

Emirates NBD

Investor Presentation



Important Information

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Forward Looking Statements

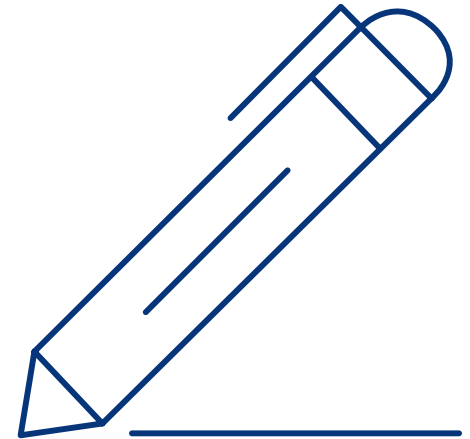
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- 1. Emirates NBD Profile**
- 2. Financial & Operating Performance**
- 3. Divisional Performance**
- 4. Economic Environment**



Emirates NBD is a Leading Bank in the MENAT Region

Key Highlights as of Q3 2019

Emirates NBD at a Glance

USD 184 Bn

Assets

USD 117 Bn

Customer Loans

USD 18.9 Bn

Market Capitalization*

13

Countries

1,000+

Branches

14.7 million

Customers

3rd

Largest in GCC**

2nd

Largest in the UAE**

~20%

Market Share in UAE
(Assets, Loans, Deposits)***

56%

Government of Dubai
Shareholding

20%

Foreign
Ownership Limit

40%

Intent to Further Increase
Foreign Ownership Limit

Emirates NBD at a glance

Emirates NBD's International Presence

Market share in the UAE*

➤ Assets 18.5%; Loans 21.7%; Deposits 20.8%

➤ **Largest financial institution in Dubai**, 3rd largest in the GCC

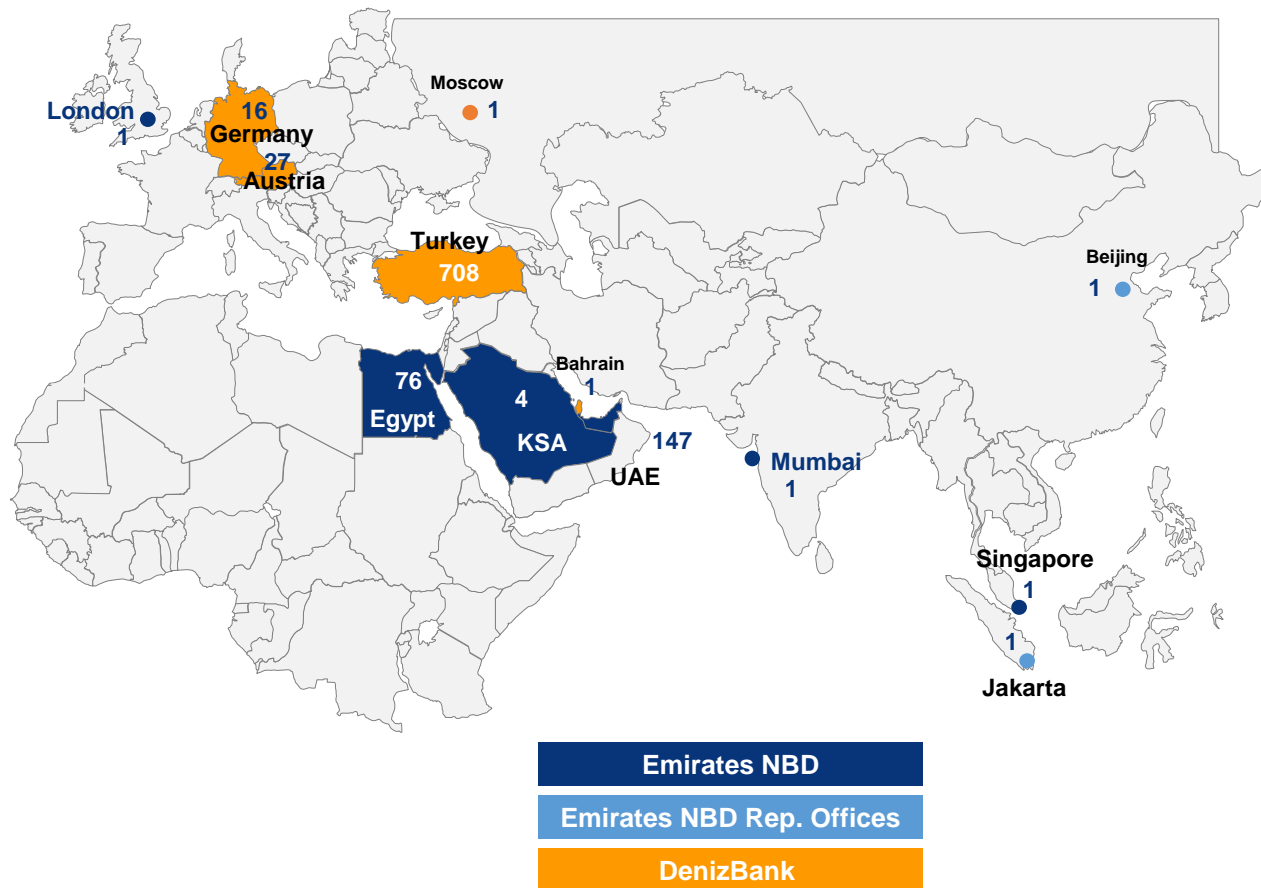
➤ **Leading retail banking franchise** with a branch network of around 1,000 branches throughout the MENAT region with operations in 13 countries

➤ **Leader in digital banking:** 6th best banking app worldwide with expanding customer acquisition

