

# Emirates NBD Investor Presentation

May / June 2018





## Important Information

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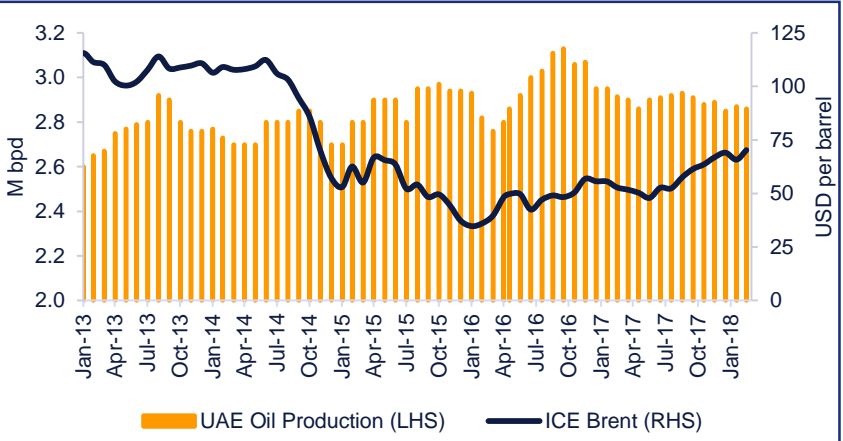


# UAE Economic Update

## Highlights

- Oil production declined 2.5% in Q1 relative to 2017 average output. Compliance with OPEC targets has been higher than expected, and if sustained, this poses a downside risk to our 2018 GDP growth forecast.
- The Emirates NBD Purchasing Managers' Index (PMI) for the UAE increased slightly in April to reach 55.1 from 54.8 March, indicating a solid rate of expansion in the non-oil private sector last month

## Oil Price and UAE oil production



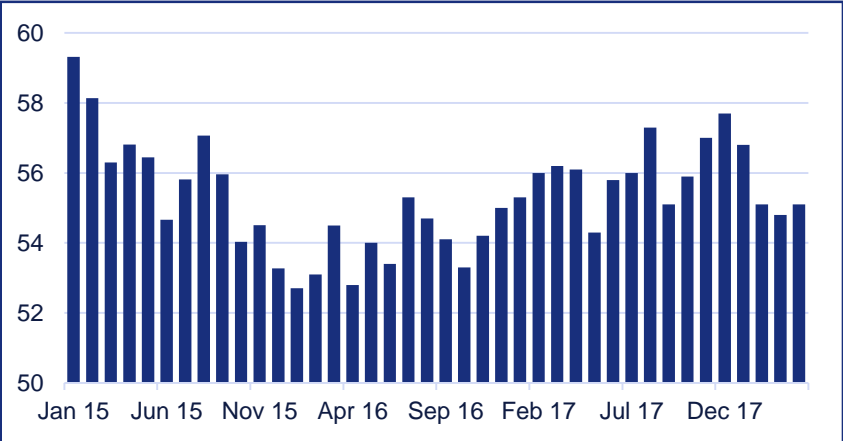
Source: Bloomberg, Emirates NBD Research

## Real GDP growth forecasts

	2013	2014	2015	2016	2017F	2018F
S. Arabia	2.7	3.7	4.1	1.7	-0.5	2.5
UAE	4.7	3.3	3.8	3.0	2.0	3.4
Qatar	4.0	3.5	3.3	2.0	2.5	3.0
Kuwait	1.1	0.5	0.6	3.5	-1.2	2.1
Oman	4.4	2.5	4.7	5.4	1.0	2.3
Bahrain	5.4	4.4	2.9	3.0	3.0	3.0
<b>GCC (average)</b>	<b>3.3</b>	<b>3.2</b>	<b>3.6</b>	<b>2.5</b>	<b>0.6</b>	<b>2.8</b>
Egypt	2.1	2.9	4.4	4.3	4.3	4.9
Jordan	2.8	3.1	2.4	2.0	2.8	3.0
Lebanon	3.0	1.8	1.5	2.4	3.1	3.3
Tunisia	2.9	2.3	0.8	1.1	2.1	3.3
Morocco	4.4	2.7	4.5	1.2	4.3	3.7
<b>MENA (average)</b>	<b>2.8</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

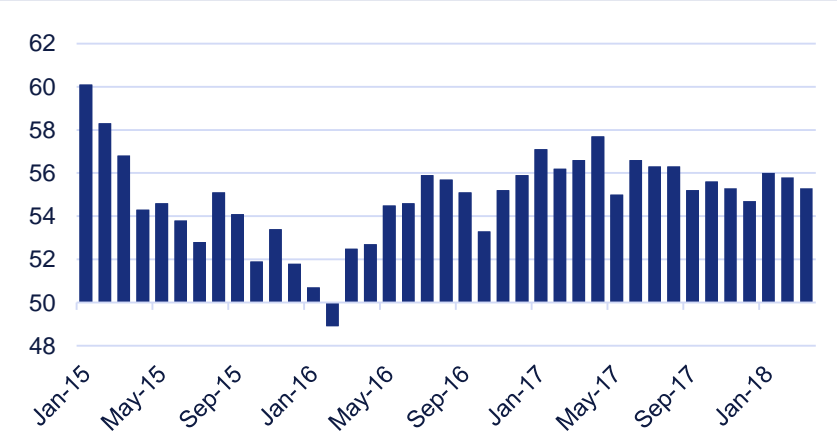


# Dubai Economic Update (1/3)

## Highlights

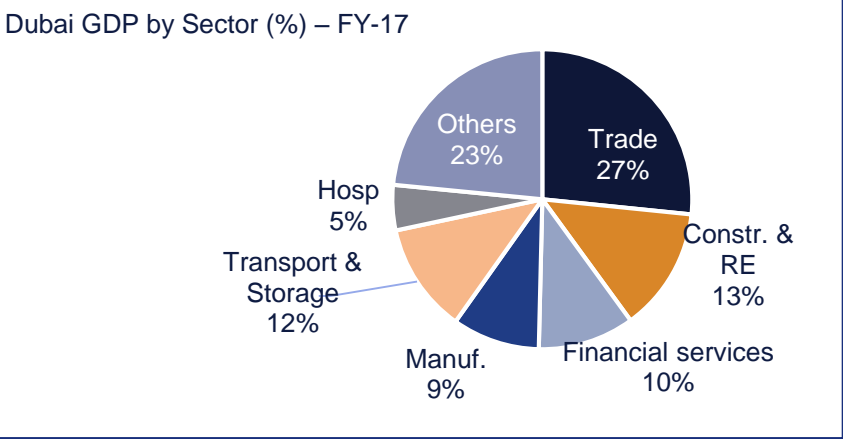
- The headline Dubai Economy Tracker Index eased further in March to 55.3, still well above the neutral 50.0 level and indicating a solid expansion in the non-oil private sector last month
- Dubai's real GDP expanded 2.8% in 2017 to reach AED 389.4bn, in line with our forecast of AED 389.9bn. The biggest growing sector is Hospitality 8% y/y, followed by Real Estate and Transportation by 7.3% and 4.5% respectively

## Emirates NBD Dubai Economy Tracker Index



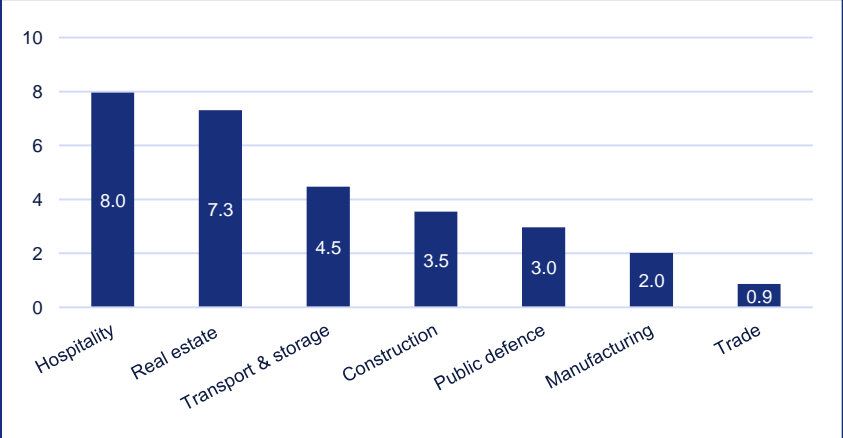
Source : Markit, Emirates NBD Research

## Composition of Dubai GDP



Source: Dubai Statistics Centre

## Dubai: Key sector growth rates in FY-17



Source: Dubai Statistics Centre

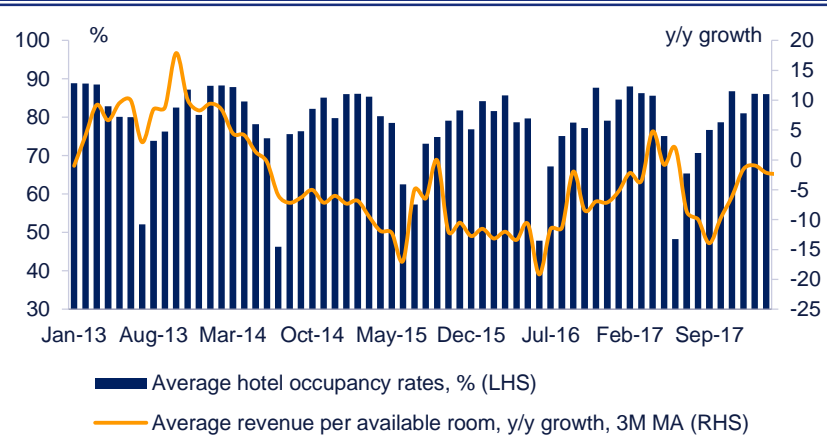


# Dubai Economic Update (2/3)

## Highlights

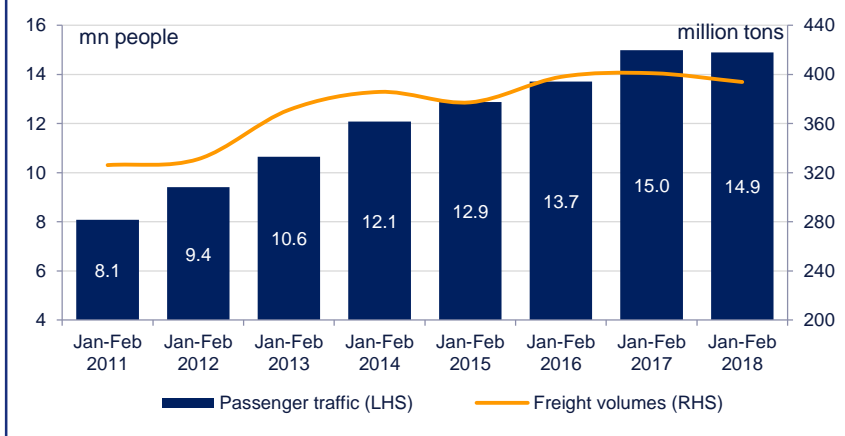
- Passenger traffic at the Dubai International Airport (DXB) stood at 14.9mn in Jan-Feb 2018, down -0.6% y/y
- Passenger traffic is expected exceed 90 million in 2018, according to Dubai Airports
- Dubai's hotel occupancy averaged 86.1% in Jan-Feb 2018 slightly down from 86.3% the same period a year ago
- The supply of hotel rooms in Dubai increased by 5.3% y/y in February to 99,535 rooms. The Department of Tourism and Commerce Marketing (DTCM) is targeting 140,000 to 160,000 hotel rooms by the end of the decade

