

Q1 2014 Results Presentation

April 24, 2014



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Q1 2014 Financial Results Highlights

Highlights

- Net profit of AED 1,042 Mn improved 55% q-o-q and 25% y-o-y
- Total income improved 5% q-o-q and 27% y-o-y
- Net interest income was broadly stable q-o-q and rose 28% y-o-y
- Non-interest income improved 17% q-o-q and 25% y-o-y on the back of higher banking fee income and property income
- Costs declined 14% q-o-q and rose 14% y-o-y. Cost to income ratio improved by 7.3% q-o-q to 31.5% helped by a number of one-off costs not repeated and higher income
- Pre – impairment operating profit of AED 2,283 Mn rose 18% q-o-q and 34% y-o-y
- Provisioning of AED 1.3 Bn in line with guidance, increasing the coverage ratio by 3.2% to 60.7%
- Headline AD ratio improved to 95.3% due to a healthy growth in deposits
- NIMs were broadly stable q-o-q at 2.75%

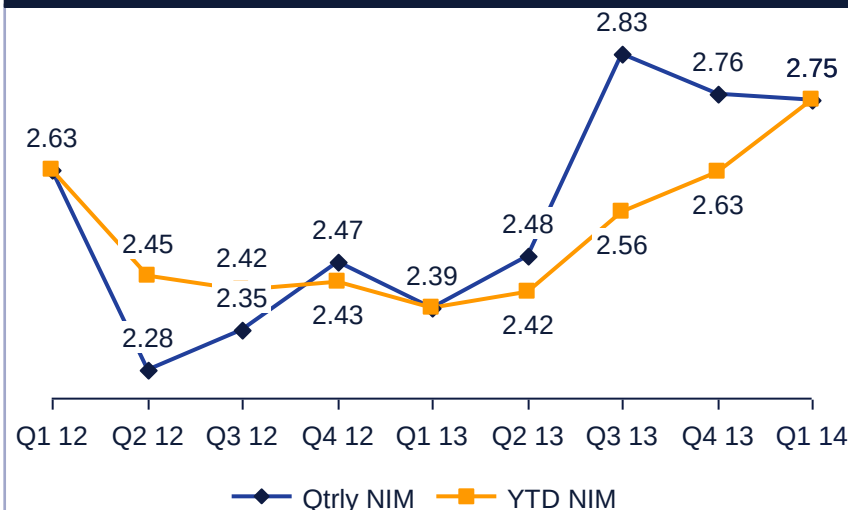
Key Performance Indicators

AED Mn	Q1 14	Q1 13	Better / (Worse)	Q4 13	Better / (Worse)
Net interest income	2,232	1,748	28%	2,224	0%
Non-interest income	1,101	882	25%	938	17%
Total income	3,333	2,630	27%	3,162	5%
Operating expenses	(1,050)	(925)	(14%)	(1,227)	14%
Pre-impairment operating profit	2,283	1,705	34%	1,935	18%
Impairment allowances	(1,267)	(888)	(43%)	(1,313)	4%
Operating profit	1,016	817	24%	622	63%
Share of profits from associates	61	26	135%	45	36%
Gain on disposal of stake in associates/subsidiaries	-	-	n/a	12	(100%)
Taxation charge	(35)	(7)	(400%)	(5)	(600%)
Net profit	1,042	836	25%	674	55%
Cost: income ratio (%)	31.5%	35.2%	3.7%	38.8%	7.3%
Net interest margin (%)	2.75%	2.39%	0.36%	2.76%	(0.01%)
AED Bn	31-Mar-14	31-Mar-13	%	31-Dec-13	%
Total assets	347.1	315.8	10%	342.1	1%
Loans	239.7	220.6	9%	238.3	1%
Deposits	251.5	223.0	13%	239.6	5%

Highlights

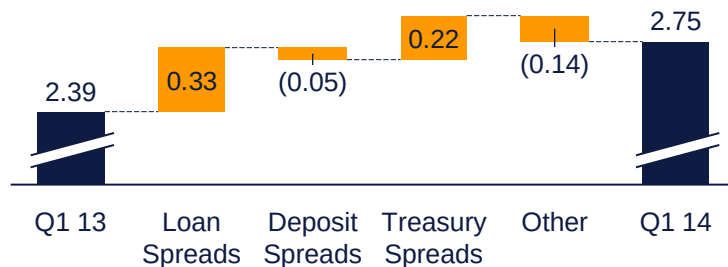
- NIMs were broadly stable in Q1 2014 vs. Q4 2013 and widened 36 bps from 2.39% in Q1 2013 to 2.75% in Q1 2014
- Loan spreads improved due to a rise in retail volumes coupled with increased margins from the Egyptian business
- Deposit spreads improved in Q1 2014 due to a growing CASA balance driving down the cost of funds.
- Guidance for NIMs in 2014 in the range of 2.5 – 2.6%

