# Emirates NBD
# Investor Presentation

March 2012

# Important Information

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# Contents

# UAE Economic Update

## Highlights

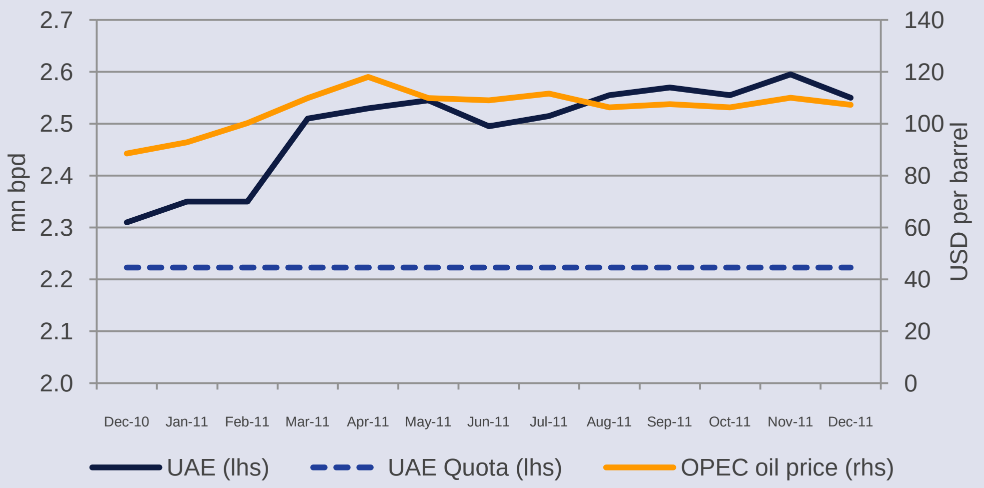
- Estimated **GDP growth to slow to 2.5% in 2012** from an expected 4.6% in 2011 due to boost from **higher oil production in 2011 (up 8.8% y/y)** which is unlikely to be repeated in 2012
- **Non-oil sector also likely to face headwinds from weaker global growth**, high uncertainty and risk aversion
- **PMI data shows non-oil private sector activity slowed in H2 2011,** as Eurozone crisis escalated and global growth slowed
- **Inflation in 2011 averaged 1%,** almost unchanged from the 0.9% recorded in 2010; **Inflation likely to remain modest in 2012**

## Real GDP Growth Forecasts

| | 2008 | 2009 | 2010 | 2011F | 2012F | 2013F |
|---|---|---|---|---|---|---|
| **UAE** | **3.3%** | **(1.6%)** | **1.4%** | **4.6%** | **2.5%** | **3.8%** |
| UK | (1.1%) | (4.9%) | 1.4% | 1.0% | 0.5% | 1.6% |
| Eurozone | 0.4% | (4.2%) | 1.9% | 1.5% | (0.4%) | 1.0% |
| Germany | 1.1% | (5.1%) | 3.7% | 3.0% | 0.5% | 1.5% |
| US | (0.3%) | (3.5%) | 3.0% | 1.5% | 1.5% | 2.5% |
| China | 9.6% | 9.2% | 10.3% | 9.0% | 8.0% | 8.4% |
| Japan | (1.1%) | (6.3%) | 4.0% | 0.0% | 2.0% | 1.4% |
| Singapore | 1.9% | (0.8%) | 14.9% | 5.0% | n/a | n/a |
| Hong Kong | 2.3% | (2.6%) | 7.0% | 5.0% | 3.0% | 4.4% |

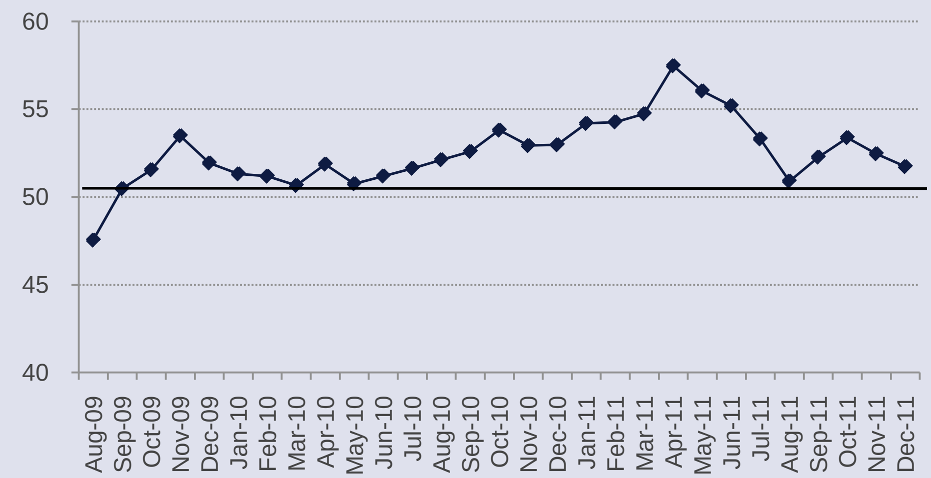
*Source: Global Insight, Emirates NBD forecasts, Bloomberg*

