



**NCOR
BANK**

INVESTOR PRESENTATION

OCTOBER 2017

Presented By



John Iossifidis
Chief Executive Officer

- ▶ Mr. Iossifidis is a seasoned professional with over 33 years of banking experience. He has expertise in leading large multi-national and regional financial institutions, specifically in the Middle East, Asia and Australia.
- ▶ Mr. Iossifidis joined Noor Bank from Mashreq bank where he was the EVP and Group Head, Corporate and Investment Banking and was also a member of the Executive Committee. Prior to this, Mr. Iossifidis was Group Head International Banking where he led the overseas operations and global Financial Institutions business.
- ▶ Before Mashreq, Mr. Iossifidis was previously associated with ANZ Bank and subsequently Standard Chartered Bank (SCB). His last role with ANZ was Country Chief Executive in Sri Lanka. In Standard Chartered his most recent role was Regional Head Origination and Client Coverage and Co-Head of the Wholesale Bank for MENAPA. He also led the regional integration of Grindlays Bank with SCB.



Vicky Bhatia
Chief Financial Officer

- ▶ Mr. Bhatia has extensive experience in Banking, Finance and Change Management. In his career of over 22 years, he has held multiple senior finance leadership roles with Standard Chartered Bank (SCB) in the Middle East, Asia and Africa regions.
- ▶ Most recently Mr. Bhatia was the Head of Global Processes for Performance Management, where he managed a global finance team of more than 600 employees across the SCB network. His role encompassed all aspects of Performance Management including Organization Design, Systems, Process, Planning, Reporting and Analytics.
- ▶ Prior to that, Mr. Bhatia was the Head of Finance for Standard Chartered in Singapore. Mr. Bhatia has also had experience of working with ANZ Grindlays Bank and Unilever Gulf FZE prior to joining SCB.



Damian White
Treasurer

- ▶ Mr. White joined Noor Bank as Treasurer in February 2014. He is responsible for trading activities, managing the investment portfolio and the sale of market based products to customers. He is also Chairman of the Bank's ALCO.
- ▶ Mr. White has been in the GCC since 2009 having previously spent 5 years as Group Treasurer of Al Rajhi Bank. Previously he was Head of Group Funding at National Australia Bank, with primary responsibility for raising \$30 billion of capital and term funding from global markets annually. Prior to that he was the Head of the European Funding Desk at Lehman Brothers Treasury, based in London.
- ▶ Mr. White's working career began with 8 years of service as an Infantry Officer in the Australian Regular Army. He holds an MBA from Melbourne Business School and a Queen's Commission from the Royal Military College, Duntroon, Australia.

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Snapshot

Brief Overview of Noor Bank

- ▶ Established by the Government of Dubai in 2007 and commenced operations in January 2008
- ▶ Privately owned bank with a strategic shareholder base
- ▶ Committed to fulfilling the Ruler of Dubai's vision to create a modern Shari'a compliant bank
- ▶ Integral to Dubai's vision to be the centre of the global Islamic economy
- ▶ Offers a comprehensive range of Shari'a compliant products and services across four principal business groups: (1) corporate banking, (2) investment banking & financial institutions, (3) retail banking and (4) treasury
- ▶ New strategy developed by a new board of directors and management

Select Awards and Accolades

Despite its relatively short operating history, the Bank has received more than 55 industry awards within the markets in which it operates



Financial Highlights

USD Mn	2013	2014	2015	2016	H1-2017
Cash & Balances with UAE CB	951	924	2,027	919	1,120
Islamic Financing Instruments	3,906	4,911	6,318	7,057	7,570
Investments in Islamic Sukuk	493	785	665	1,104	716
Total Assets	6,304	7,900	10,744	11,049	10,868
Customer Deposits	5,082	6,494	8,753	8,123	8,071
Senior Unsecured Sukuk	-	-	500	500	500
Tier 1 Sukuk	-	-	-	500	500
Total Shareholders' Equity	665	891	956	957	999
Net Profit Margin	2.2%	2.8%	2.8%	2.9%	3.2%
Return on Assets	1.0%	1.5%	1.5%	0.9%	0.9%
Financing to Customer Deposits	76.9%	75.6%	72.2%	86.9%	93.8%
Tier 1 Ratio	13.9%	14.6%	12.2%	16.3%	16.3%
Capital Adequacy Ratio	17.6%	18.1%	15.2%	17.3%	17.4%

Credit Rating

Rating Agency	Long-Term Rating	Outlook	Date
FitchRatings	A-	Stable	Jul-17

Overview of Noor Bank's History

Jan 2008

- ▶ Official launch with initial equity in excess of AED 3Bn

Apr 2008

- ▶ Best New Islamic Bank by International Islamic Forum

Jun 2011

- ▶ His Highness Sheikh Ahmed Bin Mohammed Bin Rashid Al Maktoum appointed as Chairman

Jan 2014

- ▶ Bank rebranded as Noor Bank

May 2014

- ▶ The AED 770Mn Support Tier II funding provided by the UAE CB was prepaid in full

Oct 2014

- ▶ The Bank is assigned a first time A-(stable) rating by Fitch

Jun 2017

- ▶ The Board approves a new strategy for the Bank
- ▶ John Iossifidis appointed as Chief Executive Officer

2008

2009

2010

2011

2012

2013

2014

2015

2016

2017

Lehman files for **Chapter 11 Bankruptcy**

Jan 2009

- ▶ Sister company Noor Takaful launched

Dec 2009

- ▶ Systemic support funding of AED 50Bn provided by the UAE Government to all UAE Banks

