

For immediate release

Emirates NBD Announces 2013 Results

Net Profit up 27% to AED 3.3 billion
Income up 16% to AED 11.9 billion, Operating Profit up 20% to AED 2.9 billion

Dubai, 27 January 2014

Emirates NBD (DFM: EmiratesNBD), the leading bank in the region, today announced its results for the year ended 31 December 2013.

Results Highlights

- ❑ **Net profit for 2013 of AED 3.3 billion**, up 27% from 2012
- ❑ **Cash Dividend of 25%** per share proposed for 2013
- ❑ **Total income of AED 11.9 billion**, up 16% from 2012
- ❑ **Operating profit of AED 2.9 billion**, up 20% from 2012
- ❑ **Total assets up 11% at AED 342.1 billion** compared with AED 308.3 billion at the end of 2012
- ❑ **Customer loans at AED 238.3 billion**, up 9% from AED 218.2 billion at the end of 2012
- ❑ **Customer deposits at AED 239.6 billion**, up 12% from AED 213.9 billion at the end of 2012
- ❑ Headline **Advances to Deposits(AD) ratio improved to 99.5%** from 102% at the end of 2012
- ❑ **Capital adequacy ratio at a healthy level of 19.6%** while **Tier 1 ratio strengthened to 15.3%** from 13.8% at the end of 2012

Commenting on the Group's performance, His Highness Sheikh Ahmed Bin Saeed Al Maktoum, Chairman, Emirates NBD said: The year 2013 marked an important milestone in the history of Emirates NBD as we celebrated 50 years of our success. On this occasion, I would like to thank His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, for his vision and support that have greatly contributed to the development and success of both our Group and the financial sector in the UAE. Additionally, I am pleased with the strong performance delivered by the Group's business units in 2013. The Group has increased its international footprint, particularly with the acquisition in Egypt. As a leading bank in the region, we are well placed to take advantage of future growth opportunities in Dubai, the UAE and the Gulf region. In light of the good performance by the Bank, we are proposing to maintain the cash dividend at 25% per share.

Group Chief Executive Officer, Emirates NBD, Shayne Nelson, said: The year 2013 saw Emirates NBD celebrate many achievements and milestones, and in my inaugural announcement of our full year results, I am pleased to report that in 2013, Emirates NBD has delivered a strong set of financial results with net profit up by 27%. The Group has been successful in executing its strategic objectives and strengthening its foundations to

deliver customer and stakeholder value. As the Bank witnessed growth across multiple revenue streams, particularly in the Islamic franchise and Retail Business, it continued to innovate and deliver a superior customer experience. This, combined with our healthy levels of capitalization and an improving business mix, positions the Bank to reap the benefits of revenue growth opportunities.

Group Chief Financial Officer, Emirates NBD, Surya Subramanian, said: This year we have seen a step change in both total income and pre-provision operating profit. In 2013, the Group's total income grew by 16% due to increased volumes coupled with an improving business mix and a more efficient funding base. There are also proactive enhancements undertaken in the capital mix, liquidity, impaired loans and coverage ratios to position Emirates NBD to take advantage of the positive economic outlook for Dubai and the region.

Financial Review

AED million	Year ended 31 Dec 2013	Year ended 31 Dec 2012	Better / (Worse) (%)	Quarter ended 31 Dec 2013	Quarter ended 31 Dec 2012	Better / (Worse) (%)
Net interest income	8,139	6,912	18%	2,224	1,766	26%
Non-interest income	3,717	3,305	12%	938	746	26%
Total income	11,856	10,217	16%	3,162	2,512	26%
General & administrative expenses	(4,194)	(3,754)	(12%)	(1,227)	(984)	(24%)
Operating profit before impairment charges	7,662	6,463	19%	1,935	1,528	27%
Impairment allowances	(4,713)	(4,004)	(18%)	(1,313)	(940)	(40%)
Operating profit	2,949	2,459	20%	622	588	6%
Share of profits of associates	147	110	34%	45	37	22%
Gain on disposal of stake in an associate	202	-	n/a	12	-	n/a
Taxation charge	(41)	(15)	(173%)	(5)	1	-
Net profit	3,256	2,554	27%	673	626	8%
Cost to income ratio (%)	35.4%	36.7%	1.3%	38.8%	39.2%	0.4%
Net interest margin (%)	2.63%	2.43%	0.20%	2.76%	2.47%	0.29%
EPS (AED)	0.52	0.41	27%	0.10	0.10	0%
Return on average shareholders' equity (%)	12.0%	9.9%	2.1%	9.8%	9.5%	0.3%