## Hotel occupancy and RevPAR



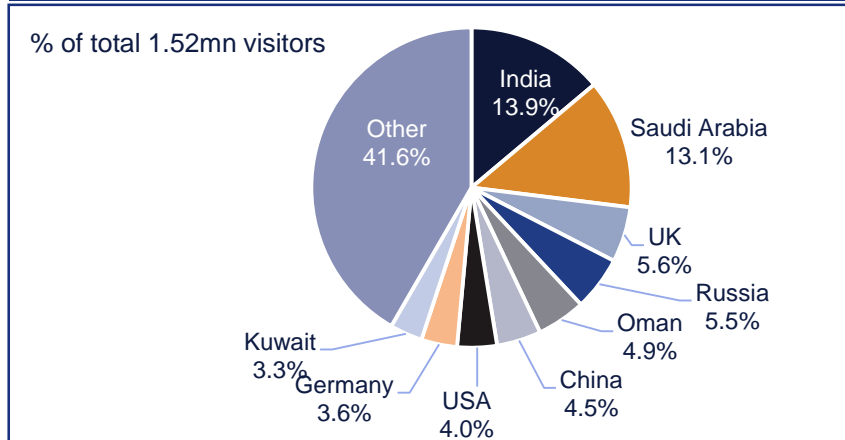
Source: STR Global, Emirates NBD Research

## Dubai Airports passenger traffic



Source: Dubai Airports, Emirates NBD Research

## Top 10 visitors by nationality in Jan 2018



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

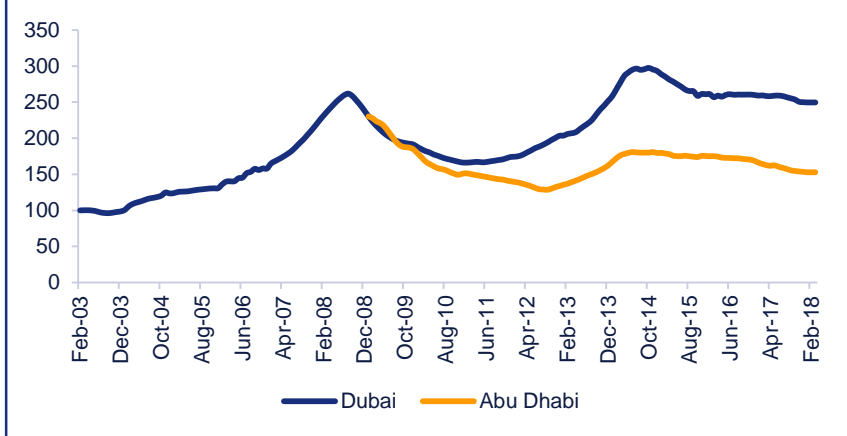


# Dubai Economic Update (3/3)

## Highlights

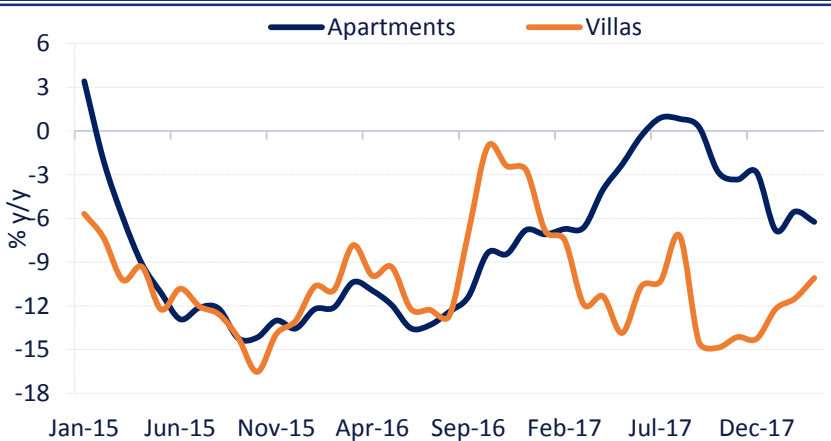
- Softness in residential real estate prices continues with apartment prices faring better than villas
- Apartment prices were down -6.2% y/y in March, compared with -6.6% y/y in March last year. Villa prices fell -10.1% y/y in March
- Higher interest rates, declining rents and increasing supply are likely to remain headwinds in 2018. Dubai residential real estate prices expected to recover modestly in 2019 and rise further in 2020-2021

## Residential property prices



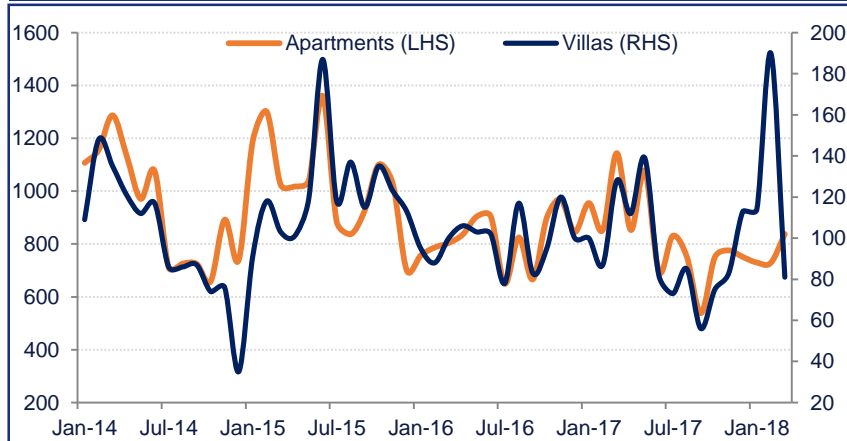
Source: Bank of International Settlements

## Dubai residential property prices



Source: Phidar Advisory, Emirates NBD Research

## Dubai transaction volumes



Source: Phidar Advisory, Emirates NBD Research

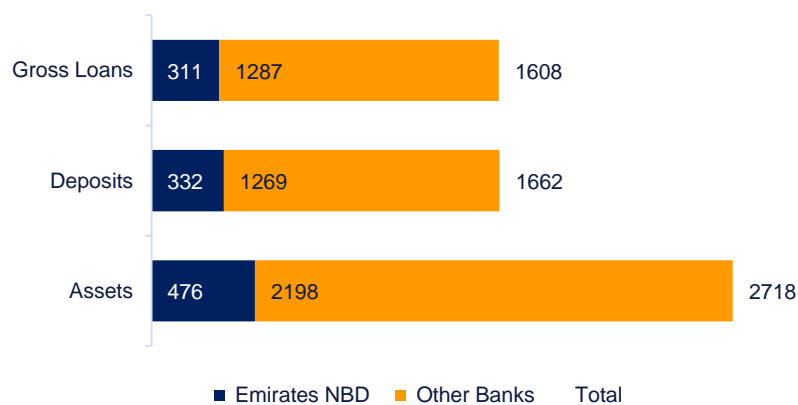


# UAE Banking Market Update

## Highlights

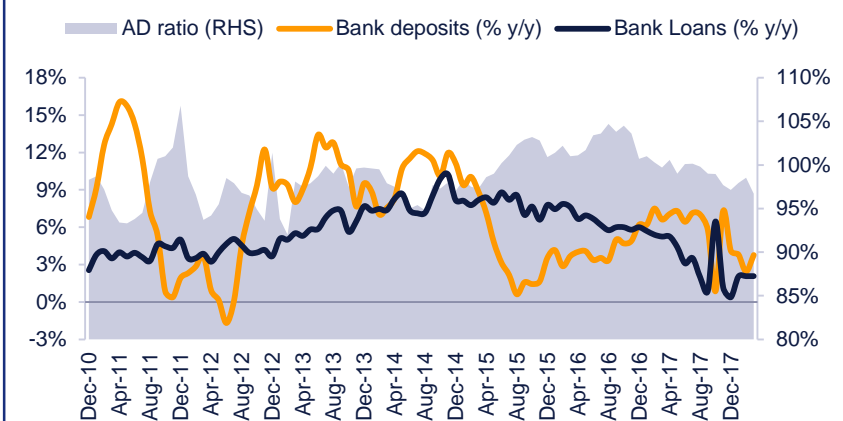
- Bank loans increased by AED 32.7 bn and 2.1% y/y to AED 1608.1 bn in March
- Bank deposits increased by AED 60.4 billion and 3.8% y/y to AED 1602 bn in March
- Although the 3m EIBOR rate has increased in recent months, this has been mostly due to higher USD rates, with the spread over 3m LIBOR narrowing

## UAE banking market (AED Bn)



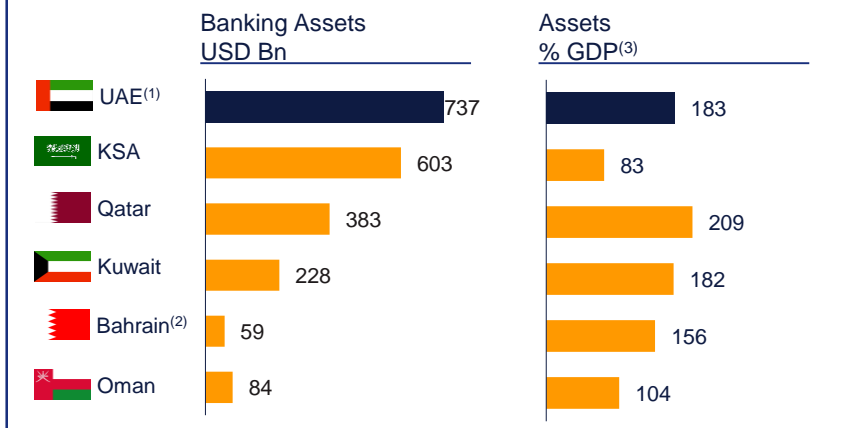
Source: UAE Central Bank Statistics and ENBD as at March 2018

## 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 2018 forecasted. KSA and Qatar as at March 2018; UAE, Kuwait, Bahrain and Oman as at February 2018. Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts.



