

# Emirates NBD Investor Presentation

The London MENA Conference  
**Capturing Opportunities in a Transforming Region**  
London, UK

14 –15 November, 2011



# Important Information

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**Operating Environment**

Emirates NBD Profile

Financial and Operating Performance

Strategy and Outlook

# UAE Economic Update

## Highlights

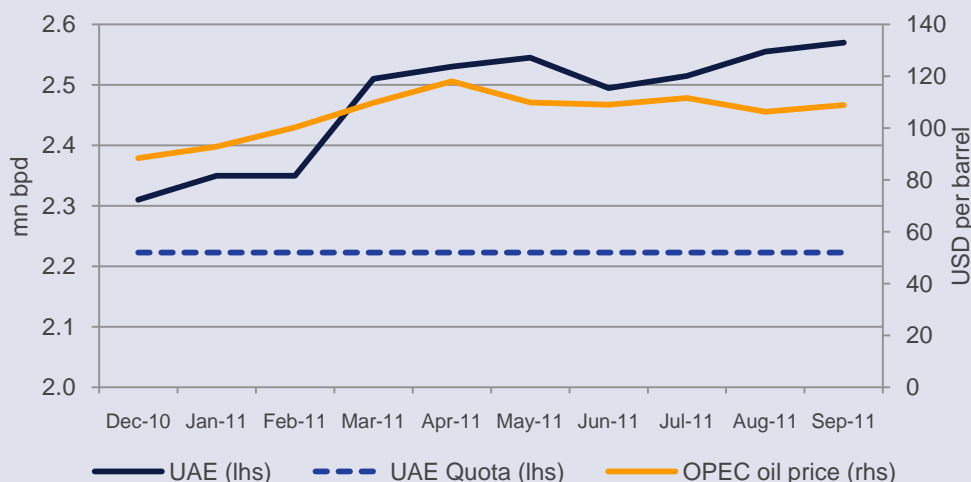
- Estimated **UAE GDP growth for 2011 remains 4.6%** largely on the back of higher oil production, but risks are skewed to the downside for 2012 in the context of recent global developments
- GDP growth forecasts for US (1.5%), Japan (0%) and China (9%) has been lowered** for the year 2011 while GDP growth forecasts has also been lowered for the year 2012 for US (2%) and Eurozone (1%), since forecasts made earlier this year.
- PMI data indicated strong private sector growth in H1 2011, but Q3 2011 data showed a sharp slowdown** in private sector activity, reflecting the impact of weaker global growth although potentially impacted by seasonal factors
- Local inflation remains subdued at 0.6% y-o-y in Aug**, despite rising food costs; declining housing costs are expected to continue to contain headline CPI and average forecasted inflation this year of 1% is one of the lowest inflation rates in the region.

## Real GDP Growth Forecasts

|            | 2008        | 2009          | 2010          | 2011F       | 2012F       |
|------------|-------------|---------------|---------------|-------------|-------------|
| <b>UAE</b> | <b>7.4%</b> | <b>(1.6%)</b> | <b>(1.4%)</b> | <b>4.6%</b> | <b>4.2%</b> |
| UK         | (0.1%)      | (4.9%)        | 1.4%          | 1.0%        | 1.5%        |
| Eurozone   | 0.3%        | (4.1%)        | 1.7%          | 1.5%        | 1.0%        |
| Germany    | 0.7%        | (4.7%)        | 3.5%          | 3.5%        | 2.0%        |
| US         | 0.0%        | (3.5%)        | 3.0%          | 1.5%        | 2.0%        |
| China      | 9.6%        | 9.2%          | 10.3%         | 9.0%        | 8.5%        |
| Japan      | (1.2%)      | (6.3%)        | 4.0%          | 0.0%        | 2.5%        |
| Singapore  | 1.8%        | (0.8%)        | 14.5%         | 5.6%        | 4.5%        |
| Hong Kong  | 2.2%        | (2.7%)        | 7.0%          | 5.3%        | 5.5%        |

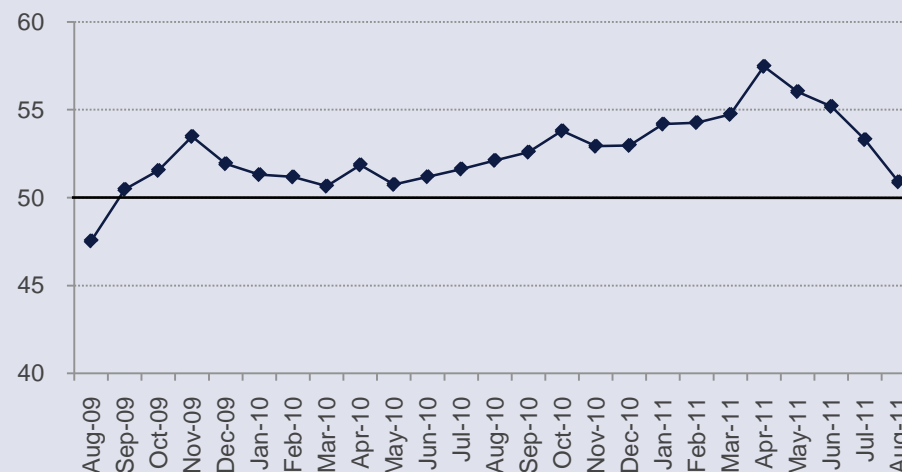
Source: Global Insight, Emirates NBD forecasts

## Oil production rises in Sep after dipping in June



Source: Bloomberg, Emirates NBD Research

## UAE PMI – private sector expansion slows sharply



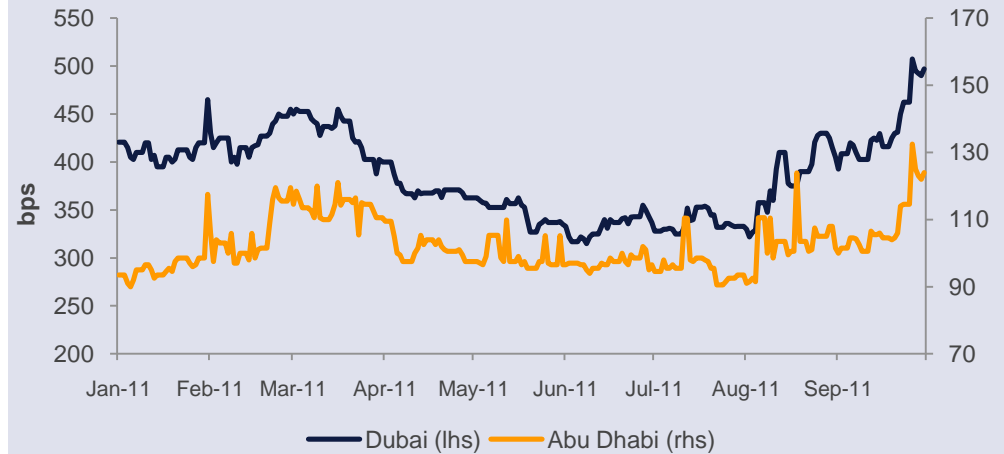
Source: HSBC, Markit

# UAE Economic Update (cont'd)

## Highlights

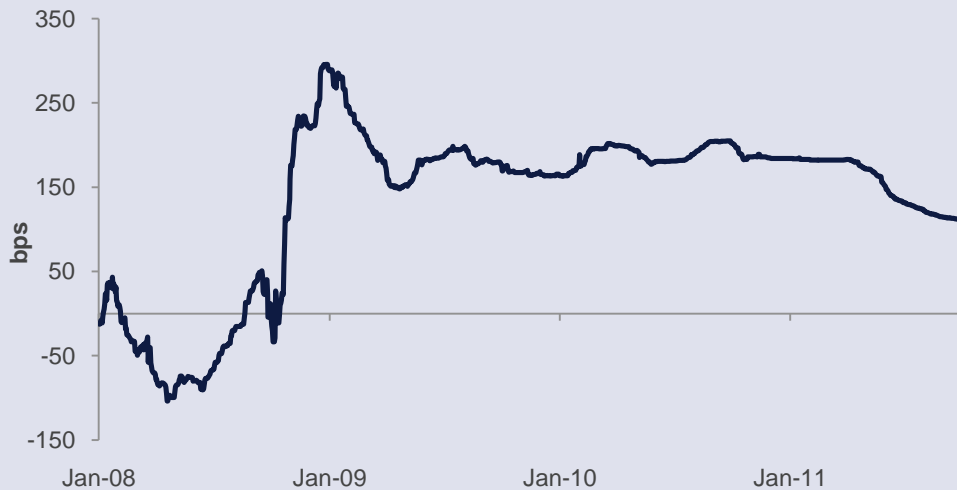
- **Liquidity conditions have tightened**, even as Eibor rates have remained largely flat.
- **Bank lending remains relatively weak at 2.2% y-o-y in August. Deposit growth has slowed** and banks' holdings of certificates of deposits have declined.
- **Dubai CDS spreads** have widened again since the end of July, largely on the back of global developments. Consequently, debt issuance has fallen sharply over the summer.

## CDS spreads have widened again in Q3 2011



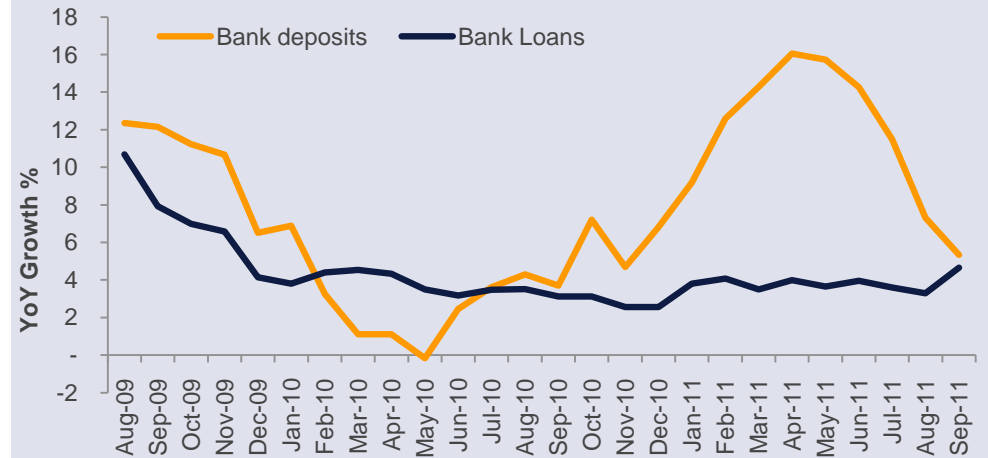
Source: Bloomberg, Emirates NBD Research

## 3M EIBOR – LIBOR spread tightens further in Q3 2011



Source: Bloomberg

## Bank deposit and loan growth



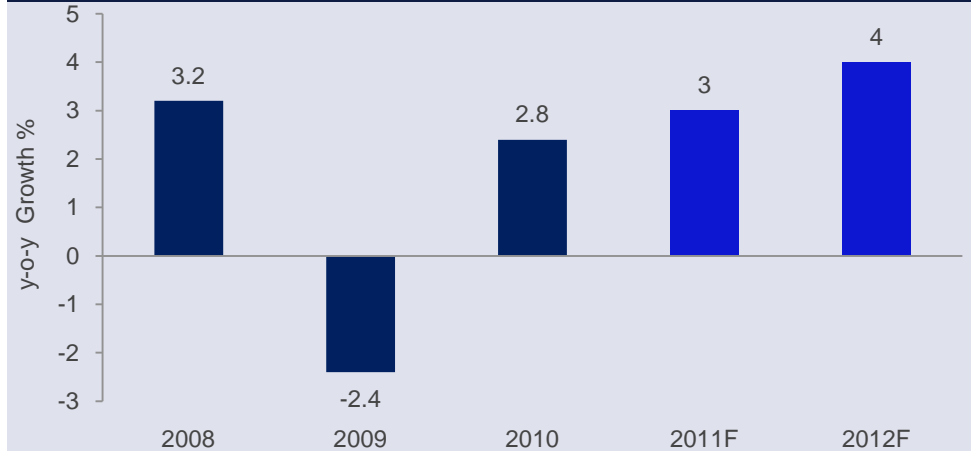
Source: UAE Central Bank

# Dubai Economic Update

## Highlights

- **Dubai Statistics revised up its estimate of 2010 growth to 2.8% from 2.4% previously, although the 'upgrade' was largely due to technical factors.** ENBD maintains Dubai's GDP growth forecast at 3% in 2011, with risks still to the downside in the context of global developments.
- **Dubai has developed a competitive edge** in trade & logistics, tourism and business services; these sectors are set to be engines of growth for the emirate going forward. However, Dubai is a small, open economy and therefore particularly vulnerable to the global economy.

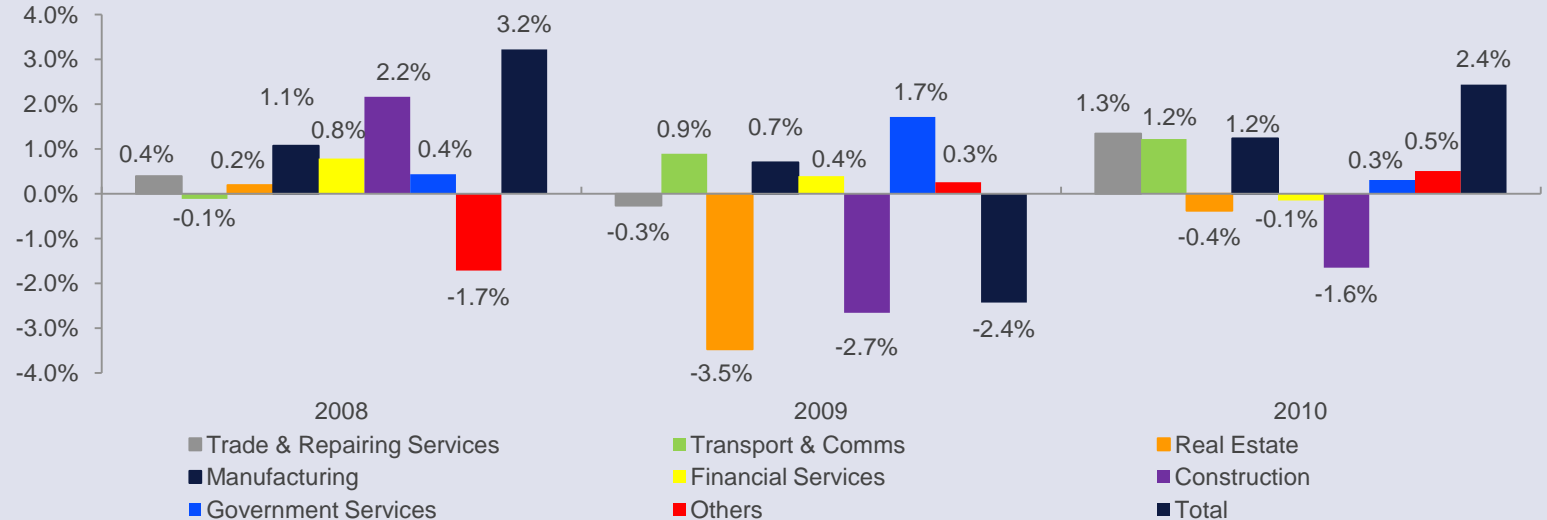
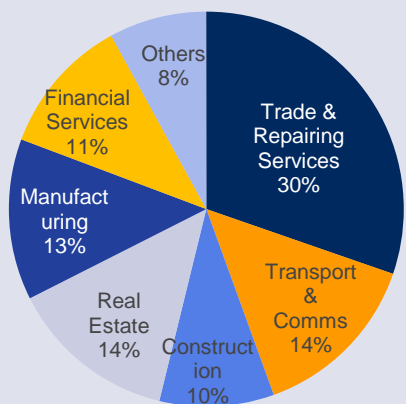
## Dubai: GDP growth set to accelerate