Jan 2013

- ▶ Mobile banking application launched

May 2013

- ▶ Noor Trade launched

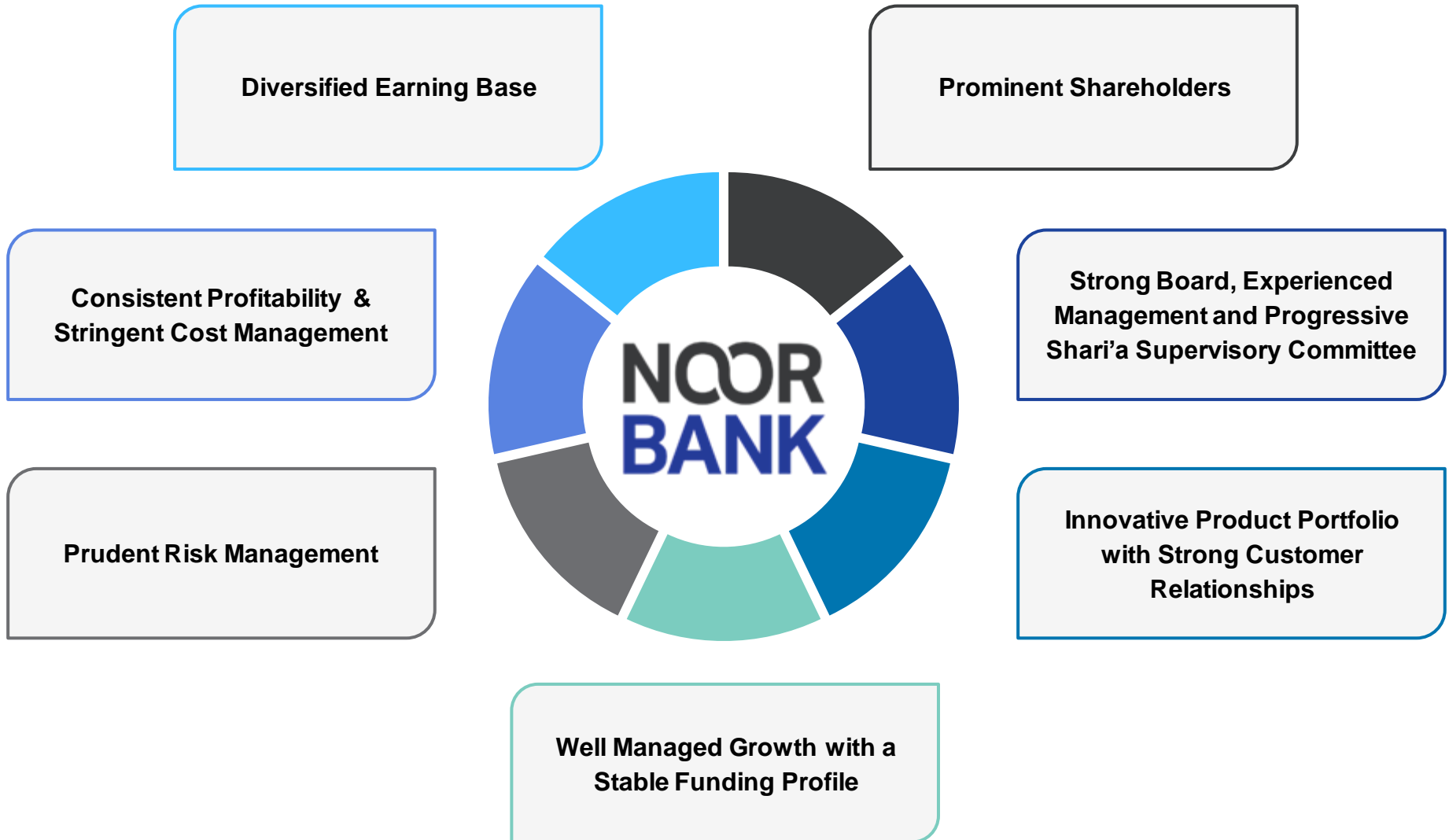
Apr 2015

- ▶ Established USD 3Bn Trust Certificate Issuance Programme and issued a highly successful USD 500Mn 5-year Sukuk with a coupon of 2.788%

May 2016

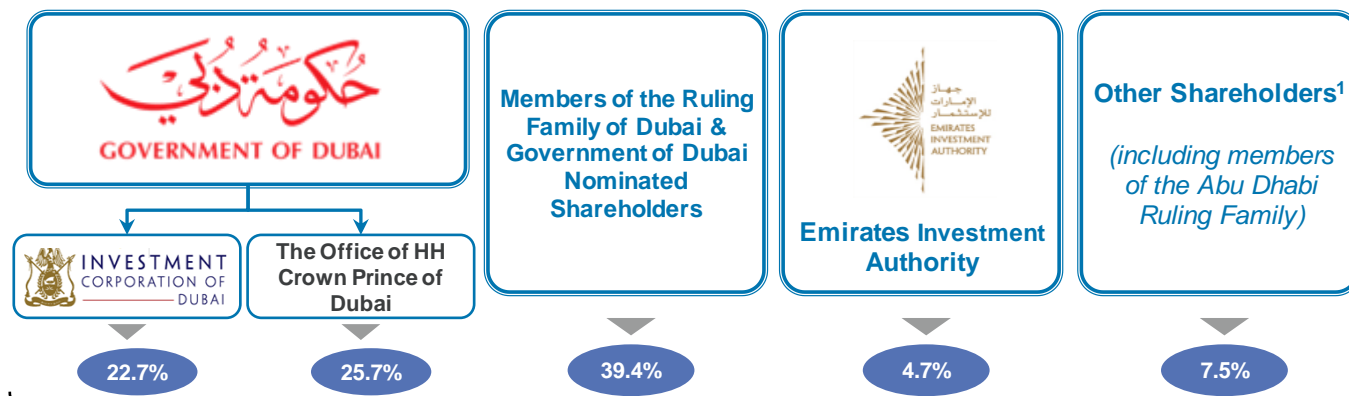
- ▶ Successful pricing of perpetual USD 500Mn Tier 1 capital Sukuk
- ▶ 'Best Islamic Bank in the UAE' by Global Finance Magazine

