- Contribution from both Deposits and Treasury have improved as impact from higher funding costs eased
- We expect the improvement in NIMs to continue in subsequent quarters helped by rate rises and a more stable liquidity environment
- NIM guidance is maintained at the 2.35-2.45% range

## Net Interest Margin (%)

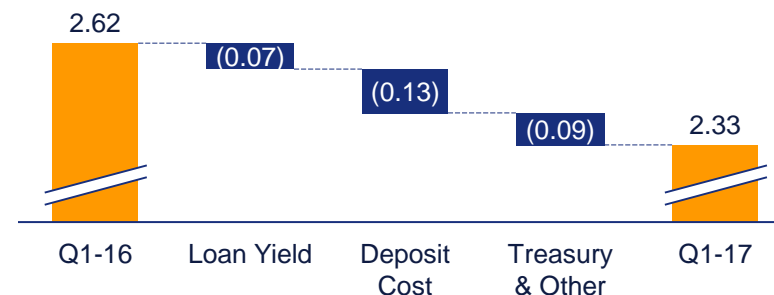


## Net Interest Margin Drivers (%)

Q1-17 vs. Q4-16



Q1-17 vs. Q1-16



# Non-Interest Income

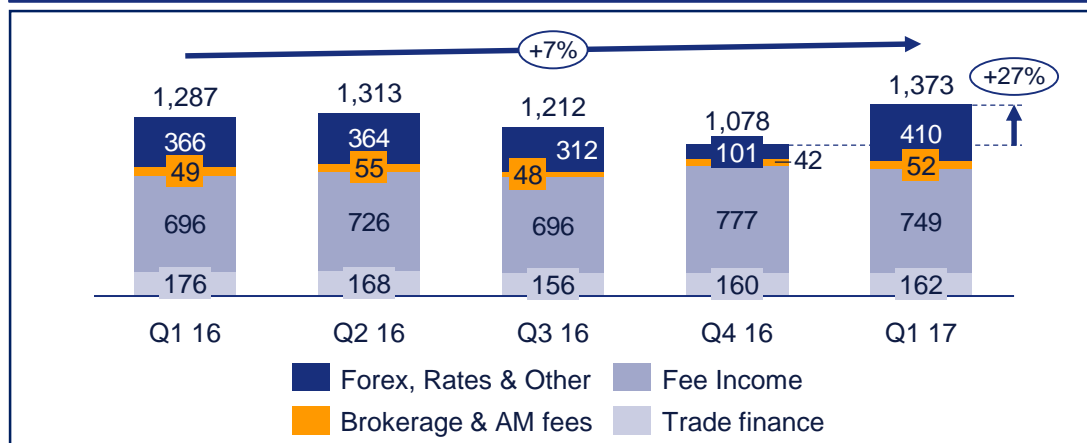
## Highlights

- Core gross fee income increased 27% q-o-q and 7% y-o-y on account of higher income from forex and rates
- Non-interest income improved 13% q-o-q due to higher income from foreign exchange and rates coupled with the impact from last year's Egyptian Pound devaluation. Whilst core gross fee income grew 7%, non-interest income declined 16% y-o-y as a one-off gain on sale of investments in Q1-16 was not repeated
- Income from property declined on lower demand for bulk and individual property sales compared to 2016 and changes to valuation of illiquid inventory

## Composition of Non Interest Income (AED Mn)

AED Mn	Q1-17	Q1-16	Better / (Worse)	Q4-16	Better / (Worse)
Core gross fee income	1,373	1,287	7%	1,078	27%
Fees & commission expense	(232)	(195)	(19%)	(219)	(6%)
<b>Core fee income</b>	<b>1,141</b>	<b>1,092</b>	<b>4%</b>	<b>859</b>	<b>33%</b>
Property income / (loss)	(109)	35	(408%)	124	(188%)
Investment securities & other income	100	223	(55%)	19	423%
<b>Total Non Interest Income</b>	<b>1,131</b>	<b>1,350</b>	<b>(16%)</b>	<b>1,003</b>	<b>13%</b>