➤ **55.8%** indirectly owned by the Government of Dubai through ICD

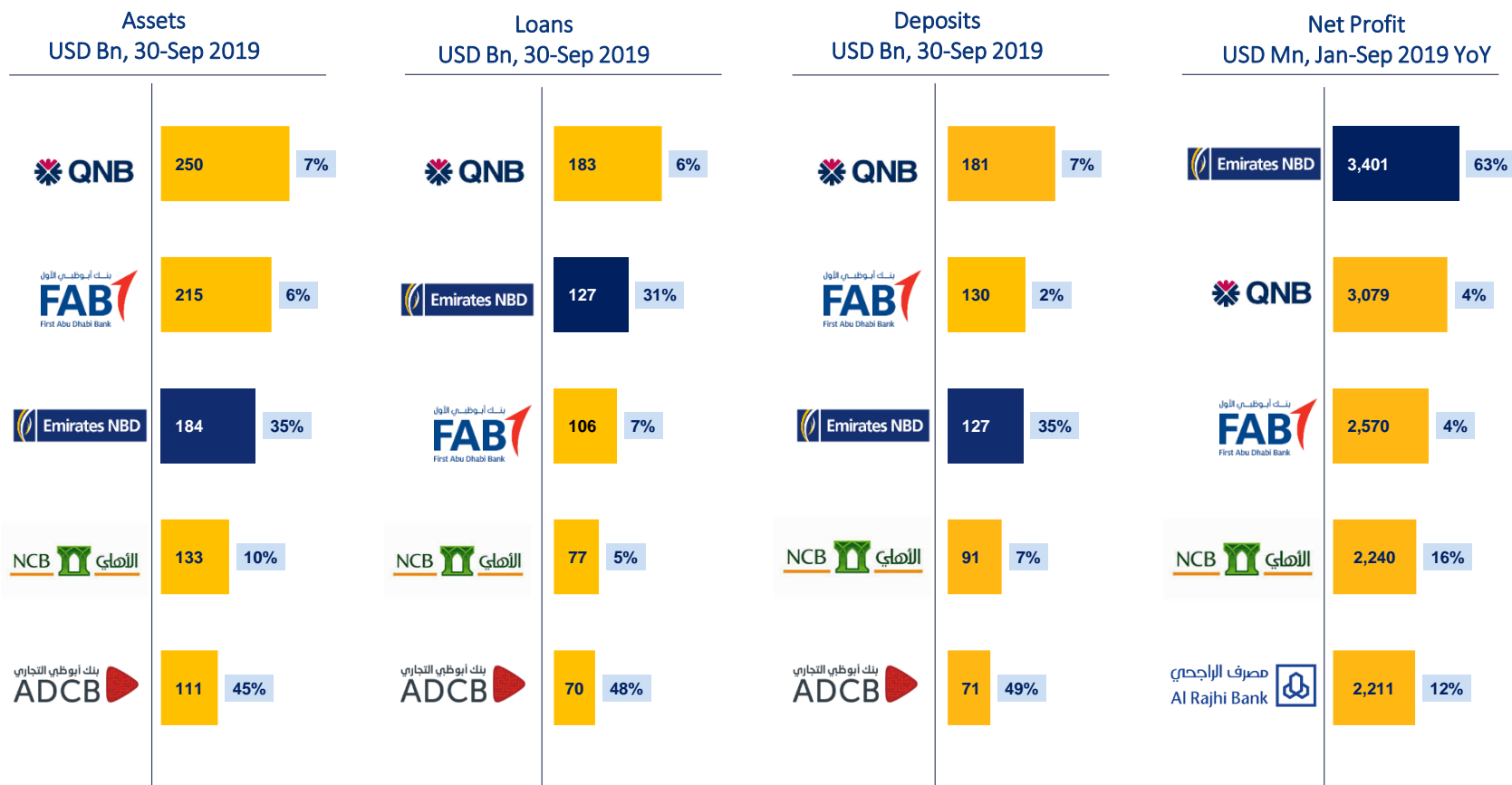
➤ Stable credit ratings

Rated A3 / A+ by Moody's / Fitch

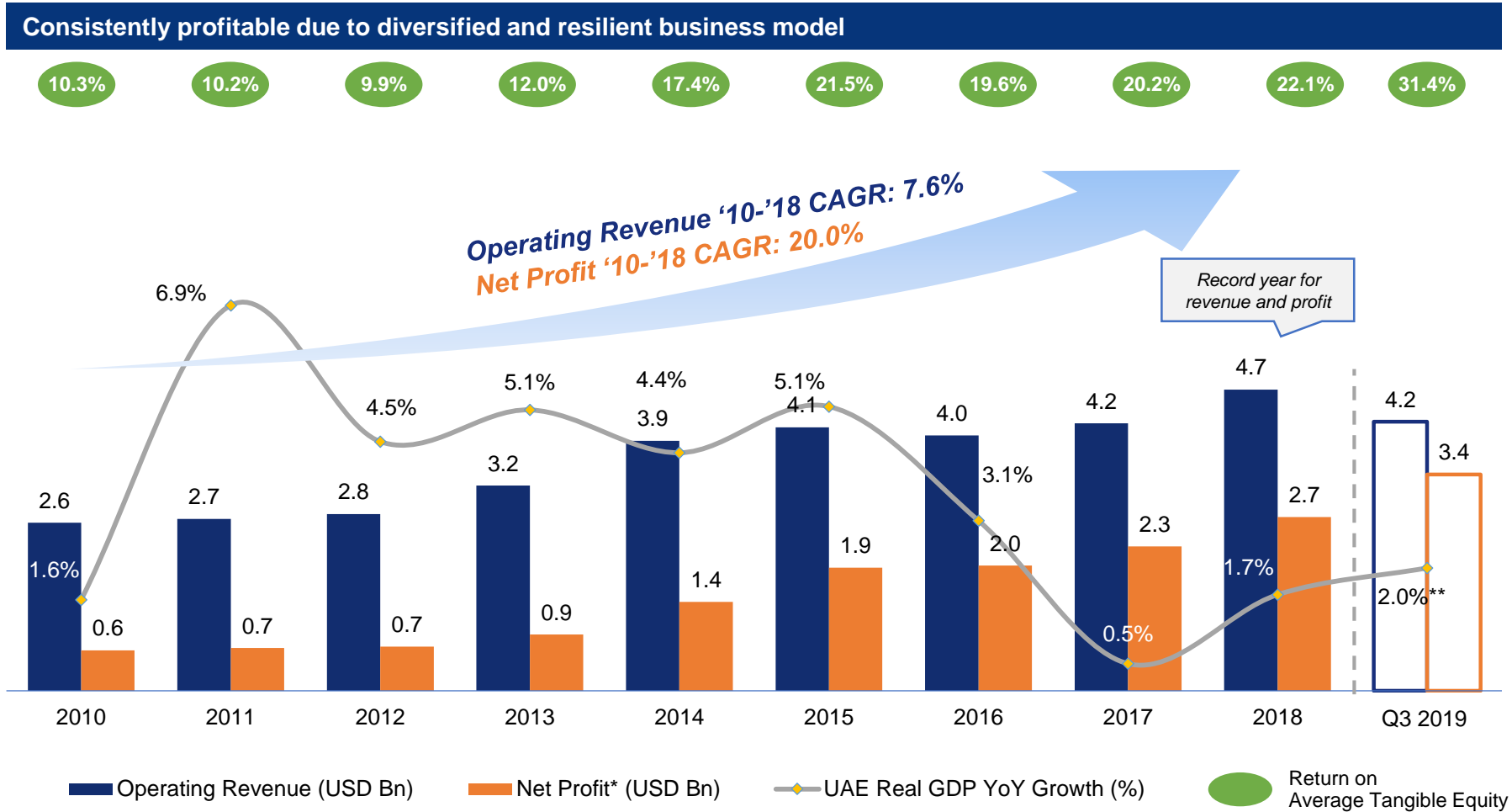


Emirates NBD is one of the largest banks in the GCC

% September 2019 vs. December 2018



Strong track record of profitability



Source: Emirates NBD Research

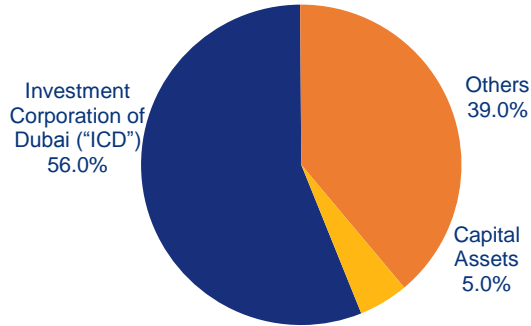
*Group profit; **2019E real GDP growth

Stable Shareholder Base and Diversified Business Model

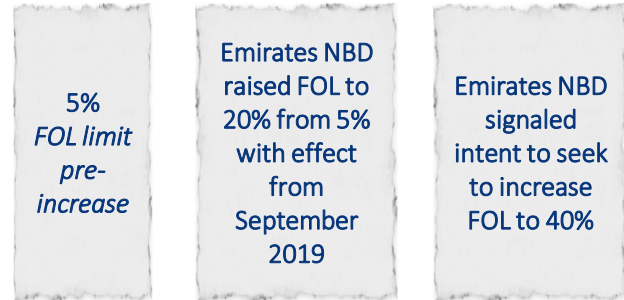
Split of ownership – Anchored by the Government of Dubai

Foreign ownership limit (“FOL”)

Ownership structure as at 30 September 2019



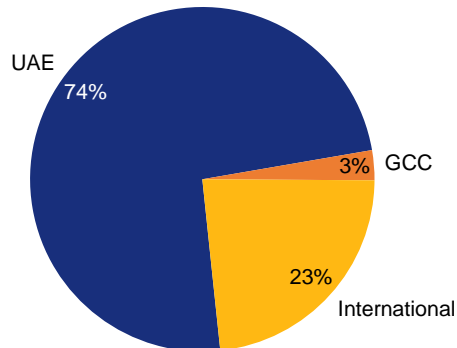
A flagship bank for the Government of Dubai and the UAE. Strong, supportive shareholder base from the Government of Dubai via ‘ICD’



Diversified geographic mix of loans

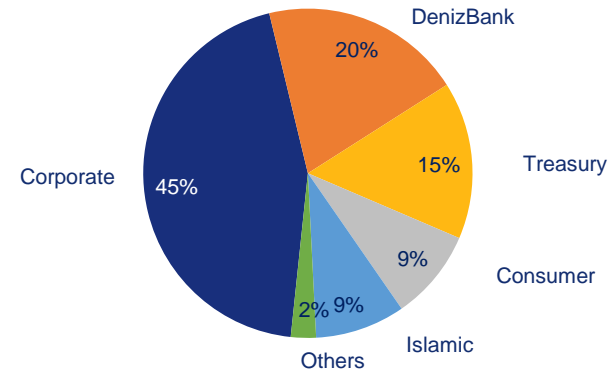
Balanced asset composition

% of loans by geography as at 30 September 2019



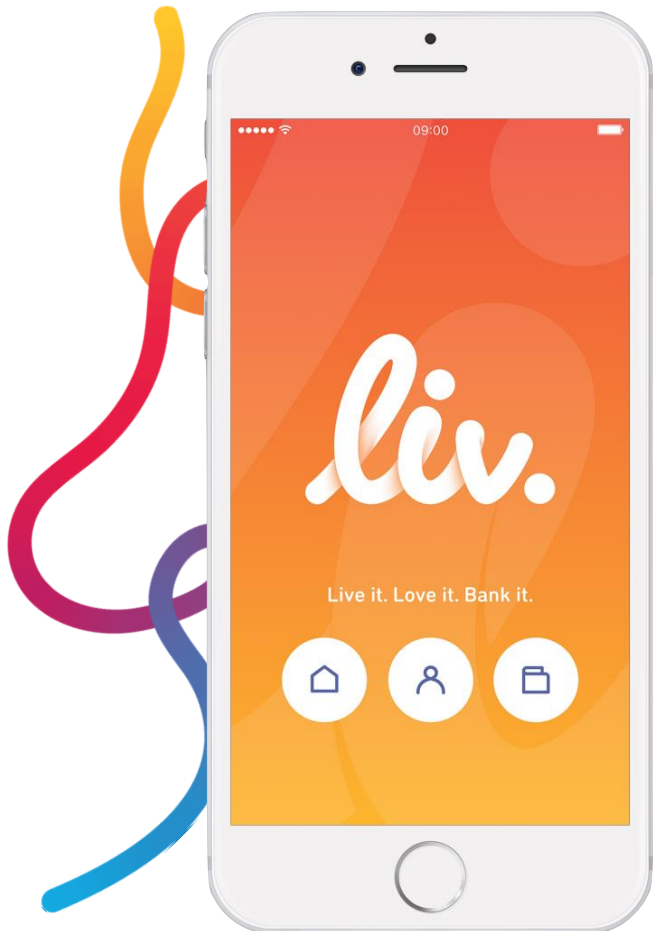
International presence in Asia, Europe and MENAT across 13 countries. DenizBank acquisition further enhances geographic profile

% by segment as at 30 September 2019



Well diversified asset composition between corporate, consumer and Islamic banking

Digital lifestyle banking continuing innovation



Recent Launches

Liv. Sure, Smartphone insurance – a range of insurance products for millennials

Olivia, a Millennial chatbot – a conversational AI (artificial intelligence) based chatbot

Goal accounts – multiple goal based saving options for the customers

Key Achievements

Fastest growing retail bank in the UAE with more than 15,000 customers added to the network per month

Expanded its range of services with capabilities like international transfers

Crossed the 300,000 customer mark within two years of commencing operations

Strong customer engagement with an average of 14 logins per customer per month

Highest rated amongst all banking applications with a Google Play Store rating of 4.5 out of 5

Emirates NBD delivered a strong set of results in Q3-19

Key Metrics		2019 Macro themes	
		Q3 2019 YTD	2019 Guidance
Profit	Net Profit	AED 12.5 Bn +63% y-o-y	
	NIM	2.82%	2.75-2.85%
	Cost to income	30.3%	33%
Credit Quality	NPL	4.8%	Stable
	Coverage	126.6%	✓
Capital	CET 1	13.7%	
	Tier 1	15.9%	
	CAR	17.0%	
Liquidity	AD Ratio	91.8%	90-100%
	LCR Ratio	149.3%	
Assets	Loan Growth (Excl. DenizBank)	5.0%	mid-single digit

Regional	Global
<ul style="list-style-type: none"> • GCC growth supported by stable oil production 	<ul style="list-style-type: none"> • Slowing but growing US economy
<ul style="list-style-type: none"> • Geo-politics • Softening UAE real estate prices 	<ul style="list-style-type: none"> • IMF downgrades global growth forecast