Source: Dubai Statistics Centre, Emirates NBD Research

## Contribution by sector to GDP growth

Dubai GDP by Sector – 2010 (%)  
100% = AED 293.6 billion



Source: Dubai Statistics Centre, NBS

# Dubai Economic Update (cont'd)

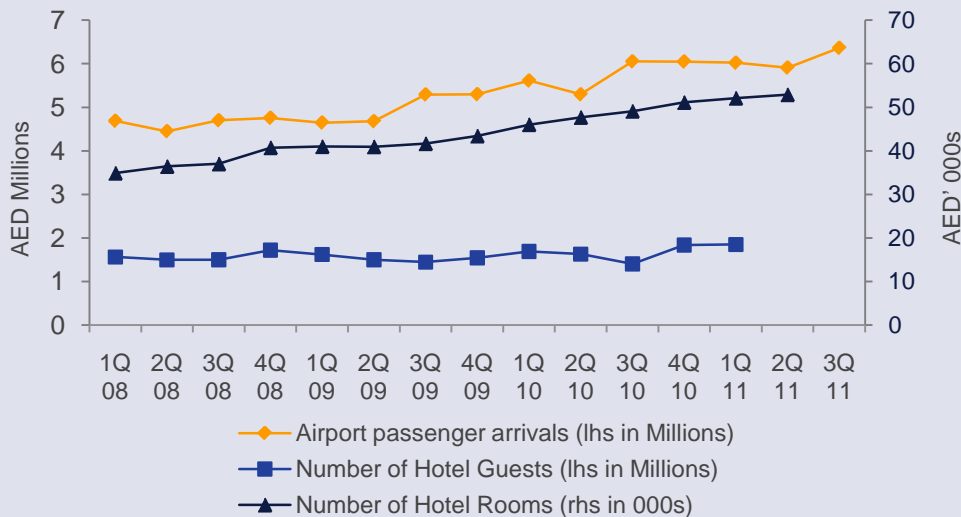
## Highlights

- **Dubai is the 3rd largest centre for re-exports** in the world which itself represents almost 50% of GDP
- **Dubai is a strategically located international trading hub** with some of the world's best air and sea ports serving over 205 destinations
- **Very large investments in infrastructure** will have highly positive effects on the long-run development and productivity of the emirate
- **Dubai exports and re-exports has been showing an increasing trend** while imports remained broadly stable.

## Dubai's Strategic Location

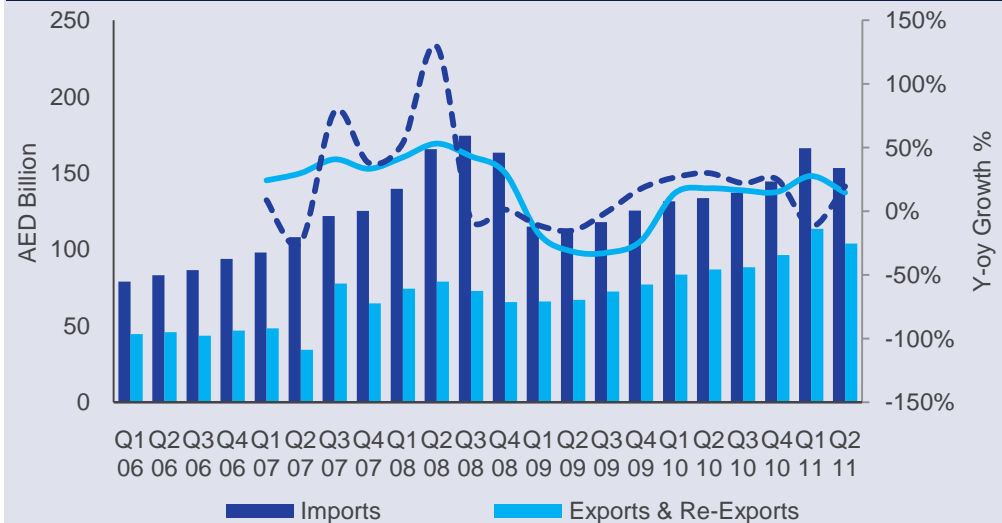


## Dubai: Air passenger arrivals increase in Q3



Source: Dubai Statistics Centre, Emirates NBD Research

## Dubai: External trade growth remains strong



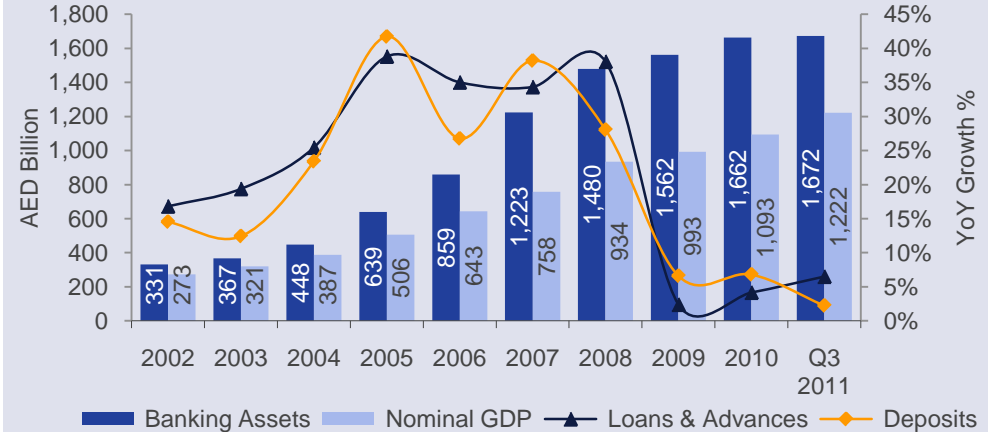
Source: Dubai Statistics Centre, Emirates NBD Research

# UAE Banking Market Update

## Highlights

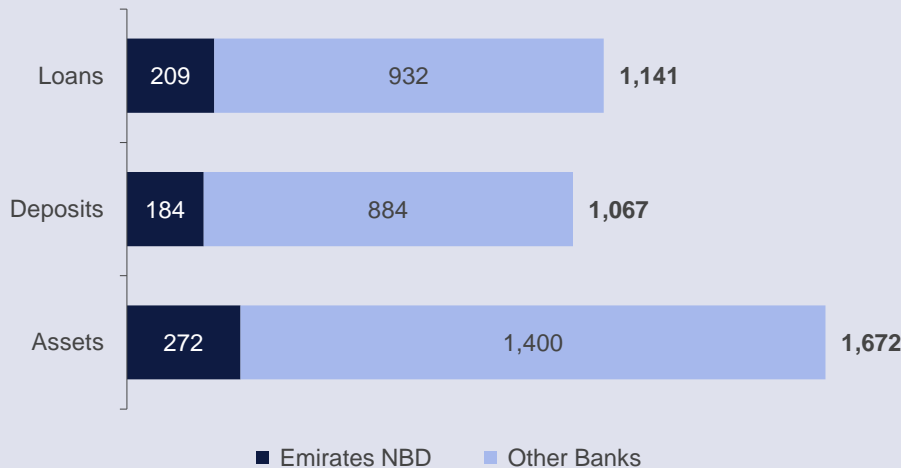
- UAE Banking sector is the largest by assets in the GCC; sector is dominated by 23 local banks which account for more than 75% of banking assets; 28 foreign banks account for the remainder
- UAE Banking system liquidity tightened in 2008 due to outflow of c. AED 180 billion of speculative capital and the Global credit/liquidity crisis in Q3 2008
- Government intervention during H2 2008 and 2009 helped improve liquidity and capitalisation:
  - Additional liquidity facilities from UAE Central Bank
  - AED 50 billion deposited into local banks; option to convert to LT2 capital
  - Deposit & capital market guarantees announced
  - Tier 1 injections by Abu Dhabi (AED 15 billion) and Dubai Governments (AED 4 billion)

## UAE Banking Sector Growth (AED billion)



Source: UAE Central Bank, EIU, Emirates NBD estimates

## Composition of UAE Banking Market (AED billion)



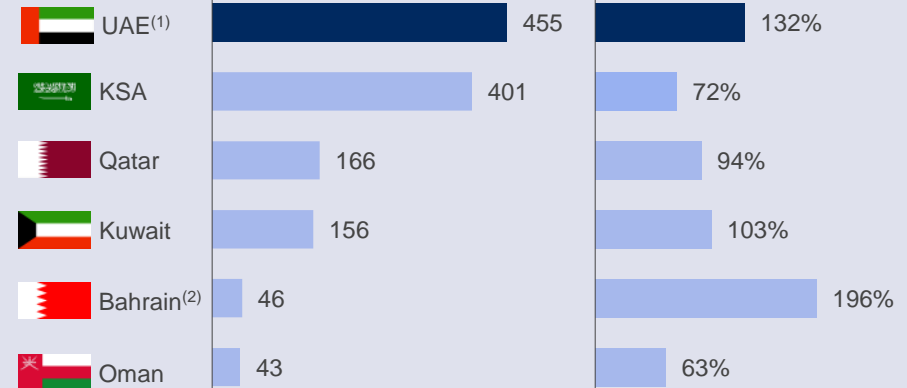
Source: UAE Central Bank 30 Sep 2011

Loans and Assets presented gross of impairment allowances

## Banking Assets USD billion



## Assets % GDP<sup>(3)</sup>



1) Includes Foreign Banks ; 2) Excludes Foreign Banks ; 3) GDP data is for FY 2011 forecasted.

UAE & Kuwait as at 30 Sep 2011; KSA, Qatar, Bahrain & Oman as at 31st Aug 2011.

Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts



Operating Environment

**Emirates NBD Profile**

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# Summary



- ▶ Largest financial institution (by asset size) in the GCC
- ▶ Flagship bank for Dubai and the UAE Governments
- ▶ 56% owned by Dubai government
- ▶ Consistently profitable; despite significant headwinds during the last two years
- ▶ Fully fledged, diversified financial services offering
- ▶ Ever increasing presence in the UAE, the GCC and globally
- ▶ Well positioned to grow and deliver outstanding value to its shareholders, customers, and employees

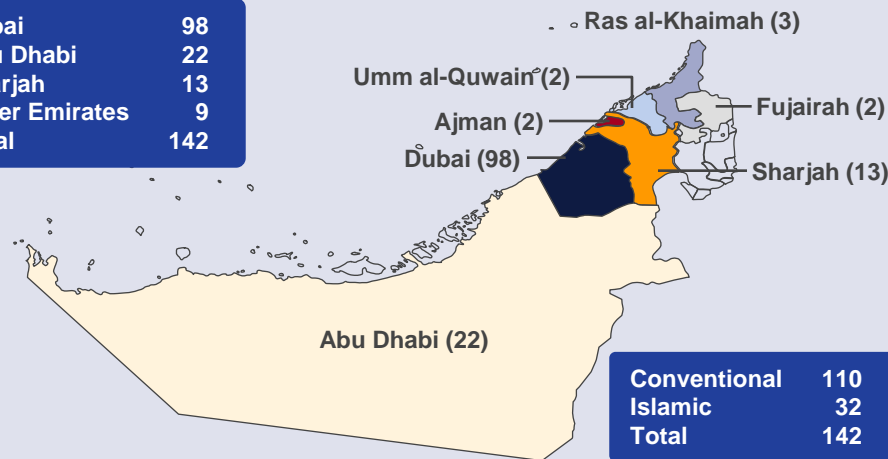
# Emirates NBD at a Glance

## Largest Bank in UAE

- **No.1 Market share in UAE** (at 30 Sep 2011):
  - Assets c.16%; Loans c.17%
  - Deposits c.18%
- **Retail market shares** (at end 2010):
  - Personal loans c.22%
  - Home loans c.7%
  - Auto loans c.11%
  - Credit cards c.9%
  - Debit cards c.17%
- **Fully fledged financial services offerings** across retail banking, wholesale banking, global markets & trading, investment banking, brokerage, asset management, merchant acquiring and cards processing

## Largest Branch Network in the UAE

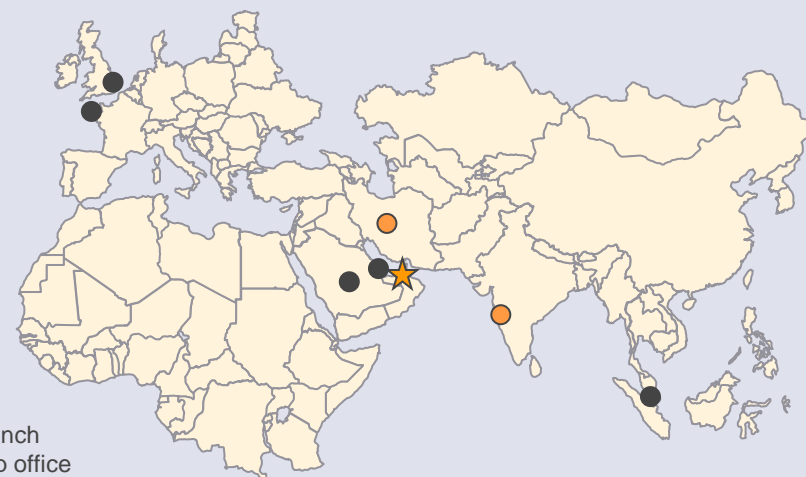
|                |            |
|----------------|------------|
| Dubai          | 98         |
| Abu Dhabi      | 22         |
| Sharjah        | 13         |
| Other Emirates | 9          |
| <b>Total</b>   | <b>142</b> |



## Credit Ratings

|  | Long Term | Short Term | Outlook  |
|--|-----------|------------|----------|
|   | A3        | P-2        | Negative |
|  | A+        | F1         | Negative |
|  | A+        | A1         | Stable   |