# Emirates NBD at a glance

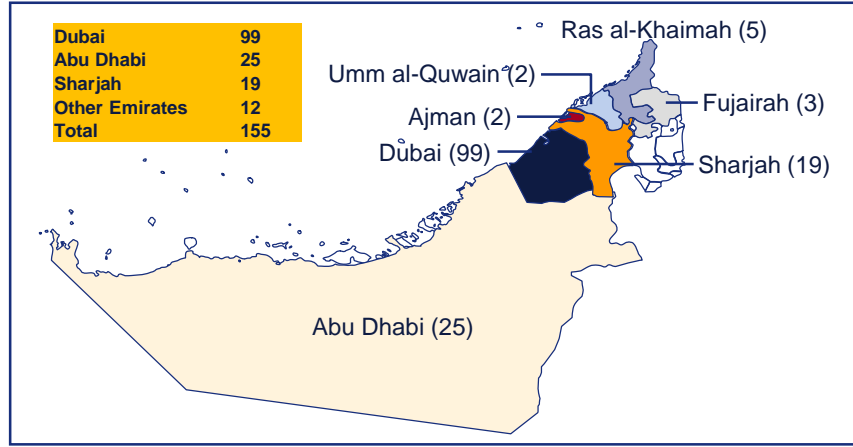
## A leading bank in the region

- **Market share** in the UAE (as at 31 March 2018)
  - Assets 17.5%; Loans 19.3%; Deposits 20.0%
- **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
- **55.8%** indirectly owned by the Government of Dubai through its investment arm (Investment Corporation of Dubai)

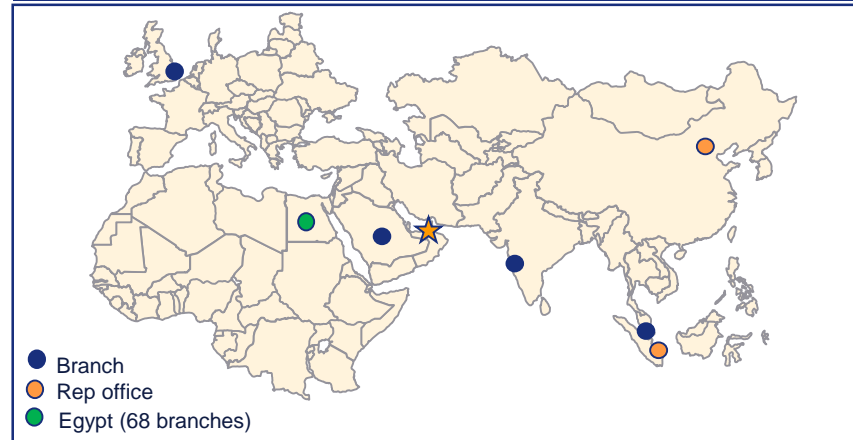
## Credit ratings

	Long Term / Short Term	Outlook	Most Recent Rating Action
	A+ / F1	Stable	Ratings affirmed (12-Feb-2018)
	A3 / P-2	Stable	LT ratings upgraded and outlook 'Stable' (16-Jun-16)
	A+ / A1	Stable	Ratings affirmed (11-Oct-2017)

## Largest branch network in the UAE



## International presence







# Key strengths

## Size

One of the largest financial institutions by asset size in the GCC (top 3); 2<sup>nd</sup> largest in the UAE

## Flagship

Flagship bank for the Government of Dubai and the UAE, playing a strategic role in developing the economy

## Balance Sheet

Well-capitalized with a strong balance sheet that is positioned to grow and deliver outstanding value to its stakeholders

## Ownership

56% owned by the Government of Dubai (via Investment Corporation of Dubai)

## Geographic Presence

Sizeable footprint in the UAE (with the largest branch network); international presence in Asia, Europe and MENA.

## Profitable

Consistently profitable, despite low commodity price environment and other regional headwinds

## Diversified Offering

Fully fledged, diversified financial services offering and regional leader in digital banking





# Emirates NBD is the regional leader in digital innovation

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

04 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

Inaugurated FutureLab Pepper Robot

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

Investment Portfolio Widgets on Mobile Banking

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 InstaLoan The first instant paperless loan disbursal in MENA

Introduced ENBD Pay NFC based mobile contactless payment service

mePay cardless cash withdrawal

2017

liv. Digital Bank for Millennials

ICCS Collect digital warehousing and processing of cheques

CRM Cockpit app smart, paperless and instant banking

Introduced SkyShopper FaceBanking

Introduced Apple Pay Samsung Pay

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



Best Digital Bank in the Middle East

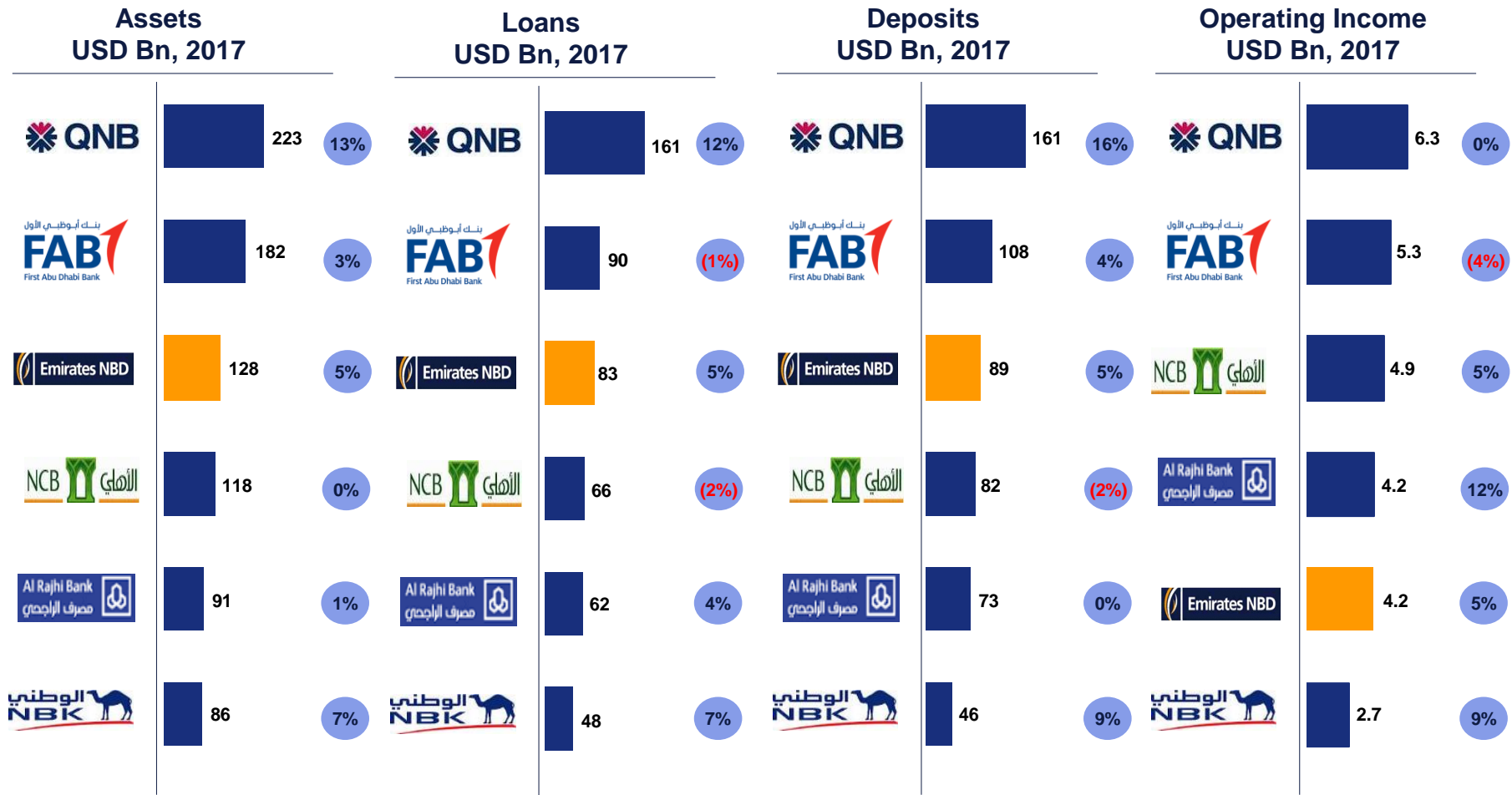


4.5/5

(Avg. Rating)