AED billion	as at 31 Dec 2013	as at 31 Dec 2012	Better / (Worse) (%)	as at 30 Sep 2013	Better / (Worse) (%)
Total Assets	342.1	308.3	11%	332.3	3%
Loans	238.3	218.2	9%	234.4	2%
Deposits	239.6	213.9	12%	228.6	5%
Impaired Loan Ratio (%)	13.9%	14.3%	0.4%	14.1%	0.2%
Impaired Loan Coverage Ratio (%)	57.5%	49.4%	8.1%	54.8%	2.7%
Capital Adequacy Ratio (%)	19.6%	20.6%	(1.0%)	19.0%	0.6%
Tier 1 Ratio (%)	15.3%	13.8%	1.5%	14.9%	0.4%

Total Income

Total income for the year ended 31 December 2013 amounted to AED 11,856 million; an increase of 16% compared with AED 10,217 million in 2012. Total income for Q4 2013 increased by 26% from Q4 2012 to AED 3,162 million.

Net interest income for the year ended 31 December 2013 improved by 18% to AED 8,139 million from AED 6,912 million in 2012. On a quarterly basis, Q4 2013 net interest income of AED 2,224 million improved by 26% from Q4 2012. The improvement in net interest income is attributable to a combination of year-on-year loan growth, an improvement in the net interest margin helped by a more efficient capital and funding structure, a higher growth in consumer lending and the positive impact of declining Eibor rates on loan spreads.

Non-interest income improved by 12% to AED 3,717 million in 2013, driven primarily by an increase in both core banking fee and property related income. The same drivers contributed to a 26% improvement in Q4 2013 non-interest income compared with Q4 2012.

Total Costs

Costs for the year ended 2013 amounted to AED 4,194 million, an annual increase of 12%. Excluding cost associated with the Egyptian acquisition, cost increased by 6%. This 6% increase is due to investment in customer service, IT, marketing and communication related costs. However, the cost to income ratio improved by 1.3% in 2013 compared to 2012 as improving top line momentum offset the increase in costs that were primarily directed at customer facing activities.

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, which has improved by 0.4% during 2013 to end the year at 13.9%.

The impairment charge in 2013 was raised to AED 4,713 million compared with AED 4,004 million in 2012. This impairment charge was primarily composed of conservative specific provisions made in relation to the Bank's corporate and Islamic financing portfolios and resulted in an improvement of 8.1% in the impaired loan coverage ratio to end the year at 57.5%. As at 31 December 2013, total portfolio impairment allowances amounted to AED 3.95 billion or 2.6% 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 amounted to AED 147 million in 2013 compared with AED 110 million in 2012. During the year, the Group sold 32.6% of its stake in Union Properties PJSC resulting in a decrease in the Group's shareholding from 47.6% as at 31 December 2012 to 15% and a gain of AED 191 million was recorded on the disposal of the stake.

Net Profit

Net profit for the Group in 2013 was AED 3,256 million, 27% above the profit posted in 2012. Net profit for Q4 2013 amounted to AED 674 million, a 13% decline over AED 775 million reported in Q3 2013. Excluding the gain on disposal of Union Properties' stake in Q3 2013, the net profit for Q4 2013 improved by 15% over the quarter.

Dividends

The Board of Directors will recommend to shareholders at the Annual General Meeting a 25% cash dividend for the 2013 financial year, unchanged from the dividend declared in the previous year.

Customer Loans and Deposits

Customer Loans as at 31 December 2013 (including Islamic financing) amounted to AED 238.3 billion, an increase of 9% from the end of 2012.

Customer Deposits as at 31 December 2013 were AED 239.6 billion, an increase of 12% from 31 December 2012.

The advances to deposits ratio continued to remain within the Bank's target range of 95% to 105% throughout 2013 to end the year at 99.5%.