Resilience demonstrated through tough times



Strategic Sovereign & Ruling Family Ownership

NOOR Bank is the only UAE Bank to have joint ownership by Dubai & Abu Dhabi Ruling Families and the Dubai & UAE Federal Governments



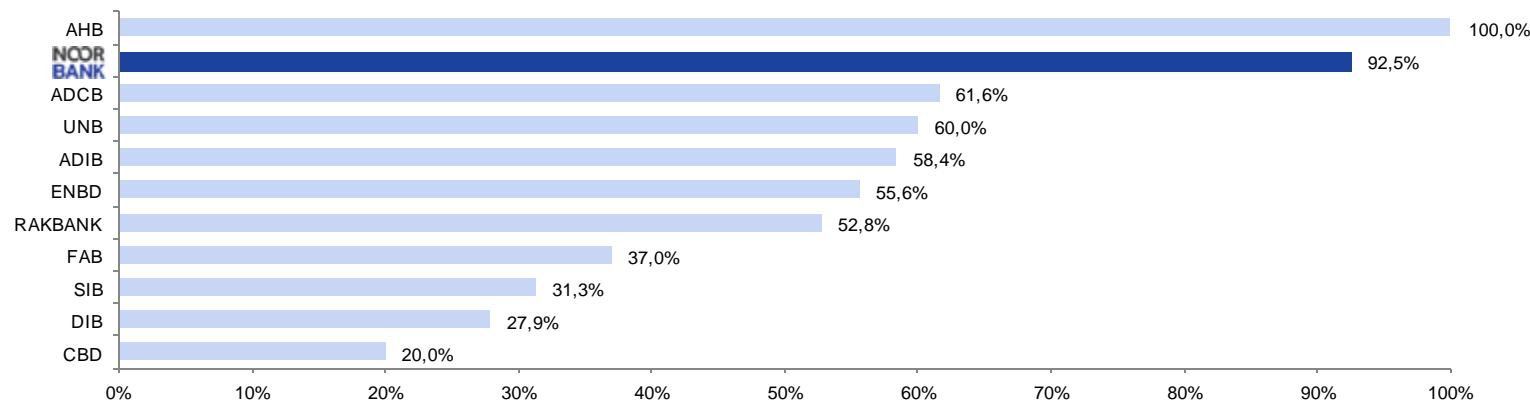
¹No other shareholder owns more than 5% of the Bank's share capital



"We want Noor to be like Dubai, a progressive, tolerant Islamic Bank."
 – His Highness Sheikh Mohammed bin Rashid Al Maktoum

"Noor is an integral part of the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, to make Dubai the capital of the global Islamic economy. Dubai is committed to supporting the future growth and success of Noor Bank"
 – His Highness Sheikh Ahmed bin Saeed Al Maktoum

Government / Sovereign Ownership in UAE Banks: One of the Highest Gov't, Sovereign and Ruling Family Ownership



One of the only two UAE banks to have no public shareholding

Strong and Influential Board

∞ The Bank's board has been appointed by the Government of Dubai

Overview of the Current Board of Directors



H.H. Sheikh Ahmed Bin Mohd Bin Rashid Al Maktoum, Chairman

- ▶ Member of the **Dubai Ruling Family**
- ▶ Select Roles: Chairman of Mohammed bin Rashid Al Maktoum Foundation, the UAE National Olympic Committee, Dubai Cultural Committee



Mr. Edris Mohammad Rafi Mohammad Saeed Al Rafi, Vice Chairman

- ▶ Select Roles: Chief Executive Officer of Dubai Holding, Board member of DXB Entertainments



Essa Abdulfattah Kazim Al Mulla, Member

- ▶ Select Roles: Governor of DIFC, Chairman of Dubai Financial Market, Borse Dubai, DIFC Authority and DIFC Investments, Deputy Chairman of Supreme Legislation Committee in Dubai and a member in Dubai Supreme Fiscal Committee and Board Member of Nasdaq Dubai and Etisalat



Dr Mohamed Ahmed Al Zarooni, Member

- ▶ Select Roles: Director General of Dubai Airport Freezone Authority, Chairman of World Freezone Organization, Vice Chairman and Chief Executive Officer of Dubai Silicon Oasis Authority and Board Member of Dubai Aerospace Enterprises



Dr Amina Al Rustamani, Member

- ▶ Select Roles: Director and Group Chief Executive Officer of TECOM Investments LLC, Member of Higher Dubai Smart City Initiative Committee and Board Member of National Media Council and Dubai Healthcare City Authority



Mr. Raed Mohammad Khalifa Kajoor Al Nuaimi, Member

- ▶ Select Roles: Chief Executive Officer of North25, Chairman of Dubai Hills Estates, Rove Hotels, Vice Chairman of Rove Hospitality and Board Member of Marsa Al Seef and DXB Entertainments



Mr. Rashid Mohammed Al Mutawa, Member

- ▶ Select Roles: Board Member of Dubai Healthcare City Authority, Board Member of Telecommunications Regulatory Authority and Board Member of Dubai Real Estate Corporation



Mr. Narayanan Rajagopalan Yegna, Member

- ▶ Select Roles: Chief Real Estate Officer of Meraas Holding, Vice Chairman of Zabeel Square and Board Member of Marsa Al Seef