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



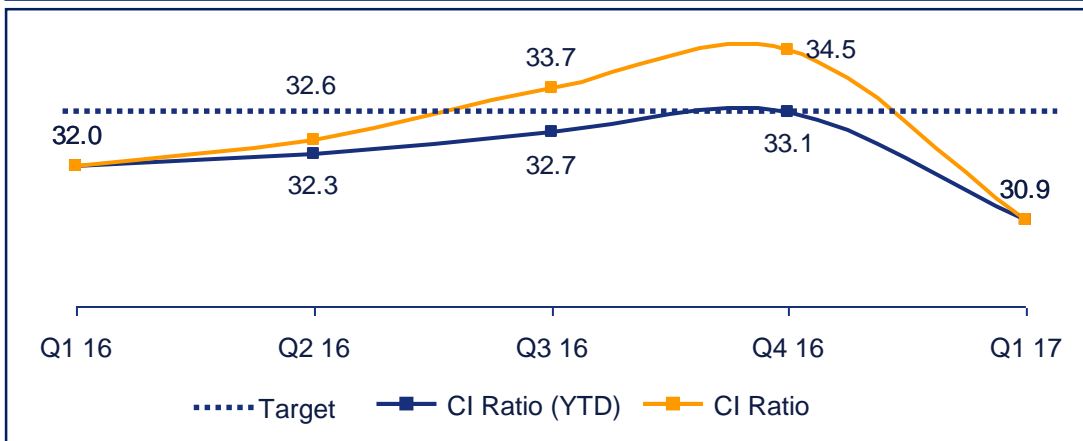


## Operating Costs and Efficiency

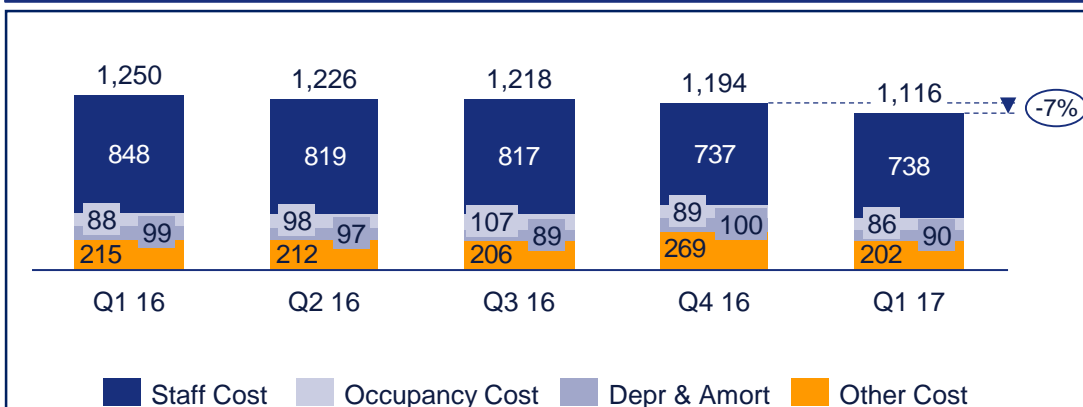
### Highlights

- In Q1-17, costs improved by 7% q-o-q and 11% y-o-y, helped by a containment in staff costs, following cost control measures implemented in 2016
- Cost-to-Income Ratio improved by 3.6% q-o-q to 30.9%
- Costs expected to be within 2017 guidance range as cost base is now right sized and enables us to invest to support future growth

