

For immediate release

Emirates NBD Announces 2012 Results

Net Profit up 3% to AED 2.6 billion
Operating Profit up 82% to AED 2.5 billion

Dubai, 31 January 2013

Emirates NBD (DFM: EmiratesNBD), the leading bank in the region, today announced its results for the year ended 31 December 2012.

Results Highlights

- ❑ **Net profit for 2012 of AED 2.6 billion**, up 3% compared with AED 2.5 billion in 2011 and up 281% after excluding the AED 1.8 billion non-recurring gain on subsidiaries reported in 2011
- ❑ **Cash dividend of 25% per share** declared for 2012
- ❑ **Total income of AED 10.2 billion**, up 3% from 2011
- ❑ **Operating profit before impairments of AED 6.5 billion**, up 2% from 2011
- ❑ **Net impairment loss on financial assets of AED 4.0 billion**, improved by 20% compared with 2011
- ❑ **Operating profit of AED 2.5 billion**, up 82% from 2011
- ❑ **Total assets up 8% at AED 308.3 billion** compared with AED 284.6 billion at the end of 2011
- ❑ **Customer loans at AED 218.2 billion**, up 7% relative to AED 203.1 billion at the end of 2011
- ❑ **Customer deposits at AED 213.9 billion**, up 11% from AED 193.3 billion at the previous year-end
- ❑ **Headline loan to deposit ratio improved to 102%** from 105% at the end of 2011
- ❑ **Capital adequacy ratio at extremely healthy level of 20.6%**

Commenting on the Group's performance, His Highness Sheikh Ahmed bin Saeed Al Maktoum, Chairman of Emirates NBD said: "These financial results reflect a very positive operational performance and demonstrate the strength of Emirates NBD and its position as a leading bank in the region. Despite the challenges reflected in the broader global economic environment, the UAE and Dubai in particular have shown resilience and solid growth during the year and Emirates NBD is well-placed to continue to capitalise on this improving economic backdrop. In light of the Bank's successful performance in 2012, an improving outlook, and in line with our commitment to shareholders, the Bank has declared a cash dividend of 25% per share for the 2012 financial year."

Emirates NBD's Chief Executive Officer, Mr. Rick Pudner, said: "During 2012 Emirates NBD has delivered a strong set of financial results with operating profits for the year up 82%. The year has also witnessed successful execution towards our strategic imperatives, with highlights including the completion of the Dubai Bank integration, the progress made in our Wholesale Banking transformation program and the improving growth momentum in our retail and Islamic franchises. This strategic progress, in combination with our strong levels of capitalisation and liquidity, positions the Bank to take advantage of growth opportunities in the future."

Emirates NBD's Chief Financial Officer, Mr. Surya Subramanian, said: "The Bank has continued to deliver strong levels of operating profitability during 2012 with top-line growth supported by an improving underlying operating cost position and a gradually declining risk cost. The year has also seen a sustained focus on balance sheet optimisation resulting in strong growth in stable low-cost deposits and the issuance of almost AED 15 billion in medium term liabilities."

Financial Review

AED million	Year ended 31 Dec. 2012	Year ended 31 Dec. 2011	Change (%)	Quarter ended 31 Dec. 2012	Quarter ended 31 Dec. 2011	Change (%)
Net interest income	6,912	7,258	-5%	1,766	1,929	-8%
Non-interest income	3,300	2,672	+24%	740	562	+32%
Total income	10,212	9,930	+3%	2,506	2,491	+1%
Operating expenses	(3,669)	(3,508)	+5%	(958)	(1,025)	-6%
Amortisation of intangibles	(80)	(94)	-15%	(20)	(23)	-15%
Operating profit before impairment	6,463	6,328	+2%	1,528	1,443	+6%
Impairment allowances	(4,004)	(4,978)	-20%	(940)	(1,057)	-11%
Operating profit	2,459	1,350	+82%	588	386	+52%
Impairment and share of profit/(loss) of associates	110	(654)	-117%	37	(227)	-116%
Gain on disposal of subsidiaries	-	1,813	-100%	-	-	n/a
Taxation charge	(15)	(26)	-41%	0	(7)	-100%
Net profit	2,554	2,483	+3%	625	152	+312%
Cost to income ratio (%)	35.9%	35.3%	+0.6%	38.2%	41.1%	-2.9%
Net interest margin (%)	2.43%	2.69%	-0.26%	2.47%	2.85%	-0.38%
EPS (AED)	0.41	0.41	+1%	0.10	0.02	+320%
DPS (AED)	0.25	0.20	+25%	0.25	0.20	+25%
Return on average shareholders' equity (%)	9.9%	10.2%	-0.3%	9.5%	2.4%	+7.1%