Net Interest Margin (%)

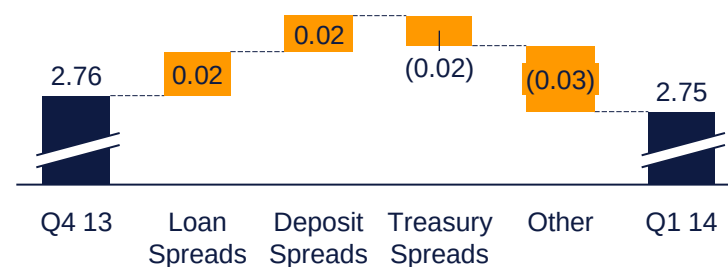


Net Interest Margin Drivers (%)

Q1 2014 vs. Q1 2013



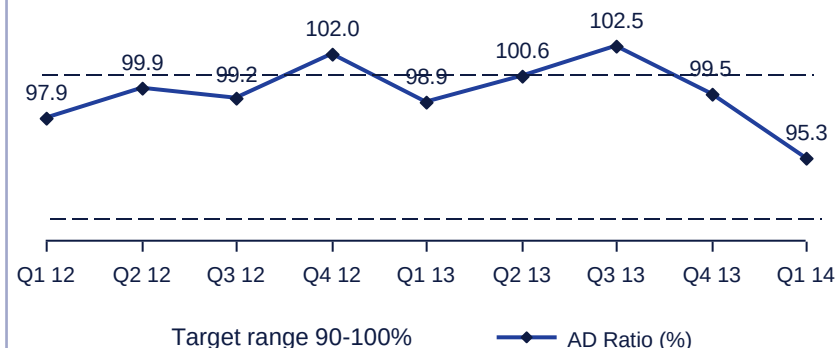
Q1 2014 vs. Q4 2013



Highlights

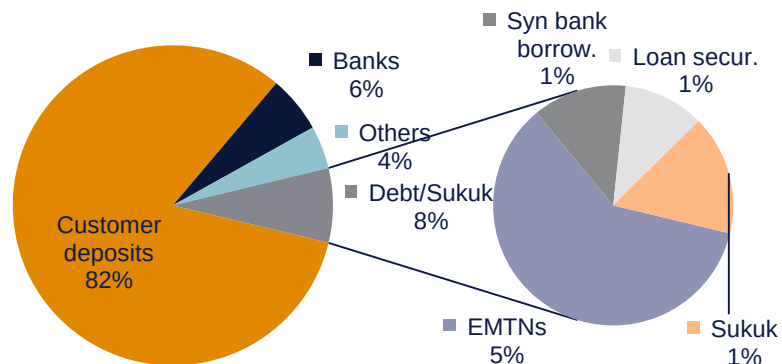
- Headline AD ratio improved to 95.3% at Q1 2014 helped by a growth in deposits of 5%
- Liquid assets* of AED 40.7 Bn as at Q1 2014 (13.3% of total liabilities)
- Debt maturity profile comfortably within funding capabilities
- Issued AED 932 Mn of term liabilities through private placements in Q1 2014
- Modest maturity profile affords Emirates NBD ability to consider public debt issues opportunistically

Advances to Deposit (AD) Ratio (%)



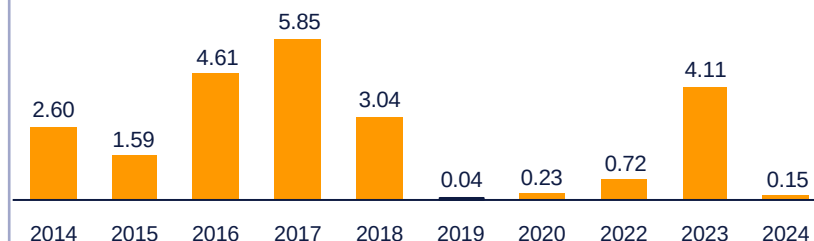
Composition of Liabilities/Debt Issued (%)