### Cost to Income Ratio (%)



### Cost Composition (AED Mn)





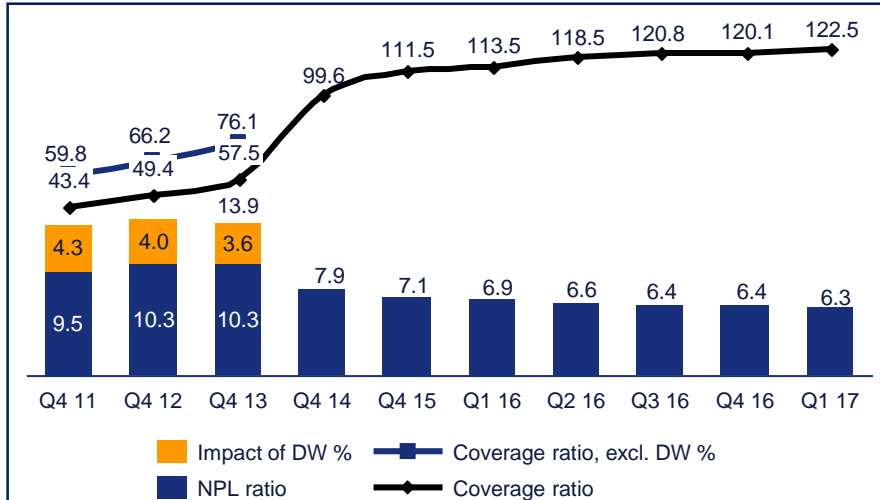


## Credit Quality

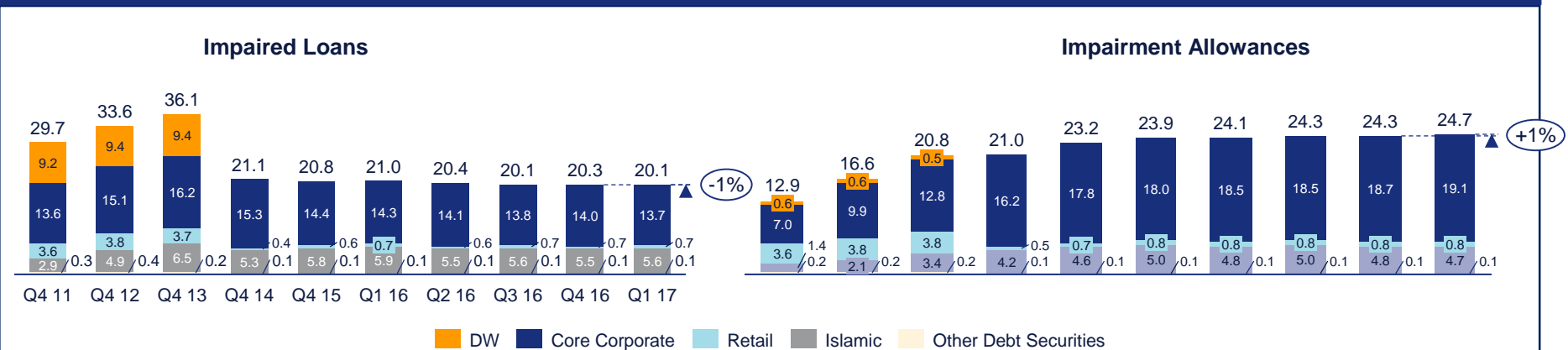
### Highlights

- NPL ratio improved to 6.3%
- Impaired loans improved to AED 20.1 Bn during the quarter helped by AED 364 Mn of write backs & recoveries in Q1-17
- Q1-17 cost of risk at 80 bps (annualized) continued to improve as net impairment charge of AED 639 million improved 23% year over year
- Coverage ratio strong at 122.5%
- Total portfolio impairment allowances amount to AED 7.4 Bn or 3.19% of credit RWAs

### Impaired Loan & Coverage Ratios (%)



### Impaired Loans and Impairment Allowances (AED Bn)



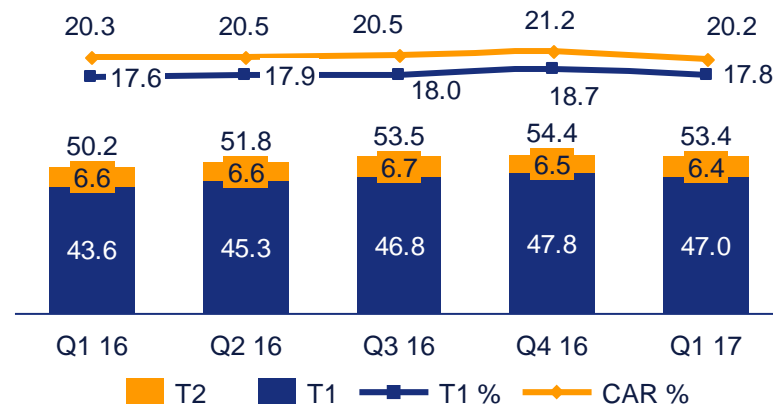


## Capital Adequacy

### Highlights

- In Q1-17, Tier 1 ratio decreased by 0.9% to 17.8% and CAR decreased by 1.0% to 20.2% due to:
  - Annual dividend payment exceeding Q1-17 retained profit
  - Marginal increase in credit and market 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	1.9	-	1.9
FY 2016 dividend paid	(2.2)	-	(2.2)
Tier 1 Issuance/Repayment	-	-	-
Tier 2 Issuance/Repayment	-	-	-
Amortisation of Tier 2	-	-	-
Interest on T1 securities	(0.1)	-	(0.1)
Other	(0.3)	(0.2)	(0.5)
<b>Capital as at 31-Mar-2017</b>	<b>47.0</b>	<b>6.4</b>	<b>53.4</b>