Q3-19 YTD Financial results highlights

Highlights

- Net profit of AED 12,483 Mn for Q3-19 YTD increased 63% y-o-y, or 3% excluding DenizBank and the impact of the Network International transaction
- Results include DenizBank revenue of AED 1,256 Mn and net profit of AED 198 Mn for two months since acquisition date
- Core Operating Profit grew 5% y-o-y, or 2% excluding DenizBank supported by asset growth and higher fee income
- Net interest income improved 17% y-o-y, or 8% excluding DenizBank supported by 5% loan growth
- NIMs improved marginally to 2.82% y-o-y due to the positive impact of DenizBank
- Non-interest income advanced 31% y-o-y, or 20% excluding DenizBank due to higher foreign exchange and credit card related income
- Costs increased 14% y-o-y, or 4% excluding DenizBank due to a rise in staff and operating costs relating to international expansion
- Provisions of AED 2,755 Mn increased 149% y-o-y, or 94% excluding DenizBank due to lower writebacks and recoveries
- Net cost of risk increased to an annualized 103 bps
- NPL ratio improved to 4.8% as DenizBank loans recorded at fair value on acquisition date resulted in no addition to NPLs
- LCR of 149.3% and AD ratio of 91.8% demonstrate continuing healthy liquidity post DenizBank acquisition

Key performance indicators (Including DenizBank from 1st Aug 2019)

AED Mn	Q3-19 YTD	Q3-18 YTD	Better / (Worse)
Net interest income	11,122	9,536	17%
Non-interest income	4,419	3,369	31%
Total income	15,541	12,905	20%
Operating expenses	(4,706)	(4,112)	(14%)
Pre-impairment operating profit	10,835	8,793	23%
Impairment allowances	(2,755)	(1,108)	(149%)
Operating profit	8,080	7,686	5%
Gain on disposal of stake in NI and fair value gain on retained interest	4,389	0	-
Share of profits from associates	18	83	(79%)
Gain on bargain purchase	142	0	-
Taxation charge	(145)	(112)	(30%)
Net profit	12,483	7,656	63%
Cost: income ratio	30.3%	31.9%	1.6%
Net interest margin	2.82%	2.81%	0.01%
AED Bn	30-Sep 2019	31-Dec 2018	%
Total assets	675.6	500.3	35%
Loans	429.7	327.9	31%
Deposits	468.2	347.9	35%
AD ratio (%)	91.8%	94.3%	2.5%
NPL ratio (%)	4.8%	5.9%	1.1%

Q3-19 Financial results highlights

Highlights

- Net profit of AED 5,001 Mn for Q3-19 increased 90% y-o-y and 6% q-o-q
- The results include a AED 2.3 billion impact of the Network International transaction
- Core Operating Profit lower by 1% y-o-y and 4% q-o-q due to higher impairment allowances
- NIMs of 2.83% improved 11 bps q-o-q due to the positive impact of DenizBank
- Net interest income improved 29% y-o-y, or 3% excluding DenizBank on asset growth
- Non-interest income advanced 52% y-o-y, or 18% excluding DenizBank on higher core fee and investment securities income
- Costs increased 28% y-o-y, and remained flat excluding DenizBank as the Bank continues to manage costs tightly
- Provisions of AED 1,528 increased 133% q-o-q, or 40% excluding DenizBank due to lower writebacks and recoveries
- NPL ratio improved to 4.8% as DenizBank loans were recorded at fair value on acquisition date resulted in no addition to NPLs
- Coverage ratio strong at 126.6%

Key performance indicators (Including DenizBank from 1st Aug 2019)

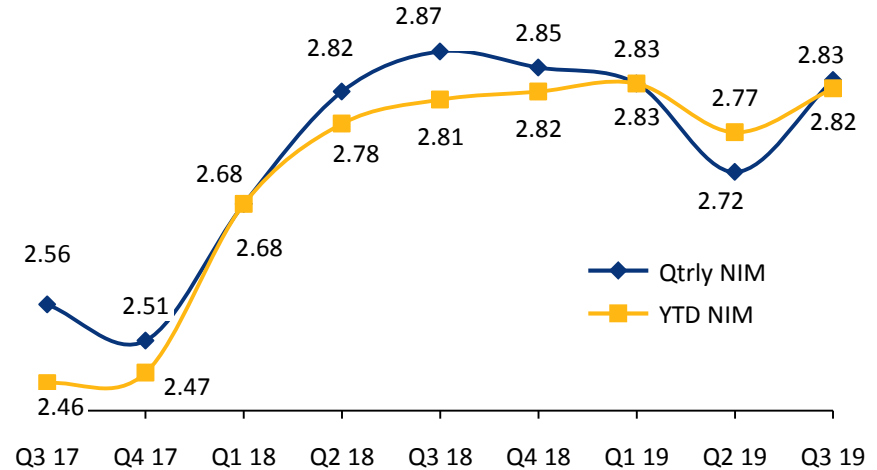
AED Mn	Q3-19	Q3-18	Better / (Worse)	Q2-19	Better / (Worse)
Net interest income	4,271	3,307	29%	3,452	24%
Non-interest income	1,743	1,147	52%	1,359	28%
Total income	6,014	4,454	35%	4,810	25%
Operating expenses	(1,880)	(1,466)	(28%)	(1,430)	(31%)
Pre-impairment operating profit	4,134	2,988	38%	3,380	22%
Impairment allowances	(1,528)	(353)	(333%)	(656)	(133%)
Operating profit	2,606	2,635	(1%)	2,724	(4%)
Gain on NI disposal & FV gain on retained interest	2,323	0	-	2,066	-
Share of profits from associates	6	34	(83%)	(15)	138%
Gain on bargain purchase	142	0	-	0	-
Taxation charge	(75)	(30)	(152%)	(36)	(110%)
Net profit	5,001	2,638	90%	4,739	6%
Cost: income ratio	31.3%	32.9%	1.7%	29.7%	(1.5%)
Net interest margin	2.83%	2.87%	(0.04%)	2.72%	0.11%
AED Bn	30-Sep 2019	31-Dec 2018	%	30-Jun 2019	%
Total assets	675.6	500.3	35%	537.8	26%
Loans	429.7	327.9	31%	337.7	27%
Deposits	468.2	347.9	35%	366.7	28%
AD ratio (%)	91.8%	94.3%	2.5%	92.1%	0.3%
NPL ratio (%)	4.8%	5.9%	1.1%	5.9%	1.1%

Net interest income

Highlights

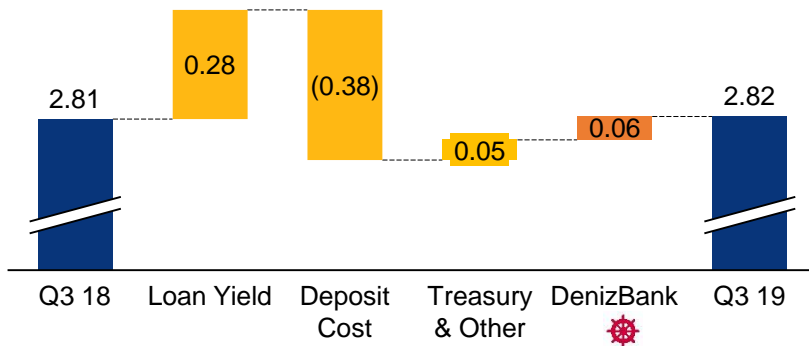
- Q3-19 YTD NIM advanced 1 bp y-o-y to 2.82%, helped by higher margins from DenizBank
- Excluding DenizBank, NIMs declined 5 bps on higher deposit costs
- Q3-19 NIM of 2.83% improved 11 bps q-o-q but declined 8 bps excluding DenizBank
- Loan yields improved 28 bps y-o-y and deposit costs increased 38 bps y-o-y due to higher average EIBOR rates in 2019
- NIM guidance of 2.75-2.85% maintained as full quarter impact of DenizBank will help offset the effect of lower short term interest rates

Net Interest Margin (%)

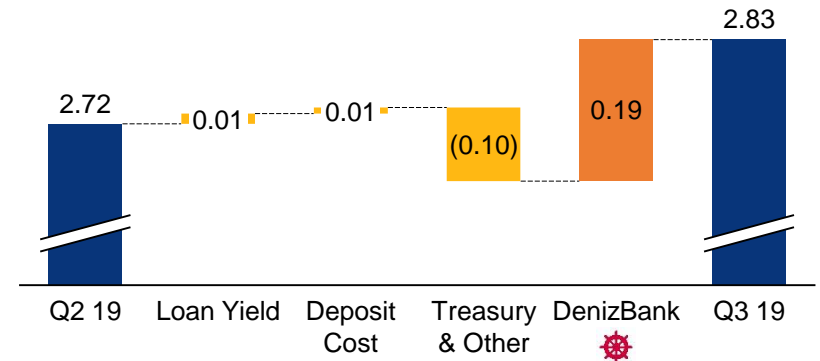


Net Interest Margin Drivers (%)