Liabilities (AED 305.1 Bn) Debt/Sukuk (AED 22.9 Bn)



Maturity Profile of Debt Issued (AED Bn)

Maturity Profile of Debt/Sukuk Issued
100% = AED 22.9 Bn

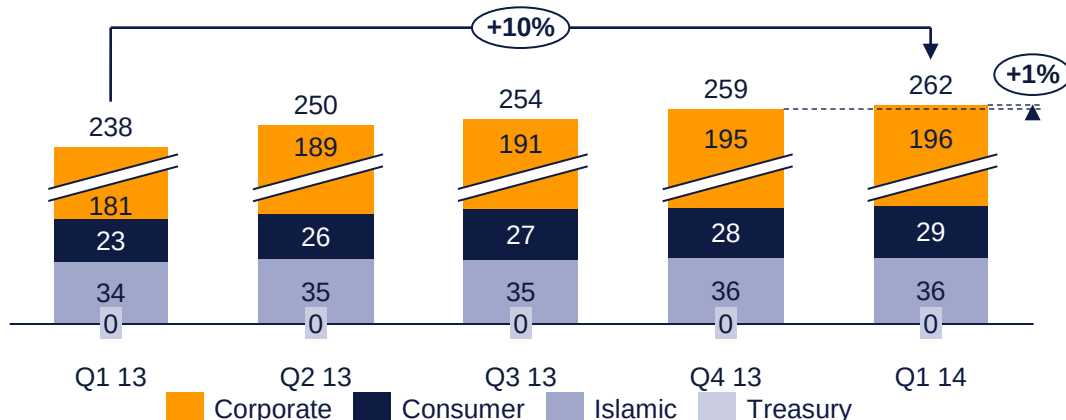


*including cash and deposits with Central Banks but excluding interbank balances and liquid investment securities

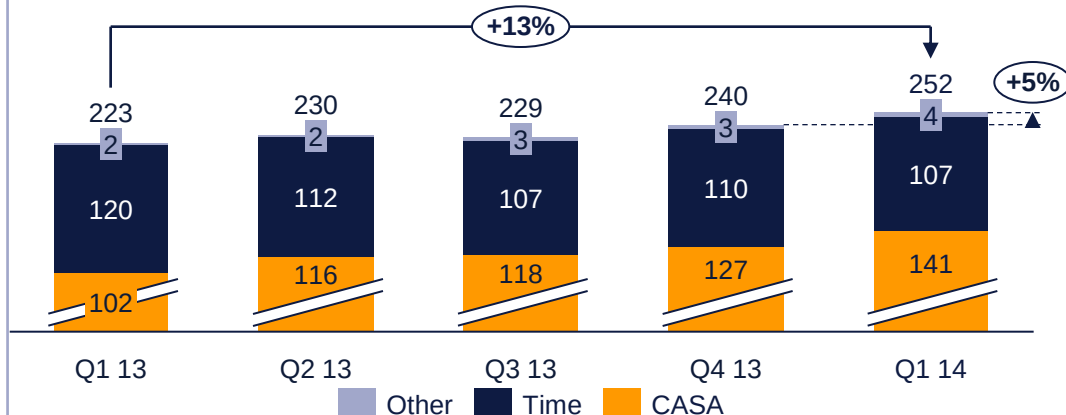
Highlights

- Gross loans increased by 1% q-o-q in Q1 2014
- Consumer lending grew 3% q-o-q with growth spread across all areas including Personal Loans (2%), Mortgages (2%), Credit Cards (3%) and Auto Loans (4%).
- Islamic financing grew 2% q-o-q
- 11% CASA growth in Q1 2014
- More costly time deposits declined by 3% in Q1 2014 vs. end-2013
- CASA deposits as a percentage of total deposits have increased to 56% in Q1 2014 from 43% at the end of 2012

Trend in Gross Loans by Type (AED Bn)



Trend in Deposits by Type (AED Bn)