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

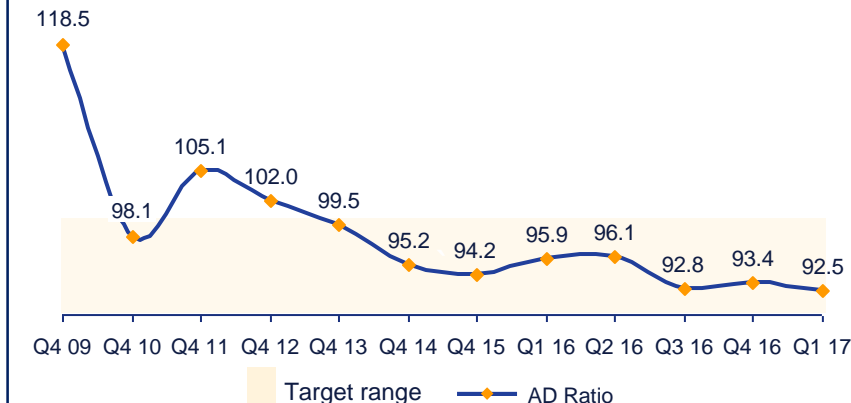


## Funding and Liquidity

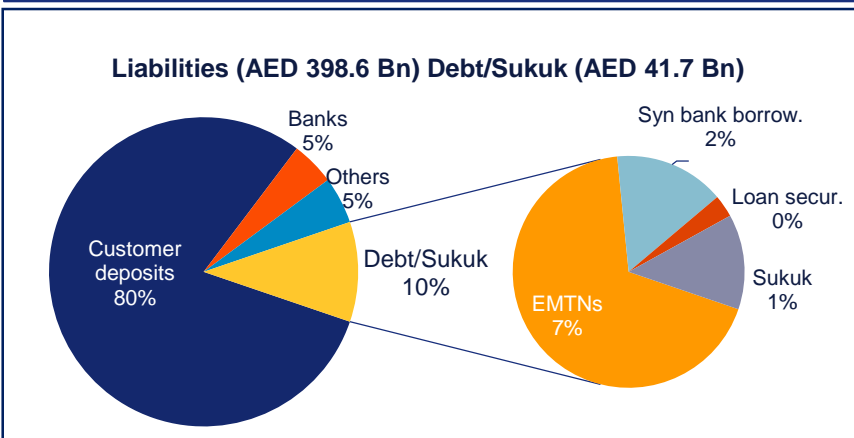
### Highlights

- AD ratio of 92.5% comfortably within 90-100% management target range and demonstrates healthy liquidity position
- Liquid assets\* of AED 62.6 Bn as at Q1-17 (15.7% of total liabilities)
- Debt & Sukuk term funding represent 10% of total liabilities
- 2017 maturities largely pre-funded in 2016. In Q1-17, AED 7.9 Bn of expensive term debt matured and AED 3.3 Bn of private placements issued in 4 currencies with maturities between 1 and 10 years
- Maturity profile for 2017 and 2018 affords the Group ability to consider public and private debt issues opportunistically

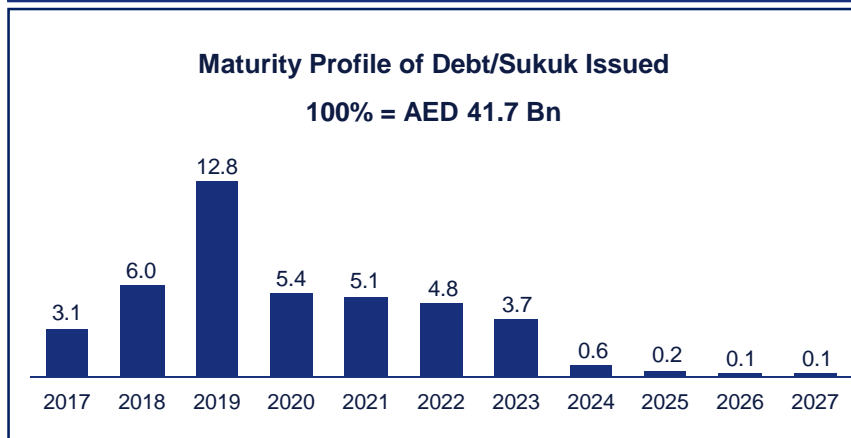
### Advances to Deposit (AD) Ratio (%)