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

x% 2017 vs. 2016





# Profit and Balance Sheet Growth in Recent Years

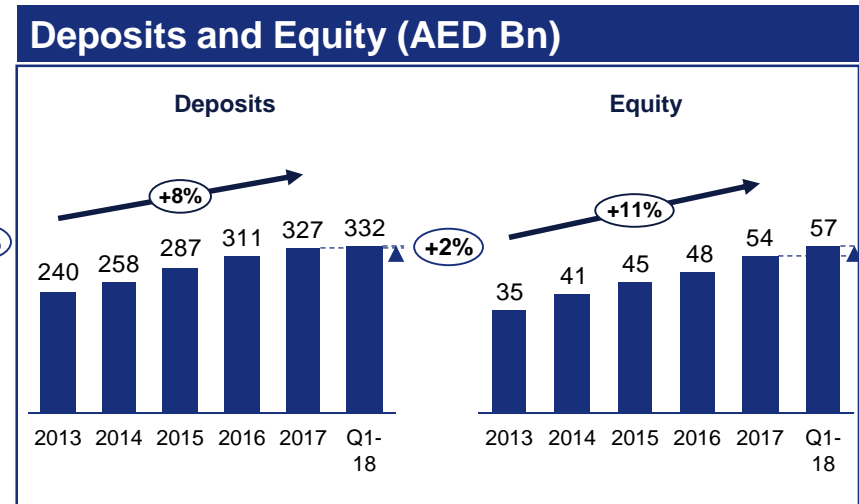
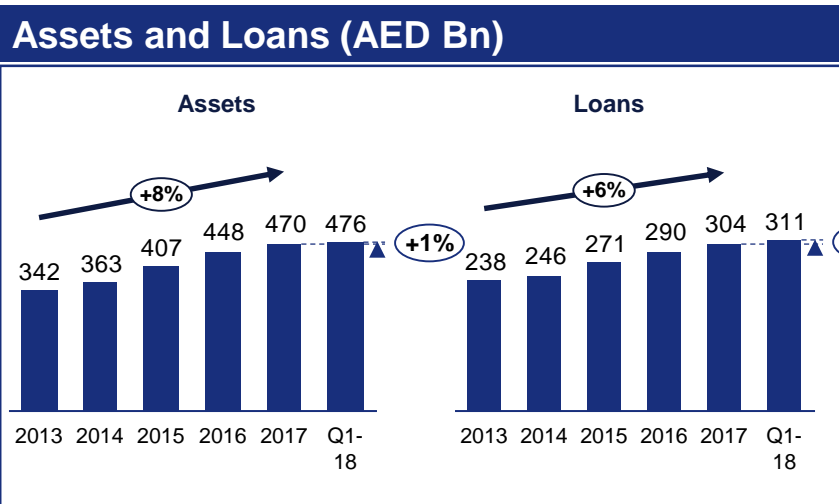
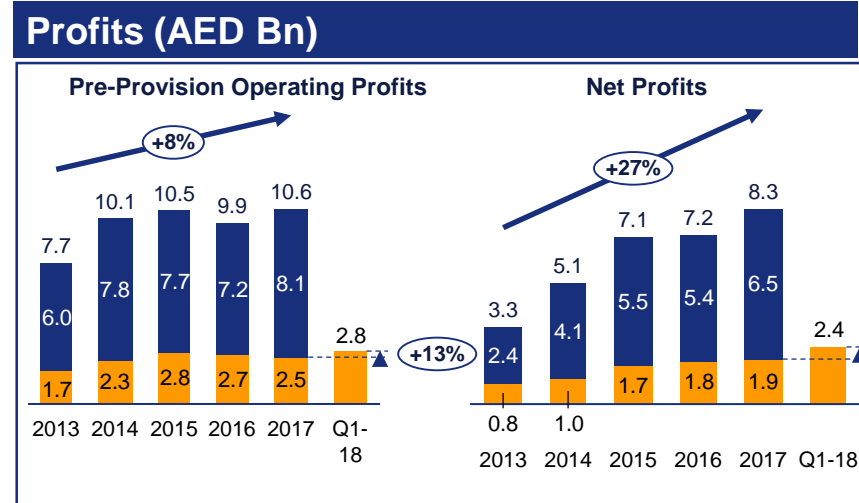
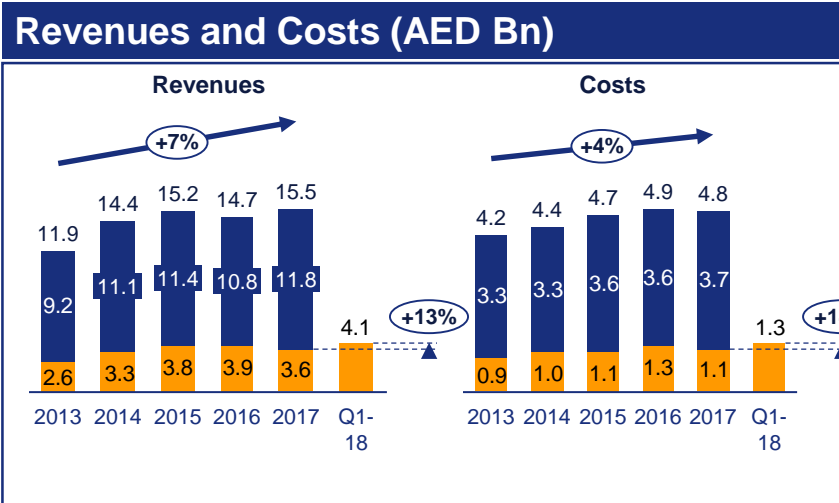
Operating Environment

Emirates NBD Profile

Financial & Operating Performance

Strategy

Appendix



Equity is Tangible Shareholder's Equity excluding Goodwill and Intangibles. All P&L numbers are YTD, all Balance Sheet numbers are at end of period  
Source: Financial Statements



## Emirates NBD delivered a strong set of results in Q1-18

Q1 2018 Key Metrics		Q1 2018	2018 Guidance
Profit	Net profit	AED 2.4 Bn +27% y-o-y	
	NIM	2.68%	2.55-2.65%
	Cost-to-income	31.1%	33%
Credit Quality	NPL	6.0%	Improving trend
	Coverage	127.9%	
Capital *	CET 1	15.5%	
	Tier 1	19.0%	
	CAR	20.3%	
Liquidity	AD ratio	93.8%	90-100%
	LCR ratio	152.9%	
Assets	Loan growth	2% ytd	mid-single digit

2018 Macro themes		Regional	Global
+		<ul style="list-style-type: none"> <li>Resilience of UAE economy underpinned by non-oil activity growth</li> <li>Higher growth in GCC economies</li> <li>Improved liquidity</li> <li>Strong start in 2018 for Dubai tourism as weaker dollar provided some relief</li> </ul>	<ul style="list-style-type: none"> <li>Emirates NBD's balance sheet positioned to benefit from rising interest rates</li> <li>Improving US and North Korean relations</li> </ul>
		<ul style="list-style-type: none"> <li>Geo-politics within GCC</li> </ul>	<ul style="list-style-type: none"> <li>Impact of potential US-China trade war on global markets</li> </ul>
	-		

\* Based on Basel III capital regulations



## Q1-18 Financial Results Highlights

### Highlights

- Record quarterly net profit of AED 2,386 Mn for Q1-18 increased 10% q-o-q and 27% y-o-y
- Net interest income improved 7% q-o-q and 20% y-o-y on loan growth coupled with an improvement in margins
- Non-interest income declined 10% q-o-q and 1% y-o-y due to lower investment income from the sale of securities
- Costs improved 3% q-o-q as lower marketing, IT and professional fees more than offset an increase in staff costs. Costs increased 14% y-o-y due to investment in our digital transformation and technology refresh
- Provisions of AED 440 Mn improved 31% y-o-y and 18% q-o-q whilst coverage ratio strengthened to 127.9%
- LCR of 152.9% and AD ratio of 93.8% demonstrates the Group's healthy liquidity position
- NPL ratio improved to 6.0% on writebacks and recoveries
- NIMs improved 17 bps q-o-q and 35 bps y-o-y as rate rises flowed through to loan book and funding costs remained stable

### Key Performance Indicators

AED Mn	Q1-18	Q1-17	Better / (Worse)	Q4-17	Better / (Worse)
Net interest income	2,984	2,486	20%	2,795	7%
Non-interest income	1,119	1,131	(1%)	1,241	(10%)
<b>Total income</b>	<b>4,103</b>	<b>3,617</b>	<b>13%</b>	<b>4,037</b>	<b>2%</b>
Operating expenses	(1,276)	(1,116)	(14%)	(1,322)	3%
<b>Pre-impairment operating profit</b>	<b>2,828</b>	<b>2,501</b>	<b>13%</b>	<b>2,715</b>	<b>4%</b>
Impairment allowances	(440)	(639)	31%	(537)	18%
<b>Operating profit</b>	<b>2,388</b>	<b>1,862</b>	<b>28%</b>	<b>2,178</b>	<b>10%</b>
Share of profits from associates	31	39	(20%)	18	73%
Taxation charge	(32)	(27)	(18%)	(20)	(61%)
<b>Net profit</b>	<b>2,386</b>	<b>1,873</b>	<b>27%</b>	<b>2,176</b>	<b>10%</b>
Cost: income ratio (%)	31.1%	30.9%	(0.2%)	32.7%	1.6%
Net interest margin (%)	2.68%	2.33%	0.35%	2.51%	0.17%

AED Bn	31-Mar-18	31-Mar-17	%	31-Dec-17	%
Total assets	475.6	452.0	5%	470.4	1%
Loans	311.4	295.3	5%	304.1	2%
Deposits	331.9	319.2	4%	326.5	2%
AD ratio (%)	93.8%	92.5%	(1.3%)	93.1%	(0.7%)
NPL ratio (%)	6.0%	6.3%	0.3%	6.2%	0.1%

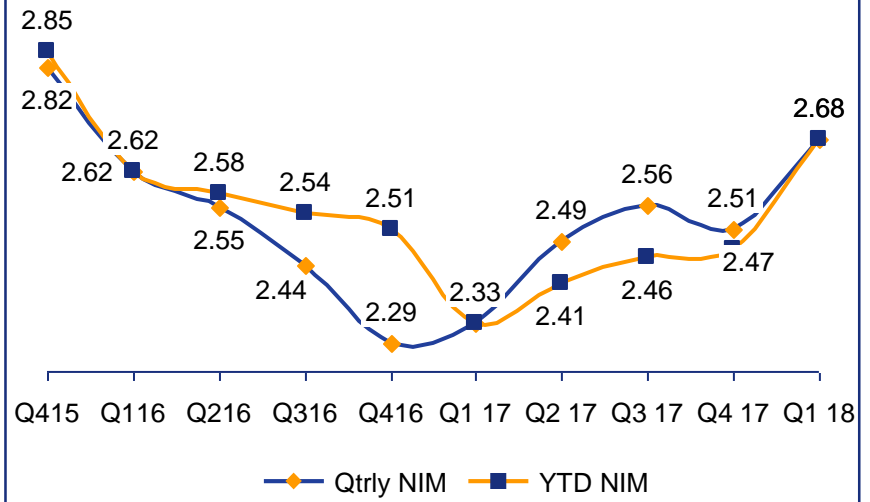


# Net Interest Income

## Highlights

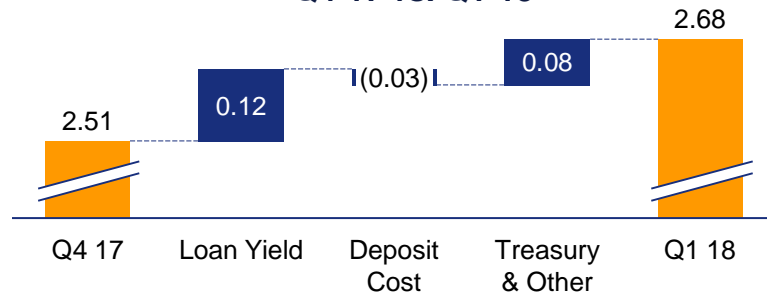
- NIMs continued to improve in Q1-18 as rate rises flowed through to the loan book and funding costs remained stable due to healthy liquidity conditions
- Q1-18 NIM of 2.68% improved 17 bps q-o-q and 35 bps y-o-y
- Loan yields improved 12 bps q-o-q and 27bps y-o-y helped by recent interest rate rises
- Deposit costs were stable helped by steady growth in CASA
- Wholesale Funding costs improved as the Bank successfully replaced maturing debt at more favourable pricing and efficiently deployed excess liquidity
- 2018 NIM guidance to be reviewed in light of rising rate expectations