Mr. Hussain Ahmad Dhaen Al Qemzi, Managing Director

- ▶ Select Roles: Chairman of the Awqaf and Minors Affairs Foundation, Vice-Chairman of Emaar Properties, Board Member of DIFC Authority, DIFC Higher Board and Emirates Institute for Banking & Financial Studies

Leading Shari'a Supervisory Committee

- ☞ **The Bank's Shari'a Supervisory Committee, a separate and independent entity that is appointed by the Board, comprises of leading Islamic scholars who have extensive experience and expertise in legal, financial and banking-related matters**

Overview of Shari'a Supervisory Committee



Dr. Mohamed Ali Elgari

Chairman of the Shari'a Supervisory Committee

- ▶ Dr. Elgari is member of numerous Shari'a Boards of Islamic Banks and Takaful Companies worldwide.
- ▶ Dr. Elgari is also a member of the Islamic Jurisprudence Academy of the OIC, the Islamic Jurisprudence Academy of the Islamic World League, the Shari'a Council of Auditing Organization for Islamic Financial Institutions (AAOIFI), Journal of the Jurisprudence Academy (of the IWL), Journal of Islamic Economic Studies (IDB), Journal of Islamic Economic (IAIE, London), and the advisory board of Harvard Series in Islamic Law, Harvard Law School.



Dr. Mohamed Daud Bakar

Member of the Shari'a Supervisory Committee

- ▶ Dr. Daud is the Founder and Group Chairman of Amanie Group, Chairman of the Shari'a Advisory Councils of Bank Negara Malaysia, the Securities Commission and the Labuan Financial Services Authority, Chairman of the Shari'a Committee of the International Islamic Liquidity Management Corporation and is a Shari'a Board member of many regional and international banks.



Amjad Naser

Member of the Shari'a Supervisory Committee

- ▶ Amjad Naser is currently the Head of Shari'a at Noor Investment Group. He represents the flagship company, Noor Bank in several Islamic regulatory bodies like the Accounting & Auditing Organization of Islamic Financial Institutions (AAOIFI) and the Islamic Centre for Reconciliation and Arbitration (ICRA).
- ▶ Amjad is a certified Shari'a Advisor & Auditor, and a certified Islamic Professional Accountant by AAOIFI.

The committee supports a progressive vision that will enable Noor Bank to further cement its position as a leading Islamic bank

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Overview of Business Segments

- ☞ **The Bank offers a comprehensive range of Shari'a-compliant products and services in corporate banking, retail banking, investment banking & financial institutions and treasury**

Overview of Business Segments

Corporate Banking

- ▶ Operates a full **service corporate bank** which includes dedicated relationship managers and product professionals across the UAE
- ▶ Accounts for **68.5% of the Bank's gross customer financing** portfolio (as at 30 June 2017)
- ▶ **Offers the Bank's broad trade product offering and strong treasury product base**, demonstrated track record of innovation and strong customer service and delivery
- ▶ Services its customers through a number of units organised on both a geographical and product-specific basis

Retail Banking

- ▶ Provides a **comprehensive range of retail financial solutions from transactional services to financial planning**
- ▶ Principal business units are business banking, Noor Wealth, Noor Home, retail finance/cards, auto finance, banca takaful and transaction & saving solutions
- ▶ Growth areas for 2018 onwards are Noor Wealth, Noor Home as well as building upon the strong deposit base

Investment Banking & Financial Institutions

- ▶ **Investment Banking:** offers a diversified range of products, including syndication, project financing, Sukuk, structured finance and securitisation, as well as financial advisory and agency services
- ▶ **Financial Institutions:** responsible for establishing and maintaining relationships with financial institutions internationally. Currently, has exposure across various regions including Africa, South Asia, the Middle East, Europe and Far East Asia

Treasury

- ▶ Responsible for **providing the Bank with its funding and foreign exchange requirements and for managing its own balance sheet risks** that arise out of its business activities, including liquidity, foreign exchange and profit rate risks
- ▶ Operates through four key desks: sukuk trading; money market and foreign exchange; structured products; and treasury sales
- ▶ Provides investment products and hedging solutions for the Bank's customers