### Composition of Liabilities/Debt Issued (%)



### Maturity Profile of Debt Issued (AED Bn)



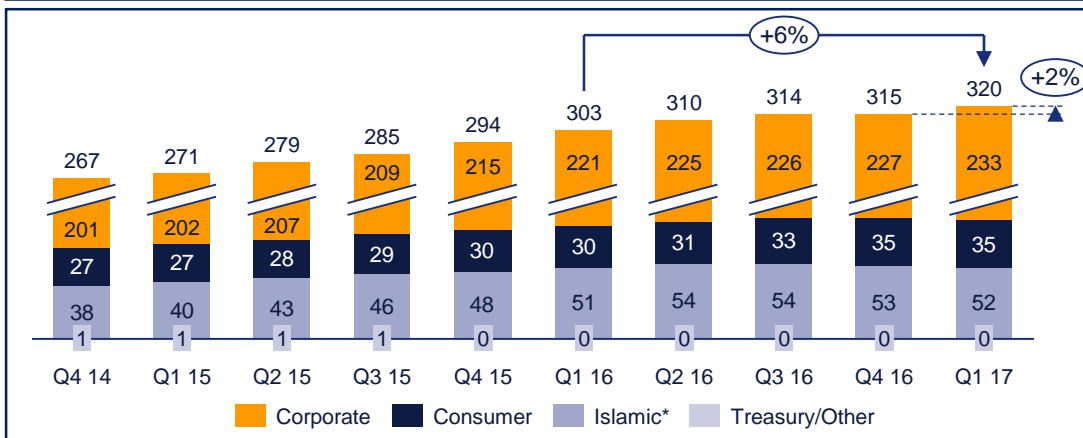


# Loan and Deposit Trends

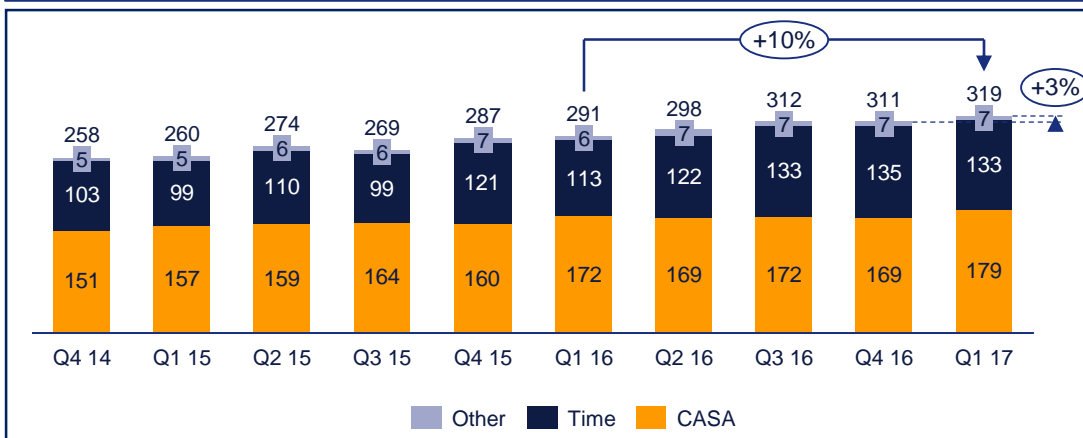
## Highlights

- Gross loans grew 2% since end 2016 with good growth in Corporate lending
- Corporate lending grew 2% since end 2016 due to growth in real estate, trade and FI sectors
- Consumer lending grew 2% since end 2016 across a range of products particularly mortgages
- Islamic financing declined 2% since end 2016 due to a slowdown in new business being underwritten as Emirates Islamic tightened underwriting standards
- Deposits grew 3% q-o-q and 10% y-o-y
- CASA deposits grew 6% since end 2016 and represent 56% of total deposits