## Net Interest Margin (%)

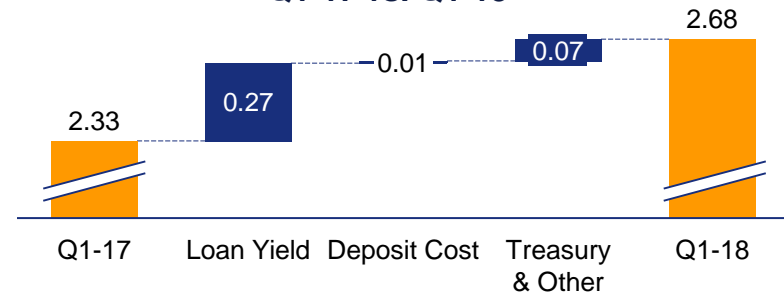


## Net Interest Margin Drivers (%)

### Q4-17 vs. Q1-18



### Q1-17 vs. Q1-18





## Non-Interest Income

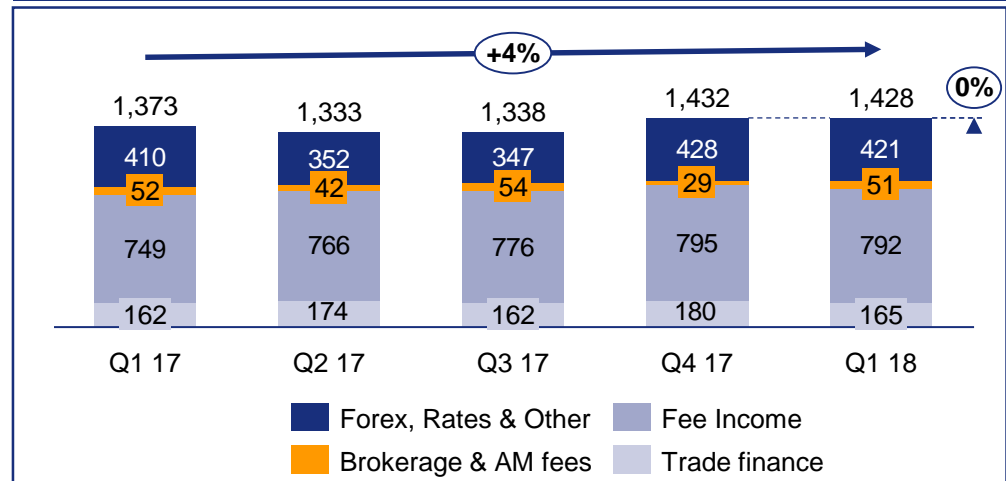
### Highlights

- Core gross fee income was flat q-o-q and improved 4% y-o-y on account of higher fee income
- Non-interest income declined 10% q-o-q and 1% y-o-y due to lower investment income from the sale of securities
- Property losses reported in recent quarters due to downward revision of illiquid inventory

### Composition of Non Interest Income (AED Mn)

AED Mn	Q1-18	Q1-17	Better / (Worse)	Q4-17	Better / (Worse)
Core gross fee income	1,428	1,373	4%	1,432	(0%)
Fees & commission expense	(272)	(232)	(17%)	(238)	(14%)
<b>Core fee income</b>	<b>1,156</b>	<b>1,141</b>	<b>1%</b>	<b>1,194</b>	<b>(3%)</b>
Property income / (loss)	(90)	(109)	18%	(88)	(2%)
Investment securities & other income	53	100	(47%)	136	(61%)
<b>Total Non Interest Income</b>	<b>1,119</b>	<b>1,131</b>	<b>(1%)</b>	<b>1,241</b>	<b>(10%)</b>

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





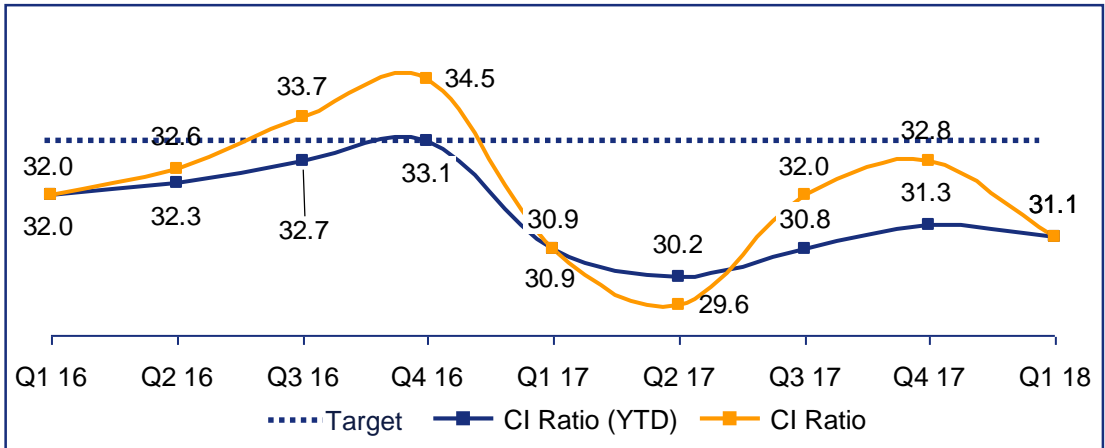


# Operating Costs and Efficiency

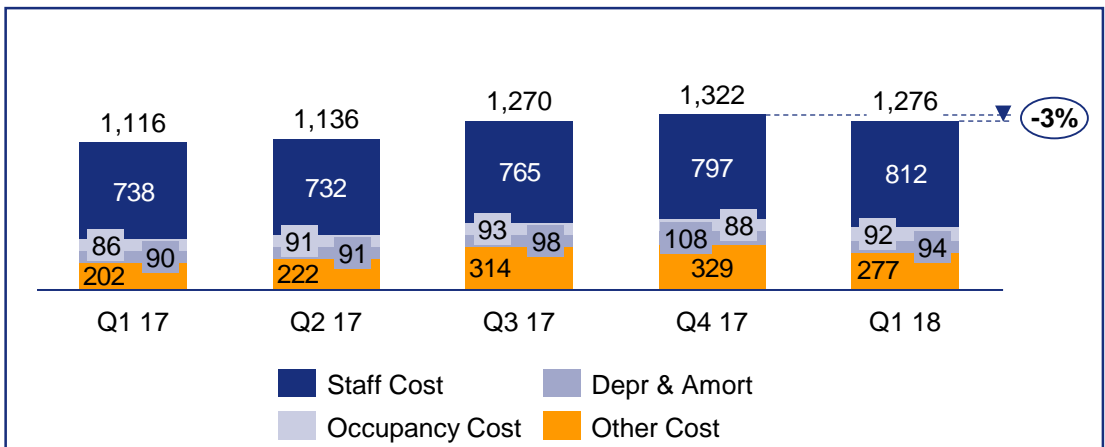
## Highlights

- Q1-18 costs improved 3% q-o-q as lower marketing, IT and professional fees more than offset a modest increase in staff costs
- Costs increased 14% y-o-y in Q1-18 but expected to be within 2018 guidance of 33% as we continue with our investment in digital transformation and technology refresh

## Cost to Income Ratio (%)



## Cost Composition (AED Mn)



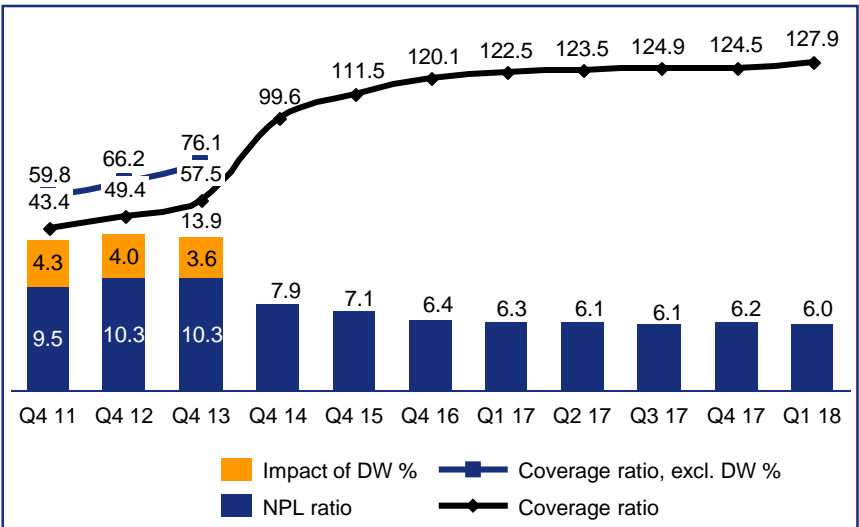


# Credit Quality

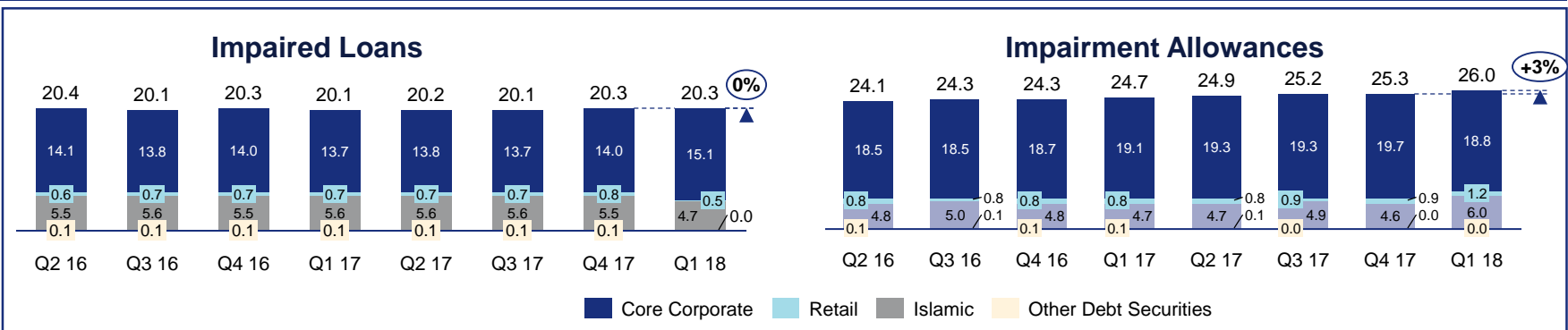
## Highlights

- NPL ratio improved to 6.0% in Q1-18
- Impaired loans were unchanged at AED 20.3 Bn during Q1-18 helped by AED 655 Mn of write backs & recoveries
- Q1-18 annualized cost of risk at 52 bps continued to moderate as net impairment charge of AED 440 Mn improved 31% y-o-y
- Coverage ratio strong at 127.9%
- Stage 1 & 2 ECL allowances amount to AED 7.3 Bn or 3.12% of credit RWA