Capital

As at 31 December 2013, the Bank's total capital adequacy ratio and Tier 1 capital ratio were 19.6% and 15.3% respectively compared with 20.6% and 13.8% as at 31 December 2012. The improvement in the Tier 1 ratio of 1.5% during the year resulted from the issuance of AED 3.7 billion new Tier 1 capital notes and retained earnings more than offsetting the 2012 dividend payment. The movement in the total capital adequacy ratio was mainly due to an increase in risk weighted assets resulting from the Egypt acquisition, the repayment of AED 7.8 billion of the UAE Ministry of Finance Tier 2 deposits and the 2012 dividend payment, partly offset by retained earnings and new Tier 1 and Tier 2 capital raised during the year.

Business Performance**Consumer & Wealth Management (CWM)**

The Bank's Consumer Banking and Wealth Management division recorded a strong performance, with income growth of 15% for the full year 2013 reaching AED 5,024 million from AED 4,385 million in 2012.

Growth was driven by a 13% increase in net interest income and a 20% growth in fee income. CWM's sustained focus on deposit growth during this period, driven by a strong momentum in current and savings account categories, resulted in growth of 11% in customer deposits in 2013 to reach AED 97.6 billion. Credit quality continued to remain tightly managed through the year.

In 2013, the business focused on strengthening its customer franchise and building platforms for growth. Tie-ups were announced with Porsche Financial Services, Dubai SME and Ikea to help drive business growth. Co-branded credit and pre-paid cards were launched with the Manchester United football club. The RISE initiative was announced which provides SME owners in the UAE with an integrated online platform to network and grow their businesses. A comprehensive Customer Service Excellence Program was launched to aid faster complaint resolution and improve customer service.

To help customers invest wisely, an integrated retail wealth platform, including the proprietary 'Wealth Optimizer' tool, was launched. A certification program for Relationship Managers was also introduced. A revised incentive programme and a third party sales channel resulted in significant increase in productivity and volumes.

New product and campaigns were developed including an enhanced mortgage offering, the Chinese Yuan account, Visa Signature Debit Card, Islamic Liabilities and Goal Recurring Deposits. The Bank launched the first Interactive Teller Machine (ITM) in the region allowing customers to interact with a live teller through a screen. The country's first native Tablet Banking application was rolled out as well as a mobile application for the Bon Appetit dining discounts.

The Private Banking business delivered strong revenue growth from its core GCC market and the NRI and NRP segments. Emirates NBD Securities, the brokerage arm, grew considerably with the launch of the Tharaa Loyalty Program and the Islamic Murabaha finance scheme. The Asset Management business recorded exceptional financial results with equity products seeing significant inflows. The business also launched its first Luxembourg based SICAV or open ended mutual fund.

The Bank was awarded the "Best Retail Bank in the UAE" by the prestigious Asian Banker and was highly commended as the "Best Private Bank" both in the Middle East and UAE by PWM and The Banker.

Wholesale Banking (WB)

Wholesale Banking continued its strong operational performance in 2013, delivering a 7% growth in operating income to AED 4,574 million compared with AED 4,317 million in 2012.

Net interest income increased by 6.4% to AED 3,324 million compared with AED 3,123 million in 2012 resulting from increased underwriting translating to a 5% year-on-year growth in assets. The management's focus on non-funded and service related products and services produced strong growth in fee and commission income of 4.6% to AED 1,250 million compared with AED 1,194 million for the year 2012, particularly from trade finance, foreign exchange, syndicated lending and debt capital markets activities.

In terms of balance sheet, loans and deposits for 2013 increased by 7% and 8% respectively, reflecting the management's continued emphasis on growing quality assets while proactively managing the cost of funding.

Emirates NBD Capital Ltd, the Investment Banking unit, continued its strong performance in 2013 and executed several notable transactions which included acting as a mandated lead arranger, advisor and bookrunner for syndicated loans, bonds and sukuks with total deal value of USD 19.6 billion for clients like Saudi Oger Limited, SBER Bank, Turk Telecom, Dubai Duty Free, DEWA, Emirates Airlines, Government of Dubai, Investment Corporation of Dubai and key clients in GCC, Russia, Turkey, Sri Lanka, Azerbaijan and India. This enabled the unit to continue its top ranking position on the international Islamic and Syndicated Loan league tables.