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



## Trend in Deposits by Type (AED Bn)

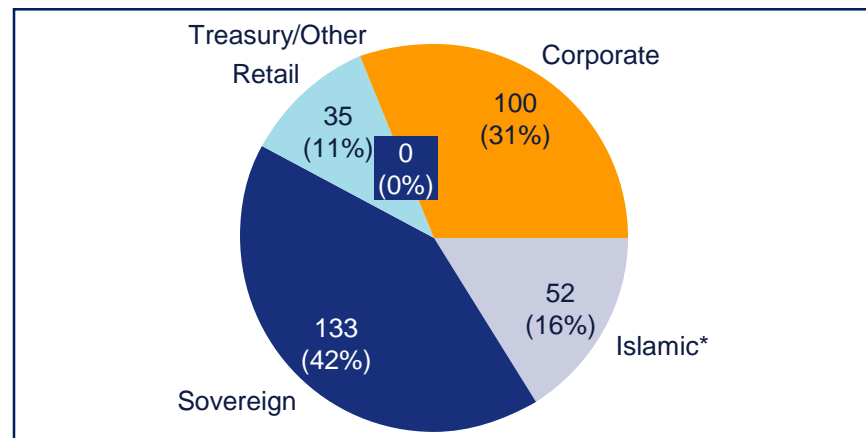


\* Gross Islamic Financing Net of Deferred Income

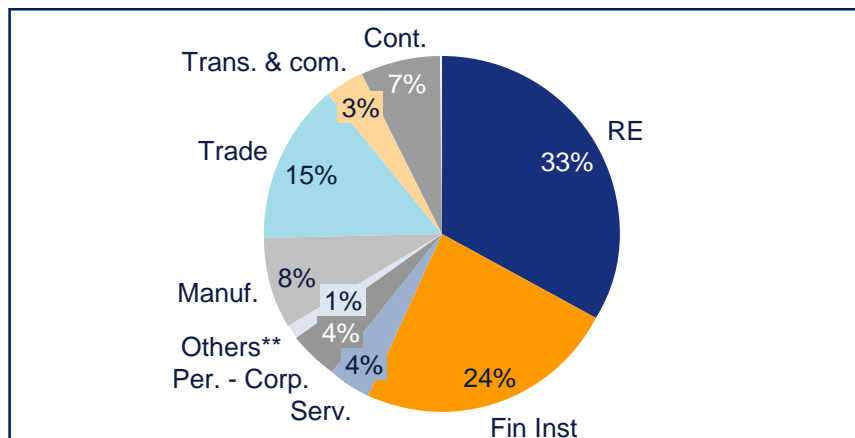


## Loan Composition

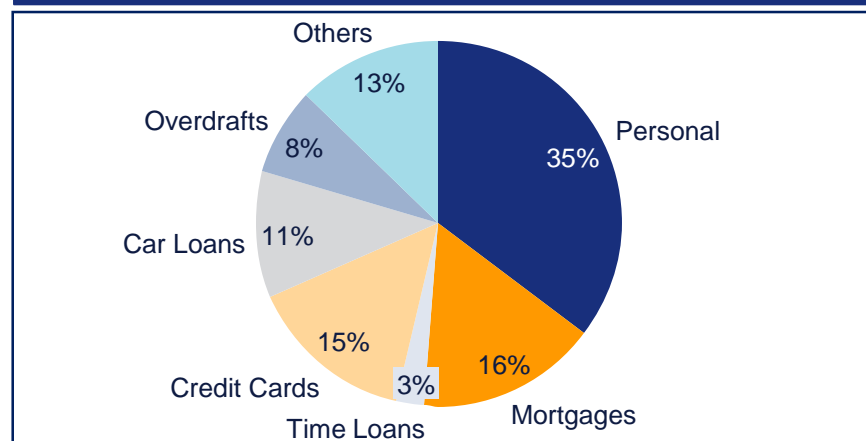
### Total Gross Loans (AED 320 bn)



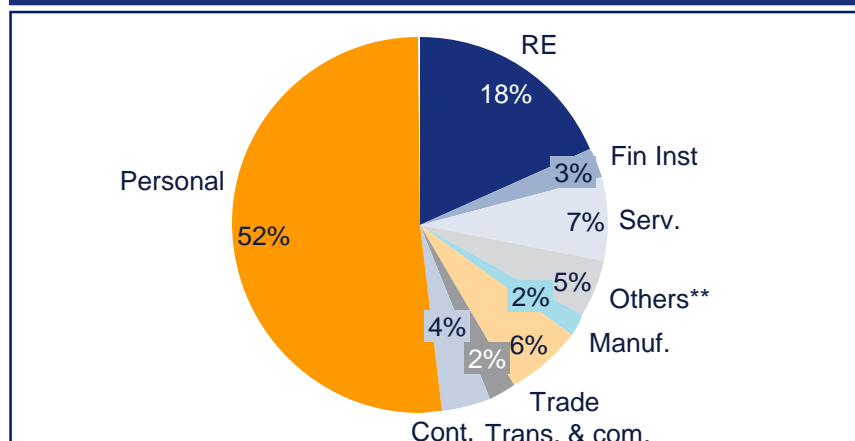
### Corporate Loans (AED 100 bn)



### Retail Loans (AED 35 bn)



### Islamic\* Loans (AED 52 bn)



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

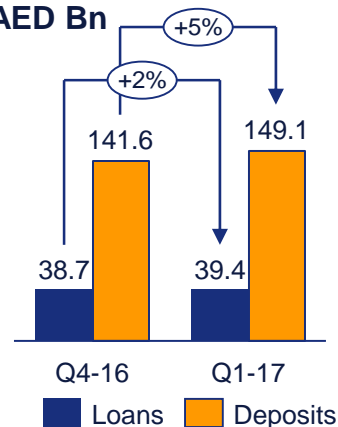


## Divisional Performance

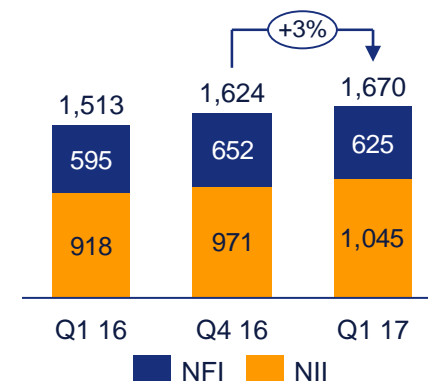
### Retail Banking & Wealth Management

- RBWM revenues increased 3% q-o-q and 10% y-o-y
- In Q1-17, fee income grew 5% y-o-y and accounted for 37% of total RBWM revenue
- Loans grew by 2% across a range of products particularly mortgages; and deposits by 5% from end 2016
- The bank continues to optimize its distribution network with 575 ATMs and 94 branches as at 31-Mar-17
- RBWM enhanced its digital banking platform with the launch of EVA, the region's first voice-based virtual assistant; and continue to focus on offering innovative solutions such as paperless Personal Loan applications with same day disbursement