## Impaired Loan & Coverage Ratios (%)



## Impaired Loans and Impairment Allowances (AED Bn)



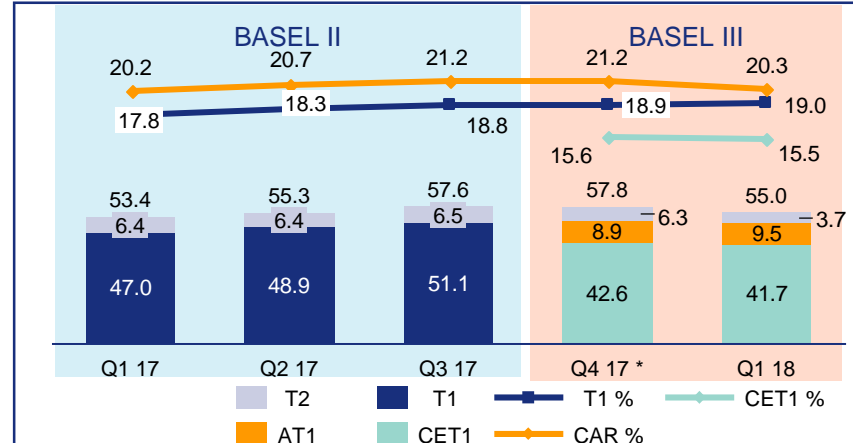


# Capital Adequacy

## Highlights

- In Q1-18, CET 1 and Tier 1 ratios were broadly flat q-o-q as the increase in Tier 1 capital from retained earnings offset the impact of IFRS 9
- CAR decreased 0.9% to 20.3% as AED 2.9 Bn of expensive Tier 2 debt was called in Q1-18
- Emirates NBD has been designated a Domestically Systemically Important Bank. Additional D-SIB buffer of 1.125% for 2018 rising to 1.5% by 2019
- Publication of Capital Standards not expected to materially impact the Bank's Capital profile

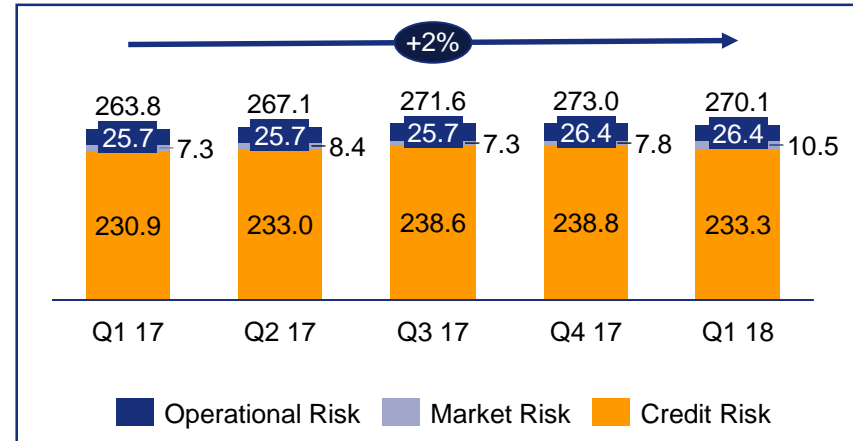
## Capitalisation



## Capital Movements

AED Bn	CET-1	Tier 1	Tier 2	Total
<b>Capital as at 31-Dec-2017</b>	<b>42.6</b>	<b>51.5</b>	<b>6.3</b>	<b>57.8</b>
Net profits generated	2.4	2.4	-	2.4
Impact of IFRS 9	(2.3)	(2.3)	-	(2.3)
Repayment of Tier 2	-	-	(2.9)	(2.9)
Interest on T1 securities	(0.1)	(0.1)	-	(0.1)
Other	(0.8)	(0.2)	0.4	(0.1)
<b>Capital as at 31-Mar-2018</b>	<b>41.7</b>	<b>51.2</b>	<b>3.7</b>	<b>55.0</b>

## Risk Weighted Assets (AED Bn)



\* Q4-17 capital ratios adjusted for 2017 dividend

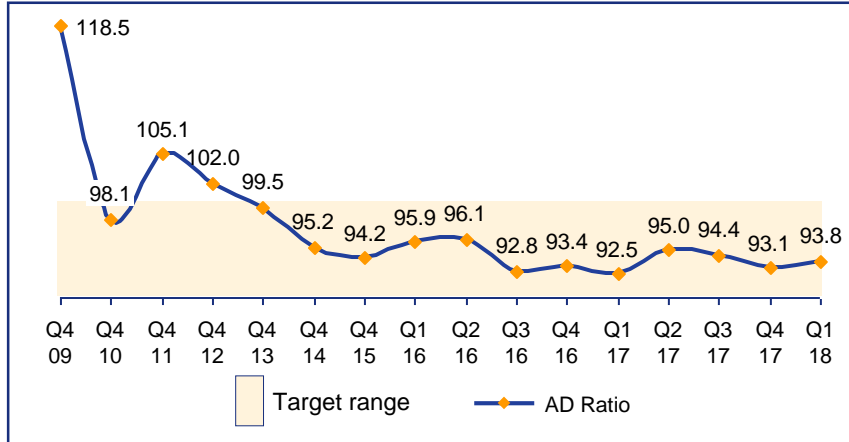


# Funding and Liquidity

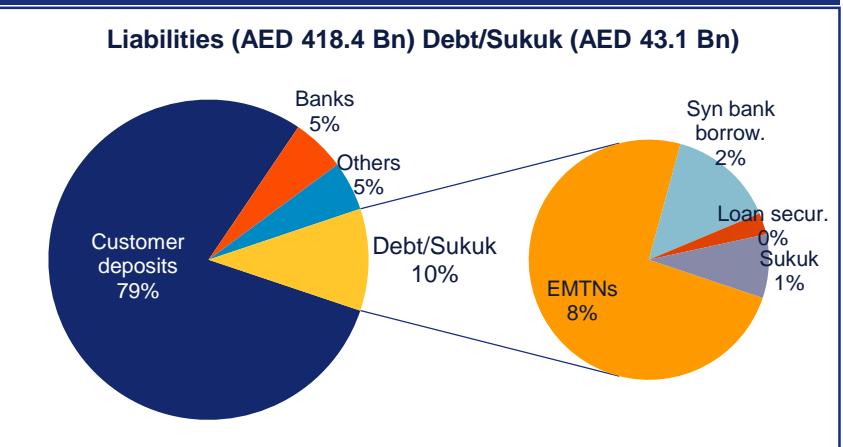
## Highlights

- Liquidity Coverage Ratio (LCR) of 152.9% and AD ratio of 93.8% demonstrates healthy liquidity position
- Liquid assets\* of AED 68.6 Bn as at Q1-18 (16.4% of total liabilities)
- Debt & Sukuk term funding represent 10% of total liabilities
- In Q1-18, AED 5.2 Bn of term-debt issued in 3 currencies with maturities out to 30 years
- AED 2.9 Bn of expensive Tier 2 debt was called in Q1-18
- Modest maturities of AED 1.6 Bn for remainder of 2018 enable Group to consider debt issues opportunistically

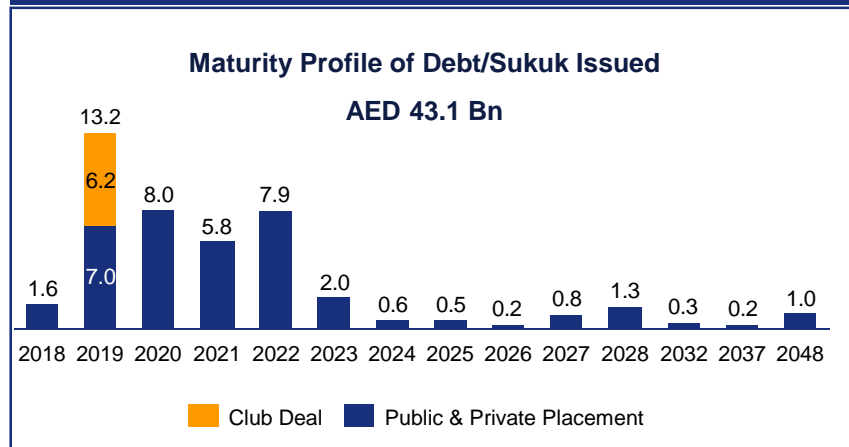
## Advances to Deposit (AD) Ratio (%)