## International Presence

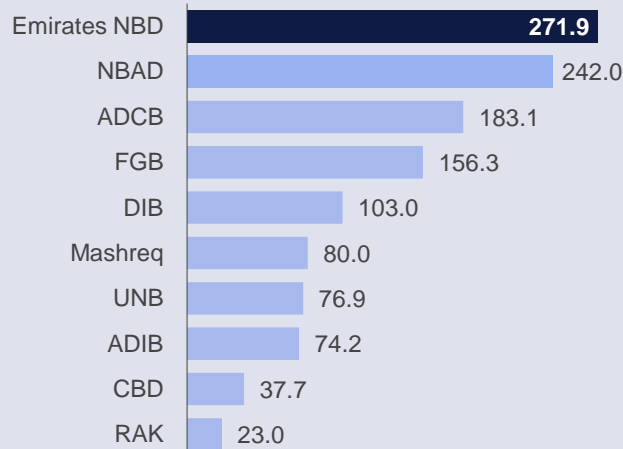


● Branch  
● Rep office

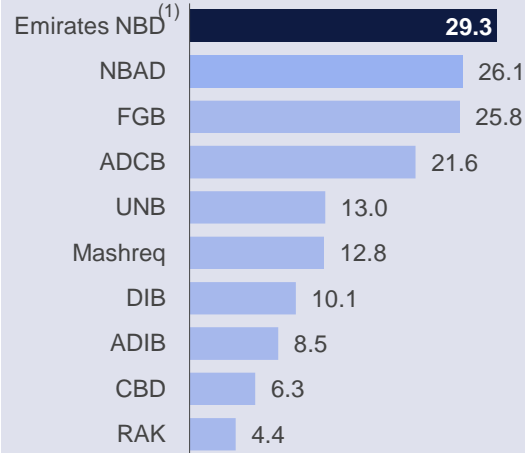
# Emirates NBD is the Largest Bank in the UAE and GCC by Assets

as at 30 Sep 2011

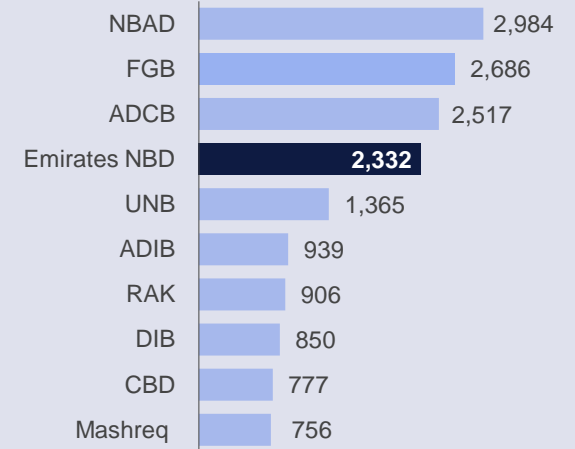
## UAE Ranking by Assets (AED billion)



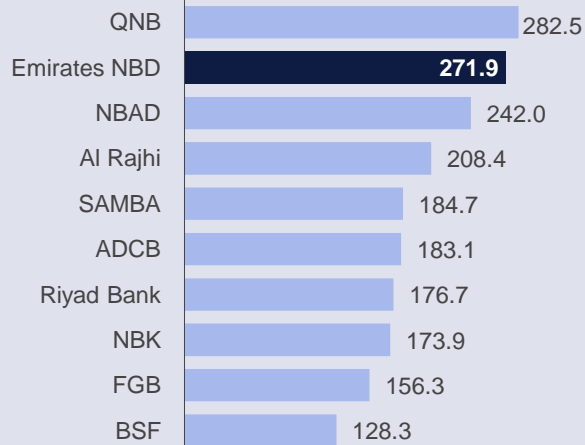
## UAE Ranking by Equity (AED billion)



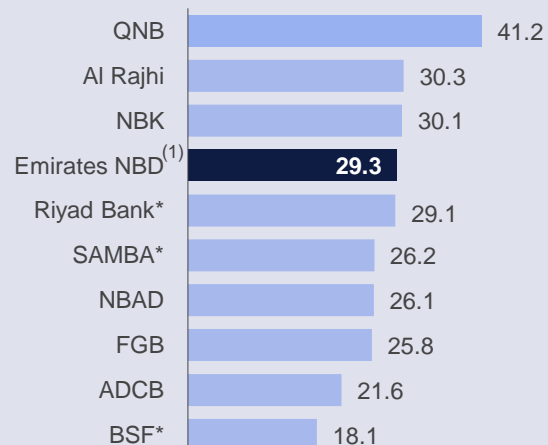
## UAE Ranking by Profits (AED million)



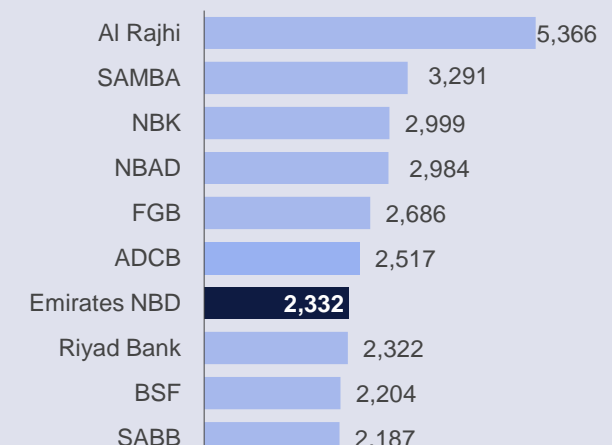
## GCC Ranking by Assets (AED billion)



## GCC Ranking by Equity (AED billion)



## GCC Ranking by Profits (AED million)



<sup>1)</sup> Shareholders' Equity for Emirates NBD is AED 35 billion. The number shown is Tangible Shareholder's Equity which excludes goodwill and intangibles; \*Shareholders' Equity Data as on 30 June 2011  
Source: Bank Financial Statements and Press Releases for 30 Sep 2011, Bloomberg;

Operating Environment

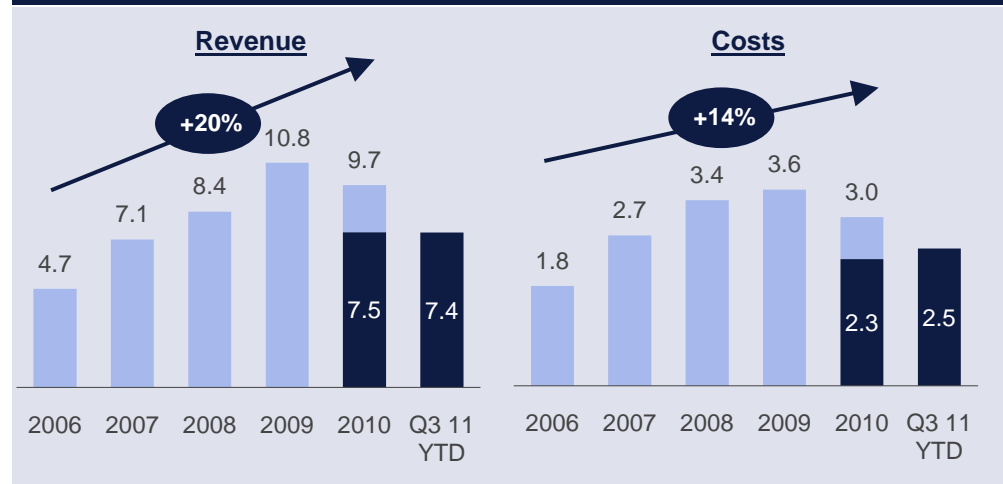
Emirates NBD Profile

**Financial and Operating Performance**

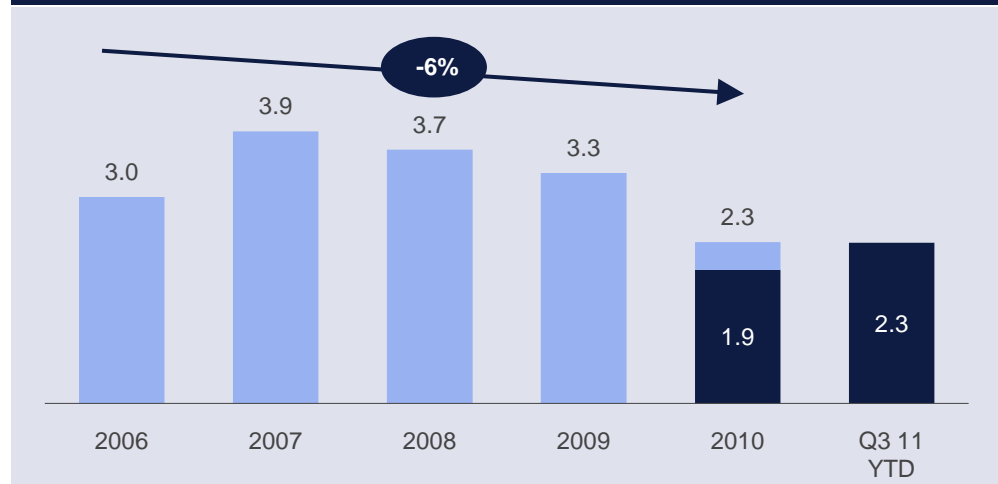
Strategy and Outlook

# Profit and Balance Sheet Growth in Recent Years

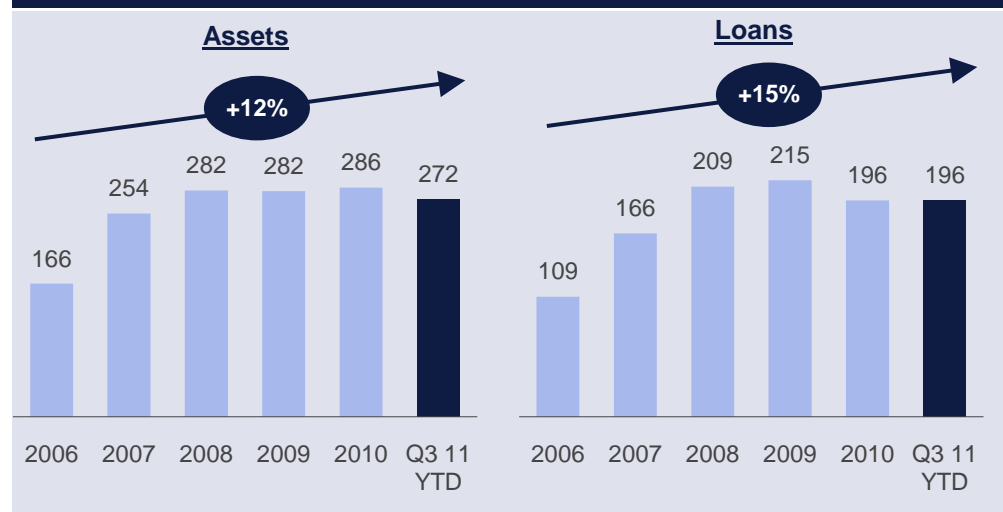
## Revenues and Costs (AED billion)



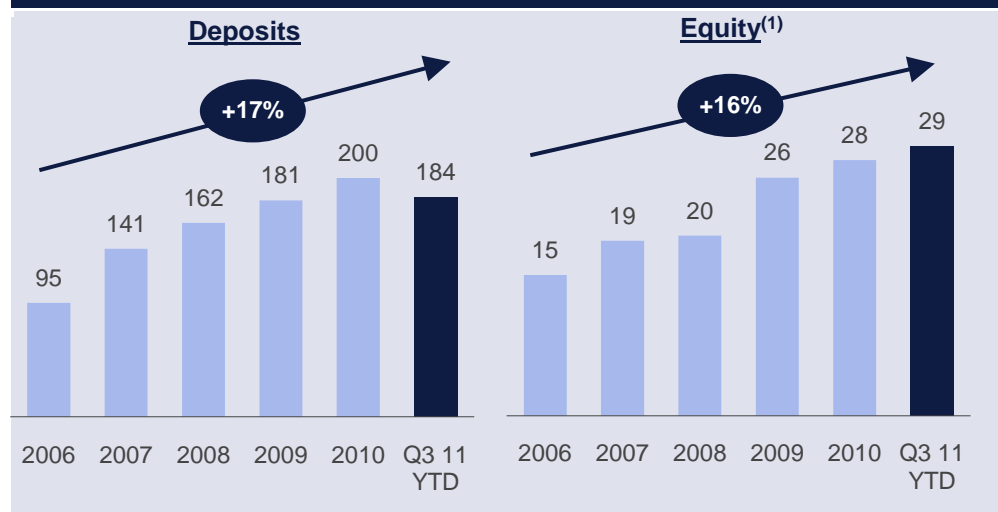
## Net Profits (AED billion)



## Assets and Loans (AED billion)



## Deposits and Equity (AED billion)



<sup>1)</sup> Equity is Tangible Shareholder's Equity excluding Goodwill and Intangibles.  
Source: Financial Statements, Aggregation of Emirates Bank International and NBD results

# Financial Highlights

## 2010 and Q3 2011 YTD

### Q3 2011 YTD Financial Results Highlights

- **Net profit of AED 2,332 million in Q3 2011 YTD, +20% vs. Q3 2010 YTD**
- **Gain on Network International transaction of AED 1.8 billion**
- Continued balance sheet **de-risking**:
  - increased **Portfolio Impairment Allowances of AED 1.5 billion**, substantially to cover future contingencies
  - further **reduction** in book value of investment in **Union Properties of AED 500 million**
  - **Increased conservatism on provisioning**
- **Net interest income grew 3% compared to the same period last year to AED 5,329 million** due to net interest margin improvement to 2.63% in Q3 2011 YTD from 2.56% in Q3 2010 YTD
- **Non-interest income decreased** by 8% compared to the same period last year due to lower investment securities income and the deconsolidation of Network International; **core fee income grew 3% compared to the same period last year.**
- **Costs increased by 8% compared to the same period last year** to AED 2,483 million in Q3 2011 YTD resulting from accelerated **investment in future growth**; **cost to income ratio rose by 3% to 33.4%** compared to the same period last year.
- **Net loans remained flat while both assets and deposits decreased by 5% and 8% respectively since end-2010** due to balance sheet optimisation initiatives

### 2010 Financial Results Highlights

- **Net profit of AED 2.3 billion**; -30% from AED 3.3 billion in 2009
- **Total income of AED 9.7 billion**; -10% from AED 10.8 billion in 2009
- **Improvement of 14% in operating expenses** from 2009 to AED 3.1 billion in 2010; cost to income ratio improved by 1.5% to 31.4%
- **Operating profit before impairment allowances of AED 6.7 billion**; -8% from AED 7.2 billion in 2009
- **Impairment allowances of AED 3.2 billion**; 4% lower than 2009
- **Union Properties investment reduced by AED 1.0 billion** in 2010 through recognition of share of losses and impairment
- **Deposits grew by 10%** from end-2009 levels while **loans declined 8%**, improving the loan to deposit ratio to 99% from 118% at end-2009