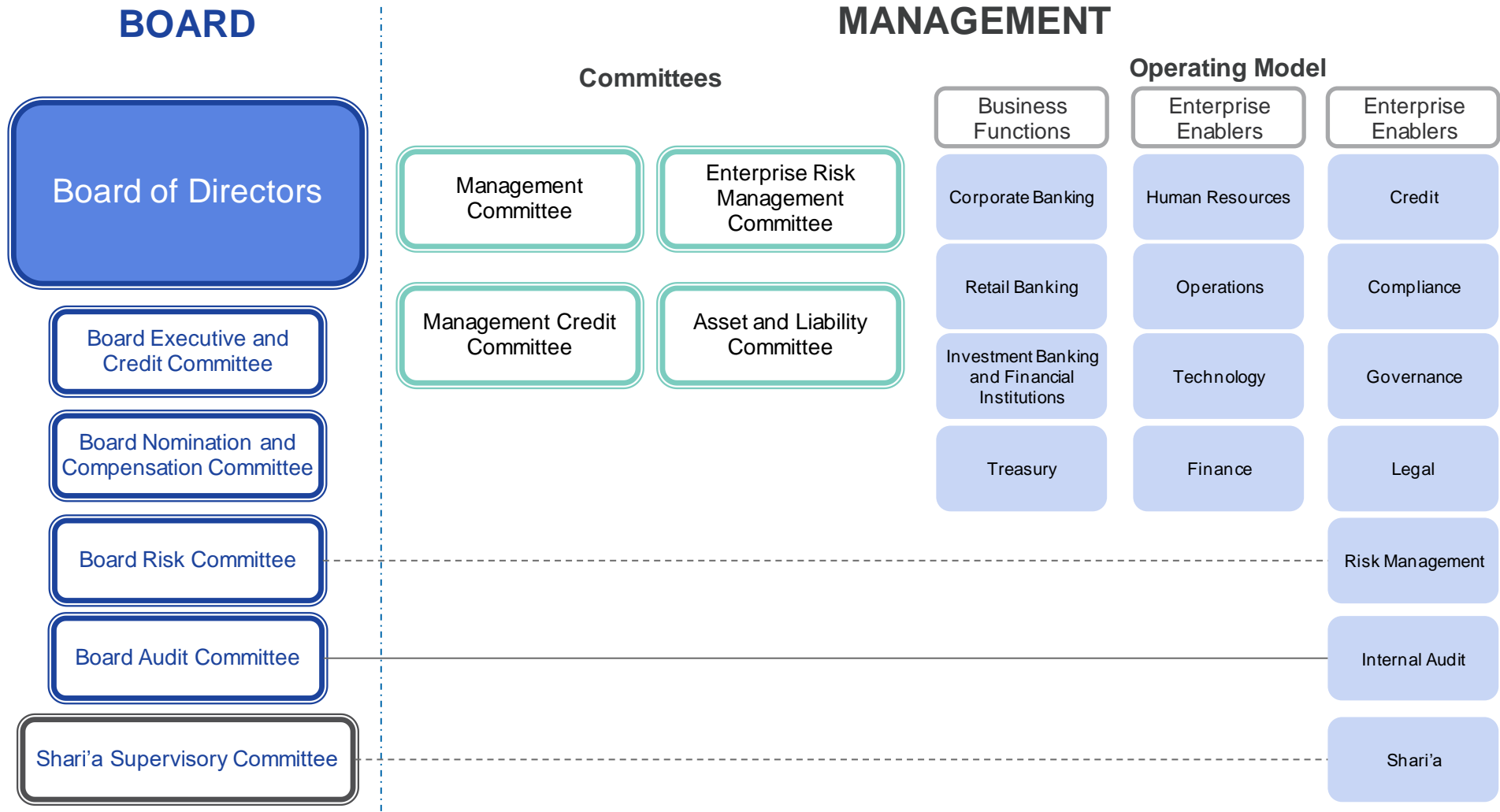
☞ Noor Bank’s new strategy is focused on customer service and employees, while improving efficiency and processes to provide a sustainable growth platform



Development Horizon	1	2	3
	Grow Core Businesses	Build scale in new businesses and extensions of existing businesses	Create options to build future business

Governance Structure and Operating Model

☞ Governance is a critical component and is designed to support robust decision-making



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Snapshot of Financial Performance

∞ On the back of its focused growth strategy, Noor Bank has reported strong financial metrics

<i>USD Mn (unless otherwise stated)</i>	31-Dec-13	31-Dec-14	31-Dec-15	30-Jun-16	31-Dec-16	30-Jun-17
Cash and Balances with CBUAE	951	924	2,027	969	919	1,120
Due from banks	637	815	1,252	1,620	1,504	1,003
Investments in Islamic financing instruments	3,906	4,911	6,318	6,430	7,057	7,570
Investments in Islamic Sukuk	493	785	665	1,043	1,104	716
Total Assets	6,304	7,900	10,744	10,520	11,049	10,868
Customer deposits	5,082	6,494	8,753	7,900	8,123	8,071
Total Liabilities	5,639	7,009	9,788	9,071	9,592	9,369
Total Equity	665	891	956	1,449	1,457	1,499
Financings to Deposit Ratio (%)	76.9%	75.6%	72.2%	81.4%	86.9%	93.8%
Net income from Islamic financing	111	179	242	126	281	160
Total Operating Income	172	276	380	218	463	277
Total Expenses	(106)	(134)	(174)	(94)	(187)	(99)
Net Profit	70	185	153	68	100	50
Cost to Income Ratio (%)	61.4%	48.3%	45.7%	43.0%	40.4%	35.9%
Net Profit Margin (%)	2.2%	2.8%	2.8%	2.6%	2.9%	3.2%
Return on Shareholders' Equity (%)	8.9%	15.0%	16.7%	13.4%	8.2%	6.8%
Return on Assets (%)	1.0%	1.5%	1.5%	1.2%	0.9%	0.9%

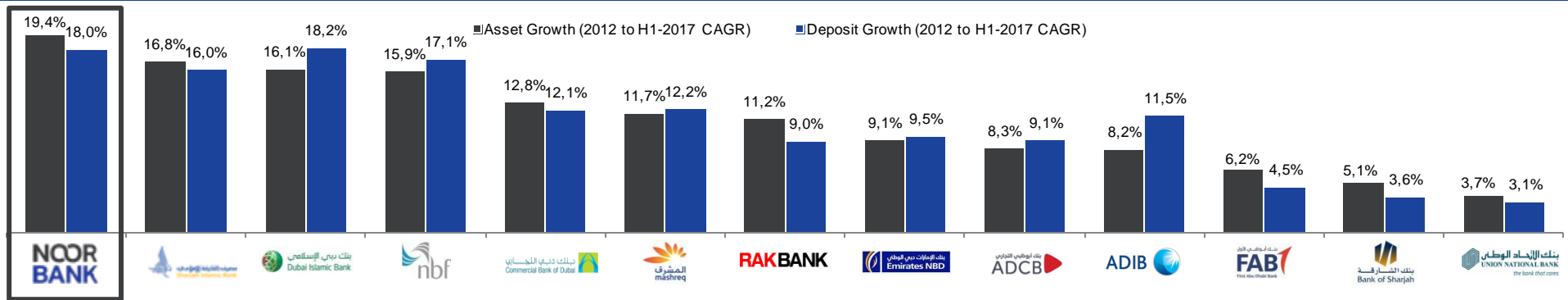
- The Bank continues to grow faster than the market despite of economic challenges
- Robust liquidity position and well capitalized
- Stable funding base with the highest CASA amongst the UAE Banks
- Prudent Risk Management leading to a high impairment financing coverage ratio
- Cost to Income ratio continues to improve as a result of stringent cost management
- Return on Equity and Return on Assets have reduced since 2016 on the back of higher provisions
- Net Profit margins remain healthy on the back of lower cost of funds