AED billion	As at 31 Dec. 2012	As at 31 Dec. 2011	Change (%)	As at 30 Sept. 2012	Change (%)
Total Assets	308.3	284.6	+8%	305.4	+1%
Loans	218.2	203.1	+7%	212.5	+3%
Deposits	213.9	193.3	+11%	214.2	-0%
Impaired loan ratio (%)	14.3%	13.8%	+0.5%	14.4%	-0.1%
Impaired loan coverage ratio (%)	49%	43%	+6%	48%	+1%
Capital Adequacy Ratio (%)	20.6%	20.5%	+0.1%	19.9%	+0.7%
Tier 1 Ratio (%)	13.8%	13.0%	+0.8%	13.2%	+0.6%

Total Income

Total income for the year ended 31 December 2012 amounted to AED 10,212 million, an increase of 3% compared with AED 9,930 million in 2011. Total income for Q4 2012 increased by 1% from Q4 2011 to AED 2,506 million.

Net interest income for the year ended 31 December 2012 declined by 5% to AED 6,912 million from AED 7,258 million in 2011. On a quarterly basis, Q4 2012 net interest income of AED 1,766 million declined by 8% from Q4 2011. The declining trends in net interest income were attributable to net interest margin compression in 2012 to 2.43% from 2.69% in the previous year resulting from lower loan spreads and the impact of increased wholesale debt funding.

Non-interest income recorded an improvement of 24% to AED 3,300 million for 2012, driven principally by higher investment securities income and lower write-downs on investment properties. Excluding these impacts, core fee income improved by 9% resulting from increased banking fee income and a pickup in trade finance activity.

Total Costs

Costs for the year ended 31 December 2012 amounted to AED 3,669 million, an increase of 5% over 2011 resulting from the consolidation of Dubai Bank costs from Q4 2011. Excluding the impact of Dubai Bank, operating costs improved by 1% in 2012 due to cost optimisation initiatives.

Credit Quality and Impairments

Emirates NBD continues to pro-actively manage credit quality and impaired loans across the Bank's corporate, retail and Islamic financing portfolios have increased moderately, within previously expected levels, during 2012 by 0.5% to end the period at 14.3%.

The impairment charge in respect of 2012 improved by 20% to AED 4,004 million compared with AED 4,978 million in 2011. This impairment charge was primarily composed of specific provisions made in relation to the Bank's corporate and Islamic financing portfolios. As at 31 December 2012 total portfolio impairment allowances amount to AED 3.6 billion or 2.8% of unclassified credit risk weighted assets, in excess of the UAE Central Bank requirement of 1.5% by AED 1.7 billion.

Associates and Joint Ventures

The positive contribution of the Bank's investments in associates and joint ventures during 2012 amounted to AED 110 million compared with a negative AED 654 million contribution in 2011. In the prior year this was principally driven by a reduction of AED 750 million recorded in the Bank's investment in Union Properties, while further impairments on this investment were not required during 2012 as the Bank remained comfortable with the current book value of AED 532 million.

Net Profit

Net profit for the Group was AED 2,554 million for year ended 31 December 2012, 3% above the profit posted in the 2011 of AED 2,483 million. Net profit for Q4 2012 amounted to AED 625 million, an improvement of 312% over the AED 152 million reported in Q4 2011 due to lower impairment allowances and the absence of impairments on the Bank's investment in Union Properties during the current quarter.

Dividends

The Board of Directors will recommend to shareholders at the Annual General Meeting a 25% cash dividend for the 2012 financial year which represents an increase of 25% over the dividend declared for the previous year.

Customer Loans and Deposits

Customer Loans as at 31 December 2012 (including Islamic financing) amounted to AED 218.2 billion, an increase of 7% from end-2011.

Customer Deposits as at 31 December 2012 were AED 213.9 billion, an increase of 11% from end-2011.