### Key Performance Indicators

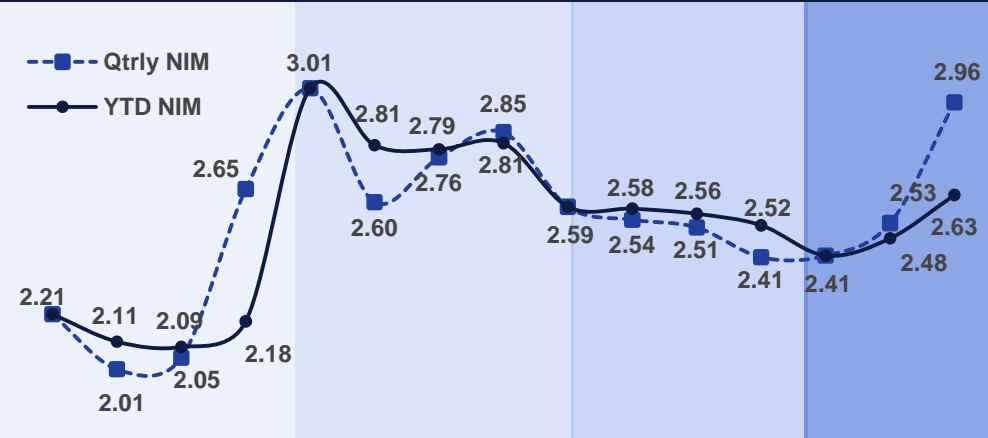
| Income Statement<br>AED million                          | Q3 2011<br>YTD | Q3 2010<br>YTD | Change<br>(%) | 2010         | 2009          | Change<br>(%) |
|--|----------------|----------------|---------------|--------------|---------------|---------------|
| Net interest income                                      | 5,329          | 5,175          | +3%           | 6,795        | 7,412         | -8%           |
| Fee & other income                                       | 2,110          | 2,285          | -8%           | 2,926        | 3,382         | -13%          |
| <b>Total income</b>                                      | <b>7,439</b>   | <b>7,460</b>   | <b>-0%</b>    | <b>9,721</b> | <b>10,794</b> | <b>-10%</b>   |
| Operating expenses                                       | (2,483)        | (2,291)        | +8%           | (3,051)      | (3,551)       | -14%          |
| <b>Operating profit before<br/>impairment allowances</b> | <b>4,956</b>   | <b>5,168</b>   | <b>-4%</b>    | <b>6,670</b> | <b>7,243</b>  | <b>-8%</b>    |
| Impairment allowances:                                   |                |                |               |              |               |               |
| <i>Credit</i>  | (3,921)        | (2,989)        | +31%          | (3,190)      | (3,319)       | -4%           |
| <i>Investment securities</i>                             | (3,802)        | (2,834)        | +34%          | (2,930)      | (2,971)       | -1%           |
| <b>Operating profit</b>                                  | <b>1,035</b>   | <b>2,179</b>   | <b>-53%</b>   | <b>3,480</b> | <b>3,924</b>  | <b>-11%</b>   |
| Amortisation of intangibles                              | (70)           | (70)           | +0%           | (94)         | (94)          | +0%           |
| Associates   | (426)          | (156)          | +174%         | (1,024)      | (477)         | +115%         |
| Gain on subsidiaries                                     | 1,813          | -              | n/a           | -            | -             | n/a           |
| Taxation charge  | (19)           | (16)           | +17%          | (23)         | (10)          | +130%         |
| <b>Net profit</b>  | <b>2,332</b>   | <b>1,937</b>   | <b>+20%</b>   | <b>2,339</b> | <b>3,343</b>  | <b>-30%</b>   |
| Cost to income ratio (%)                                 | 33.4%          | 30.7%          | +3%           | 31.4%        | 32.9%         | -2%           |
| Net interest margin (%)                                  | 2.63%          | 2.56%          | +0%           | 2.52%        | 2.81%         | -0%           |
| EPS (AED)  | 0.38           | 0.31           | +23%          | 0.37         | 0.58          | -36%          |
| ROE (%)  | 12.9%          | 11.3%          | +2%           | 10.3%        | 16.2%         | -6%           |
| ROA (%)  | 1.1%           | 0.9%           | +0%           | 0.8%         | 1.2%          | -0%           |
| Balance Sheet<br>AED billion                             | 30-Sep-11      | 31-Dec-10      | Change<br>(%) | 31-Dec-10    | 31-Dec-09     | Change<br>(%) |
| Total assets   | 271.9          | 286.2          | -5%           | 286.2        | 281.6         | +2%           |
| Loans  | 196.4          | 196.4          | +0%           | 197.1        | 214.6         | -8%           |
| Deposits   | 183.6          | 200.0          | -8%           | 200.0        | 181.2         | +10%          |
| Capital Adequacy Ratio (%)                               | 21.1%          | 20.1%          | +1%           | 20.1%        | 18.7%         | +1%           |
| Tier 1 Ratio (%)   | 13.4%          | 12.8%          | +1%           | 12.8%        | 11.9%         | +1%           |

# Net Interest Income

## Highlights

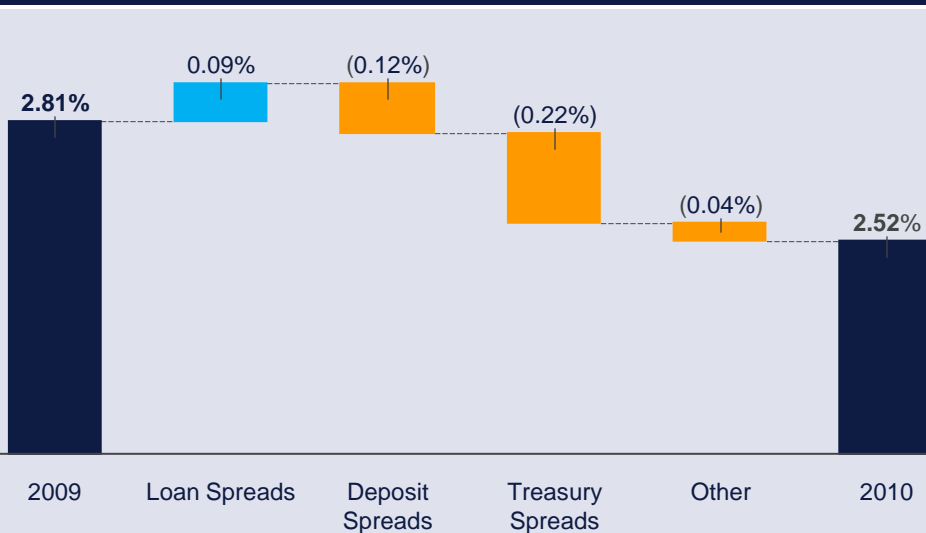
- NIM of 2.52% in 2010; declined by 29 bps from 2.81% in 2009:
  - negative mix impact of deployment of increased liquidity in lower yielding interbank and cash-equivalent assets
  - increase in deposit funding costs given strong competition for deposits in the UAE
  - partly offset by continued selective re-pricing of loans
- Q3 NIM of 2.96%** in increased by 55 bps from 2.41% in Q1 due to:
  - higher loan spreads due to declining average Eibor rates during Q3 2011
  - continued positive impact in Q3 2011 of downward re-pricing on deposits during H1 2011
  - Higher treasury spreads
  - offset by lower benefit of free funds due to declining average Eibor rates during Q3 2011
- Net interest income grew 3% compared to the same period last year to AED 5,329 million** due to increased NIM for the period to 2.63% for Q3 2011 YTD

## Net Interest Margin Trends (%)

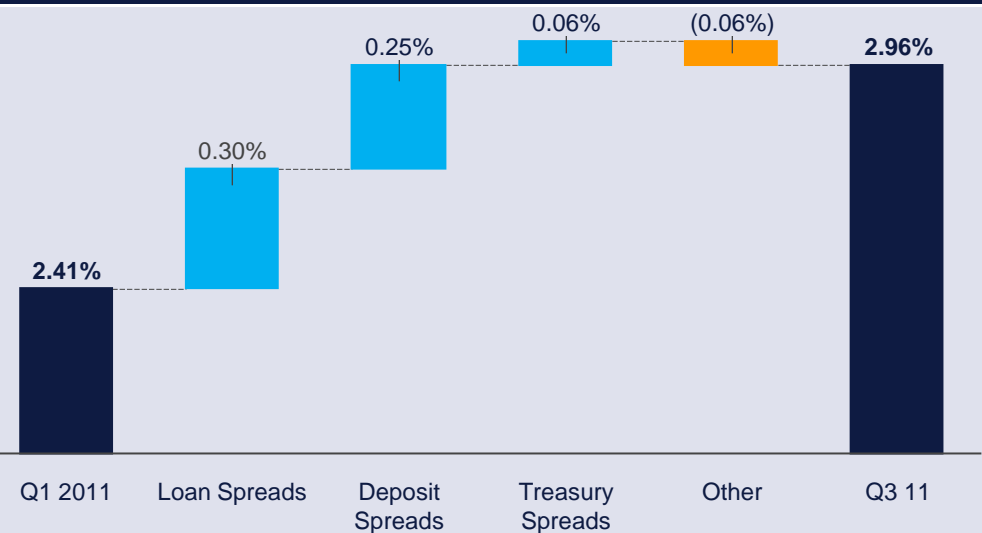


Q1 08 Q2 08 Q3 08 Q4 08 Q1 09 Q2 09 Q3 09 Q4 09 Q1 10 Q2 10 Q3 10 Q4 10 Q1 11 Q2 11 Q3 11

## Net Interest Margin Drivers: 2010 (%)



## Net Interest Margin Drivers: Q3 2011 (%)





# Non Interest Income

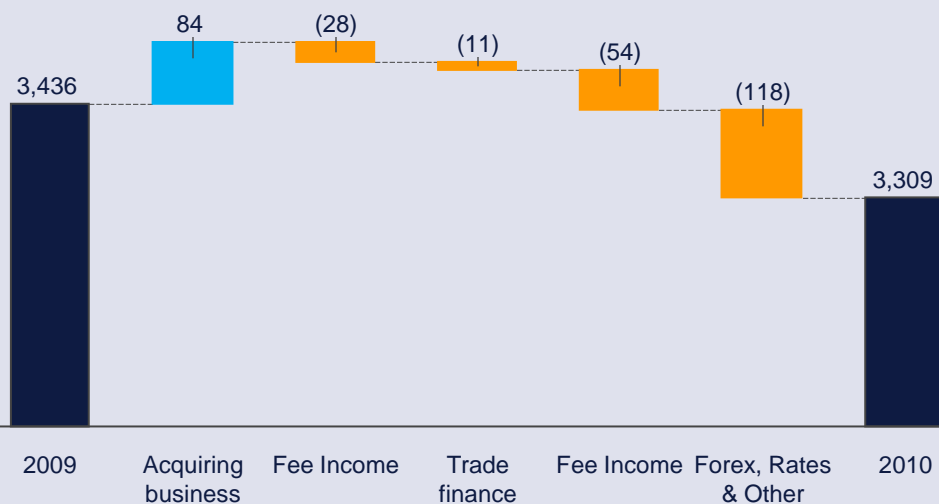
## Highlights

- 2010 non-interest income declined by 13% from 2009, impacted by:
  - AED 214m write-downs of investment properties
  - lower positive investment securities income
  - 8% decline in core fee income
- Q3 2011 YTD Non-interest income decreased by 8% compared with Q3 2010 YTD due to :
  - lower investment securities income in Q3 2011 YTD
  - AED 273 million contribution from Network International in Q3 2010 YTD
- Q3 2011 YTD Core fee income improved by 3% compared with Q3 2010 YTD due to
  - pickup in banking fee income (+21%)
  - improvement in trade finance income (+2%)
  - Offset by decrease in forex , rates and other income (-15%)

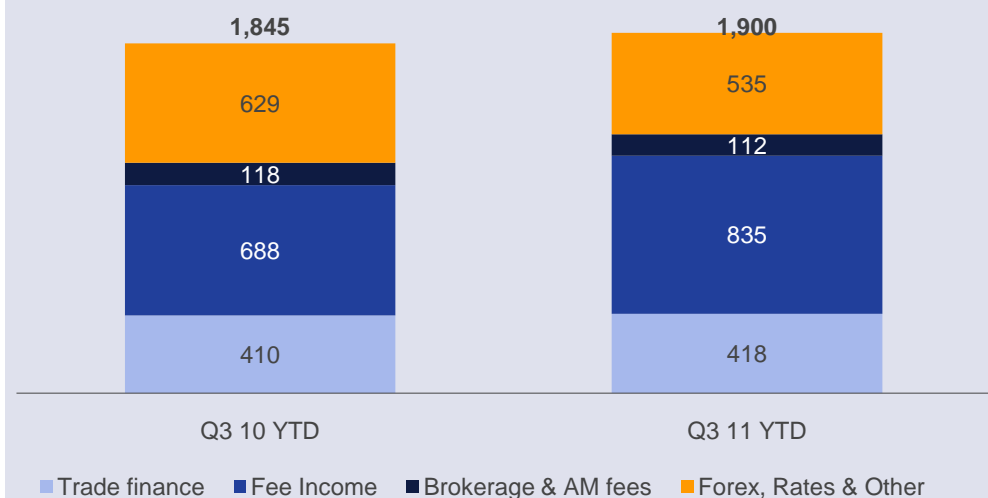
## Composition of Non Interest Income (AED million)

| AED million                      | Q3 2011 YTD  | Q3 2010 YTD  | Change (%) | 2010         | 2009         | Change (%)  |
|----------------------------------|--------------|--------------|------------|--------------|--------------|-------------|
| Core gross fee income            | 1,900        | 1,845        | +3%        | 2,348        | 2,572        | -10%        |
| Fees & commission expense        | (115)        | (106)        | +8%        | (107)        | (149)        | -39%        |
| <b>Core fee income</b>           | <b>1,785</b> | <b>1,738</b> | <b>+3%</b> | <b>2,241</b> | <b>2,423</b> | <b>-8%</b>  |
| Investment properties            | (2)          | (148)        | -98%       | (195)        | (50)         | +75%        |
| Investment securities            | 167          | 422          | -60%       | 531          | 641          | -20%        |
| Network International            | -            | 273          | -100%      | 349          | 368          | -5%         |
| Gain on Debt Exchange            | 160          | -            | n/a        | -            | -            | n/a         |
| <b>Total Non Interest Income</b> | <b>2,110</b> | <b>2,285</b> | <b>-8%</b> | <b>2,926</b> | <b>3,382</b> | <b>-13%</b> |