Well Managed Growth

- While Noor Bank has experienced strong growth, considerably higher than its industry peers, it has maintained a conservative and prudent attitude towards risk

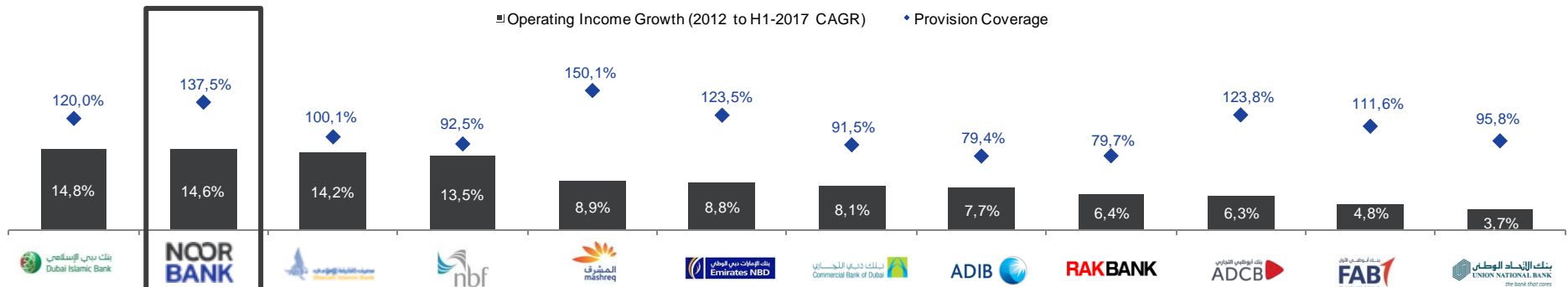
Asset & Deposit Growth

Noor Bank has achieved one of the highest growth in its assets over the last few years, as a result of a focused growth strategy



Profitability & Coverage Metrics

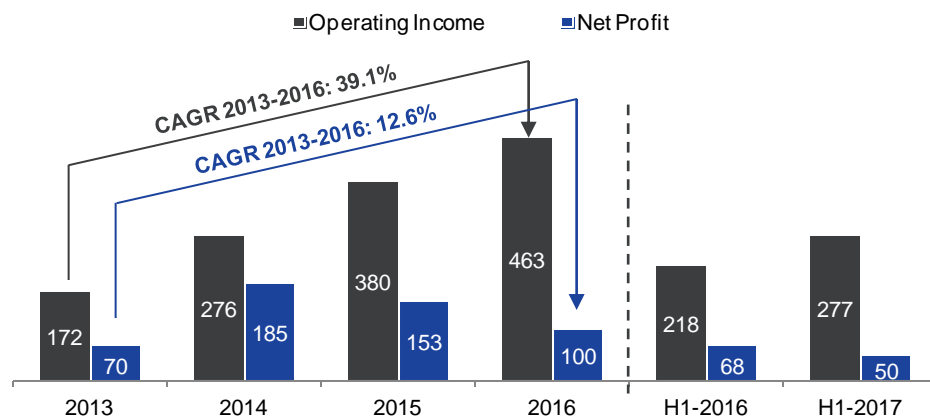
The Bank has grown its operating income substantially, while also maintaining strong coverage ratios



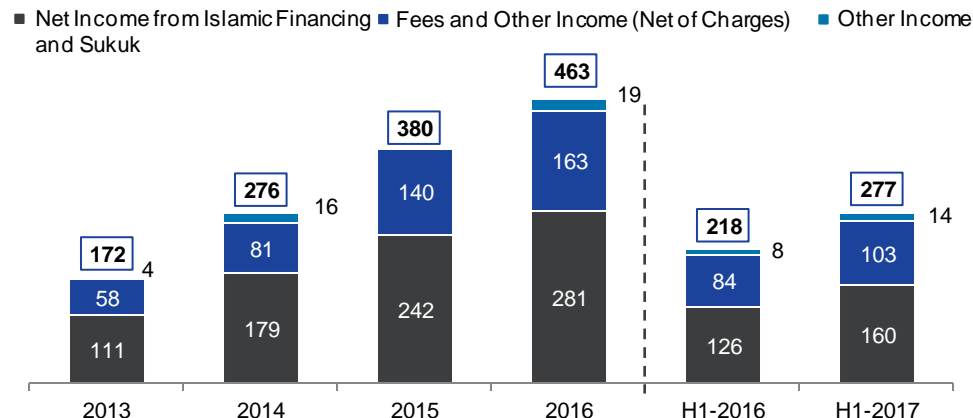
Operating Performance and Profitability

☞ The Bank has continued to report strong operating income while improving its operating efficiency