The loan to deposit ratio improved in 2012 to 102% from 105% at the end of 2011.

Capital

As at 31 December 2012, the Bank's total capital adequacy ratio and Tier 1 capital ratio were 20.6% and 13.8% respectively. While total capital increased due to profit generation during 2012, this was offset by the dividend payable in respect of the 2011 financial year and the commencement of the capital amortisation of the Ministry of Finance Tier 2 deposits. These impacts, together with a reduction in risk weighted assets of 2% over the year, resulted in a stable total capital adequacy ratio relative to the end of 2011 while the Tier 1 ratio improved by 0.8% during 2012.

Group Initiatives

Tanfeeth

Following the integration of 12 Emirates NBD back office operating units as well as the integration of Emirates Islamic Bank's Call Center Operations and Retail Asset back office units during the first 9 months of 2012, Q4 2012 marked the completion of the end-to-end integration of all Emirates NBD back-office operating units, including Emirates Islamic Bank teams.

During the year, Tanfeeth delivered all expected Service Level Agreement targets for Emirates NBD through wide-scale, lean transformation projects. This included across-the-board service improvements of up to 30 percent and productivity gains of up to 20 percent. As a people-focused organisation, employee satisfaction was also increased by 27 percent during the year.

The impact of several value-added initiatives Tanfeeth had introduced over the course of the year was also realised. This included reducing turn-around times for premium customer credit card application processes to industry best-practice levels through a lean Value Stream Mapping exercise that commenced in Q3 2012 and which involved all key credit card stakeholders across the Emirates NBD Group. Customer satisfaction was also increased in its Call Center Operation (CCO) through improved Interactive Voice Response systems and customer complaint resolution systems.

Takeover of Dubai Bank

Following the takeover of Dubai Bank on 11 October 2011, an integration committee was established to oversee the assimilation of Dubai Bank into the Group. Synergy creation through a unified operating model, technology and interoperability were major focus areas for the committee.

During the year, Jamal Bin Ghalaita was appointed as the new Chief Executive Officer (CEO) of Dubai Bank in order to unify the management team of both Islamic subsidiaries under the umbrella of Emirates NBD. Following this appointment, a unified Executive Committee was appointed to manage both banks, comprising senior management from both Islamic subsidiaries.

Important milestones have been achieved during 2012. These include the integration of the ATM network with the Group, unifying the senior and middle management teams, integrating head office functions such as Retail and Corporate Banking management and Shari'a, legal, risk, and credit functions. In addition, back office operations of the two banks were integrated during the year and products, rates and policies were aligned to Group standards. In order to achieve cultural unification, efforts were made to share the common vision and mission with Dubai Bank staff through town halls, branch visits and team meetings. The key milestone of integrating the core banking systems and migrating Dubai Bank customers to Emirates Islamic Bank was achieved in November 2012. Finally, as at 31 December 2012, the rebranding of the Dubai Bank branches and ATMs to the Emirates Islamic Bank brand was completed. This marked the completion of the integration and the creation of the third largest Islamic bank in the UAE by assets and branches.

Business Performance

Consumer & Wealth Management (CWM)

The Bank's Consumer Banking and Wealth Management (CWM) division delivered a stellar performance during 2012, achieving growth in their business and customer base.

Income for the division increased by 12% for year ended 31 December 2012 to AED 4,376 million from AED 3,918 million in 2011 driven by 8% growth in net interest income to AED 3,138 million from AED 2,912 million and a 23% improvement in fee income to AED 1,238 million from AED 1,005 million. Deposit growth during

2012, particularly in current and savings account categories, was healthy resulting in an increase of AED 12.5 billion in customer deposits from end-2011 levels to reach AED 87.9 billion.

During the year, CWM focused on optimising its network and rationalising costs while continuing to drive revenues by investing in frontline staff to grow the asset book in an environment which saw further improvement in credit quality. This, combined with enhanced focus on improving customer service, driving process improvements as well as launching new products and services helped CWM achieve these strong results.

In 2012, a number of new products like personal cash loans, business vehicle loans, car refinance, loan against property, Emirates NBD Dnata World MasterCard Credit Card and RTA co-branded Debit Card (Go4it) were launched. The product launches were backed by strong customer oriented marketing campaigns. The Division continued to gain market share in the credit cards and the liabilities businesses, driven by the launch of these innovative products and services. Multi channel banking was strengthened during the year with a slew of launches – the Dynamic IVR for Phone Banking, a revamped mobile banking application as well a new look and feel electronic banking statement.