Q3-19 YTD vs. Q3-18 YTD



Q3-19 vs. Q2-19

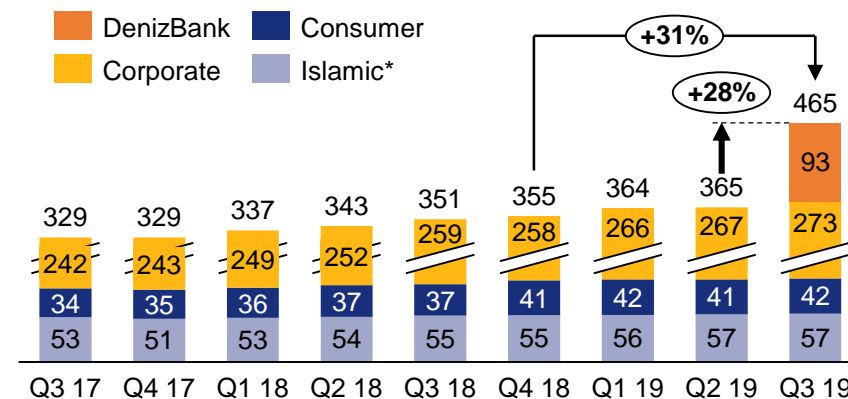


Loan and deposit trends

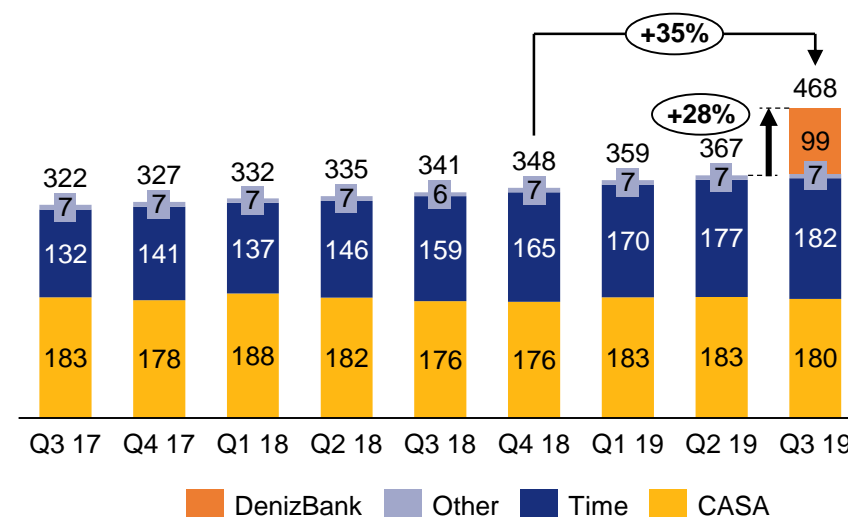
Highlights

- Gross loans excluding DenizBank grew 5% since start of the year with growth across all operating segments
- Corporate lending grew 6% (27% including DenizBank due to growth in agriculture, manufacturing, services, transport and communication sectors) since year-end
- Consumer lending grew 1% (98% including DenizBank due to growth in personal loans and credit cards) since year-end
- Islamic financing grew 4% since year-end due to growth in manufacturing, personal and trade sectors
- DenizBank acquisition increased gross loans by AED 93 bn and customer deposits by AED 99 bn
- CASA deposits represent 44% of total group level deposits.
- Domestic CASA engine remains strong at 50%

Trend in Gross Loans by Type (AED Bn)

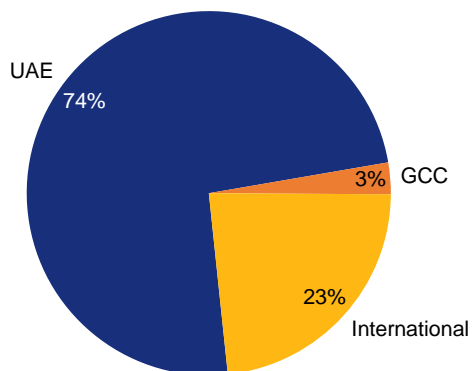


Trend in Deposits by Type (AED Bn)

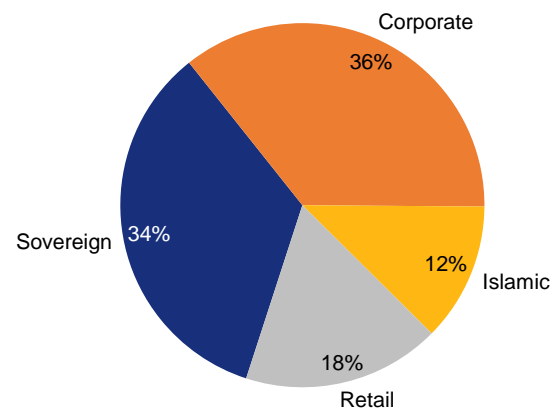


Loan composition

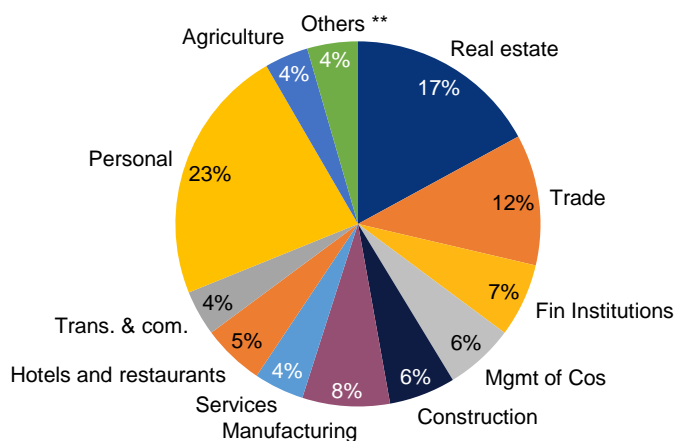
Total Net Loans (AED 429 Bn)



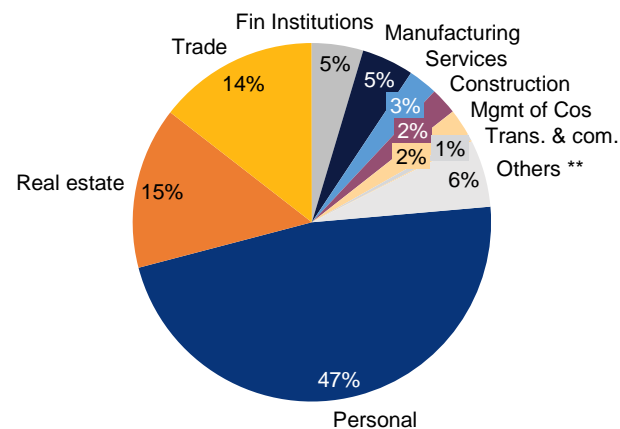
Gross Loans (AED 465 Bn)



Gross Corporate and Retail Loans (AED 249 Bn)



Gross Islamic Loans* (AED 59 Bn)



*Islamic loans gross of deferred income

**Others include Mining & quarrying (and Agriculture for Islamic Loans)

Non-interest income

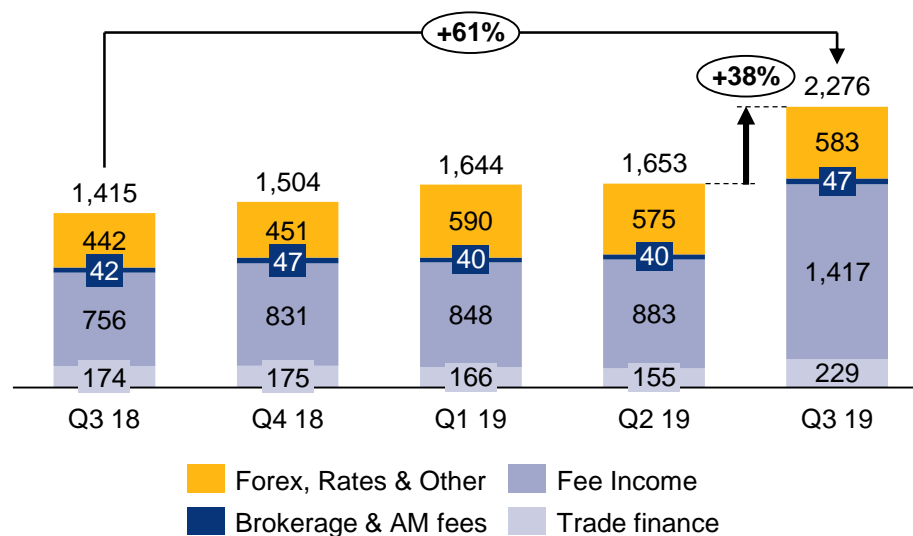
Highlights

- Core fee income increased by 26% y-o-y due to higher foreign exchange and credit card related income
- Investment Securities Income improved y-o-y due to higher gain on trading securities as a result of changing interest rates
- Total non-interest income advanced 31% y-o-y, or 20% excluding DenizBank on higher core fee and investment securities income

Composition of Non Interest Income (AED Mn)

AED Mn	Q3-2019 YTD	Q3-2018 YTD	Better / (Worse)
Core gross fee income	5,573	4,314	29%
Fees & commission expense	(1,215)	(861)	(41%)
Core fee income	4,358	3,453	26%
Property income / (loss)	(68)	(70)	2%
Investment securities & other income	129	(13)	1096%
Total Non Interest Income	4,419	3,369	31%

Trend in Core Gross Fee Income (AED Mn)

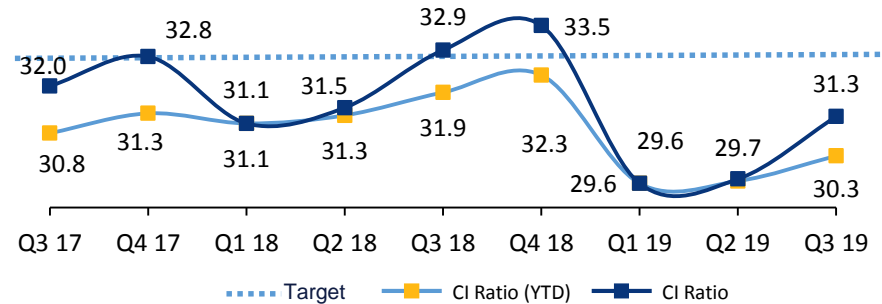


Operating costs and efficiency

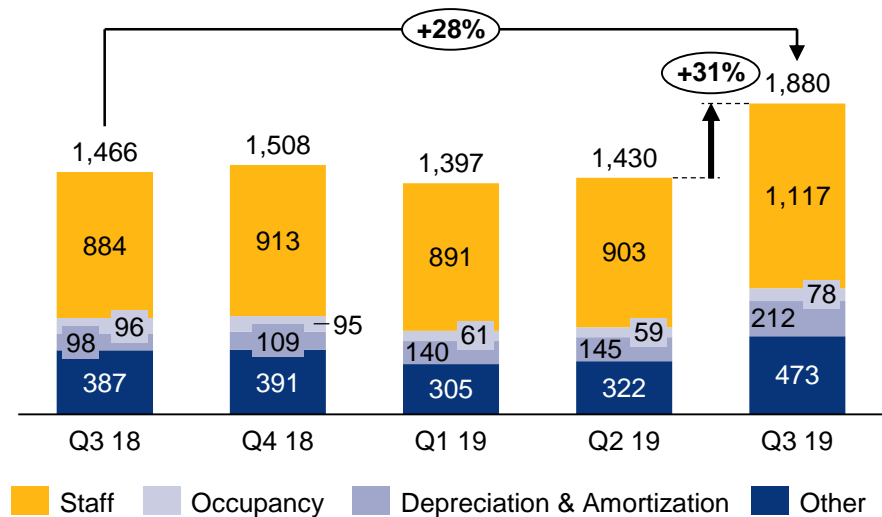
Highlights

- Q3-19 costs were AED 1,880 Mn, a 31% q-o-q and 28% y-o-y increase due to a rise in staff and operating costs relating to international expansion
- Excluding DenizBank, quarterly costs increased 3% q-o-q and remained flat y-o-y as the Bank continues to manage costs tightly
- The cost to income ratio at 30.3% is within guidance however the Bank remains firmly focused on cost controls as we face pressure on income due to falling interest rates