## Oil production on an upward trend in 2011




*Source: Bloomberg, Emirates NBD Research*

## UAE PMI – private sector expansion slows in H2 2011



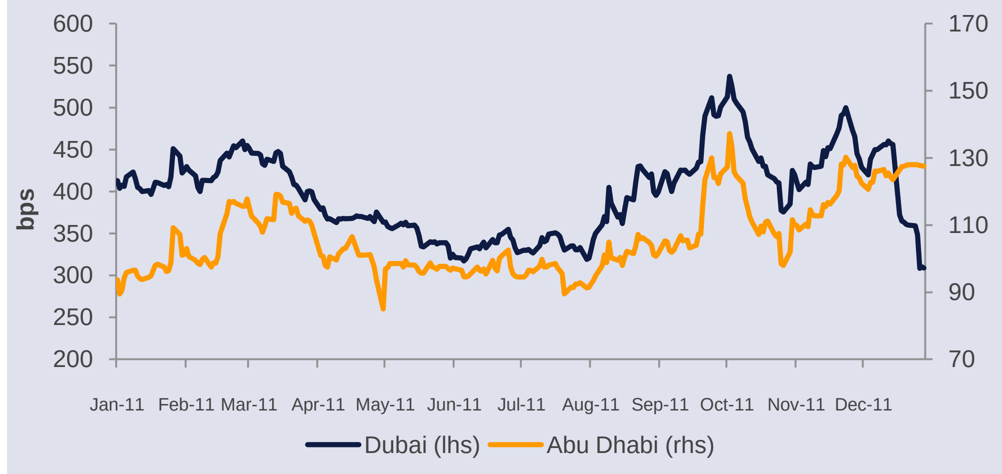

*Source: HSBC, Markit*

# UAE Economic Update (cont'd)

## Highlights

- **Currently liquidity conditions show improvement; at year-end though reported** decline in bank deposits and lower holdings of certificates of deposit by commercial banks
- Factors contributing to outflow in bank deposits seen in H2 2011
  - unwinding of the differential between UAE and US rates
  - debt repayments by GREs
  - increased remittance outflows as USD strengthened
  - deposit inflows in Q1 attributed to 'Arab Spring' have moved into other assets in the UAE such as property
- Tighter liquidity conditions could prevail into 2012, due to
  - higher LIBOR rates
  - demand for USD liquidity by European banks
  - European banks unwilling/unable to roll over loans maturing in 2012
  - continued deleveraging by GREs