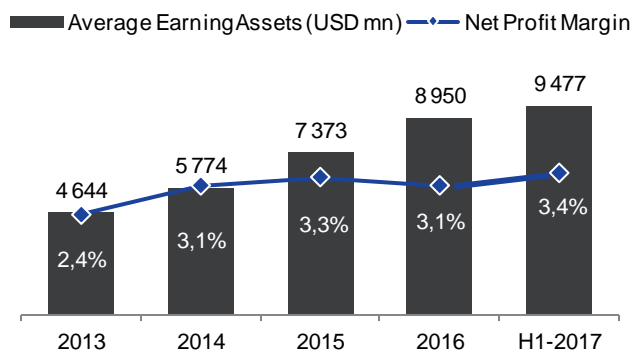
Profitability (USD Mn)



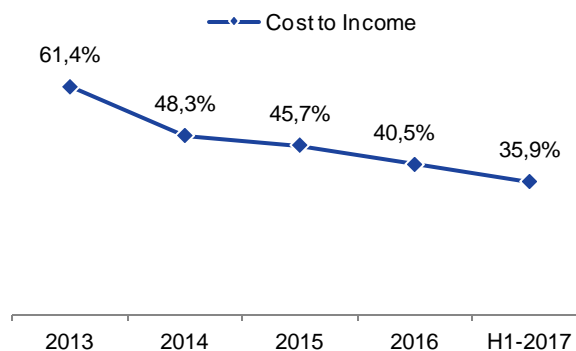
Components of Operating Income (USD Mn)



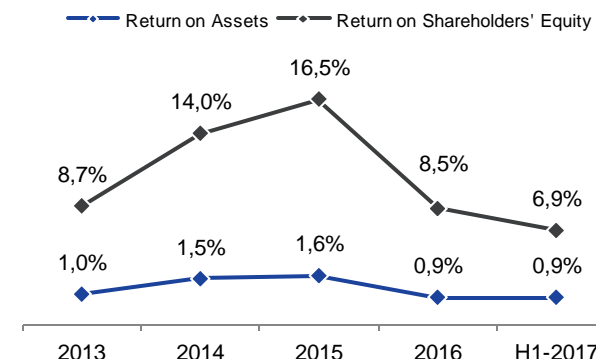
Improved Net Profit Margins (%)



Improving Operating Efficiency (%)

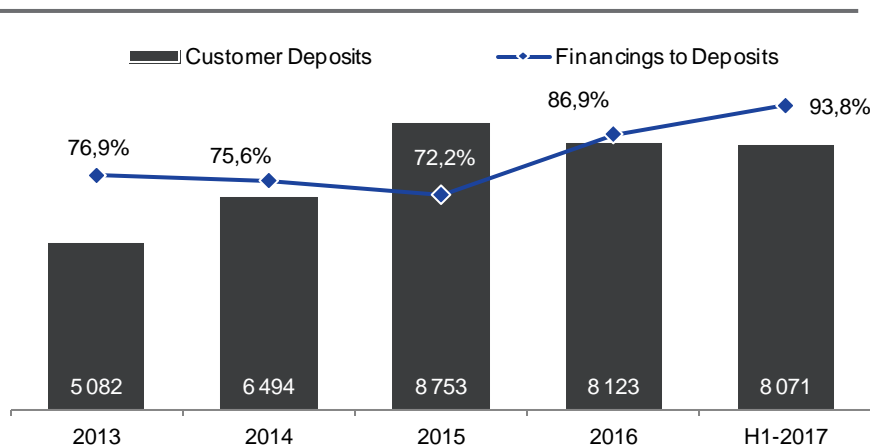


Operating Returns (%)

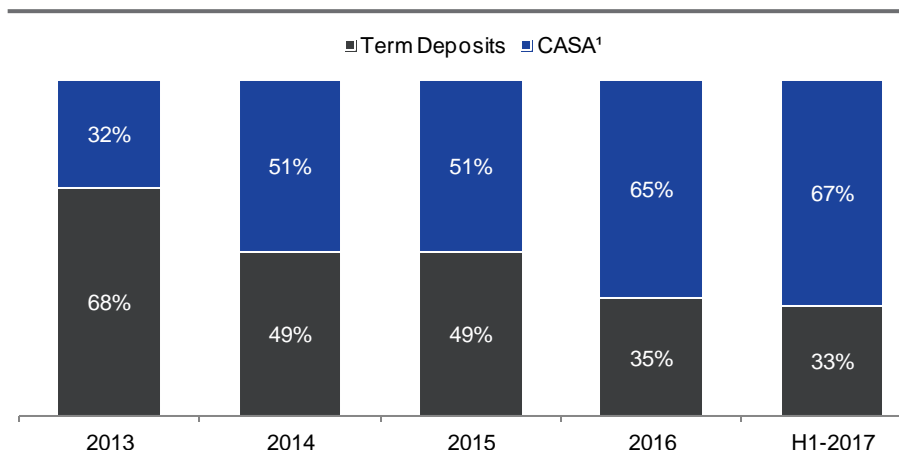


☞ Noor Bank maintains a strong and stable liquidity funding position

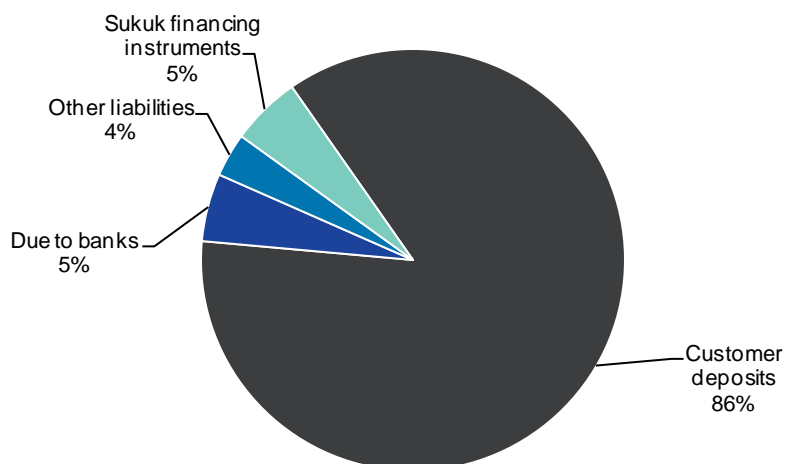
Customer Deposits (USD Mn)