## 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

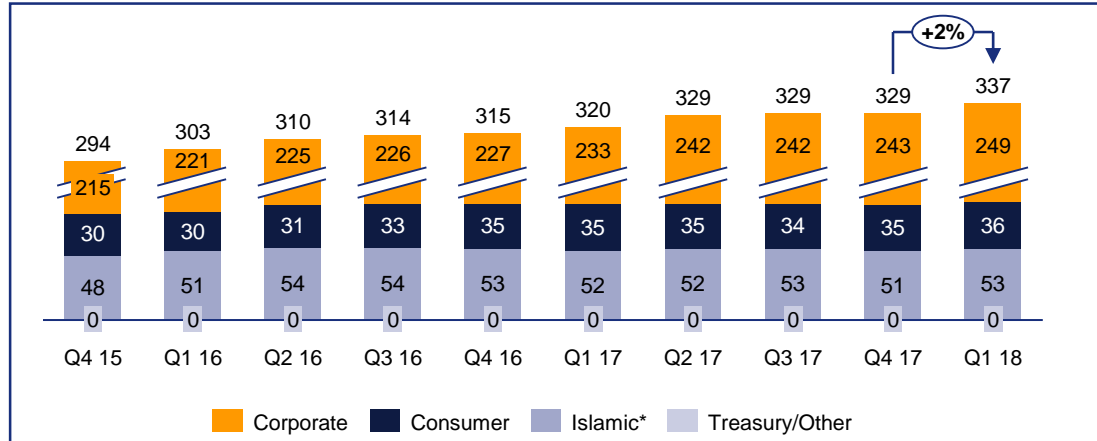


# Loan and Deposit Trends

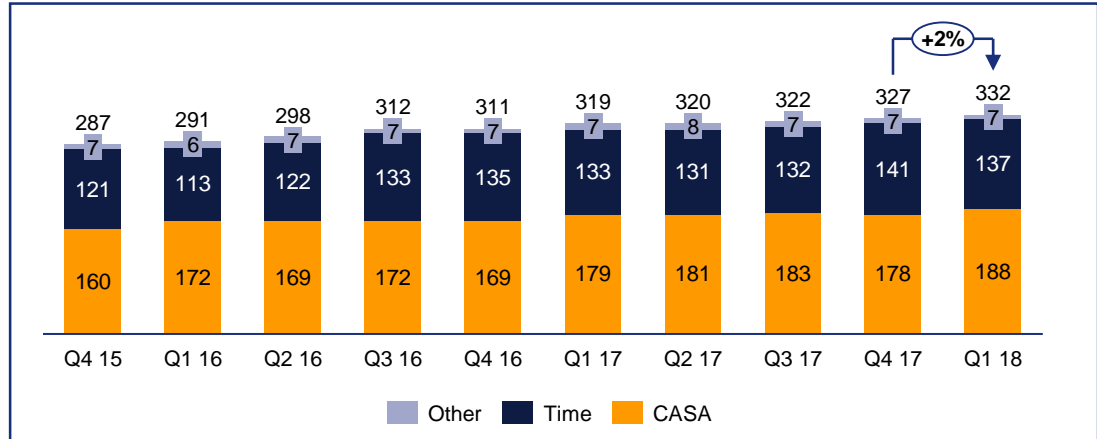
## Highlights

- Gross loans grew 2% in Q1-18 with growth mainly from consumer and Islamic lending
- Corporate lending grew 2% since year-end due to growth in services and trade sectors
- Consumer lending grew 3% since year-end with growth in mortgages and term loans
- Islamic financing grew 3% since year-end due to growth in manufacturing, FI, trade and services
- Deposits grew 4% y-o-y with some expensive fixed deposits retired and replaced with cheaper and more persistent CASA
- CASA deposits represent 57% of total deposits

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



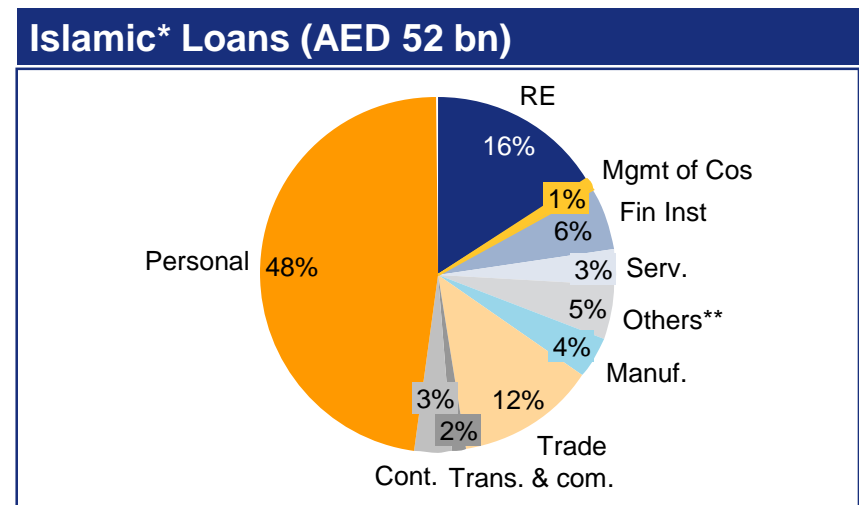
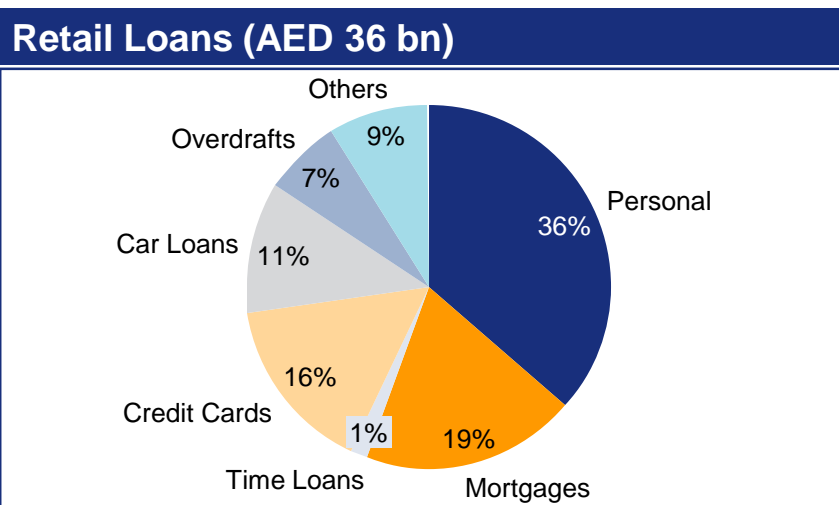
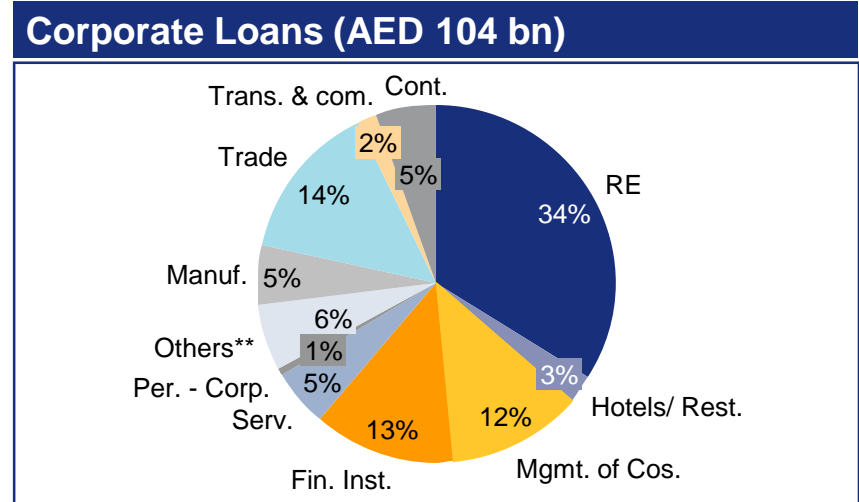
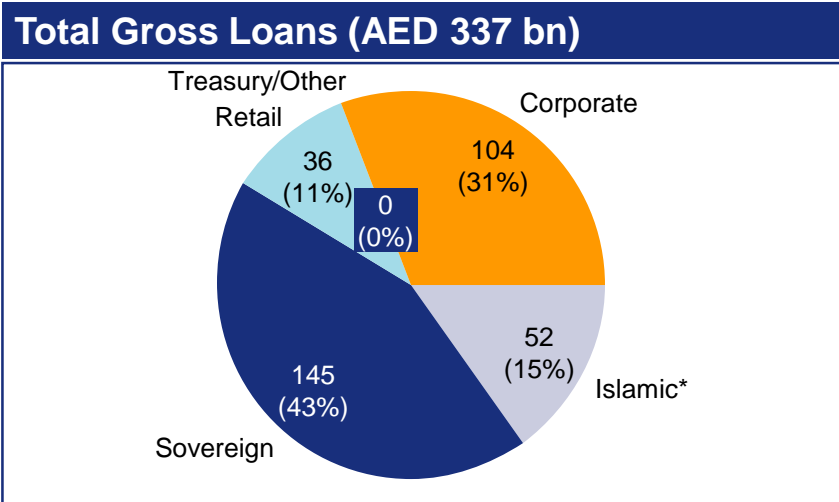
## Trend in Deposits by Type (AED Bn)



\* Gross Islamic Financing Net of Deferred Income



# Loan Composition



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

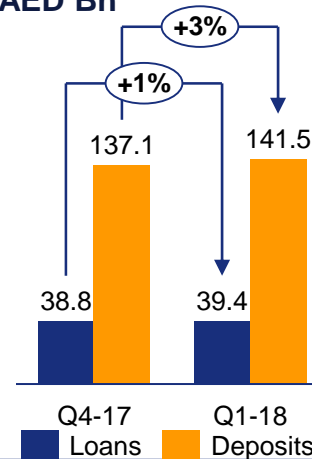


# Divisional Performance

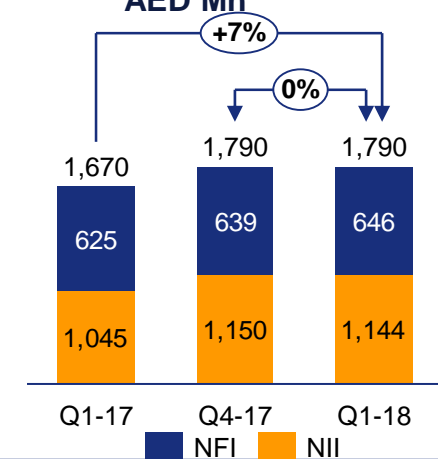
## Retail Banking & Wealth Management

- Revenues increased 7% y-o-y
- Net interest income grew 10% led by liabilities. Fee income grew 3% supported by FX and cards and represents 36% of total RBWM revenue
- Loans were up 1% due to growth in mortgages and term loans
- RBWM continued to lead the market in digital and innovation with the introduction of self-service banking for people with disabilities. 80% of personal loans now via paperless sourcing whilst DirectRemit transactions grew 45% y-o-y
- The bank continues to optimize its distribution network with 602 ATMs and 93 branches as at 31-Mar-18