## Core Gross Fee Income Trends in 2010 (AED million)



## Core Gross Fee Income Components (AED million)

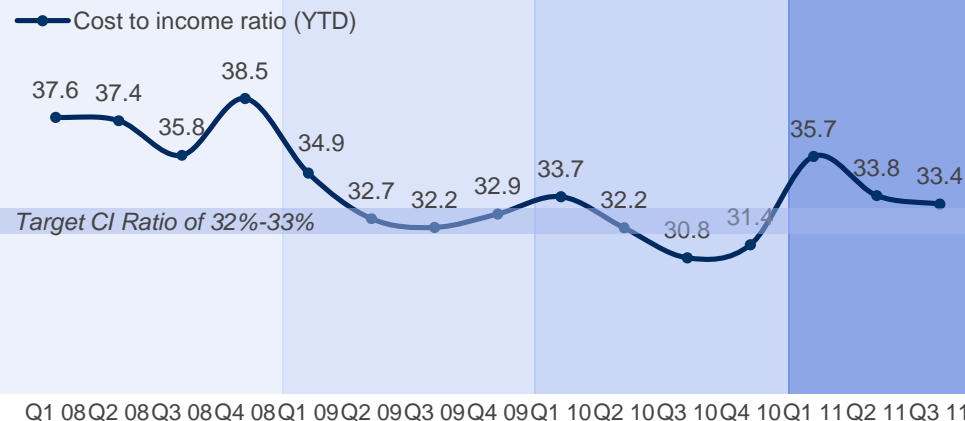


# Operating Costs and Efficiency

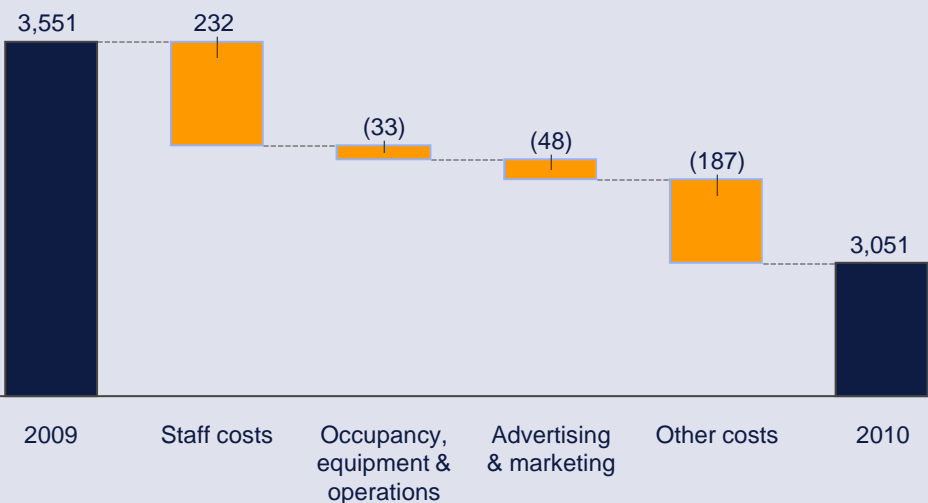
## Highlights

- Costs declined by 14% to AED 3.1 billion in 2010 due to management focus on cost optimisation and operating efficiency; the cost to income ratio improved by 1.5% from 32.9% in 2009 to 31.3% in 2010
- In Q3 2011 YTD, costs increased by 8% compared to the same period last year to AED 2,483 million resulting from accelerated investment in future growth across advertising and marketing costs, and expansion of retail distribution and sales force
- The Cost to Income ratio increased by 3% to 33.4% in Q3 2011 YTD from 30.7% in Q3 2010 YTD.
- The cost to Income ratio is expected to be managed to the target range of c.32%-33%

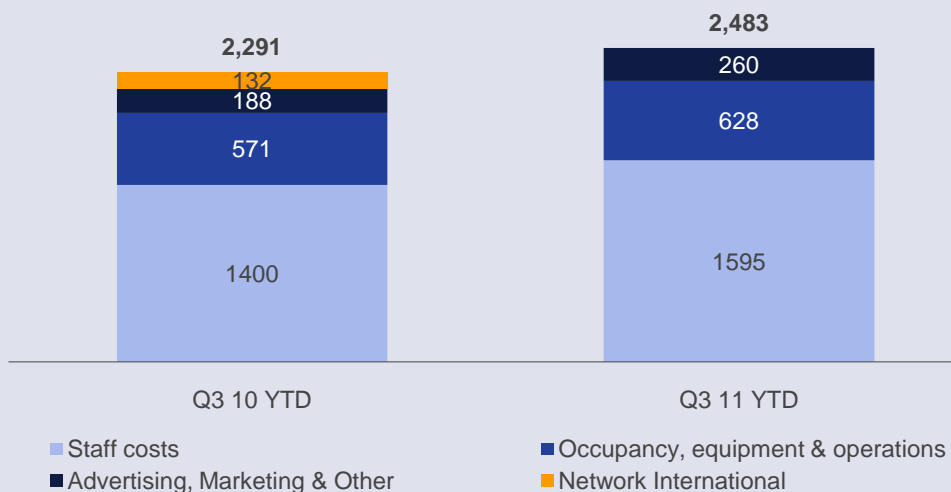
## Cost to Income Ratio Trends



## Operating Cost Trends in 2010 (AED million)



## Quarterly Operating Cost Components (AED million)

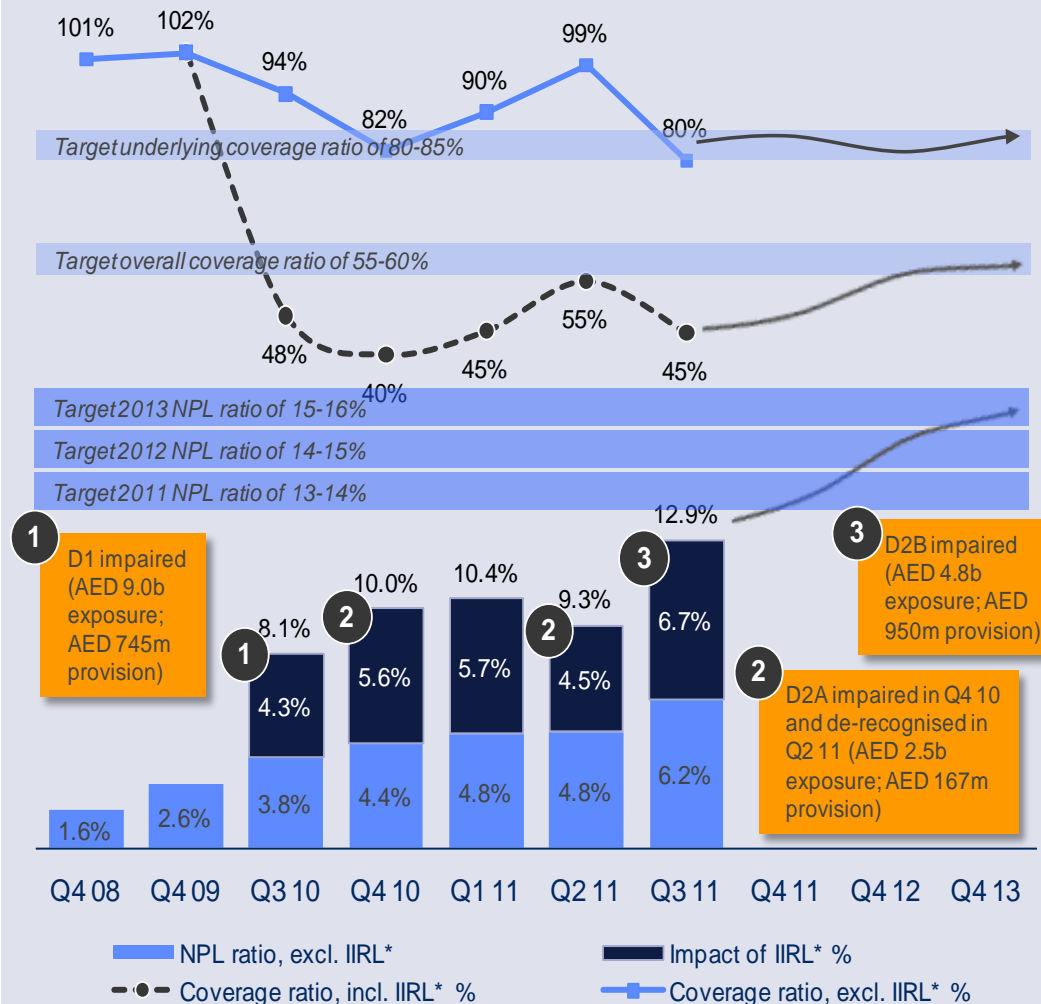


# Credit Quality

## Key Messages

- Q3 2011 YTD impairment charge of AED 3.9 billion impacted by:
  - **Specific provision of AED 950 million** made in relation to the AED 4.8 billion exposure to a Dubai GRE
  - **Build-up of portfolio impairment allowances of AED 1.5 billion** taking total PIP to AED 3.7 billion or 2.45% of credit Risk Weighted Assets
  - Strategic management decision to **target higher overall impaired loan coverage ratio**
- Management **targets for impaired loan coverage ratios:**
  - 80%-85% on underlying NPL portfolio
  - 55%-60% on overall impaired loans to be achieved by 2013
- Target coverage ratios to be achieved through:
  - **More conservative** provisioning for and recognition of impaired loans
  - Continued **build-up of portfolio impairment allowances**
- Assessment of **underlying credit risk** across the overall portfolio **remains unchanged:**
  - 2011 NPL ratio expected to reach 13%-14% as per previous guidance, but
  - 2013 NPL ratios could reach 15%-16% due to more conservative recognition of impaired loans and lower than previously expected future loan growth

## Impaired Loans & Coverage Ratios (%)

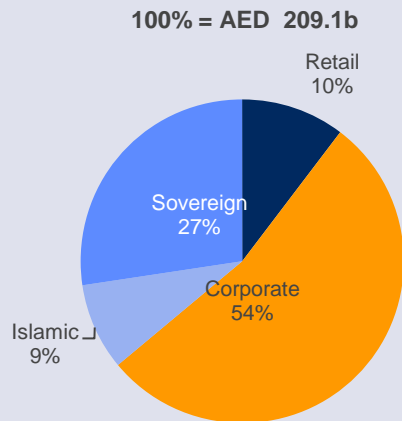


\* IIRL = Interest Impaired Renegotiated Loans; Specific entities are referenced by number with the prefix "D"

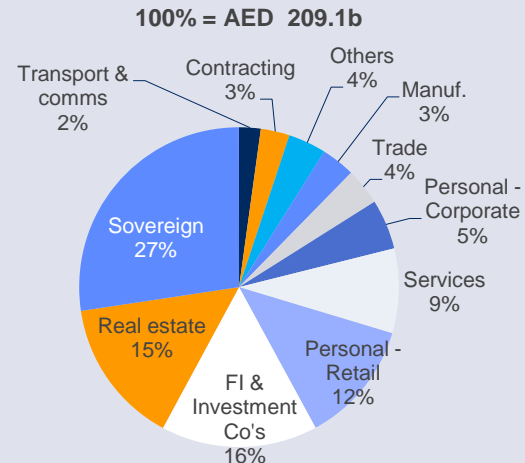
# Credit Quality

## Group

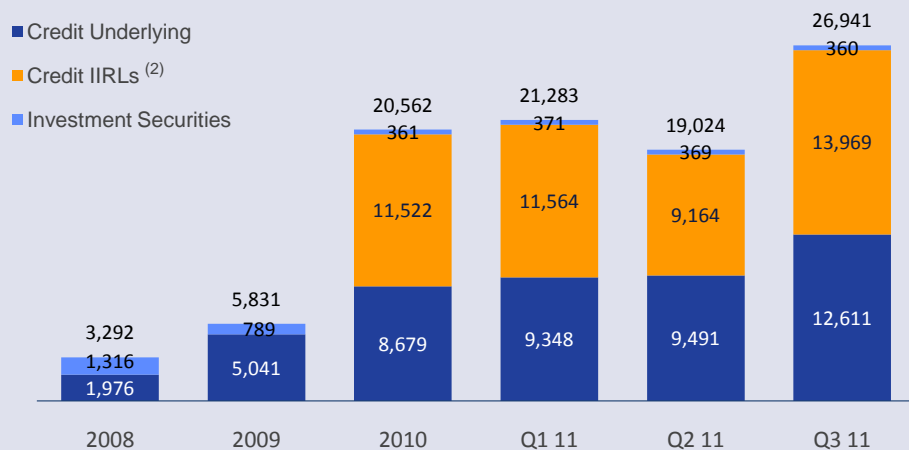
### Loan Portfolio by Type – Q3 2011 YTD<sup>(1)</sup>



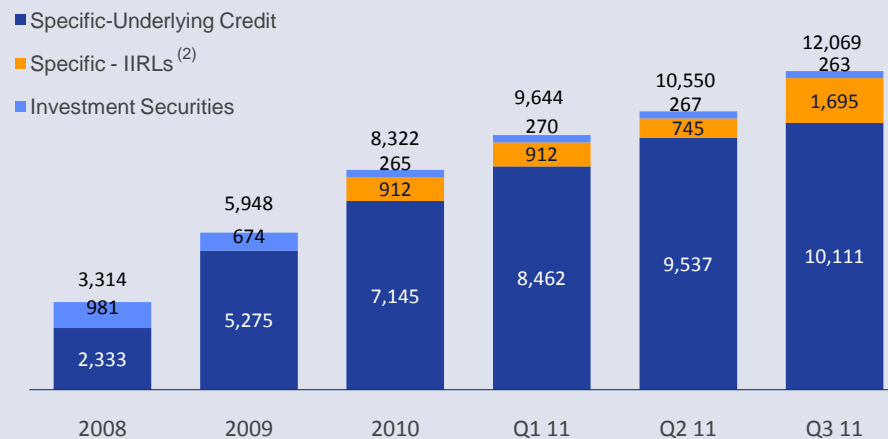
### Loan Portfolio by Type – Q3 2011 YTD<sup>(1)</sup>



### Impaired Loans Composition (AED million)



### Impairment Allowance Composition (AED million)



1) Gross Loans and receivables before provisions and deferred income

2) IIRL = Interest Impaired Renegotiated Loans

# Credit Quality

## Retail and Corporate Loans & Receivables

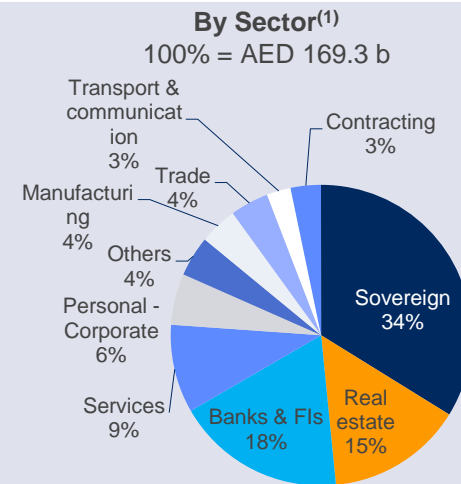
### Corporate & Sovereign Lending Portfolio

#### Corporate Credit Quality

- Impaired loan ratio 12.4% at Q3 2011 vs. 9.5% compared to the same period last year.
- 95% of the portfolio is to UAE customers where the Bank has long-standing relationships
- Exposure is mainly to top tier names with diversified business interests and multiple sources of repayment
- Environment necessitates renegotiation of certain customer accounts; amounting to AED 13b in Q3 2011 vs. AED 7b at Q4 2010:
  - these reflect renegotiated repayment terms in line with underlying cash flows; and
  - without sacrificing interest or principal

#### Real Estate & Contracting

- Exposures to Real Estate and Contracting Sector are AED 24.7b (15%) and AED 5.5b (3%) respectively
- Selectively financing real estate sector; extent of finance is generally limited to:
  - 70% of construction cost excluding land; and
  - land and cost overruns to be financed by the owner
- Real Estate financing is restricted to Emirates of Dubai & Abu Dhabi
- Exposures to these sectors are mainly to diversified businesses having multiple repayment sources of repayment
- Repayment experience is satisfactory
- Approximately 54% of the Real Estate portfolio has a repayment maturity of < 3 years



### Retail Lending Portfolio

#### Personal loans

- Portfolio AED 6.5b (30%)
- 55% of value is to UAE nationals; 60% of value is to government employees
- Personal loans are only granted subject to salary assignment
- Personal Loans losses well within original expectations
- No funding is given to applicants working in the real estate, contracting and hotel industries
- 2010 & 9M 2011 delinquency trends improving