#### Balance Sheet Trends AED Bn



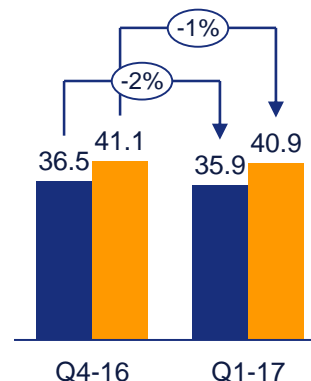
#### Revenue Trends AED Mn



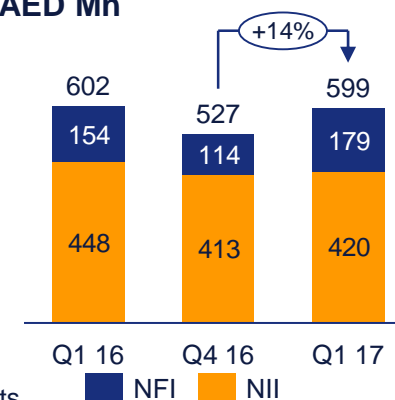
### Islamic Banking

- Islamic Banking revenues increased 14% q-o-q and held steady y-o-y
- Financing receivables declined 2% from end 2016 due to a slowdown in new business being underwritten as EI tightened underwriting standards
- Customer accounts declined 1% from end 2016 as EI's focused approach to improve liabilities mix and cost of funding led to a shift from expensive wakala deposits to incremental CASA balances. As at end Mar-17, CASA represented 69% of EI's total customer accounts
- As at 31-Mar-17, EI had 64 branches and an ATM & CDM network of 204

#### Balance Sheet Trends AED Bn



#### Revenue Trends AED Mn



■ Financing receivables ■ Customer accounts

■ NFI ■ NII



## Divisional Performance (cont'd)

Operating Environment

Emirates NBD Profile

Financial &amp; Operating Performance

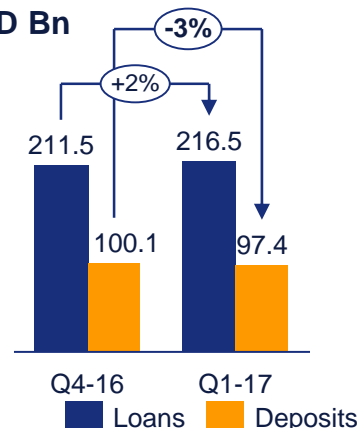
Strategy

Appendix

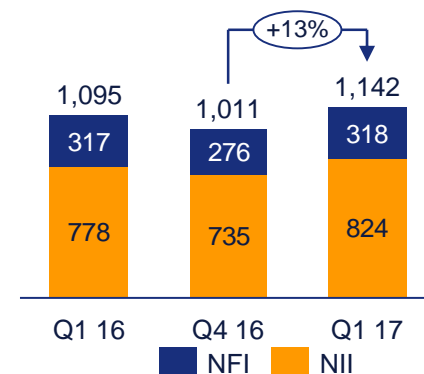
### Wholesale Banking

- Wholesale Banking revenues increased 13% q-o-q and 4% y-o-y
- Loans grew 2% from end 2016 due to growth in real estate, trade and FI sectors
- Deposits declined 3% from end 2016, reflecting efforts to optimize both the mix and cost of funding by reducing high yield deposits and building CASA balances
- Fee income grew 15% q-o-q and held steady y-o-y
- 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



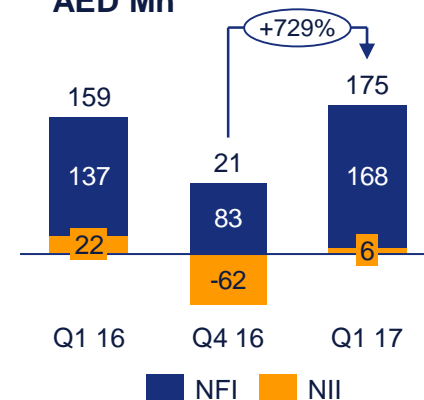
#### Revenue Trends AED Mn



### Global Markets & Treasury

- GM&T revenues increased 729% q-o-q and 10% y-o-y
- NFI increased 102% q-o-q and 22% y-o-y
- Sales revenues saw strong growth due to higher volumes in Fixed Income sales & FX products
- Trading and investment delivered a good performance from Credit, Derivatives and FX Trading
- Global Funding raised AED 3.3 Bn of term debt via private placements

#### Revenue Trends AED Mn





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

Operating Environment

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix

**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**





# Highlights of strategic achievements in 2016

## 2016 Strategic Priorities

### 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

### 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

### 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

### 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

### 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

## Key Achievements

- 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.

- 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).

- 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™.

- 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.