The business was also recognised with numerous awards during the year including the “Most SME Friendly Bank in the UAE – Mohammed Bin Rashid Awards for Young Business Leaders (YBL)”, the “Visa LEADER Award for the Best Issuing Institution in the UAE” for its risk management practices and “Best overall reputation” award by the Radar Global.

2012 was a transformational year for Wealth Management, which in close collaboration with other business units, rolled out a comprehensive range of client services and investment products. One of the key developments during the year was the creation of the Wealth Management platform encompassing Private Banking, Asset Management and Brokerage activities of the Emirates NBD Group, creating a centre of excellence serving the investment needs of its direct clients as well as the clients of other units and subsidiaries within the Group.

Wholesale Banking

Despite a continuing challenging environment, Wholesale Banking delivered a creditable performance during 2012. The Division recorded total income of AED 4,280 million during the period, down 8% compared with 2011. Net interest income declined by 11% in 2012 to AED 3,122 million compared with AED 3,505 million in 2011 due to loan spread compression resulting from increased competition for good quality underwriting as well as the increased cost of carry on non-performing loans. Modest growth was however achieved in fee income which rose 2% in 2012 to AED 1,157 million compared with AED 1,132 million in 2011, reflecting a pickup in new underwriting as well as increased trade finance, cash management, foreign exchange and debt capital markets activity. Customer Deposits increased by 15% since the end of 2011 while the advances portfolio grew 9% during 2012.

During the year Wholesale Banking through its investment banking arm, Emirates NBD Capital Limited (EmCap), executed several notable transactions, which further established the Bank as a leading regional platform for syndicated loans and debt capital markets. This successful business development drive has propelled the investment banking unit amongst the top ranking positions on the international league tables such as EMEA Islamic Loans Bookrunner, MENA Syndicated Loans Bookrunner and MENA Syndicated Loan Mandated Lead Arranger. Some of the notable transactions concluded during the year included acting as mandated lead arranger, advisor and bookrunner for syndicating loans valuing USD 6.5 Billion, arranged for high profile clients like Signum Magnolia Limited-Malaysia, Dubai International Financial Centre Investments LLC, Bank Asya (the largest participation bank in Turkey), Emaar Properties and Emaar Libadiye A.S., Rosbank Russia (the Russian subsidiary of Socgen) in collaboration with the European Bank for Reconstruction and Development, Albaraka Turk Katilim Bankasi and United Arab Bank. In the debt capital markets space, EmCap acted as the lead arranger for the landmark CHN 1 Billion 3 year and USD 1 Billion 5 year bonds issued by Emirates NBD and also acted as joint lead arranger and bookrunner for several Sukuk issuers including Emirates Islamic Bank, Dubai Islamic Bank, Emaar and Jebel Ali Free Zone. EmCap also concluded certain key debt restructuring transactions on behalf of Emirates NBD and continues to lead coordinating committees of certain other debt restructuring transactions under various stages of conclusion. EmCap also concluded a USD 950 million loan repo program for Emirates NBD.

Another key activity during the year included the commencement of a comprehensive strategic review and transformation process for Wholesale Banking. The new vision for the Division, defined as part of this process, is to become the dynamic Wholesale Banking powerhouse in the Middle East with a client centric approach based on superior credit processes, efficient and reliable operations and a high performance culture leading to deep and mutually beneficial customer relationships. To realise this vision, a number of initiatives have been established, each encompassing several individual projects, designed to enhance the Wholesale Banking segmentation and coverage model, realise its international expansion aspirations, improve cross-selling of cash management, trade finance, treasury and investment banking products and streamline operations and credit processes. Results from the projects are already being seen in a number of areas including completion of the segmentation of the Wholesale Banking account base, deeper cross-selling, key account planning for top clients to process improvements in our credit and operations areas to enhance the client experience.

Global Markets & Treasury (GMT)

GMT reported total income of AED 528 million for 2012 compared with AED 678 million in 2011. The reduction in income was driven mainly by lower net interest income due a lower interest rate environment in combination with a change in the funding structure of the bank where treasury became a net deployer of the Bank's excess liquidity in the market. This was partly offset by higher gains on principal investments and a pickup in foreign exchange and treasury sales businesses.