#### Credit Cards

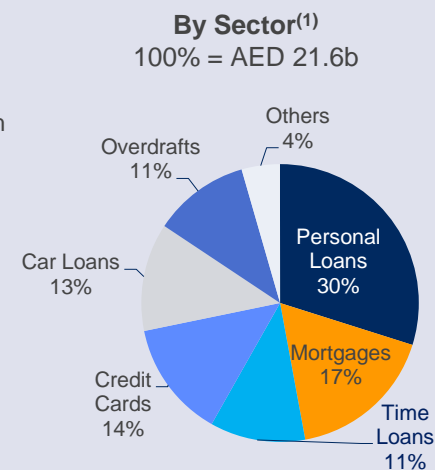
- Portfolio AED 2.9b (14%)
- Product with highest yield in Retail Portfolio
- 90+ delinquencies better than industry benchmarks
- Measures taken to control exposures on unutilised limits
- 2010 & 9M 2011 delinquency trends improving

#### Car loans

- Portfolio AED 2.7b (13%)
- Portfolio balance has declined from end-2009 due to changes in credit policy
- Minimum Income threshold has been raised
- Down payment of 10-20% mandatory based on customer profiles
- 2010 & 9M 2011 delinquency trends improving

#### Mortgages

- Portfolio AED 3.7b (17%)
- Only offered for premium developers
- Completed properties account for 86% of the portfolio
- Average LTV is 75% on original value
- > 75% of the customers have only one loan from Emirates NBD
- 2010 & 9M 2011 delinquency trends improving



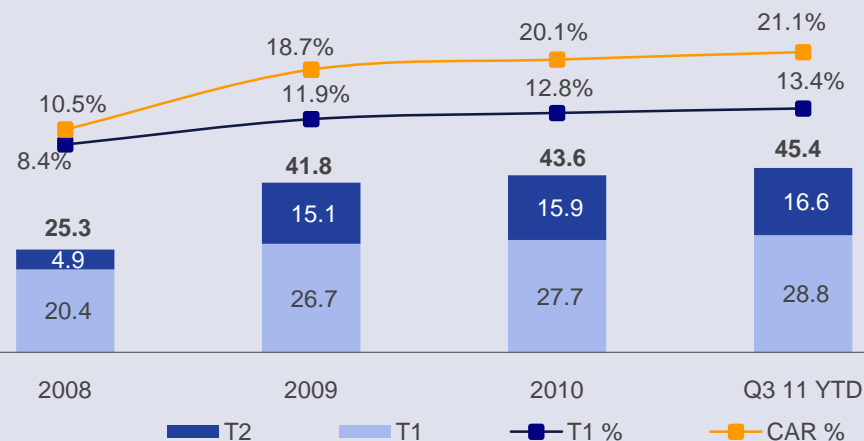
<sup>1)</sup> Loans and advances before provisions; Corporate & Sovereign Lending sectoral breakdown as per "Analysis by Economic Activity for Assets" in note 5, page 10 of the 3Q 2011 Financial statements

# Capital Adequacy

## Highlights

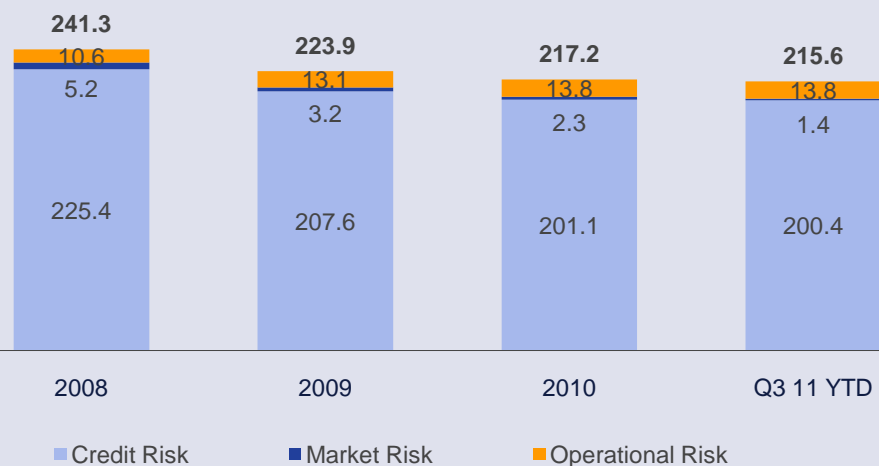
- Capital adequacy strengthened further to CAR 21.1% and T1 to 13.4%
- Tier 1 capital increased by AED 1.1 billion in Q3 2011 YTD due to net profit generation partly offset by dividend paid in respect of 2010 financial year
- Risk Weighted Assets declined by 1% from AED 217 billion at Q4 2010 to AED 216 billion at Q3 2011

## Capital Ratios - Basel II (AED billion)



Note: Core Tier 1 Ratio as at Q2 2011 is 11.5%

## Risk Weighted Assets – Basel II (AED billion)



## Capital Movement Schedule – Basel II (AED billion)

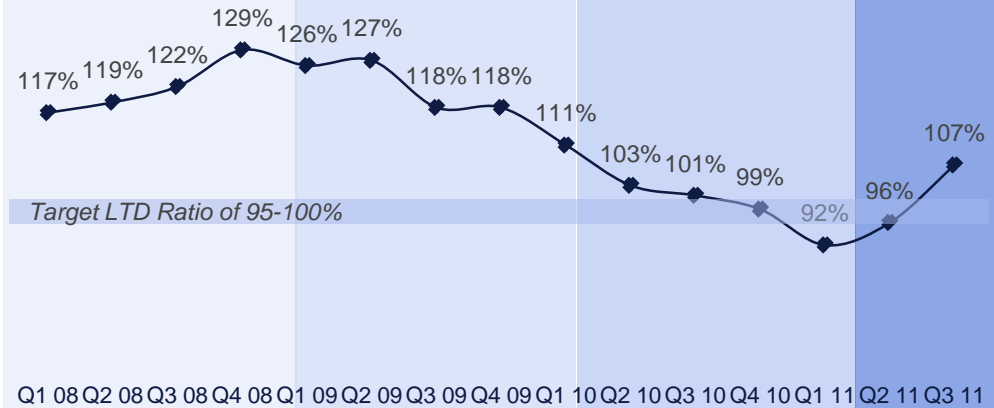
| 31 Dec 2010 to 30 Sep 2011    | Tier 1      | Tier 2      | Total       |
|-------------------------------|-------------|-------------|-------------|
| <b>Capital as at 31.12.10</b> | <b>27.7</b> | <b>15.9</b> | <b>43.6</b> |
| Net profits generated         | 2.3         | -           | 2.3         |
| FY 2010 dividend paid         | (1.1)       | -           | (1.1)       |
| Interest on T1 securities     | (0.2)       | -           | (0.2)       |
| Cummulative Changes in FV     | -           | 0.1         | 0.1         |
| Redemption of T2 securities   | -           | (1.2)       | (1.2)       |
| Change in General Provisions  | -           | 1.8         | 1.8         |
| Other                         | 0.1         | -           | 0.1         |
| <b>Capital as at 30.09.11</b> | <b>28.8</b> | <b>16.6</b> | <b>45.4</b> |

# Funding and Liquidity

## Highlights

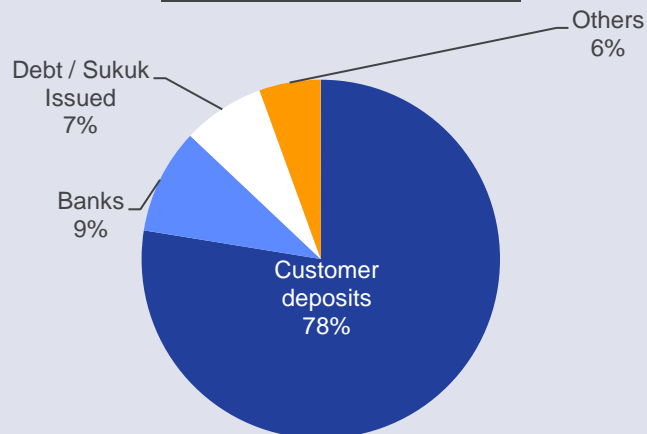
- Headline **LTD ratio of 107%** at Q3 2011 due to balance sheet management initiatives and increased deposit competition in the sector
- The **LTD ratio is expected to be managed to the target range of c.95%-100%**
- **Liquid assets of AED 36 billion** as at 30 September 2011 (13.2% of total assets)
- **Debt maturity profile well within existing funding capacity**

## Headline Loan to Deposit Ratio (%)

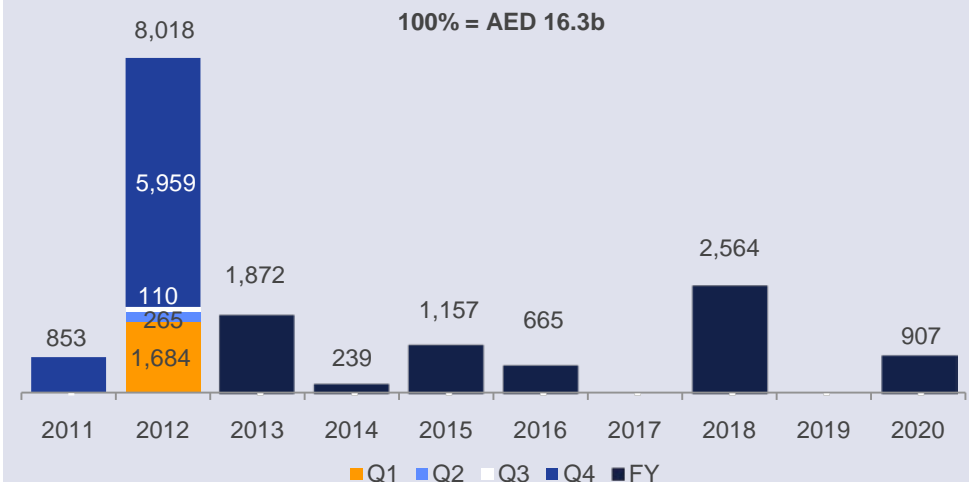


## Liquid Assets & Composition of Liabilities: Q3 2011

### Composition of Liabilities



## Maturity Profile: Debt Issued (AED million)



Note: Debt Issued includes EMTNs of AED 8.7 billion, syndicated borrowings from banks of AED 5.5 billion and borrowings raised from loan securitisations of AED 2.1 billion

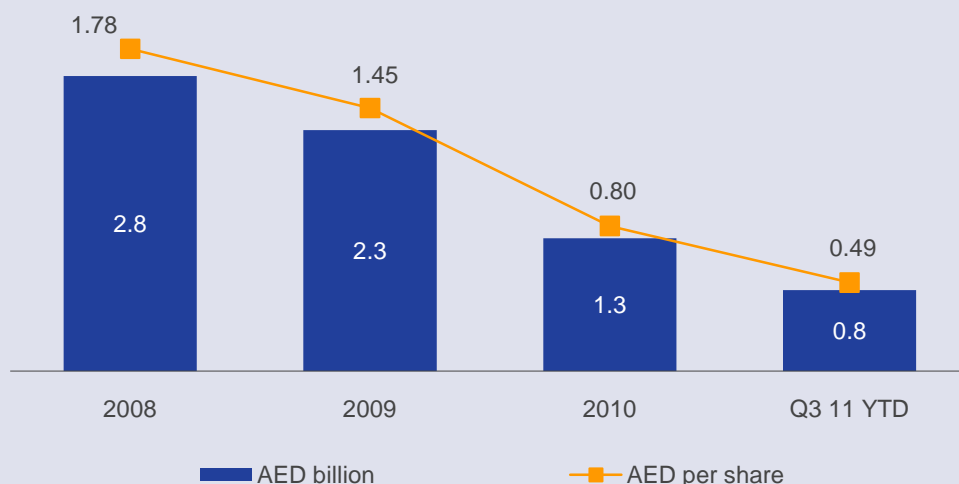
# Associates and Joint Ventures

## Composition of Balances

### Highlights

- **Significant de-risking** of investment in **Union Properties (UP)** since 2009:
  - UP investment reduced by **AED 0.5 billion** and **AED 1.0 billion** in **2009** and **2010** respectively through recognition of share of losses and impairment
  - **additional reduction** in book value of UP of **AED 0.5 billion** in **Q1 2011**
- **Network International** accounted for as a **jointly controlled entity** from the start of 2011 with a carrying value of AED 1.3 billion at the end of Q3 2011

### Investment in Union Properties



### Composition of Associates & Joint Ventures (AED million)

| Income Statement AED million | Q3 2011 YTD  | Q3 2010 YTD  | Change (%)  | 2010           | 2009         | Change (%)   |
|------------------------------|--------------|--------------|-------------|----------------|--------------|--------------|
| Union Properties             | (500)        | (176)        | 185%        | (1,043)        | (517)        | +102%        |
| - Share of losses*           | (74)         | (176)        | n/a         | (683)          | (201)        | +240%        |
| - Impairment of investment   | (426)        | -            | n/a         | (360)          | (316)        | +14%         |
| National General Insurance   | 13           | 20           | -35%        | 19             | 39           | -51%         |
| Network International        | 61           | 0            | n/a         | 0              | 0            | n/a          |
| <b>Total</b>                 | <b>(426)</b> | <b>(155)</b> | <b>174%</b> | <b>(1,024)</b> | <b>(478)</b> | <b>+114%</b> |

| Balance Sheet AED million  | 30 Sep 2011  | 31 Dec 2010  | Change (%)  | 31 Dec 2010  | 31 Dec 2009  | Change (%)  |
|----------------------------|--------------|--------------|-------------|--------------|--------------|-------------|
| Union Properties           | 782          | 1,282        | -39%        | 1,282        | 2,326        | -45%        |
| National General Insurance | 129          | 130          | 0%          | 130          | 116          | +12%        |
| Network International      | 1,343        | 3            | n/a         | 3            | 3            | 0%          |
| <b>Total</b>               | <b>2,254</b> | <b>1,415</b> | <b>+59%</b> | <b>1,415</b> | <b>2,445</b> | <b>-42%</b> |

\* Emirates NBD share of losses for Union Properties for Q1 2011 includes an amount of AED 74 million loss pertaining to the 2010 financial year



# Network International

## Strategic Partnership with Abraaj Capital

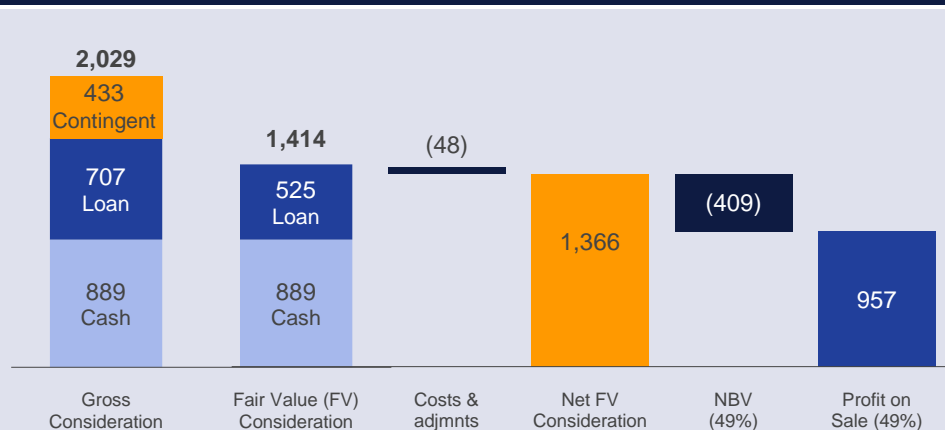
### Transaction Summary & Strategic Rationale