### Balance Sheet Trends AED Bn



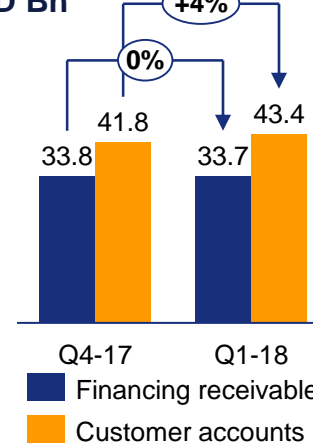
### Revenue Trends AED Mn



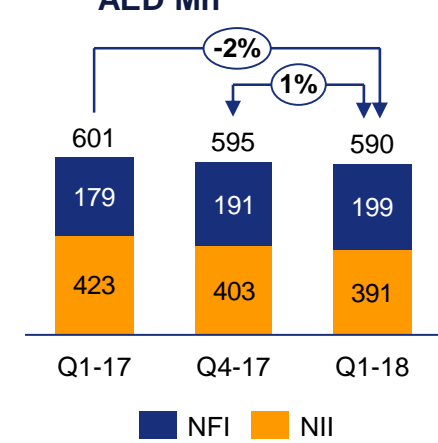
## Emirates Islamic

- Revenue declined 2% y-o-y as growth in core fee income was offset by a decline in funded income and non-core fee income
- Financing receivables remained flat q-o-q at AED 34 billion due to a slowdown in new business as EI tightened underwriting standards
- Customer accounts grew 4% to AED 43 billion as EI focused on improving liability mix and cost of funding. CASA now represents 67% of EI's customer deposits
- As at 31-Mar-18, EI had 62 branches and an ATM & CDM network of 208

### Balance Sheet Trends AED Bn



### Revenue Trends AED Mn



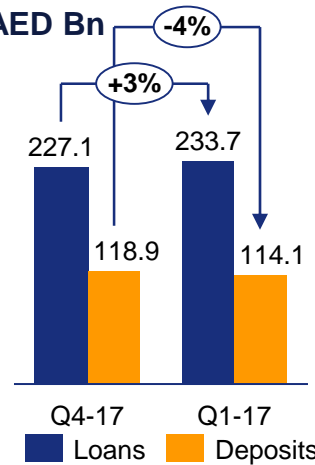


# Divisional Performance (cont'd)

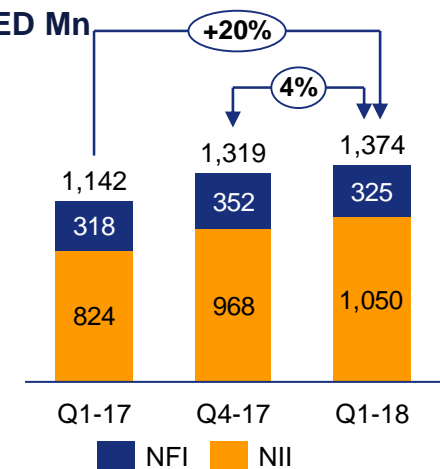
## Wholesale Banking

- Wholesale Banking revenues increased 20% y-o-y
- Loans grew 3% in Q1-18 due to growth in services and trade sectors. Deposits down 4% as expensive time deposits sourced over year-end rolled off in Q1-18.
- Net Interest Income grew 27% y-o-y driven by an improvement in margins and growth in lending activity
- Fee income grew 2% y-o-y due to continued focus on growing income from Treasury and Trade products
- Focus in 2018 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



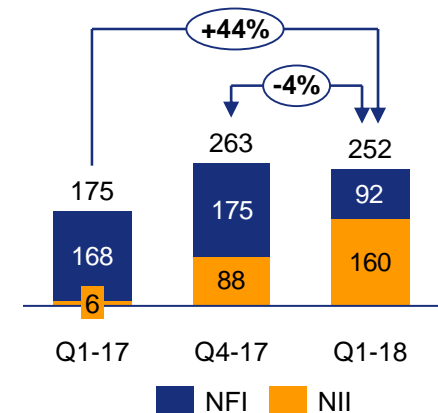
### Revenue Trends AED Mn



## Global Markets & Treasury

- GM&T revenues increased 44% y-o-y
- Revenue growth helped by Balance Sheet positioning to take advantage of rate rises
- Sales revenue from FX increased on higher volumes due to enhanced product capability and closer working relationship with Corporate & Institutional clients
- Structured Rates business has been launched successfully to support flow business
- Raised AED 5.2 billion of term funding through public issues and private placements with maturities out to thirty years

### Revenue Trends AED Mn







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

**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**



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# Highlights of strategic achievements in 2017

## 2017 Strategic Priorities

## Key Achievements

**1**  
**Deliver an excellent customer experience**

- Reinforce ENBD's position as a digital innovator in the region via
  - Best-in-class online, mobile banking services
  - New digital channels, products, capabilities
  - Digital platforms for seamless service to Corporates

- Won several awards including Most Innovative Financial Services Organization of the Year globally, at BAI Global Innovation Awards 2017
- Launched Liv., the first digital bank for millennials centred on lifestyle
- 60% of Corporate cheques deposited online using ICCS collect product
- Other key innovations – EVA, SkyShopper, FaceBanking

**2**  
**Drive core business**

- Gain market share across Retail products
- Rebalance Islamic franchise for profitable growth
- Diversify wholesale banking loans portfolio
- Grow fee income via improved Transaction Banking, Treasury and online offerings

- RBWM CASA balances up 6%; over AED 2 bn disbursements in home loans
- Introduced Samsung Pay and Apple Pay, expanding digital offering suite
- Emirates Islamic recorded 565% YOY growth in Net Profits
- Engaged more Corporates on fee drivers with growth in payments volumes (11% YOY) and higher non-funded income (8% YOY)

**3**  
**Run an efficient organization**

- Transform the IT platform to increase agility and enable digital banking
- Streamline and automate key processes for end-to-end digitization
- Optimize risk return matrix and lower cost of risk
- Alignment of KPIs and optimization of governance structures for better collaboration

- Committed an AED 1 bn investment towards digital transformation (invested over next 3 years)
- Achieved service milestones - increased self-service (12% drop in branch transactions), introduction of paperless personal loan applications through tablets (two-thirds of sourcing)
- Commenced development of state-of-the-art Wholesale Banking CRM

**4**  
**Drive geographic expansion**

- Sustain growth and deepen footprint in Egypt
- Catalyze growth in other offshore locations
- Continue to evaluate potential organic and inorganic opportunities in selected markets

- Commenced branch operations in India in November, 2017
- Expedited work on opening of three new branches in KSA (Q1, 2018)
- International assets grew by 3% YOY
- Received approval to open a Representative Office in Turkey to focus on FI and Corporates

**5**  
**Build a high performing organization**

- Continue to drive nationalization efforts and develop local leadership talent
- Focus on performance management and employee engagement (People management capabilities, reward systems, impactful action)

- Many key strategic roles in the Group were filled by senior Nationals
- New performance model in line with Group's digital and agile agenda was successfully piloted.
- Emirates NBD engagement level in 2017 was 62%, which is higher than GCC Commercial Banks (52%) and Global Commercial Banks (61%).



# Strategic priorities for 2018

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## Pillars of our strategy

## Key focus areas

1

**Deliver an excellent customer experience (with digital being the focus)**

- Continue to deliver superior customer experience and lead digital innovation in the region via
  - Prudent investments in to new digital opportunities while continuing to develop existing ones (e.g. Liv)
  - Continued efforts to upgrade digital banking services for Corporates

2

**Drive core business**

- Strengthen core business streams by increasing cross-sell and market share (Retail Banking), diversifying the loan portfolio (Wholesale Banking), and sustaining profitable growth (Islamic franchise)
- Increase fee and commission income via improved Transaction Banking, Treasury and online offerings

3

**Run an efficient organization**

- Continue efforts to transform organization-wide IT platform to increase agility and accelerate digital innovation
- Streamline and automate key processes for end-to-end digitization
- Continue improving organization-wide efficiency drivers –low cost of risk, optimal capital allocation and better cross-functional collaboration
- Meet all new regulatory requirements (VAT, IFRS 9, BASEL III etc.)

4

**Drive geographic expansion**

- Sustain our growth path in Egypt, and develop other offshore locations (focus on newly opened India branch, accelerate KSA growth with three new branches)
- 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**

- Develop and execute Nationalization strategy in line with new point system mandated by UAE Central Bank.
- Launch and roll out the new performance philosophy, aligned with the Group’s digital and agile strategy, which is aimed at facilitating a high performance and collaborative culture.
- Invest in leadership development to equip staff to engage and inspire their teams.



Operating Environment

## 2017 & Q1-18 Selected Awards

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'Banking Company of the Year' and 'Bank of the Year – UAE 2016'



'Top banking brand in the UAE'



Emirates NBD Capital won 'Best Local Investment Bank (UAE)' and 'Best Equity House (UAE)'



'Best Retail Bank in the UAE', 'Best Retail Bank in the Middle East', 'Best Digital Bank in Middle East' and 'Best Online Bank globally'



'Best Private Bank in Middle East'



'Bank of the Year – UAE 2017'



'Most Innovative Financial Services Organization of the Year'



'Islamic Personal Finance Provider of the Year' – Emirates Islamic



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



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



'UAE Domestic Cash Management Bank of the year'



Gulf Customer Experience Awards

'best Customer Experience Team'



# Large Deals Concluded in Q1-18

Emirates Airline

USD 600m



10 year Amortising Sukuk Unrated

March 2018

Joint Lead Manager & Bookrunner



Dar Al Arkan

USD 500m



5 years Sukuk B1/-/-

March 2018

Joint Lead Manager & Bookrunner



Majid Al Futtaim

USD 400m



Sub. Perpetual Bond BB+/BB+

March 2018

Joint Lead Manager & Joint Bookrunner



Islamic Development Bank

USD 1,250



Joint Lead Manager & Joint Bookrunner

March 2018

5 yr Sukuk AAA/Aaa/AAA



Bank Muscat

USD 500m



5 year Bond Baa2/-/BBB-

March 2018

Joint Lead Manager & Joint Bookrunner



Investment Corporation of Dubai

USD 1,200,000,000 Conventional & Islamic Facilities



March 2018

Mandated Lead Arranger, Bookrunner and Coordinator



IS Finansal Kiralama A.S.

USD 30,000,000 & EUR 40,000,000



Dual Currency Syndicated Term Loan Facility

March 2018

Mandated Lead Arranger and Bookrunner



Industrial and Commercial Bank of China

USD 1,400m



USD 700m 3yr FRN & USD 700m 5yr FRN

-/A1/-

February 2018

Joint Bookrunner



Soechi Lines Tbk

USD 200m



SOECHI LINES

5NC3 Bond -/ B1/B+

January 2018

Joint Lead Manager & Bookrunner



VakıfBank

USD 650m



5 yr Bond -/Ba1/BB+

January 2018

Joint Lead Manager & Joint Bookrunner



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