Cost to Income Ratio (%)



Cost Composition (AED Mn)

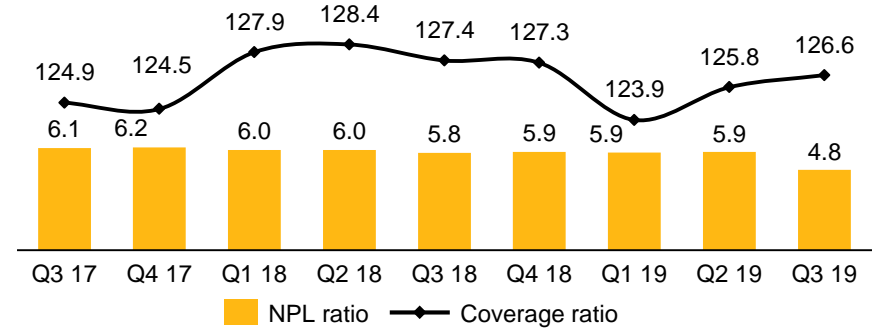


Credit quality

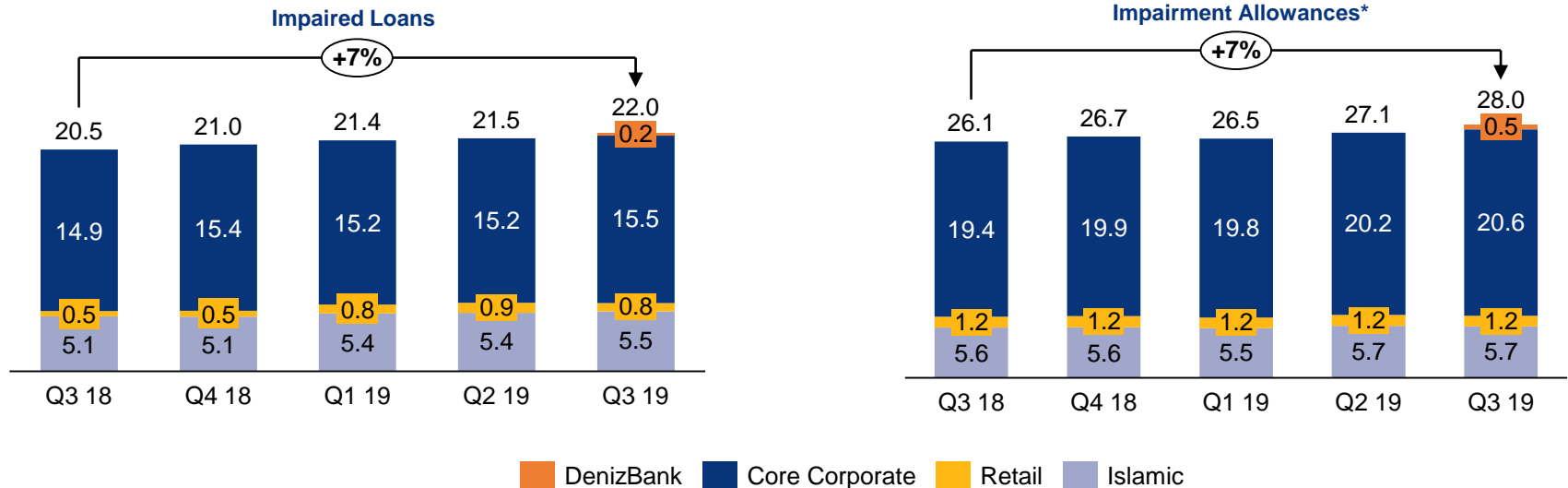
Highlights

- NPL ratio improved to 4.8% in Q3-19 as DenizBank loans recorded at fair value on acquisition date resulted in no addition to NPLs
- Cost of risk increased to 103 bps from 63 bps in 2018 on higher net impairment charge of AED 2,755 Mn including the impact of DenizBank and reflecting the slowdown in regional and international markets
- AED 796 Mn of write backs & recoveries in the first nine months of 2019 compared to AED 1,381 Mn in 2018
- The coverage ratio remained strong at 126.6%
- Stage 1 & 2 ECL allowances amount to AED 8.4 Bn* or 2.2% of CRWA

Impaired Loan & Coverage Ratios (%)



Impaired Loans and Impairment Allowances (AED Bn)



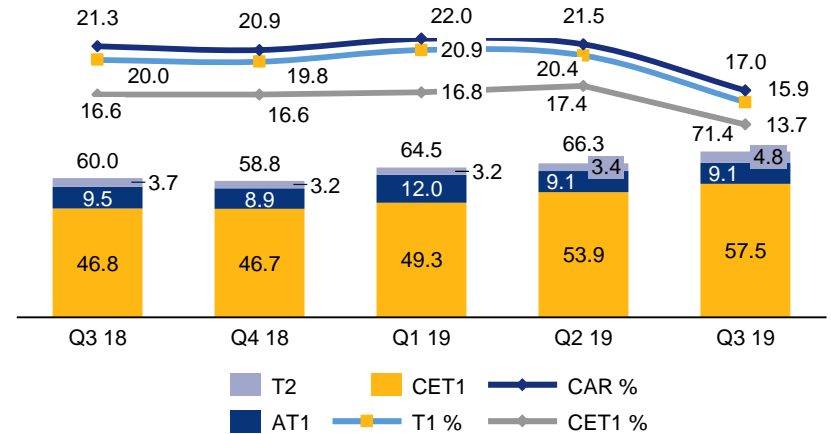
*Impairment allowances exclude the pre-acquisition impact of DenizBank (Total of AED 7.9 bn)

Capital adequacy

Highlights

- In Q3-19, capital ratios declined on growth in RWAs from DenizBank
- Capital ratios remain above the minimum regulatory requirements of 11% for CET-1 ratio, 12.5% for Tier 1 ratio and 14.5% for CAR ratio
- Proposed rights issue of up to \$1.75 billion equivalent will strengthen capital ratios by 1.5% approximately
- 'Other' adjustment of AED 1 bn relates to acquired intangibles of DenizBank's core deposits, customer relationships and brands
- Increase in T2 due to increased eligibility of reserves based on 1.25% on CRWA

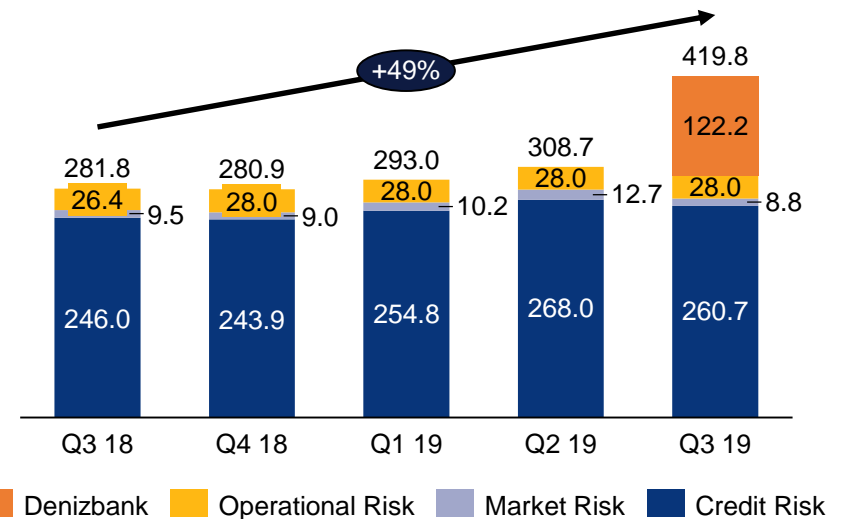
Capitalisation



Capital Movements table

AED Bn	CET1	Tier 1	Tier 2	Total
Capital as at 31-Dec-2018	46.7	55.6	3.2	58.8
Net profits generated	12.5	12.5	-	12.5
T1 Issuance	-	3.7	-	3.7
Repayment of Tier instruments	-	(3.7)	(0.1)	(3.8)
Interest on T1 securities	(0.5)	(0.5)	-	(0.5)
Amortisation of T1	-	(0.4)	-	(0.4)
Other	(1.2)	(0.6)	1.7	1.1
Capital as at 30-Sep-2019	57.5	66.6	4.8	71.4