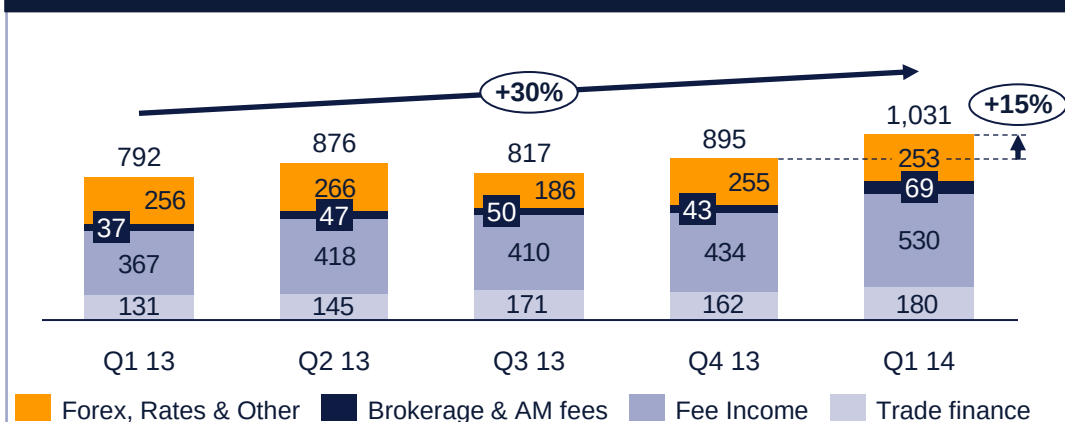
Highlights

- Non-interest income improved 17% q-o-q and 25% y-o-y
- Quarterly improvement due to a rise in fee income from credit card business and helped by an increase in trade finance volumes and increased brokerage & asset management fees
- Core gross fee income improved 15% q-o-q and 30% y-o-y, key trends being:
 - Banking fee income improved 22% q-o-q and 44% y-o-y
 - Trade Finance income up 11% q-o-q and 37% y-o-y
 - Brokerage fees up 58% q-o-q and 86% y-o-y
 - Forex, Rates & Derivatives income down 1% q-o-q and y-o-y
- Non-Core fee income up 26% q-o-q and 42% y-o-y due to:
 - Property income which declined 3% q-o-q but improved 195% y-o-y
 - Investment securities income up 79% q-o-q and down 8% y-o-y

Composition of Non Interest Income (AED Mn)

AED Mn	Q1 14	Q1 13	Better / (Worse)	Q4 13	Better / (Worse)
Core gross fee income	1,031	792	30%	895	15%
Fees & commission expense	(157)	(70)	(124%)	(137)	(15%)
Core fee income	874	722	21%	758	15%
Property income / (loss)	115	39	195%	118	(3%)
Investment securities	111	121	(8%)	62	79%
Total Non Interest Income	1,101	882	25%	938	17%

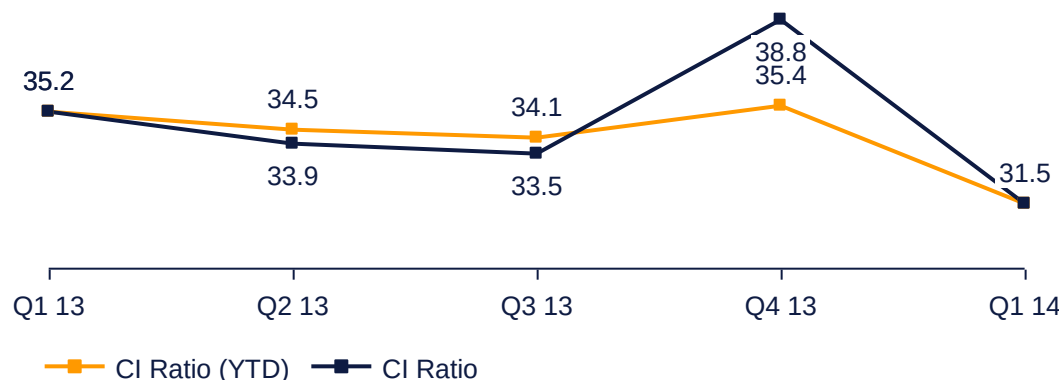
Trend in Core Gross Fee Income (AED Mn)