During 2013, Wholesale Banking continued the execution of its transformation strategy with the objective of becoming the leading Wholesale Banking business in the Middle East and witnessed successful achievements during the period which enhanced the division's overall performance.

Global Markets & Treasury (GMT)

GMT reported a total income of AED 461 million for the year ended 2013 compared with AED 528 million in 2012. Total income at AED 130 million in Q4 2013 showed a marginal improvement compared to AED 115 million in Q3 2013 and a significant improvement from a loss of AED 19 million in Q4 2012.

Net interest income improved as Treasury benefited from an increased hedging income. The Bank took advantage of a rise in Interest rate swap rates to hedge some positions. This was offset by lower non-funded income mainly from trading desks due to the market volatility caused by the US Federal Reserve's decision to defer the tapering of quantitative easing.

During the year, the Sales Desk continued to show modest revenue growth on demand for Foreign Exchange, interest rate hedging products and regional bonds.

The Bank's funding profile was improved through various initiatives. In a landmark deal, Emirates NBD improved the capital structure of the Bank by issuing USD 1 billion Tier I perpetual non call 6 notes, raised USD 980 million of Tier 2 debt, over USD 1 billion of senior debt and USD 800 Million through a three year club deal. AED 7.8 billion of UAE Ministry of Finance funds were also repaid during the year.

Islamic Banking (IB)

Total IB income (net of customers' share of profit) for the year witnessed an increase of 25% to AED 1,484 million from the previous year of AED 1,187 million. Customer accounts increased by 12% to AED 30 billion during 2013 and financing receivables grew by 3% to AED 24 billion from the end of 2012. As at 31 December 2013, the branch and ATM/CDM network of IB, including the rebranded Dubai Bank distribution channels, totaled 50 and 180 respectively.

The Islamic franchise has continued its stellar performance in 2013, with net operating income growing by 25%, leveraging its expanded platform in further customer acquisition. The Bank continued to be among the fastest growing in the UAE; thus further attesting to the success of the turn-around story that started in 2012. The Bank

has leveraged its growing topline profitability in enhancing and solidifying the strength of the Bank through increased provision coverage.

The Bank has continued its focus on strengthening the core franchise through the expansion of its Retail, SME, and Corporate offerings. The rebranding of “Emirates Islamic Bank” to “Emirates Islamic” (EI) came to mark the next stage in the Bank’s customer-centric transformation. The new logo with the three horizontal lines mark the three focus segments of the Bank (Retail, SME, and Corporate) and the single vertical line represent the customer being the single focus.

The Bank’s success continued to be recognized across the industry, with EI being recognized as “Best Domestic Retail Bank” at the CPI Financial Islamic Banking and Finance Awards 2013, and “Best Islamic Corporate Bank” at the Banker Middle East Industry Awards 2013.

Information Technology and Procurement

Group IT launched several strategic projects to improve customer experience, engagement and acquisition across multiple channels. Group IT launched the CRM sales and marketing platform to improve cross-sell, and built capabilities on social media to connect more with the customers. Emirates NBD launched the first Interactive Teller Machine in the region. Emirates NBD has the leading mobile banking application in the region and has introduced many new features to its internet banking platform, resulting in increased volume of transactions through its virtual channels.

Group IT also supported its subsidiary, Emirates Islamic, to have a seamless transition in launching its new brand across various channels. A cloud based incentive management platform in collaboration with Oracle was launched, a first in the region.

The corporate banking internet platform was further enriched with the introduction of a liquidity management solution enabling corporate customers access to features such as account aggregation and cash concentration. The program to migrate Egypt into the Emirates NBD Group applications was launched and is progressing smoothly.

The use of a single ATM vendor contract, a Bancassurance deal and a reduction in annual maintenance contracts through various measures, culminated in Group Procurement’s continued ease on expenditure for 2013.

Tanfeeth

Tanfeeth delivered very positive results over 2013 in its second year of operation, with a focus on achieving high levels of customer service and operational efficiency for Emirates NBD, Tanfeeth also grew significantly and strengthened both its organizational culture and employee engagement efforts.

Tanfeeth exceeded all targets for Emirates NBD across revenue, operating income, customer satisfaction, audit and compliance. Additionally, Tanfeeth delivered a 10 percent volume increase in 2013 and the organization's headcount subsequently grew to 2,263 by year-end.