Risk Weighted Assets

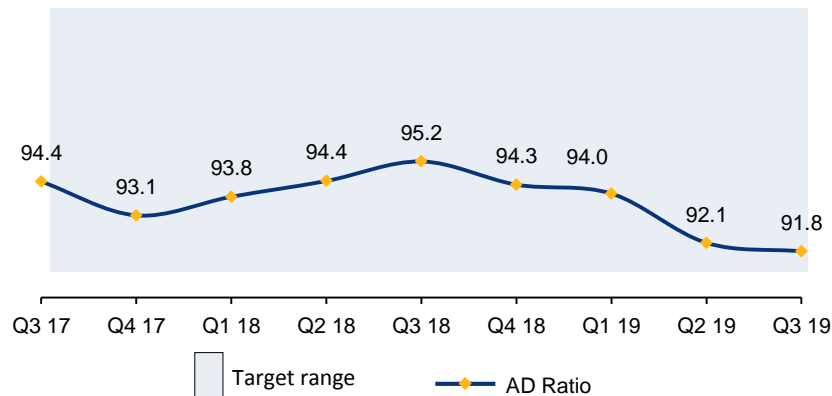


Funding and liquidity

Highlights

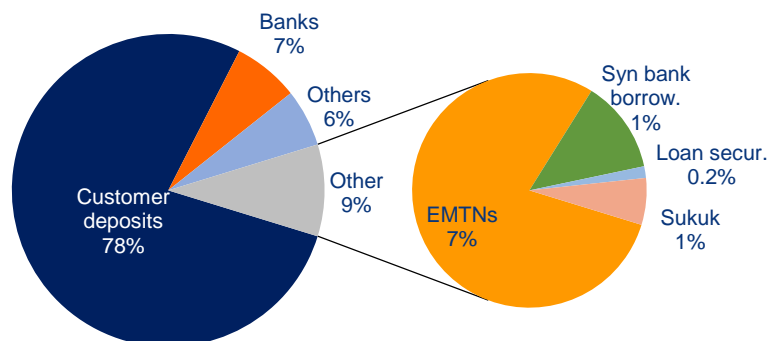
- LCR of 149.3% and AD ratio of 91.8% demonstrates continuing healthy liquidity post DenizBank acquisition
- Liquid assets* of AED 107.3 Bn as at Q3-19 (18% of total liabilities)
- In 2019, AED 12.7 Bn of term debt issued in 9 currencies with maturities out to 20 years, more than fully covering 2019 total maturities
- Debt/Sukuk represents 9% of total liabilities
- DenizBank seeing improved demand and pricing for term funding
- DenizBank debt acquired (AED 3.1 bn) with maturity until 2020

Advances to Deposit (AD) Ratio (%)



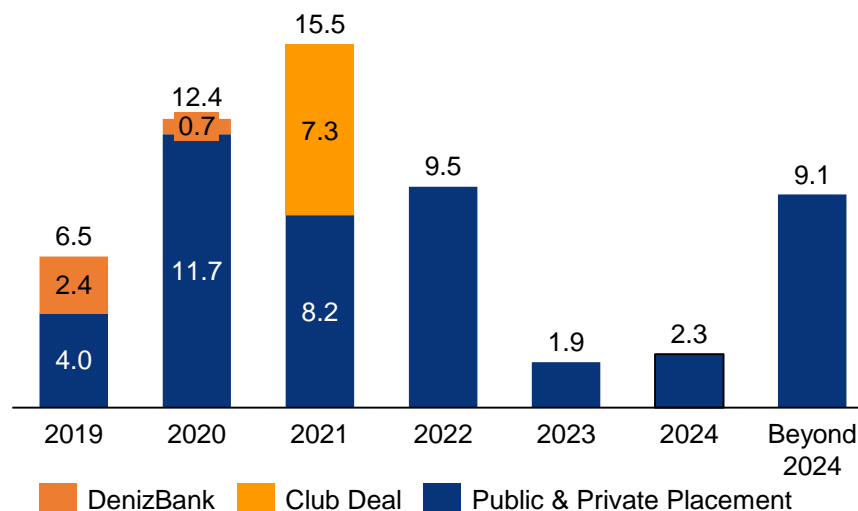
Composition of Liabilities/Debt Issued (%)

Liabilities (AED 602.1 Bn) Debt/Sukuk (AED 57.1 Bn)



Maturity Profile of Debt Issued (AED Bn)

Maturity Profile of Debt/ Sukuk Issued AED 57.1 Bn

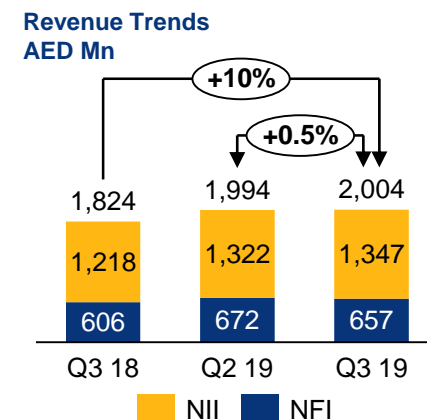
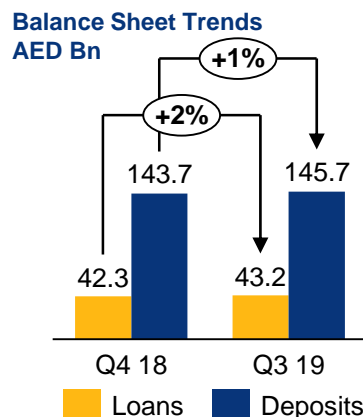


*Including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities

Divisional performance (Excluding DenizBank)

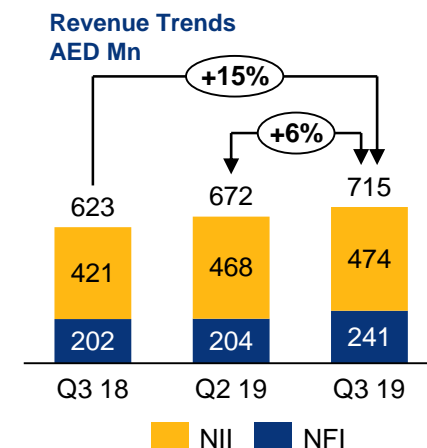
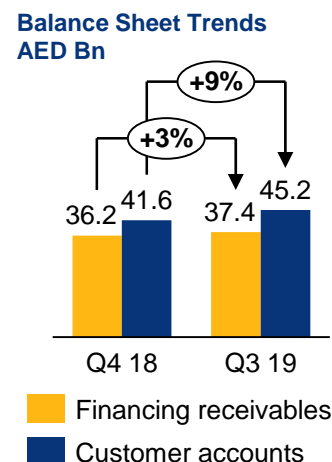
Retail Banking & Wealth Management

- Revenue increased 10% y-o-y led by higher net interest income from liabilities and fee income driven by cards, loans and FX
- Liabilities grew by 1% backed by enhanced customer promotions and new product launches
- Customer advances increased 2% during the year supported by strong acquisitions of personal and auto loans. New card sales were up 21% over the previous period
- Liv, remains the fastest growing retail banking proposition in the UAE reaching a base of over 300,000 customers
- The bank announced the creation of E20., a digital business bank entrepreneurs and SMEs



Emirates Islamic

- Revenue increased 15% y-o-y led by a 13% increase in funded income
- El's total assets reached AED 62.7 billion at the end of Q3 2019
- Financing and Investing Receivables increased by 3% to AED 37.4 billion since the start of the year
- Customer accounts increased by 9% to AED 45.2 billion over the same period
- CASA balances represented 63% of total customer accounts compared with 66% at the end of 2018
- El's headline Financing to Deposit ratio stood at 83% and is comfortably within the management's target range

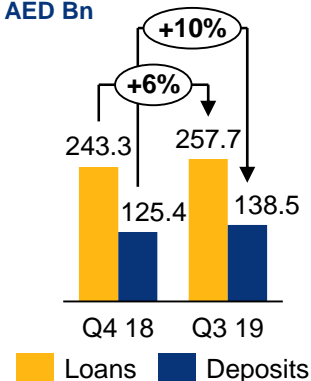


Divisional performance (Excluding DenizBank)

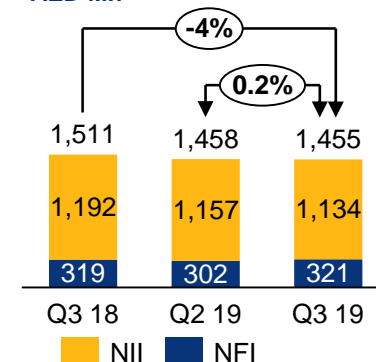
Wholesale Banking

- Wholesale Banking revenue slightly lower q-o-q and down 4% y-o-y as lower margins more than offset a growth in fee income
- Net interest income lower 2% q-o-q mainly due compression in margins partially offset by growth in lending activity
- Fee income of AED 321 million increased 6% q-o-q due to higher lending related fees and increased investment banking activity
- Loans grew 6% during the year with strong momentum in lending activity and growth in the Bank's core and short term lending business
- Deposits were 10% higher reflecting the Bank's aim to maintain liquidity at an optimum level

Balance Sheet Trends
AED Bn



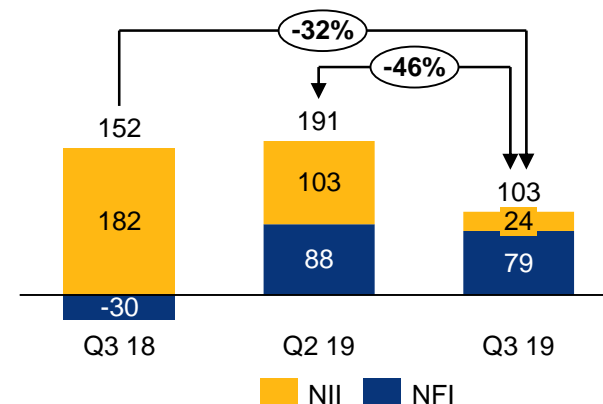
Revenue Trends
AED Mn



Global Markets & Treasury

- GM&T revenues decreased 32% y-o-y and 46% q-o-q mainly due to lower NII from declining interest rates over the period
- NFI increased significantly y-o-y as the Rates and Foreign Exchange desks contributed by taking advantage of volatility in their respective markets, with marginal reduction q-o-q
- The Global Funding Desk raised AED 12.7 billion of term funding through private placements with maturities out to 20 years
- The desk successfully raised a US\$ 1 billion Perpetual Tier 1 issue in the first nine months of 2019