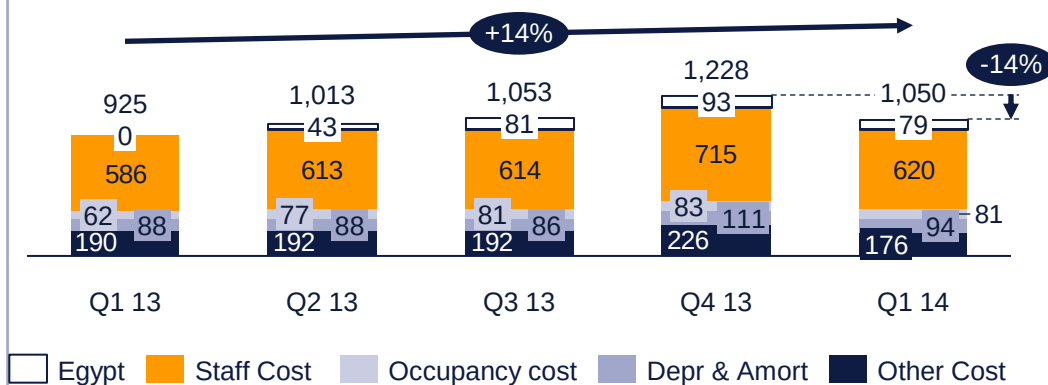
Highlights

- Cost to Income Ratio improved by 7.3% q-o-q to 31.5%
- Costs increased by 14% y-o-y but decreased by 14% q-o-q due to a number of one-off costs booked in Q4 2013 but not replicated in Q1 2014.
- Excluding Egypt, costs decreased 14.4% q-o-q and increased 5% y-o-y.
- Lower absolute costs in Q1 2014 compared to Q4 2013 due to one off costs not being repeated and due to lower staff and marketing costs and reduced legal and professional fees.
- The longer term management target for cost to income ratio is 33%
- We will invest more in the future, within this parameter, on systems and people to help support business growth

Cost to Income Ratio (%)



Cost Composition (AED Mn)

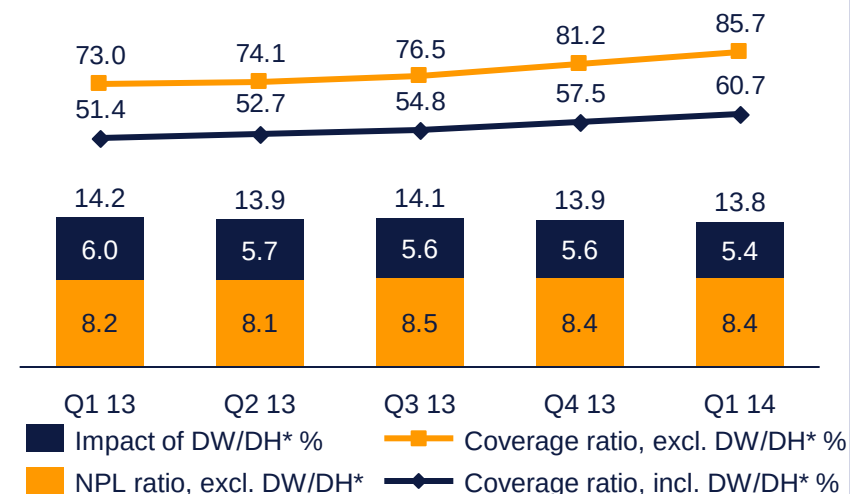


Highlights

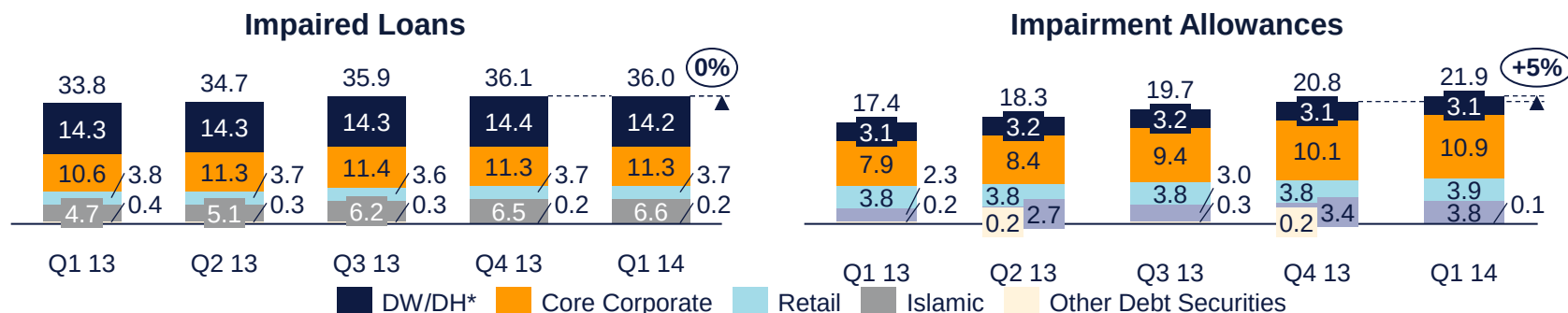
- Impaired loans ratio improved by 0.1% q-o-q to 13.8%
- Net impaired loans decreased by AED 0.1 Bn helped by repayments and recoveries
- Q1 2014 net impairment charge of AED 1.3 Bn driven principally by additional net specific Corporate and Islamic loan provisions
- Coverage ratio increased by 3.2% to 60.7%
- Total portfolio impairment allowances amount to AED 4.04 Bn or 2.7% of unclassified credit RWAs
- Medium term management targets:

Impaired Loan Ratio	12%
Overall impaired Loans Coverage Ratio	80%

Impaired Loan & Coverage Ratios (%)



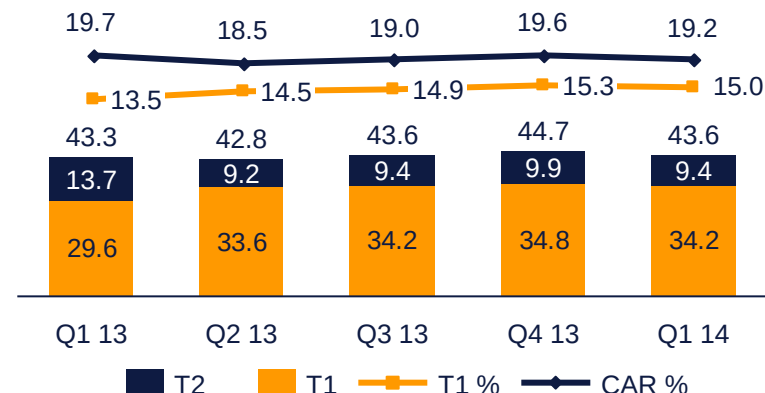
Impaired Loans and Impairment Allowances (AED Bn)



Highlights

- CAR and T1 declined by 0.4% and 0.3% respectively in Q1 2014 to 19.2% and 15.0% respectively resulting from:
 - decrease in Tier 1 capital due to 2013 dividend payment in Q1 2014
 - decrease in Tier 2 capital due to amortisation of MoF T2 debt
 - modest increase in risk weighted assets
- Tier 1 Capital Ratio has improved by 1.5% y-o-y from 13.5% to 15.0%

Capitalisation



Capital Movements (AED Bn)

Q4 2013 to Q1 2014 (AED Bn)	Tier 1	Tier 2	Total
Capital as at 31-Dec-2013	34.7	9.9	44.6
Net profits generated	1.0	-	1.0
FY 2013 dividend paid	(1.4)	-	(1.4)
Tier 1 Issuance	-	-	-
Repayment of Tier 2	-	-	-
Amortisation of MOF T2 / sub debt	-	(1.0)	(1.0)
Interest on T1 securities	(0.1)	-	(0.1)
Tier 2 Issuance	-	0.1	0.1
Repayment of subordinated debt	-	-	-
Goodwill	-	-	-
Other	-	0.3	0.3
Capital as at 31-Mar-2014	34.2	9.4	43.6

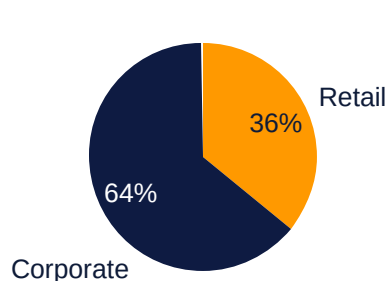
Risk Weighted Assets – Basel II (AED Bn)



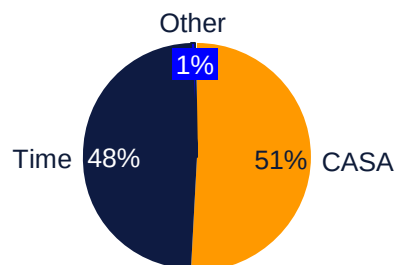
Highlights

- Full service commercial banking platform:
 - Corporate Banking: focused on large corporate and MNCs; serves c.4,000 clients
 - Retail Banking: High growth segment; serves c.246,000 clients
- Wide presence in Egypt through 72 branches and 184 ATMs
- Financially sound with robust profitability and a healthy balance sheet