Breakdown of Deposits



Overview of Funding Mix (30 Jun 2017)

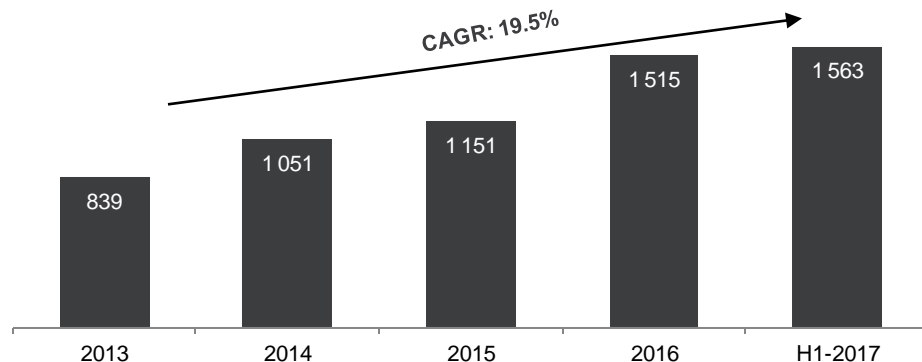


Key Highlights

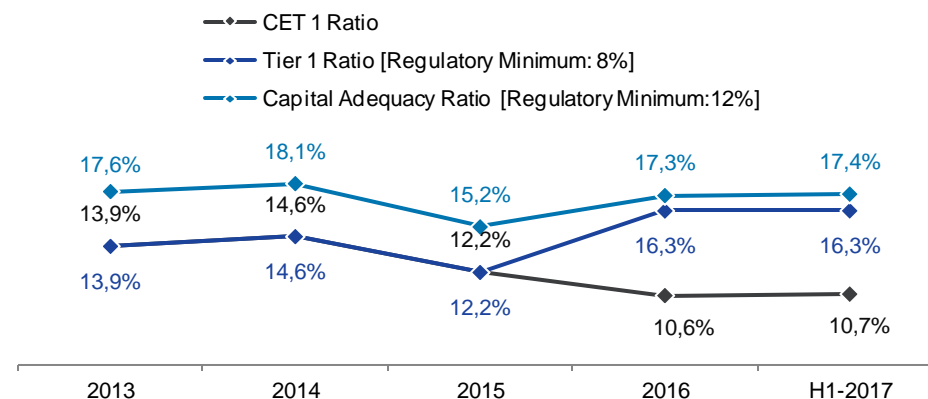
- ▶ The Bank maintains strong liquidity with financings to deposits anchored well below 100%. The Bank's financings to deposits ratio was 93.8% as at 30 June 2017.
- ▶ This liquidity provides the Bank with a buffer, in case required. Noor Bank's ELAR is also comfortably above the minimum regulatory requirement of 10%.
- ▶ Customer deposits comprise the majority of the Bank's funding profile (accounting for 86% of the funding profile). The majority of these deposits have proven to be 'sticky', providing Noor Bank with a stable funding profile.
- ▶ In a move to diversify its funding base, in April 2015, the Bank raised USD 500Mn in the form of a senior unsecured 5-year Sukuk. In June 2016, the Bank raised a further USD 500Mn in the form of a Tier 1 Sukuk.

¹ CASA refers to savings accounts (Mudaraba), Margin Accounts and Qard E-Hassan

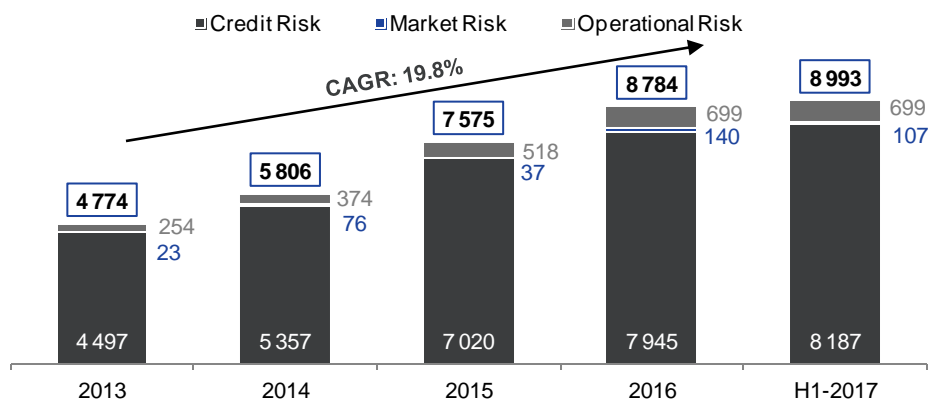
Regulatory Capital Base (USD Mn)



Overview of Capitalisation (%)



Risk Weighted Assets (USD Mn)



Key Highlights

- ▶ Risk weighted assets have grown by 2.4% in H1-2017 to USD 9.0Bn which represents steady growth across business lines.
- ▶ Moreover, the regulatory capital base of Noor Bank has also increased by a CAGR of 19.5% since 2013 to reach USD 1.5bn.
- ▶ In terms of ratios, the Bank enjoys a healthy Tier 1 ratio of 16.3% and CAR of 17.4%, well above the regulatory requirements.

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