Revenue Trends
AED Mn



DenizBank Business Overview

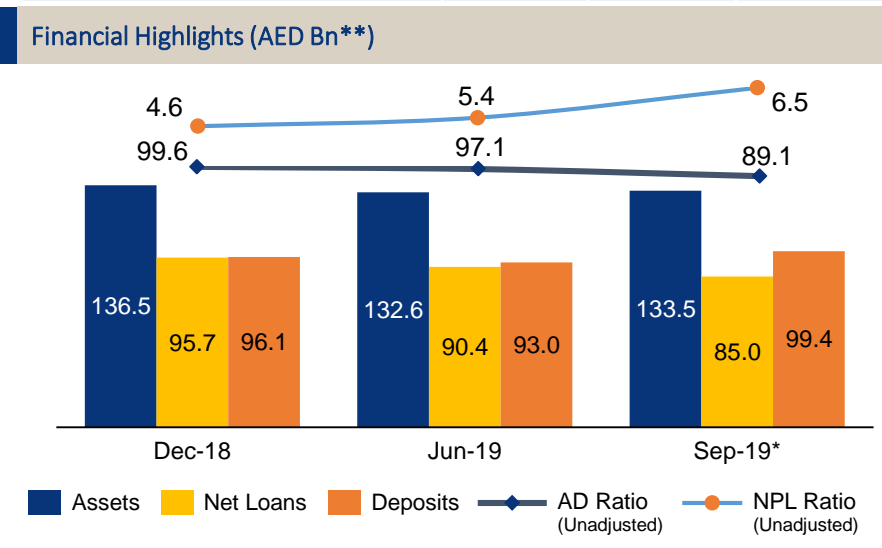
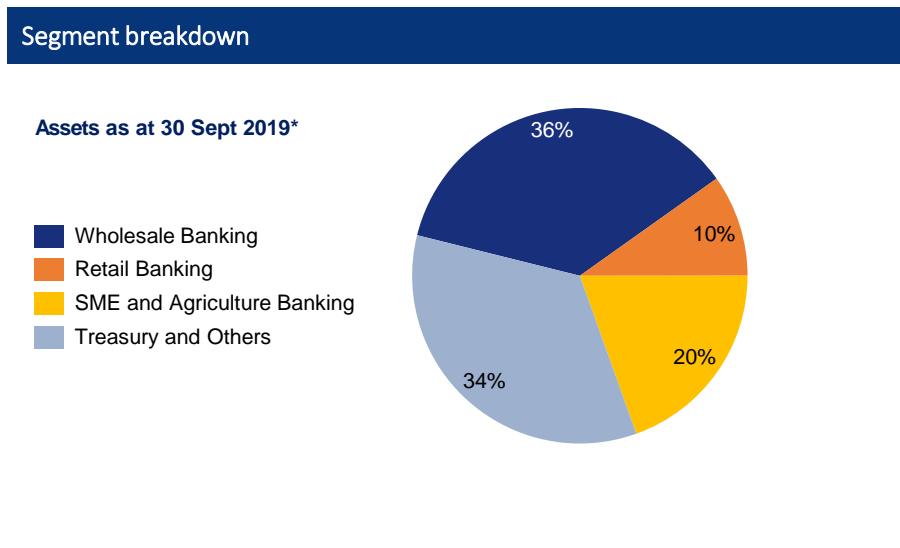


Business Overview

- DenizBank is the fifth largest private bank in Turkey
- Wide presence through a network of 752 branches and 2,800+ ATMs
- Operates with 708 branches in Turkey and 44 in other territories (Austria, Germany, Bahrain)
- Servicing around 13 million customers, through 14,000+ employees
- Financially sound with robust profitability and a healthy balance sheet
- Full service commercial banking platform of Corporate banking, Retail banking and Treasury

Financial Highlights

AED Mn**	Aug-Sep 2019 YTD*	H1 2019	FY 2018
Net interest income	869	2,461	5,242
Non-interest income	387	1,065	1,272
Total income	1,256	3,526	6,514
Operating expenses	(414)	(1,351)	(2,491)
Pre-impairment operating profit	842	2,174	4,023
Impairment allowances	(608)	(1,520)	(1,994)
Operating profit	234	654	2,030
Taxation charge	(36)	(129)	(256)
Net profit	198	525	1,774
Cost: income ratio	33.0%	38.3%	38.2%
Net interest margin	3.98%	3.34%	3.18%



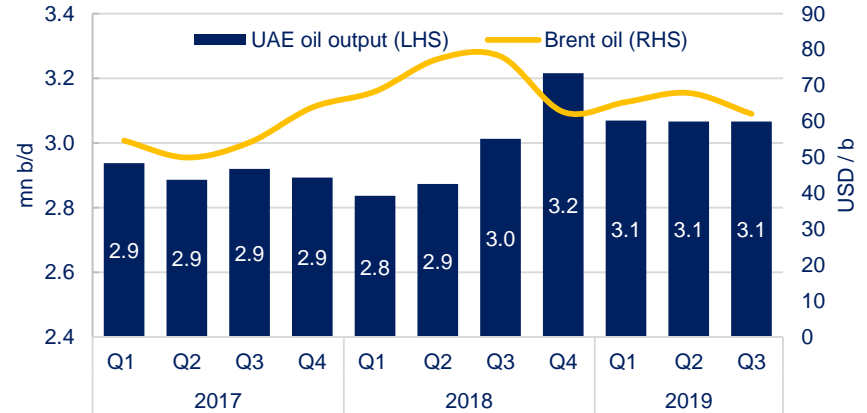
*Financial numbers post acquisition (1-Aug-19) include the Group's fair value adjustments
 **Metrics converted to AED using spot / average exchange rate for balance sheet / income statement

UAE: 2019 GDP forecast to grow at 2%

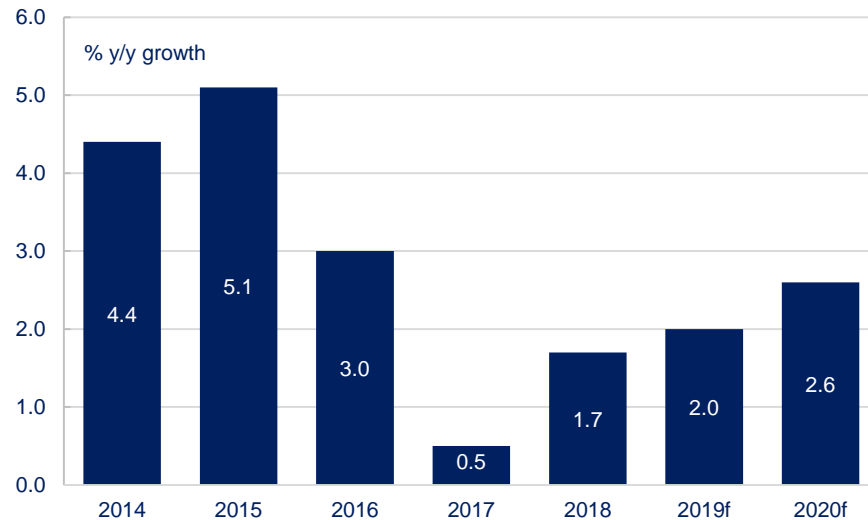
Highlights

- The UAE's crude oil output has been steady around 3.07mn b/d for most of this year, which is nearly 3% more than the average production in 2018
- UAE headline GDP growth forecast remains at 2.0% for 2019 due to the positive contribution of the oil sector to GDP growth
- Dubai is expected to be the main engine of non-oil growth in the UAE with GDP forecast to expand 3.0% in the emirate in 2019 in the run-up to Expo 2020