Net Loans
100% = AED 3.8 Bn



Deposits
100% = AED 9.8 Bn



Financials

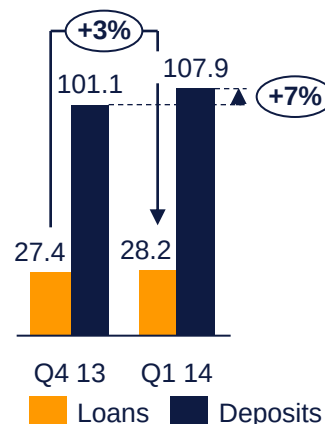
AED Mn	Year 2013 (from 9-June-13)	Q1 2014
Net interest income	225	111
Non-interest income	133	51
Total income	358	161
Operating expenses	(193)	(79)
Pre-impairment operating profit	165	82
Impairment allowances	(22)	(5)
Operating profit	143	78
Taxation charge	(30)	(26)
Net profit	113	52

AED Bn	31-Dec-13	31-Mar-2014
Net Loans	3.7	3.8
Deposits	9.0	9.8
Impaired Loan Ratio (%)	0.2%	0.2%
Cost to Income Ratio (%)	53.8%	48.9%

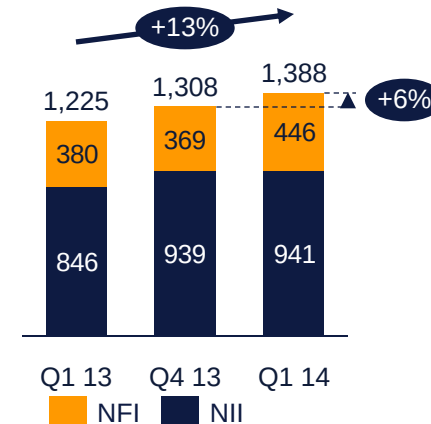
Retail Banking & Wealth Management

- RBWM continued to improve its position during the quarter
- Revenue improved 6% q-o-q and 13% y-o-y
- Deposits grew 7% from end 2013, driven mainly by CASA growth
- Loans grew 3% from end 2013 driven by growth in mortgages, personal loans, credit cards and auto loans
- The bank has improved its distribution as part of its channel optimization strategy and had 528 ATMs and 98 branches as at Q1 2014

Balance Sheet Trends
AED Bn



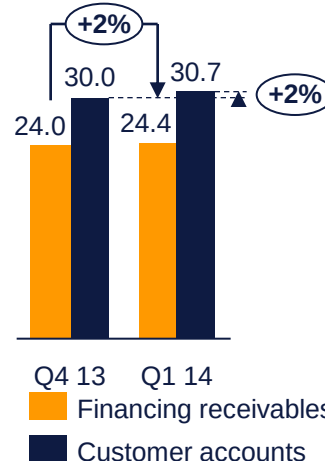
Revenue Trends
AED Mn



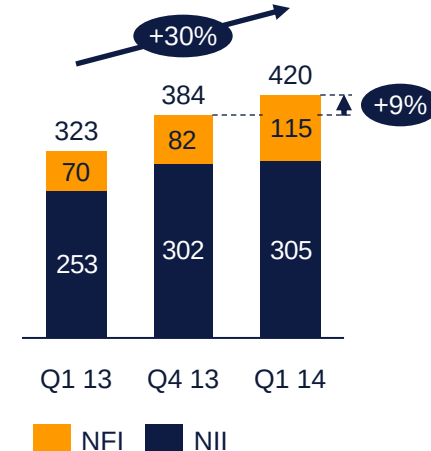
Islamic Banking

- Islamic Banking business continues to develop through a strengthened core franchise coupled with an expansion of retail, SME, and corporate offerings
- Islamic Banking revenue improved 9% q-o-q and 30% y-o-y to AED 420 Mn in Q1 2014 (net of customers' share of profit)
- Financing receivables grew 2% in Q1 2014
- Customer accounts rose by 2% in Q1 2014
- At Q1 2014, branches totaled 50 while the ATM & SDM network totaled 175