The foreign exchange business improved during 2012 due to volatility in the foreign exchange market. In addition, the business was able to capture short windows of trading opportunities in the Euro zone which aided

foreign exchange income. Tightening of spreads in regional credit produced opportunities for the trading desk which resulted in strong second half of 2012 for the credit trading desk.

Despite the impact of geo-political issues on regional markets, Treasury sales recorded a good performance during the year due to targeted marketing efforts. The return of volatility in foreign exchange markets resulted in more Wholesale Banking clients hedging exposure, while the low interest rate scenario encouraged clients to lock in rates through vanilla hedge structures. In addition, Treasury developed commodity-linked capital protected structured products which were well received by the client base and witnessed increased demand for floating rate notes from its clients.

During the year, GMT successfully raised medium to long term liabilities of almost AED 15 billion, which included the two USD 500 million 5 year Sukuk issued by Emirates Islamic Bank, a USD 1 billion 5 year RegS issue, a CNH 1 billion 3 year issue and in excess of USD 1.3 billion in private placement issuance.

Islamic Banking (IB)

During 2012, as a result of a unified management structure, Emirates Islamic Bank and Dubai Bank are reported as a combined Islamic Banking segment.

Due to various strategic initiatives undertaken during 2012 as well as the acquisition of Dubai Bank from Q4 2011, total IB income (net of customers' share of profit) for the year witnessed an increase of 99% to AED 1,187 million from the previous year of AED 595 million. Customer accounts declined by 8% to AED 26.9 billion during 2012 and financing receivables grew by 2% to AED 23.3 billion from end-2011.

A key focus in 2012 was to complement IB's product and service offerings for its customers. As a result, a number of new products were introduced, including the launch of new RTA credit card, the Kunooz saving account, a high-value salary account, the launch of cash-exchange service in branches, LMH vehicle finance and the introduction of an infinite skywards card. In addition, a number of existing products and services were overhauled and refined, including the super savings account, investment funds and solutions to clients, expansion of the personal finance offering to more client segments, flexible Ijarah, and Musawamah products, working capital financing for corporate customers, and further enriching of the trade finance offering.

As at 31 December 2012, the branch and ATM/CDM network of IB, including the rebranded Dubai Bank distribution channels, totaled 49 and 165 respectively.

IT and Operations (ITO)

A key focus of 2012 was the IT integration of Dubai Bank with Emirates Islamic Bank. Despite very challenging timeframes, Group IT successfully completed this initiative within 6 months and without any major technology impacts.

Group IT also focused on a transformation program aimed at improving IT effectiveness and efficiency. This initiative will enhance service levels on core IT activities, improve delivery time of projects and most importantly focus on delivering initiatives aligned with the Bank's strategic direction. The year has seen a successful organisation change within applications delivery teams to provide more focus on project delivery and application stability, changes to portfolio and capacity management and a better and more transparent IT department. In addition a strategic outsourcing partnership began in Q4 2012 with Wipro for desktop services to further reduce operational costs while improving service quality. In parallel, Group IT has successfully maintained its Quality Management certification (ISO Standard 9001:2008), a certification that is accredited by BSI® and the United Kingdom Accreditation Service (UKAS).

During the year a number of key IT initiatives have benefited the different areas of the bank. Firstly, the internet banking platform went through a redesign which increased features and product offerings to customers as well as the release of an Arabic version of the platform. Group IT was recognised for the internet banking project with two prestigious IT industry awards (CNME and ACN). To provide more convenient banking a mobile banking application was released for Apple users. Secondly, there were further changes made to customer call centre systems to provide a better customer experience and to allow additional customer transactions through the call centre. Finally, for the cards business IT played a key role in the successful introduction of the RTA card, which combines the power of Visa cards with features and benefits of the NOL Card.

In 2012, Procurement supported Emirates NBD's cost rationalisation initiative by delivering significant cost savings. During the year, integration of activities such as ATM Management and trade licenses and facilities management continued, thereby deriving synergies across the function. In addition, there was a seamless integration of the Dubai Bank administration and premises team as a result of the merger. Other key activities included marketing rebranding, trade licenses and branch rationalisation. Procurement also delivered the "Q" building in Meydan during the year which increases the scope for consolidation of the back office premises and reducing the rental footprint of Emirates NBD.