- On 22 December 2010, **Network International (NI)** entered into a **strategic partnership with Abraaj Capital (Abraaj)** to accelerate expansion of the company
- Abraaj acquired a 49% stake** in NI for a price of around **AED 2 billion** which included a sum contingent upon attainment of profitability targets and a portion financed by Emirates NBD
- All **relevant regulatory approvals were obtained** during Q1 2011 and the **transaction closed on 31 March 2011**
- NI is at a **strategic junction** where **significant growth opportunities** are available both organically and inorganically and has developed a focused strategy to expand into other high-growth geographies in the Middle East and Africa and the Indian Subcontinent
- In this context, the strategic partnership with **Abraaj will bring significant expertise and value** to the business
  - Accelerate the growth trajectory of NI through leveraging Abraaj's industry expertise and access to their portfolio companies
  - Extend NI's geographic presence (e.g. Pakistan, India, Turkey and Levant)
  - Develop global distribution and strategic alliances
  - Advance and execute successful acquisition strategies
  - Work with CEOs and CTOs to optimise technology strategy and processes

### Financial Impact on Emirates NBD

- In **2010**, the assets and liabilities were disclosed as **assets held for sale**
- In **H1 2011**:
  - Profit of AED 957 million on sale** of 49% stake recognised
  - Due to effective **joint control post-closing** NI ceased to be a subsidiary of the Group and was **accounted for as a jointly controlled entity**
  - The **remaining 51%** retained was **fair valued** at 31 March 2011, resulting in an **unrealised profit of AED 856 million**
  - Contingent earn-out** will be recognised as income once receipt is **virtually certain**

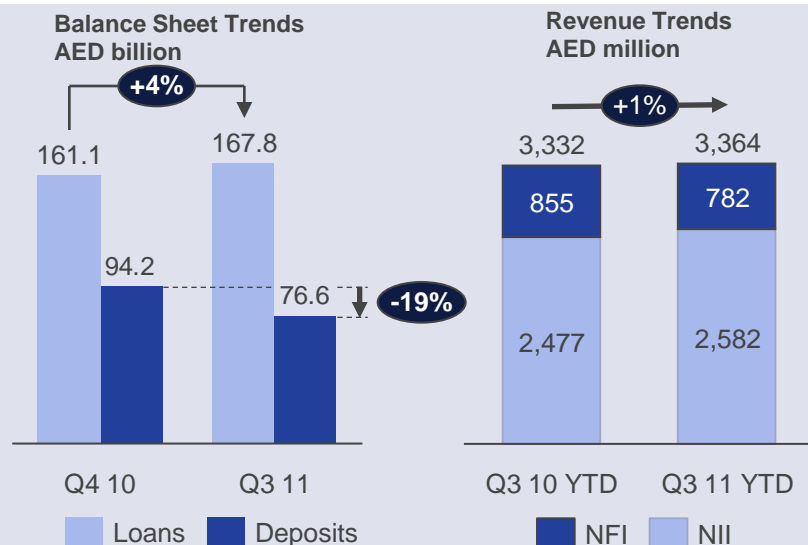
### Calculation of Initial Profit on the Transaction (AED million)



# Divisional Performance

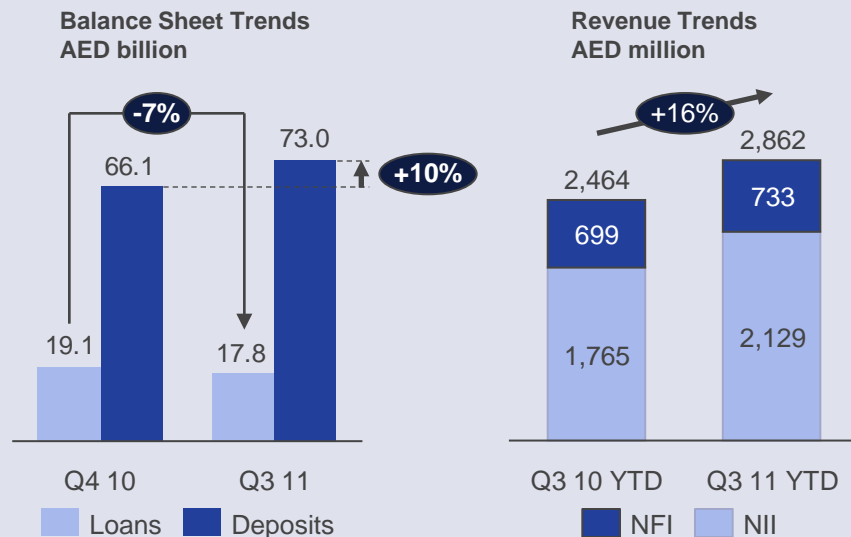
## Wholesale Banking

- **Key focus** during the period was on balance sheet optimisation, continued proactive management of credit quality, building non-risk based and fee generating businesses and selective growth in new underwriting
- **Revenue increased 1% compared to the same period last year** as 4% growth in Net Interest Income was partly offset by lower Fee Income
- **Loans** rose by 4% from end-2010 evidencing a pickup in new underwriting during the period.
- **Deposits** declined 19% from end-2010 due to balance sheet management initiatives and increased deposit competition in the sector



## Consumer Banking & Wealth Management

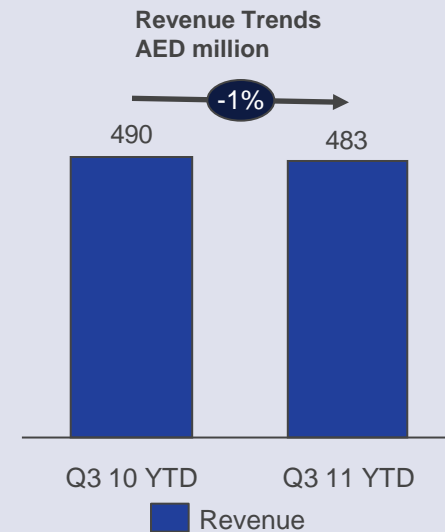
- CWM **maintained its position** in challenging market conditions
- **Continued expansion in Private Banking** business; now 70 RMs.
- **Revenue** improved 16% compared to the same period last year due to 21% growth in net interest income
- **Deposits** grew 10% from end-2010;
- **Loans** declined by 7% from end-2010 due to lower personal loan and mortgage balances
- Total number of **branches** now 110 through the addition of 2 branches in Dubai and 3 branches in Abu Dhabi during Q3 2011 YTD; the ATM & SDM network totals 641



# Divisional Performance

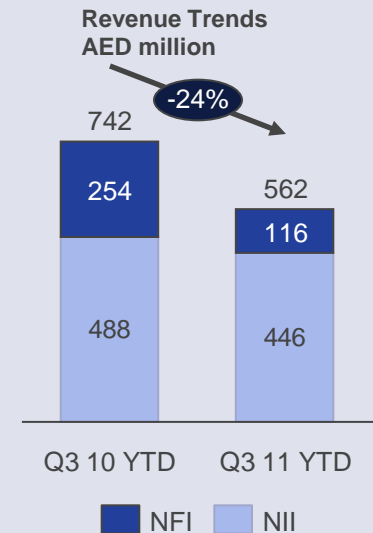
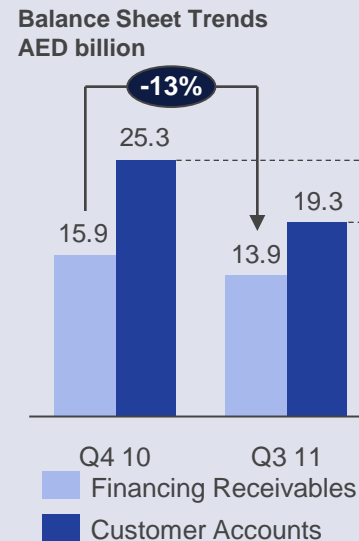
## Global Markets & Treasury

- Revenue was stable compared to the same period last year at AED 483 million during Q3 2011 YTD
- Globally financial markets remained volatile, adversely impacting the **Treasury Trading** business
- Persistent low interest rate environment continued to limit clients' propensity to hedge their interest rate exposure **although Treasury Sales recorded a moderate pickup in demand for balance sheet hedging products during Q3 2011**. Similarly, there was a greater demand for investment products.
- As a result of global currency volatility, currency hedging volumes improved in Q3 2011 resulting in increased foreign exchange flow business.



## Emirates Islamic Bank

- EIB revenue decreased by 24% compared to the same period last year to AED 562 million during Q3 2011 YTD (net of customers' share of profit), due to lower income from investment securities
- Financing receivables declined 13% to AED 13.9 billion from end-2010
- Customer accounts declined by 24% to AED 19.3 billion from end-2010
- Total number of EIB **branches** now 32 through the addition of 1 branch in Abu Dhabi and 1 branch in Sharjah during Q3 2011 YTD; the ATM & SDM network totals 98



*Note: Stand-alone Financial Statements for Emirates Islamic Bank may differ from these results due to consolidation adjustments*

Operating Environment

Emirates NBD Profile

Financial and Operating Performance

**Strategy and Outlook**

# Strategic Imperatives are Evolving

## Gradual Shift in Focus from Strengthening the Bank to Growth Acceleration



- 1. Optimise Balance Sheet**
  - Capitalisation
  - Liquidity
- 2. Enhance Profitability**
  - Operating efficiency
  - Margins and fee generation
- 3. Enhance Risk Management**
- 4. Selective Investment in Growth Areas**

- 1. Optimise Balance Sheet**
  - Capital allocation
  - Funding Efficiency
- 2. Drive Profitability**
  - Key account planning
  - Customer service/retention
- 3. Enhance Platforms**
- 4. Measured Investment in Growth Areas**

# Strategic Imperatives for 2011

|  | Objectives   | Evidence of Success in H1 2011   |
|--|--|--|
| <b>Optimise Balance Sheet and Capital allocation</b> | <ul style="list-style-type: none"> <li>▪ <b>Increase lending activities in identified pockets of growth</b>, e.g. SME lending, cards, ...</li> <li>▪ <b>Further diversifying funding sources</b> with a focus on <b>reducing cost of funding</b></li> <li>▪ <b>Review all Group companies</b> (subsidiaries and associate companies) and <b>decide on divestment opportunities, increasing stakes or complementary acquisitions</b></li> </ul>   | <ul style="list-style-type: none"> <li>▪ Completed bank-wide <b>economic profit framework</b></li> <li>▪ <b>Conducted LT2 exchange offer</b> to extend maturity of liabilities at attractive rates</li> <li>▪ <b>Closed sale of 49% stake in Network International</b> at lucrative PE multiple of 21 and recognised <b>gain of AED 1.8 billion</b></li> </ul>   |
| <b>Drive Profitability</b>                           | <ul style="list-style-type: none"> <li>▪ Management focus on <b>yield optimisation</b></li> <li>▪ <b>Extending Key account planning</b> capturing a larger share of wallet of existing broad customer base through cross-sell Treasury and Investment Banking services to corporate clients</li> <li>▪ Increasing fee income through <b>enhanced sales efficiency</b> for FX, investment and banc-assurance products</li> <li>▪ <b>Improve customer retention and deliver distinctive customer service</b></li> <li>▪ Continue implementation of revised <b>spend control processes</b></li> <li>▪ Capturing significant efficiency and process improvements through <b>Outsourcing</b></li> </ul> | <ul style="list-style-type: none"> <li>▪ <b>Reduced deposit funding costs</b> by 27 bps from Q4 2010</li> <li>▪ <b>Used Key account planning to</b> capture larger share of trade finance business of existing customers; pilot being rolled out across the Corporate network</li> <li>▪ <b>Increasing fee income in CWM</b> by 5% y-o-y through enhanced sales efficiency (i.e. cards acquisition increased by 80%) and build-up of wealth management and bancassurance team for Retail and Priority banking</li> <li>▪ <b>Progressing well on evaluating outsourcing options</b> to increase process efficiency and reduce cost</li> </ul> |

# Strategic Imperatives for 2011

|  | Objectives  | Evidence of Success in H1 2011  |
|--|---|---|
| <b>Enhance Platforms</b>                           | <ul style="list-style-type: none"> <li>▪ <b>Further enhance employee proposition</b> through talent/leadership development as well as performance and retention management</li> <li>▪ Continued <b>enhancement of the Group wide Risk strategy</b> and alignment of policies to defined risk appetite</li> <li>▪ <b>Roll-out of Group wide service Excellence effort</b> as part of a change management program along all customer touch points</li> <li>▪ Continuously <b>upgrading and enhancing IT platforms</b></li> </ul>  | <ul style="list-style-type: none"> <li>▪ <b>Launched Managerial Leadership Program</b> in partnership with HULT International Business School</li> <li>▪ <b>Risk Strategy revised</b> ; bank-wide roll-out and integration with economic profit framework planned in H2</li> <li>▪ <b>Service improvements</b> through rigorous analysis of findings from customer surveys and mystery shopping; front-line program designed and being rolled-out over next quarters</li> <li>▪ <b>Further strengthen IT platforms for international locations:</b> FinnOne roll-out in KSA and Finacle roll-out in London</li> </ul>   |
| <b>Measured Investment in Platforms for Growth</b> | <ul style="list-style-type: none"> <li>▪ <b>Exploit domestic opportunities</b> <ul style="list-style-type: none"> <li>– Implementation of Private Banking growth plan and strengthening SME segment</li> <li>– Continued distribution network expansion / optimisation</li> <li>– Continued roll-out of Abu Dhabi growth plan</li> </ul> </li> <li>▪ <b>Exploit international opportunities</b> <ul style="list-style-type: none"> <li>– Implementation of organic growth plan for KSA and detailing growth strategies for all other existing locations</li> <li>– Proactively pursuing inorganic regional expansion opportunities</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ <b>Exploit domestic opportunities</b> <ul style="list-style-type: none"> <li>– Further increase of Private Banking RMs and build-up of SME team (increase of around 30 RMs across these businesses)</li> <li>– 7 new branches, 2 in Dubai, 4 in Abu Dhabi and 1 in Sharjah taking total number of branches to 142, plan to open at least 10 more branches in 2011 across the UAE</li> <li>– Direct sales force team almost doubled to 690 FTE</li> </ul> </li> <li>▪ <b>Exploit international opportunities</b> <ul style="list-style-type: none"> <li>– Establishing KSA onshore wealth management platform for PB and Retail Business, further build-up of alternate channels including increase of DSF from around 60 to 200</li> </ul> </li> </ul> |



- While conditions in the local economy improved in H1 2011, **global economic developments in Q3 2011 are starting to have an impact on local and regional activity**
  - Estimated UAE GDP growth for 2011 remains 4.6% largely on the back of higher oil production, but risks are skewed to the downside for 2012 in the context of recent global developments
  - UAE oil output continued to expand in Q3 2011 and is 8% higher than average 2010 output; the hydrocarbon sector is estimated to contribute around half of UAE GDP growth for 2011
  - PMI data indicated strong private sector growth in H1 2011, but Q3 2011 data showed a sharp slowdown in private sector activity, reflecting the impact of weaker global growth although potentially impacted by seasonal factors
  - Domestic liquidity conditions improved during H1 2011, although Q3 witnessed some evidence of tighter liquidity conditions with sector deposit growth slowing and bank deposits with the Central Bank declining
  - The improving fundamentals in H1 2011 were reflected in a narrowing of CDS spreads for both Abu Dhabi and Dubai, although these widened again in Q3 2011 due to increased risk aversion in global capital markets
  - Private sector credit growth in the UAE remained subdued during Q3 2011 reflecting continued deleveraging and heightened uncertainty resulting from global conditions
- **Despite a more cautious and uncertain outlook, Emirates NBD is resilient and well placed to take advantage of growth opportunities in selected areas**
  - Capitalisation and liquidity continue to be extremely strong, offering resilience and flexibility for the future
  - The Bank has a clear strategy in place to invest in and take advantage of selected growth opportunities





▶ **Robust operating performance** with stable pre-impairment profit at AED 5.0 billion for Q3 2011 YTD

▶ **Top-line trends for Q3 2011 YTD encouraging** with 3% y-o-y growth in both net interest income and core fee income.