Balance Sheet Trends
AED Bn



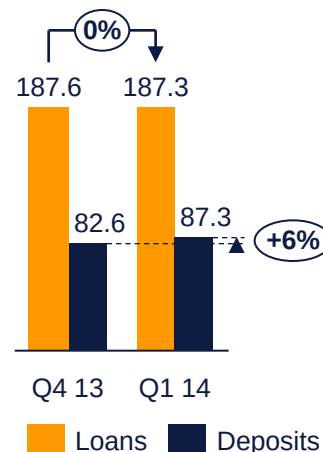
Revenue Trends
AED Mn



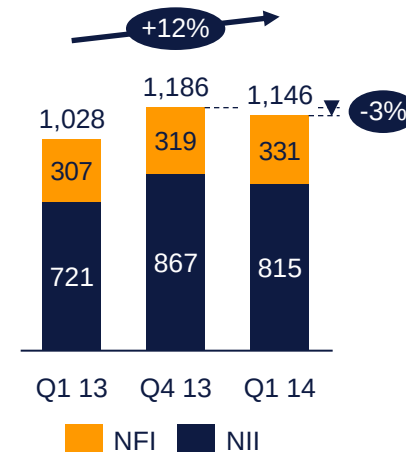
Wholesale Banking

- Main focus during Q1 2014 was on continued strategy evolution by building center of excellence around key sectors and geographic locations to enhance customer service quality and share of wallet, increased cross-sell of Treasury and Investment Banking products and larger Cash Management and Trade Finance penetration
- Revenue increased 12% y-o-y and declined 3% q-o-q
- Loans were broadly stable from end 2013 as new underwriting offset normal loan repayments
- Deposits grew by 6% from end 2013

Balance Sheet Trends
AED Bn



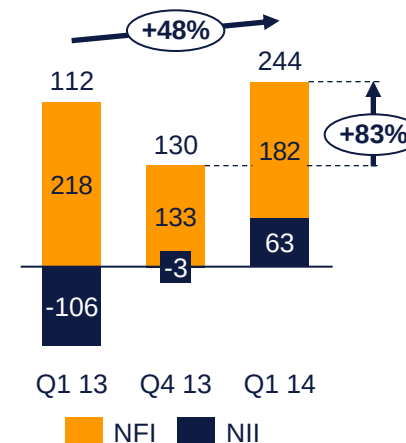
Revenue Trends
AED Mn



Global Markets & Treasury

- Revenue increased to AED 244 Mn in Q1 2014 growing by 83% q-o-q
- Net interest income improved on the back of balance sheet positioning
- Improved gains from investments in Q1 2014

Revenue Trends
AED Mn



Economic Outlook

- 2014 GDP growth for the UAE expected to be 4.5% due to a strong expansion in the non-oil private sector.
- 2014 GDP growth expected to accelerate to 4.7% for Dubai on the back of continued growth in tourism and hospitality, which should boost trade, transport and associated services as well. Also buoyant real estate and construction sectors will boost growth
- Inflation expected to rise to 3% in 2014 from 1.1% in 2013 on the back of higher housing costs and higher input prices
- Emirates NBD has improved its capital and funding profile allowing it to take advantage of the expected future growth in Dubai and the region
- As Dubai continues to recover we expect a further positive trend in impaired loans leading to a stronger balance sheet

Profitability

- Pre-impairment operating profit improved 18% q-o-q to AED 2,283 Mn in Q1 2014
- Net profit of AED 1,042 Mn improved 55% q-o-q

Provisions

- Conservative provisioning with net impairment allowances of AED 1,267 Mn in Q1 2014

Income

- Total income improved 5% q-o-q to AED 3,333 Mn in Q1 2014

Net Interest Margin

- NIMs broadly stable at 2.75% in Q1 2014

CI Ratio

- Cost to Income ratio improved by 7.3% q-o-q to 31.5% in Q1 2014

Credit Quality

- NPL ratio improved by 0.1% to 13.8% q-o-q in Q1 2014
- Coverage ratio improved by 3.2% q-o-q to 60.7%

Capitalisation and Liquidity

- Capitalisation and liquidity extremely strong offering resilience for the future
- Tier 1 ratio improved by 1.5% y-o-y to 15.0% in Q1 2014

Outlook

- The Bank will continue to implement its successful strategy and take advantage of the positive growth opportunity in Dubai and the region

Investor Relations

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