Outlook

During 2012, the UAE economy continued to display resilience to global uncertainty, underpinned by an increase in oil output and strength in the trade, logistics, tourism, manufacturing and retail sales sectors. While the external environment remains challenging, the UAE remains well-positioned to enjoy solid growth in 2013 driven by expansion in non-oil sectors offsetting an expected stabilisation in oil production. Emirates NBD is well placed to capitalise on the improving economic fundamentals as the Bank has a clear strategy in place to further enhance shareholder returns and take advantage of the selected growth opportunities. This strategy is built around five core building blocks which include delivering excellent customer experience, building a high performance organisation, driving core businesses, running an efficient organisation and driving geographic expansion.

END

Notes to editors:

Awards

“Best Bank in UAE” Award for 2012 from Global Finance

“Best Trade Finance Bank” award for 2012 from Global Finance

“Best Foreign Exchange Providers in the UAE” award for 2012 from Global Finance

Emirates NBD Asset Management wins **“Specialist Fund of the Year”** at the 2012 MENA Fund Manager Performance Awards for its Emirates Global Sukuk Fund

Emirates NBD tops **“Brand Simplicity Index”** as region’s No.1 Retail Banking Brand by Siegel+Gale.

Emirates NBD wins **“Dubai Award for sustainable Transport”** fourth edition

Emirates NBD is Rated **Amongst 50 top Regional Companies** in the **Hawkamah ESG Pan Arab Index**

Banker Middle East **“Best SME insurance product”** award

Emirates NBD awarded **“Best Customer Attraction”** and **“Best Overall Customer Experience”** at the **Customer Experience & Service Excellence Summit 2012**

“Best Bank Brand” and award for leading PR and marketing company at the annual **Arab Achievement Awards 2012**

Emirates NBD Asset Management named **‘Best Asset Management Company’** at **Arab Achievement Awards 2012**

“Best Corporate Card” at Smart Card Awards Middle East

Emirates NBD Asset Management named **“MENA Sukuk Manager”** of the year at the 2012 **Global Investor/ISF Investment Excellence**

Awards

Emirates NBD Asset Management named **“Best Islamic Wealth Management Service Provider”** at the 2012 **Sukuk Summit - Islamic Finance Awards of Excellence**

Emirates NBD wins **“Asia’s Best Brand Award”** at the **3rd CMO Asia Awards for Excellence in Branding and Marketing**

Emirates NBD wins **Visa LEADER** award for **“The Best Issuing Institution”** in MENA region

Emirates NBD ranked **No. 1 service-oriented firm** in **Gulf News Honour List**

Emirates NBD Securities declared as **“Winner of NASDAQ Dubai’s Retail Broker of the Month Award”** for 4 consecutive months (September to December 2012)

“BFSI Deployment of the Year Award” at the **3rd Annual CNME ICT Achievement Awards**

Emirates NBD wins the **“Banking & Finance Sector Implementation of the Year Award”** at the **8th Annual Arabian Computer News Arab Technology Awards**

Emirates NBD’s **‘Pay Yourself First’** wins **Silver at GEMAS Effie MENA awards 2012**

Emirates NBD named **“Most Friendly SME Bank in the UAE”** at the **Mohammed Bin Rashid Awards for Young Business Leaders**

About Emirates NBD

Emirates NBD (DFM: Emirates NBD) is a leading bank in the region.

Emirates NBD has a leading retail banking franchise in the UAE, with 149 branches and over 721 ATMs and CDMs. It is a major player in the UAE corporate banking arena, and has strong Islamic banking, investment banking, private banking, asset management, global markets & treasury and brokerage operations.

The bank has operations in the UAE, the Kingdom of Saudi Arabia, Qatar, Singapore, the United Kingdom and Jersey (Channel Islands), and representative offices in India, Beijing and Iran. For more information, please visit: www.emiratesnbd.com

For more information:

Ibrahim Sowaidan

Head - Group Corporate Communications

Emirates NBD

Telephone: +971 4 6094113 / +971 50 6538937

Ben Franz-Marwick

Head - Investor Relations

Emirates NBD

Telephone: +971 4 2012604 / +971 50 6581245