▶ Continuation of balance sheet **de-risking** and **increased conservatism on provisioning** resulted in **increased impairment allowances** of AED 3.9 billion for Q3 2011 YTD

▶ **Capitalisation and liquidity** continue to be **extremely strong**, offering resilience and flexibility for the future

▶ Emirates NBD has a **clear strategy** in place to take advantage of of selected growth opportunities

---

# APPENDIX A

Awards



Emirates NBD Capital named “Best investment bank in the UAE” by Global Finance



“Human Resources Development in Banking and Financial sector” Award for 2010 at the Sharjah Career Fair 2011



“Best Private Banking Services Overall in UAE” Award in 2011 by Euromoney



“Best bank in the UAE” for the year 2011 by Global Finance

# 2011 Awards



“E-Banking Excellence” Award for 2011 the Middle East Excellence Awards Institute 2011



“The Leading PR/Marketing Company” by Arab Achievement Award 2011



“Best Fund Management Company” at Arab Achievement Awards 2011



“Marketing Department of the Year” at 2011 International Business Awards SM



“Asia’s Best Brand at 2011” CMO Asia Awards for Excellence in Branding and Marketing



“Best Corporate Account” and “Best Business Banking Promotion” at Banker Middle East Product Awards 2011



“The largest financial services contributor to foreign direct investment (FDI) in Saudi Arabia in 2010, by the Saudi Arabian General Investment Authority (SAGIA)

# APPENDIX B

## Key Deals

# Large Deals Concluded 2011

June 2011



DEPARTMENT OF  
FINANCE

USD 500,000,000  
5.591% BEARER NOTES  
DUE 2016

*Joint Bookrunner*



June 2011

EMIRATES AIRLINES



USD 1,000,000,000  
5.125% NOTES DUE  
2016

*Joint Bookrunner*



June 2011

NATIONAL BANK OF  
FUJAIRAH



USD 235,000,000 CLUB  
TERM LOAN FACILITY

*Initial Mandated Lead  
Arrangers & Bookrunners*



July 2011

IS BANK



USD 500,000,000  
TERM LOAN FACILITY

*Mandated Lead Arranger*



August 2011

EMIRATES AIRLINES



USD 645,000,000  
MULTI TRANCHE  
AIRCRAFT FINANCING

*Mandated Lead Arranger*



August 2011

OLAM



USD 1,250,000,000  
SYNDICATED TERM  
LOAN FACILITY

*Mandated Lead Arranger &  
Bookrunner*



September 2011

PORTS AND FREE  
ZONE WORLD FZE

USD 850,000,000  
SECURED TERM LOAN  
FACILITY

*Mandated Lead Arrangers,  
Underwriters and  
BookRunners*



September 2011

URALSIB BANK



USD 110,000,000  
SYNDICATED TERM  
LOAN FACILITY  
SEPTEMBER 2011

*Mandated Lead Arrangers and  
BookRunners*



September 2011

ALBARAKA GROUP



USD 350,000,000  
DUAL-CURRENCY  
SYNDICATED  
MURABAHA FINANCING  
FACILITY

*Initial Mandated Lead Arranger  
& Bookrunner*



# APPENDIX C

Asset Quality Disclosures



# Additional Asset Quality Disclosures

## Investment /CDS Income and Impairments

| AED million                       | Q1 08        | Q2 08       | Q3 08          | Q4 08          | 2008           | Q1 09        | Q2 09      | Q3 09      | Q4 09        | 2009         | Q1 10      | Q2 10       | Q3 10        | Q4 10      | 2010         | Q1 11       | Q2 11      | Q3 11        |
|-----------------------------------|--------------|-------------|----------------|----------------|----------------|--------------|------------|------------|--------------|--------------|------------|-------------|--------------|------------|--------------|-------------|------------|--------------|
| <b>Income:</b>                    |              |             |                |                |                |              |            |            |              |              |            |             |              |            |              |             |            |              |
| Investment Securities             | 31           | 49          | (265)          | (504)          | (689)          | 6            | 241        | 120        | 54           | 421          | 172        | (7)         | 143          | 48         | 356          | (12)        | 72         | 64           |
| CDS                               | (111)        | 21          | (107)          | (258)          | (455)          | (70)         | 248        | 157        | (105)        | 230          | 71         | 1           | 42           | 61         | 175          | 24          | 29         | (10)         |
| <b>Total Income Impact</b>        | <b>(80)</b>  | <b>70</b>   | <b>(372)</b>   | <b>(762)</b>   | <b>(1,144)</b> | <b>(64)</b>  | <b>489</b> | <b>277</b> | <b>(51)</b>  | <b>651</b>   | <b>243</b> | <b>(6)</b>  | <b>185</b>   | <b>109</b> | <b>531</b>   | <b>12</b>   | <b>101</b> | <b>54</b>    |
| <b>Impairments:</b>               |              |             |                |                |                |              |            |            |              |              |            |             |              |            |              |             |            |              |
| Investment Securities             | (193)        | (140)       | (207)          | (471)          | (1,011)        | (144)        | (58)       | (64)       | (82)         | (348)        | (35)       | (44)        | (76)         | (105)      | (260)        | (35)        | (57)       | (27)         |
| <b>Total P&amp;L Impact</b>       | <b>(273)</b> | <b>(70)</b> | <b>(579)</b>   | <b>(1,233)</b> | <b>(2,155)</b> | <b>(208)</b> | <b>431</b> | <b>213</b> | <b>(133)</b> | <b>303</b>   | <b>208</b> | <b>(50)</b> | <b>109</b>   | <b>4</b>   | <b>271</b>   | <b>(23)</b> | <b>44</b>  | <b>27</b>    |
| <b>Balance Sheet:</b>             |              |             |                |                |                |              |            |            |              |              |            |             |              |            |              |             |            |              |
| Fair Value Reserves               | (225)        | 359         | (465)          | (1,479)        | (1,810)        | (128)        | 523        | 197        | 324          | 916          | 307        | 35          | (329)        | 751        | 764          | 127         | 121        | (112)        |
| <b>Total Balance Sheet Impact</b> | <b>(225)</b> | <b>359</b>  | <b>(465)</b>   | <b>(1,479)</b> | <b>(1,810)</b> | <b>(128)</b> | <b>523</b> | <b>197</b> | <b>324</b>   | <b>916</b>   | <b>307</b> | <b>35</b>   | <b>(329)</b> | <b>751</b> | <b>764</b>   | <b>127</b>  | <b>121</b> | <b>(112)</b> |
| <b>Overall Impact:</b>            |              |             |                |                |                |              |            |            |              |              |            |             |              |            |              |             |            |              |
| Total Investment Securities       | (387)        | 268         | (937)          | (2,454)        | (3,510)        | (266)        | 706        | 253        | 296          | 989          | 444        | (16)        | (262)        | 694        | 860          | 80          | 136        | (75)         |
| CDS                               | (111)        | 21          | (107)          | (258)          | (455)          | (70)         | 248        | 157        | (105)        | 230          | 71         | 1           | 42           | 61         | 175          | 24          | 29         | (10)         |
| <b>Total Impact</b>               | <b>(498)</b> | <b>289</b>  | <b>(1,044)</b> | <b>(2,712)</b> | <b>(3,965)</b> | <b>(336)</b> | <b>954</b> | <b>410</b> | <b>191</b>   | <b>1,219</b> | <b>515</b> | <b>(15)</b> | <b>(220)</b> | <b>755</b> | <b>1,035</b> | <b>104</b>  | <b>165</b> | <b>(85)</b>  |

Note: Investments/CDS income includes dividend income and realised /unrealised gains/(losses) on investment, trading and CDS securities

# Additional Asset Quality Disclosures (cont'd)

## Credit Metrics

| AED million   | Q1 08          | Q2 08          | Q3 08          | Q4 08          | 2008           | Q1 09          | Q2 09          | Q3 09          | Q4 09          | 2009           | Q1 10          | Q2 10          | Q3 10          | Q4 10          | 2010           | Q1 11          | Q2 11          | Q3 11          |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>P&amp;L Impairment Allowances:</b>                           |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Credit – Specific   | 32             | 99             | 58             | 242            | 431            | 94             | 584            | 473            | 533            | 1,684          | 442            | 481            | 1,203          | 469            | 2,595          | 706            | (57)           | 1,668          |
| Credit – PIP  | 38             | 10             | 33             | 130            | 211            | 224            | 507            | 226            | 330            | 1,287          | 78             | 468            | (338)          | 127            | 335            | 16             | 343            | 476            |
| Other - PIP   | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | 200            | 300            | (500)          | -              | 612            | 638            | (600)          |
| Investment Securities   | 193            | 140            | 207            | 471            | 1,011          | 144            | 58             | 64             | 82             | 348            | 35             | 44             | 76             | 105            | 260            | 35             | 57             | 27             |
| <b>Total Impairment Allowances</b>                              | <b>263</b>     | <b>249</b>     | <b>298</b>     | <b>843</b>     | <b>1,653</b>   | <b>462</b>     | <b>1,149</b>   | <b>763</b>     | <b>945</b>     | <b>3,319</b>   | <b>555</b>     | <b>1,193</b>   | <b>1,241</b>   | <b>201</b>     | <b>3,190</b>   | <b>1,369</b>   | <b>981</b>     | <b>1,571</b>   |
| <b>Balance Sheet Impairment Allowances:</b>                     |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Credit – Specific   | 1,452          | 1,472          | 1,523          | 1,762          | 1,762          | 1,864          | 2,428          | 2,903          | 3,417          | 3,417          | 3,756          | 4,205          | 5,404          | 5,864          | 5,864          | 6,554          | 6,481          | 8,128          |
| Credit – PIP  | 317            | 418            | 441            | 571            | 571            | 795            | 1,301          | 1,528          | 1,858          | 1,858          | 1,936          | 2,403          | 2,066          | 2,193          | 2,193          | 2,209          | 2,552          | 3,028          |
| Other - PIP   | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              | 200            | 500            | -              | -              | 612            | 1,250          | 650            |
| Investment Securities   | 0              | 0              | 10             | 981            | 981            | 1,016          | 1,073          | 1,068          | 673            | 673            | 411            | 326            | 268            | 265            | 265            | 270            | 267            | 263            |
| <b>Total Impairment Allowances</b>                              | <b>1,769</b>   | <b>1,890</b>   | <b>1,973</b>   | <b>3,314</b>   | <b>3,314</b>   | <b>3,675</b>   | <b>4,802</b>   | <b>5,499</b>   | <b>5,947</b>   | <b>5,947</b>   | <b>6,103</b>   | <b>7,133</b>   | <b>8,238</b>   | <b>8,322</b>   | <b>8,322</b>   | <b>9,645</b>   | <b>10,550</b>  | <b>12,069</b>  |
| <b>Impaired Loans:</b>  |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Credit  | 1,723          | 1,816          | 1,847          | 1,976          | 1,976          | 2,548          | 3,382          | 4,060          | 5,041          | 5,041          | 5,717          | 6,087          | 16,671         | 20,201         | 20,201         | 20,913         | 18,655         | 26,581         |
| Investment Securities   | 262            | 220            | 233            | 1,316          | 1,316          | 1,316          | 1,316          | 1,201          | 789            | 789            | 526            | 435            | 363            | 361            | 361            | 371            | 369            | 360            |
| <b>Total Impaired Loans</b>                                     | <b>1,984</b>   | <b>2,035</b>   | <b>2,081</b>   | <b>3,292</b>   | <b>3,292</b>   | <b>3,864</b>   | <b>4,698</b>   | <b>5,261</b>   | <b>5,830</b>   | <b>5,830</b>   | <b>6,243</b>   | <b>6,522</b>   | <b>17,034</b>  | <b>20,562</b>  | <b>20,562</b>  | <b>21,284</b>  | <b>19,024</b>  | <b>26,941</b>  |
| <b>Loans &amp; Receivables, gross of impairment allowances:</b> |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |                |
| Credit  | 174,508        | 187,115        | 202,267        | 209,870        | 209,870        | 215,729        | 219,102        | 220,427        | 218,994        | 218,994        | 216,936        | 210,089        | 208,608        | 204,758        | 204,758        | 203,418        | 203,140        | 207,949        |
| Investment Securities   | 3,145          | 2,720          | 2,587          | 2,374          | 2,374          | 2,344          | 2,332          | 2,183          | 1,569          | 1,569          | 1,122          | 791            | 775            | 660            | 660            | 671            | 567            | 558            |
| <b>Total Loans &amp; Receivables</b>                            | <b>177,653</b> | <b>189,835</b> | <b>204,854</b> | <b>212,244</b> | <b>212,244</b> | <b>218,073</b> | <b>221,434</b> | <b>222,610</b> | <b>220,563</b> | <b>220,563</b> | <b>218,058</b> | <b>210,880</b> | <b>209,383</b> | <b>205,418</b> | <b>205,418</b> | <b>204,089</b> | <b>203,707</b> | <b>208,507</b> |

**Investor Relations**

**PO Box 777**

**Emirates NBD Head Office, 4<sup>th</sup> Floor**

**Dubai, UAE**

**Tel: +971 4 201 2606**

**Email: [IR@emiratesnbd.com](mailto:IR@emiratesnbd.com)**

**Ben Franz-Marwick**

**Head, Investor Relations**

**Tel: +971 4 201 2604**

**Email: [bernhardf@emiratesnbd.com](mailto:bernhardf@emiratesnbd.com)**

**Shagorika Cairae**

**Senior Analyst, Investor Relations**

**Tel: +971 4 201 2620**

**Email: [cairaed@emiratesnbd.com](mailto:cairaed@emiratesnbd.com)**

**Emilie Froger**

**Buy-Side Manager, Investor Relations**

**Tel: +971 4 201 2606**

**Email: [emilierf@emiratesnbd.com](mailto:emilierf@emiratesnbd.com)**



**Emirates NBD**