A broad range of people-focused initiatives were introduced including the region's first privately operated Underwriters Certification Program and a Global Leadership Development Program.

BNP Paribas Egypt

During 2013, the Group acquired the entire equity in BNP Paribas Egypt S.A.E ("BNPP Egypt") for a consideration of USD 500 million.

Despite a challenging political and economic backdrop, the BNP Paribas Egypt operation has continued to perform well since its consolidation with the Group on 9 June 2013, contributing AED 356 million revenue and AED 113 million net profit to the Group's results.

Cultural, system and policy integration is ongoing and proceeding as expected against our integration plans.

Outlook

The UAE remains well-positioned to enjoy solid growth in 2014 driven primarily by an expansion in non-oil sectors, particularly tourism, retail and manufacturing, which have also performed well in 2013. We believe the construction sector will contribute more significantly to GDP growth this year as the strong recovery in real estate prices encourages new development. Following a boost to oil production in excess of 4% in 2013, we expect growth in the hydrocarbon sector to slow this year. Against an improving global economic backdrop, the Bank forecasts GDP growth of 4.5% in 2014. The Bank will continue to implement its successful strategy and take advantage of the positive growth opportunity in Dubai and the region. 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 diversifying sources of income.

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Notes to editors:

Awards

Emirates NBD named UAE's "Best Foreign Exchange Provider 2013" by Global Finance

Emirates NBD Asset Management named 'UAE Asset Manager of the Year' at MENA Fund Manager Awards 2013

Emirates NBD Securities declared 'Winner of NASDAQ Dubai's Retail Broker of the Month Award' for the months of February and March 2013

Emirates NBD named 'Best Retail Bank in the UAE' by the Asian Banker

Emirates NBD won bronze award for best sponsorship of Omega Dubai Desert Classic

Emirates NBD won 'Best SME Internet Banking Service' at Banker Middle East Product Awards 2013

Emirates NBD won 'Best Corporate Card Award' for two consecutive years at the 'Smart Card Awards Middle East – 2013'

Emirates NBD won Visa LEADER Award as 'The Best Issuing Institution in MENA' at the Visa APCEMEA 2013 Security Summit

Emirates NBD won 'eBanking 2013 Excellence Award' for best mobile banking application at the 18th Middle East e-Government and e-Services Excellence Awards

Emirates NBD won "Best Borrower in the ME" by Euroweek

Emirates NBD named "Best Bank in the UAE" by Euromoney

Emirates NBD won "Best Sales Program" at INSIGHTS Middle East Call Centre Awards

Emirates NBD Asset Management named Best Regional Fund Manager at Banker Middle East Industry Awards

Emirates NBD ranked No. 1 Bank for Investment Advice across MENA in the September issue of FTSE Global Markets

Emirates NBD Asset Management named 'Best Asset Management Company' for the third consecutive year

Emirates NBD named "Best Customer Service Research Programme" in the UAE, at the Service Olympian Awards 2013

Emirates NBD won Global Brand Excellence Award in the Banking & Financial Services Category at the 22nd World Brand Congress 2013

Emirates NBD won Best Social Media Strategy – Financial Services at The Marketing Show Awards

Emirates NBD Asset Management named 'UAE Asset Manager of the Year' for second year in succession at the 2013 Global Investor/ISF Middle East awards

Emirates NBD named SME Bank of the Year at the Arabian Business StartUp Awards 2013

Emirates NBD Securities won the 'Financial Trading System Excellence Award' honored by 'Middle East Financial Markets Excellence Awards' at the 10th edition of the GCC Banking and Financial Markets Conference

Emirates NBD won award for Best Golf Sponsorship in the Middle East at the Middle East Golf Awards 2013

Emirates NBD FX Research ranked best in the region by Bloomberg Foreign Exchange Forecasts

Emirates NBD's RISE campaign won bronze at Effie MENA Awards 2013

About Emirates NBD

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

Emirates NBD has a leading retail banking franchise, with 220 branches and over 927 ATMs and CDMs in the UAE and overseas. It is a major player in the UAE corporate and retail 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, Egypt, the Kingdom of Saudi Arabia, Qatar, Singapore, the United Kingdom and representative offices in India, China and Indonesia. For more information, please visit: www.emiratesnbd.com

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