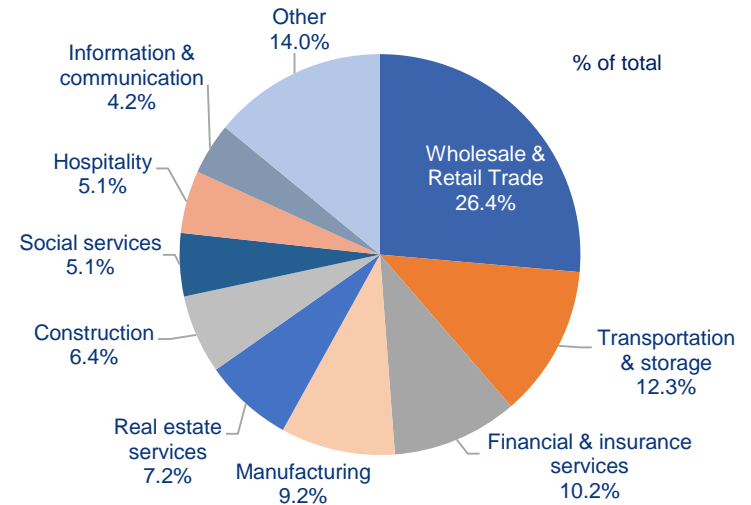
UAE oil production and prices



UAE GDP growth



Dubai GDP decomposition - 2018

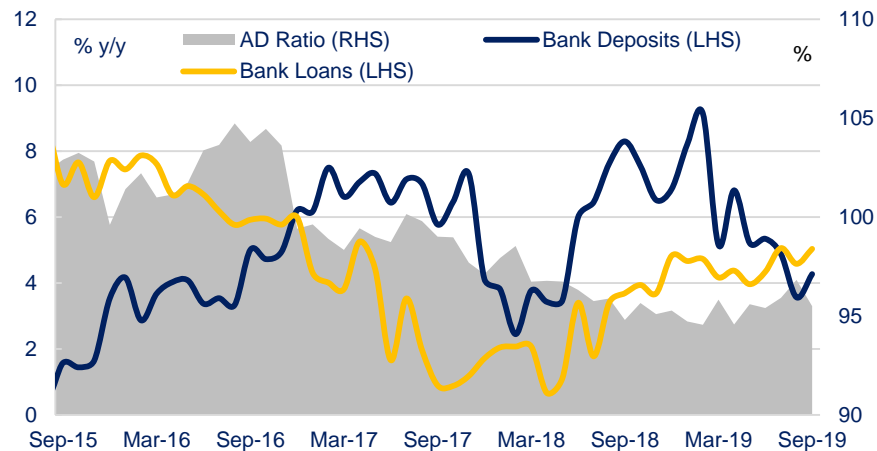


UAE: private sector credit growth slows in Q3 2019

Highlights

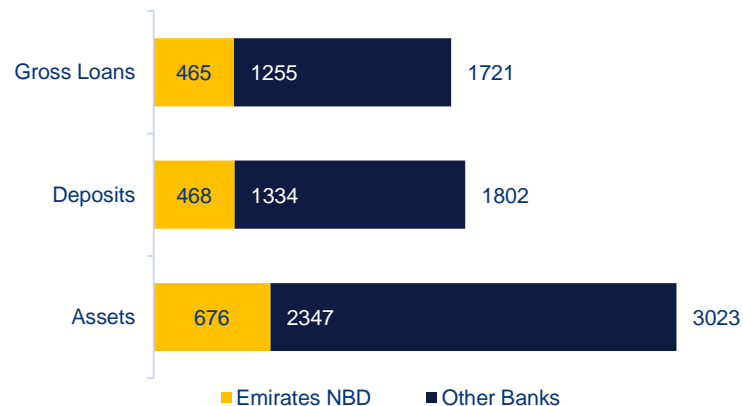
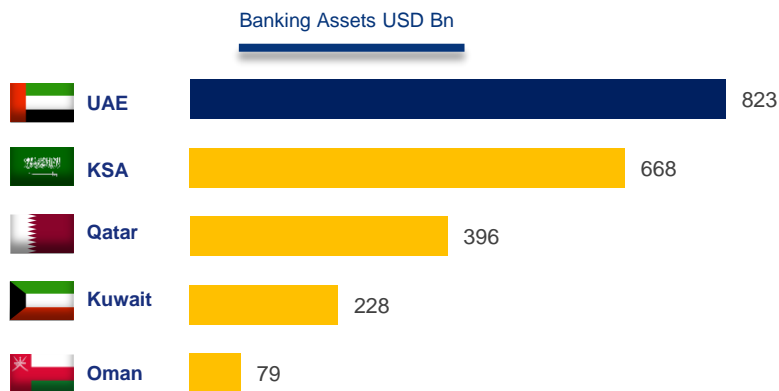
- Growth in UAE bank deposits slowed to 4.3% y/y in September, down from a 2019 peak of 9.1% in February. Resident deposits grew at a much faster rate than non-residents' deposits this year, with the former driven by government deposits
- Gross credit growth averaged 4.5% this year.
- Private sector credit growth remained anemic, reaching 2.6% y/y in September; down from 4.2% in January 2019, providing further evidence of soft household consumption

Breakdown of UAE bank credit by economic activity



GCC banking market, September 2019

UAE banking market (AED Bn), September 2019

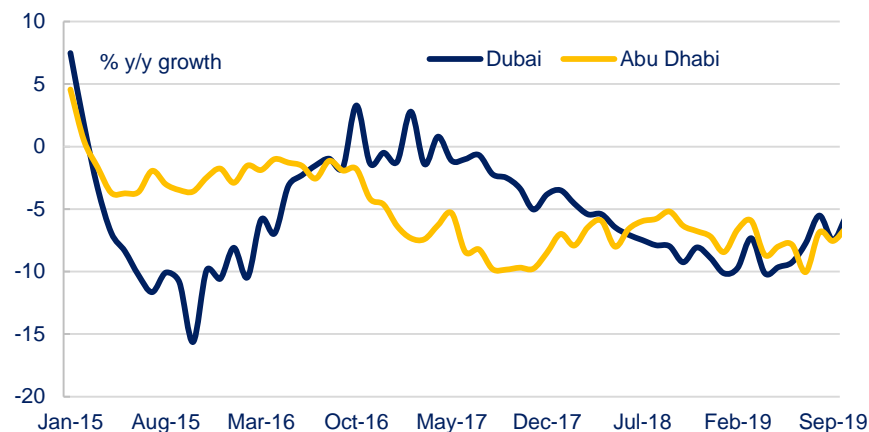


Real estate: further softness in residential prices is expected in Q4 2019

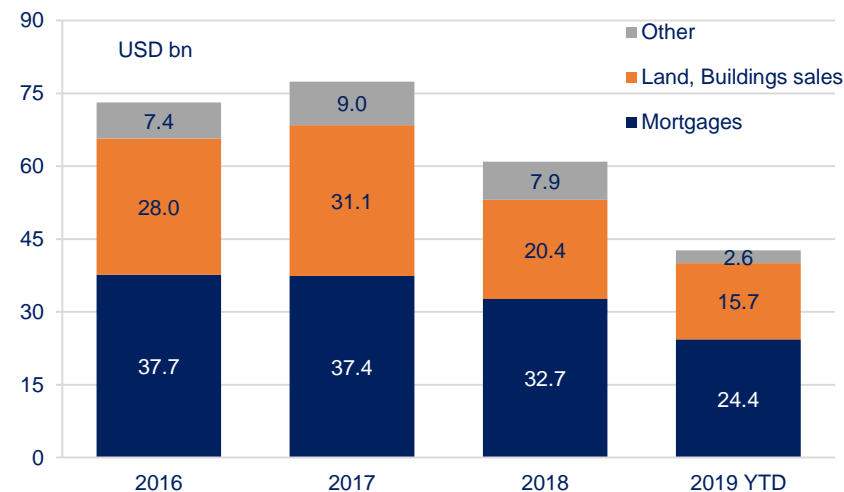
Highlights

- Dubai's real estate prices have continued to decline in Q3 2019, as have rents
- Data from ASTECO indicates that both villa and apartment prices declined further in Q3, although the rate of decline was slower than in previous quarters
- Rents have also declined for all residential sectors in Q3 2019. With rents declining at a slower rate than sales prices, gross yields have likely improved on average.
- The lack of job growth in the private sector and increased supply also contributed to a further decline in residential real estate prices in Dubai

Residential property prices



Investment in Dubai real estate in USD bn

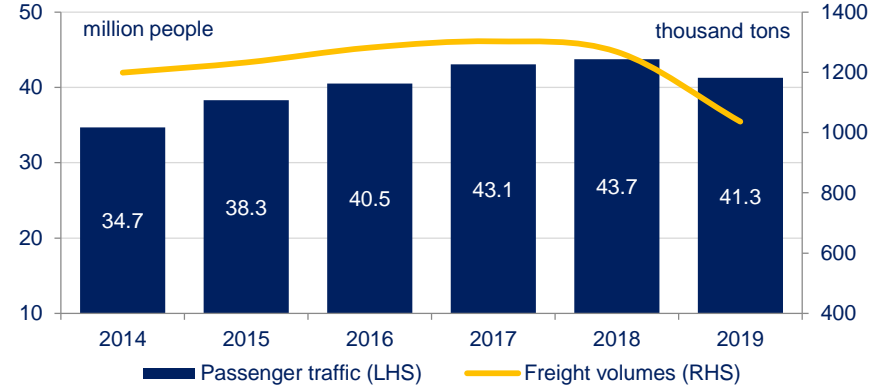


Dubai: travel & tourism activity slowed in Q3 2019

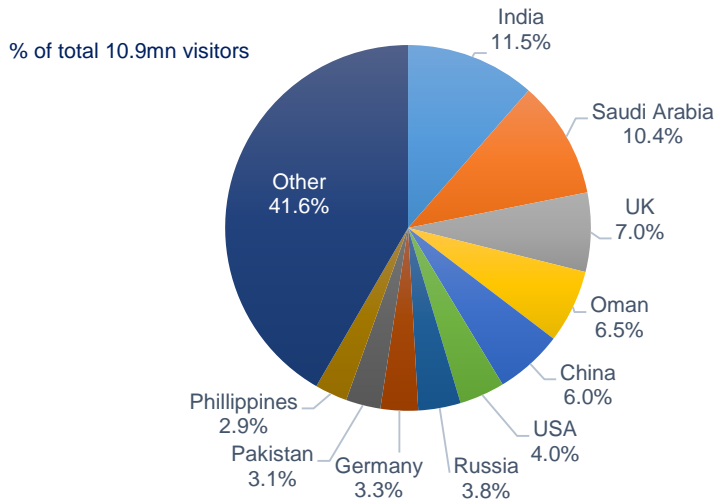
Highlights

- Passenger traffic at Dubai International Airport (DXB) declined -5.6% y/y H1 2019. Cargo volume was down -18.3% y/y due to a runway closure for two months in April
- The number of international visitors to Dubai grew 3.9% y/y in Jan-Aug 2019, much faster than the 0.4% growth recorded over the same period last year
- Dubai's hotel occupancy averaged 73.2% during Jan-Sep 2019 down from 73.9% over the same period last year. Revenue per available room (RevPAR) has fallen -14.2% y/y over the same period
- Higher visitor numbers reflects continued price discounting and promotional activity despite stronger USD

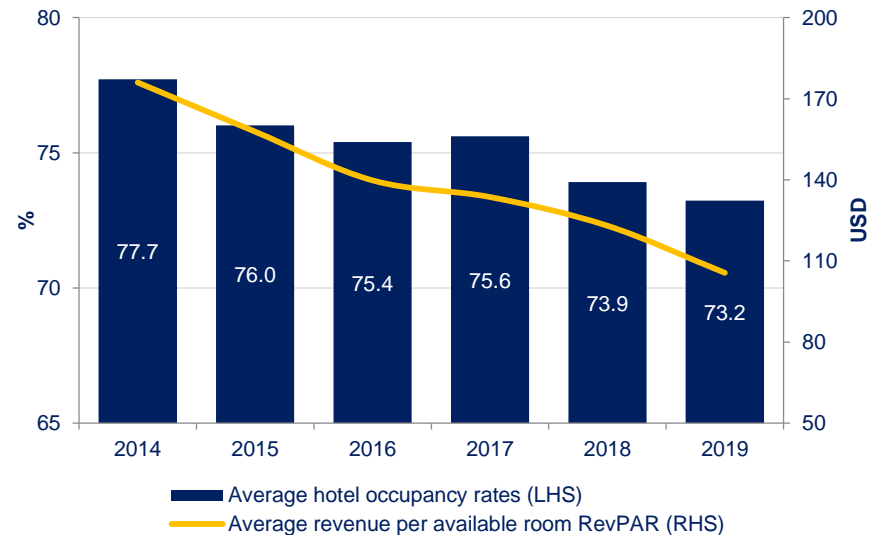
DXB passenger traffic (Jan-June)



Top 10 visitors by nationality in Jan-Aug 2019



Dubai occupancy rates and RevPAR (Jan-Sep)





Get in touch.

INVESTOR RELATIONS



Emirates NBD Head Office | 4th Floor

PO Box 777 | Dubai, UAE



IR@emiratesnbd.com



Tel: +971 4 609 3046