- 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

Operating Environment

Emirates NBD Profile

Financial &amp; Operating Performance

Strategy

Appendix

### 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



## 2016 & 2017 Selected Awards



'Smart Financial Services Excellence Award'

**The Banker**  
**Top 500**  
Banking Brands

'Top banking brand in the UAE'

emea**finance**

'Best equity house in the Middle East'

**THE ASIAN BANKER®**  
STRATEGIC BUSINESS INTELLIGENCE FOR THE FINANCIAL SERVICES COMMUNITY

'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

**The Banker**  
GLOBAL FINANCIAL INTELLIGENCE SINCE 1926

'Bank of the Year – UAE  
2016'



'Sector Fund of the Year'



Emirates NBD's Fitness  
Account recognised for  
innovation in digital banking



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



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



'Best Prepaid Program –  
Emirates Islamic'



**Gulf Customer**  
Experience Awards

'best Customer Experience  
Team'



## Large Deals Concluded in Q1 2017 (1/2)

<p>T.C. ZIRAAT BANKASI .A.S.</p> <p>USD 278,000,000 AND EUR 706,500,000</p> <p> <b>Ziraat Bank</b></p> <p>DUAL CURRENCY TERM LOAN FACILITY</p> <p>April 2017</p> <p>Mandated Lead Arranger and Bookrunner, Joint-Coordinator and Publicity Agent</p> <p> <b>Emirates NBD</b></p>	<p>AKBANK T.A.S.</p> <p>USD 404,500,000 AND EUR 738,270,000</p> <p> <b>AKBANK</b></p> <p>DUAL CURRENCY TERM LOAN FACILITY</p> <p>March 2017</p> <p>Mandated Lead Arranger and Bookrunner, Joint-Coordinator and Publicity Agent</p> <p> <b>Emirates NBD</b></p>	<p>Damac</p> <p>USD 125 million</p> <p> <b>DAMAC</b></p> <p>Sole Bookrunner &amp; Lead Manager</p> <p>March 2017</p> <p>18 month Sukuk BB</p> <p> <b>Emirates NBD</b></p>	<p>Ezdan Holding</p> <p>USD 500 million</p> <p> <b>EZDAN</b> HOLDING إزدان القابضة</p> <p>Joint Lead Manager &amp; Joint Bookrunner</p> <p>March 2017</p> <p>5 years Sukuk Ba1/BBB-</p> <p> <b>Emirates NBD</b></p>	<p>Warba Bank</p> <p>USD 250 million</p> <p> <b>بنك وربة</b> WARBA BANK</p> <p>Joint Lead Manager &amp; Joint Bookrunner</p> <p>March 2017</p> <p>Tier 1 Sukuk Unrated</p> <p> <b>Emirates NBD</b></p>
<p>Qatar Insurance Company</p> <p>USD 450 million</p> <p> <b>شركة قطر للتأمين</b> Qatar Insurance Company</p> <p>Joint Lead Manager &amp; Joint Bookrunner</p> <p>March 2017</p> <p>Perpetual NC5.5 Bond BBB+</p> <p> <b>Emirates NBD</b></p>	<p>MAJID AL FUTTAIM HOLDING LLC</p> <p>USD 200,000,000 AND AED 3,049,000,000</p> <p> <b>ماجد الفطيم</b> MAJID AL FUTTAIM</p> <p>REVOLVING CREDIT FACILITY</p> <p>February 2017</p> <p>Mandated Lead Arranger and Documentation Agent</p> <p> <b>Emirates NBD</b></p>	<p>Majid Al Futtaim</p> <p>USD 500 million</p> <p> <b>ماجد الفطيم</b> MAJID AL FUTTAIM</p> <p>Joint Lead Manager &amp; Joint Bookrunner</p> <p>February 2017</p> <p>Subordinated Perpetual Bond BB+ / BB+</p> <p> <b>Emirates NBD</b></p>	<p>Bank of Sharjah</p> <p>USD 500 million</p> <p> <b>بنك الشارقة</b> Bank of Sharjah</p> <p>Joint Lead Manager &amp; Joint Bookrunner</p> <p>February 2017</p> <p>5 years Bond BBB+</p> <p> <b>Emirates NBD</b></p>	<p>Dubai Islamic Bank</p> <p>USD 1000 million</p> <p> <b>بنك دبي الإسلامي</b> Dubai Islamic Bank</p> <p>Joint Lead Manager &amp; Joint Bookrunner</p> <p>February 2017</p> <p>5 years Sukuk A</p> <p> <b>Emirates NBD</b></p>



## Large Deals Concluded in Q1 2017 (2/2)

Al Baraka Bank

USD 200 million



Joint Solicitation Agent

February 2017

Tier 2 Sukuk (conversion from Basel2 to Basel 3)



Investment Corporation of Dubai

USD 1000 million



Joint Lead Manager & Joint Bookrunner

January 2017

10 years Sukuk  
Unrated



PT. Pan Brothers TBK

USD 200 million



PT. PAN BROTHERS TBK

Joint Lead Manager & Joint Bookrunner

January 2017

5NC3 Bond  
B1/B



Africa Finance Corporation

USD 150 million



AFC

Sole Global Coordinator, Joint Lead Manager & Bookrunner

January 2017

3 years Sukuk  
A3



Adani Ports

USD 500 million



adani™

Joint Lead Manager & Bookrunner

January 2017

5 years Bond  
Baa3/BBB-/BBB-





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