## Trends in CDS spreads during 2011

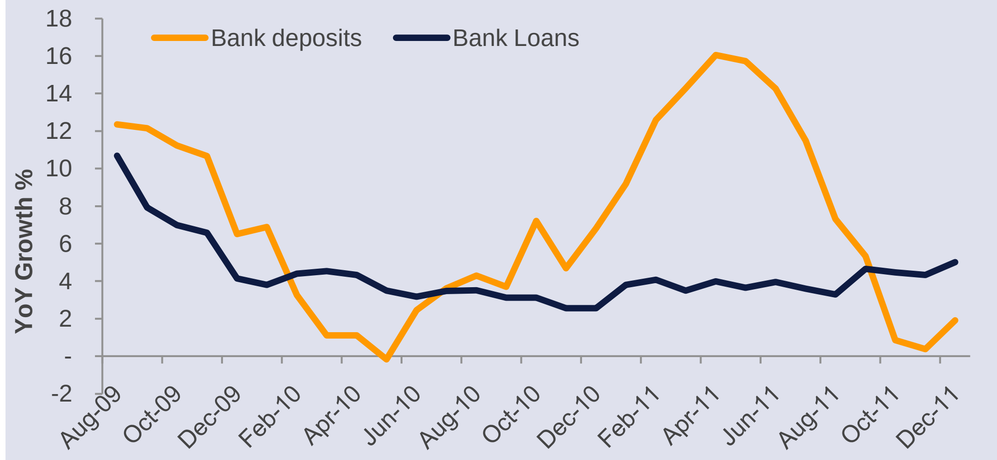



*Source: Bloomberg, Emirates NBD Research*

## EIBOR – LIBOR spread tightens further in 2011


*Source: Bloomberg*

## Bank deposit and loan growth



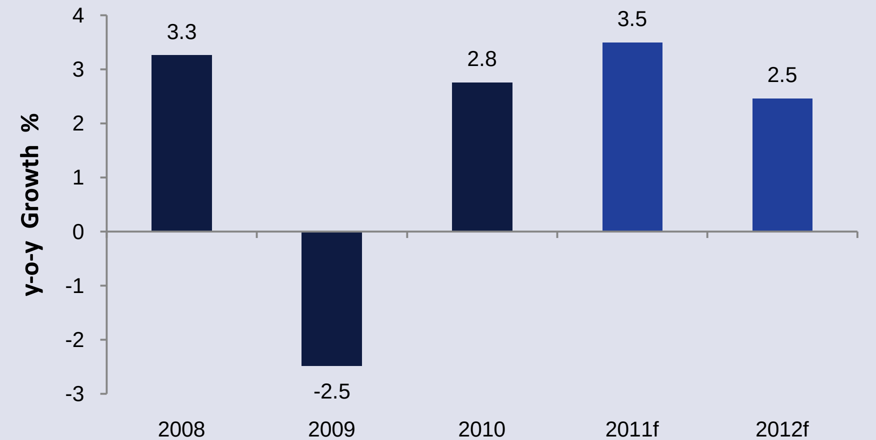

*Source: UAE Central Bank*

# Dubai Economic Update

## Highlights

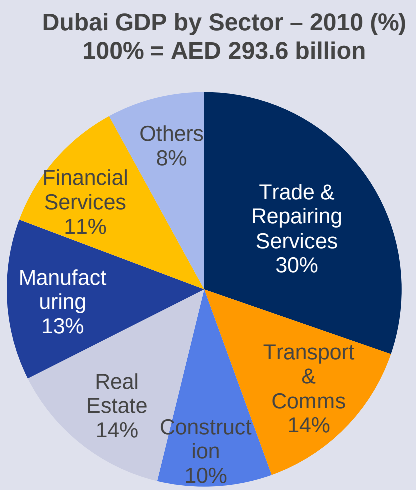
- 2011 GDP growth for Dubai is estimated at 3.5% vs. 2.8% in 2010
- Lowered GDP growth forecast for Dubai in 2012 to 2.5% in the context of global developments
- UAE is a global and regional trade hub, and non-oil trade is a key contributor to growth; transport, storage & communication, accounted for almost 9% of the UAE's GDP in 2010
- Slower economic growth in China and India are a bigger concern than recession in Europe, as these two Asian countries alone account for almost 20% of the total volume of UAE's non-oil trade

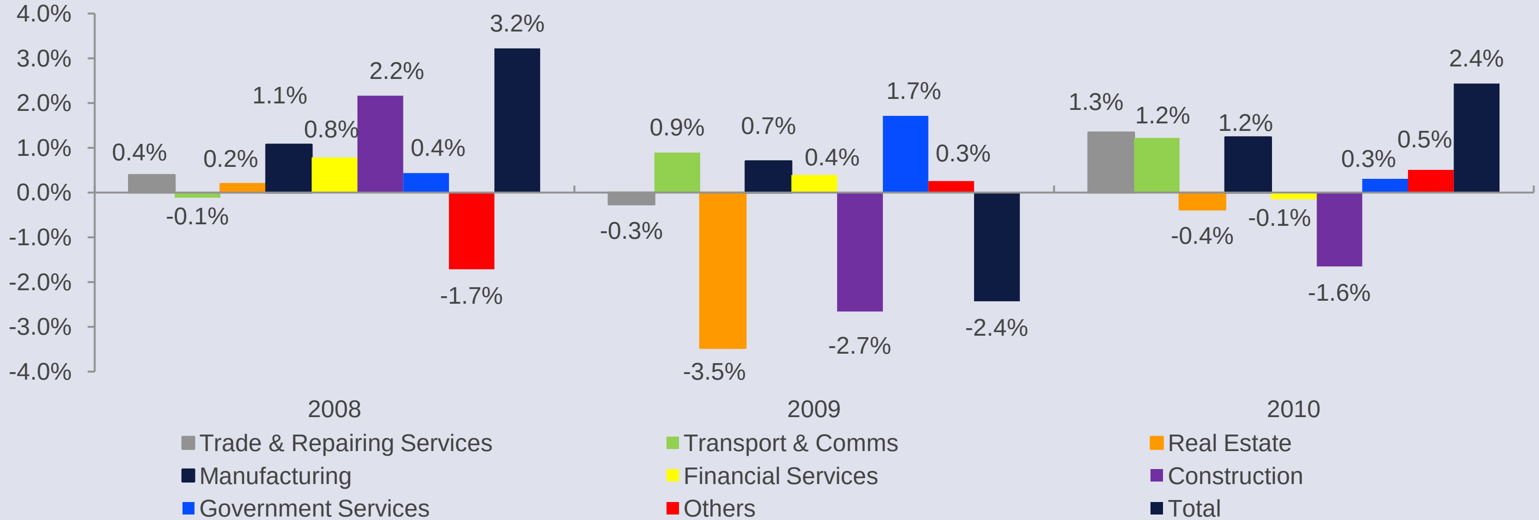
## Dubai: GDP growth set to decelerate




*Source: Dubai Statistics Centre, Emirates NBD Research*

## Contribution by sector to GDP growth




*Source: Dubai Statistics Centre, NBS*

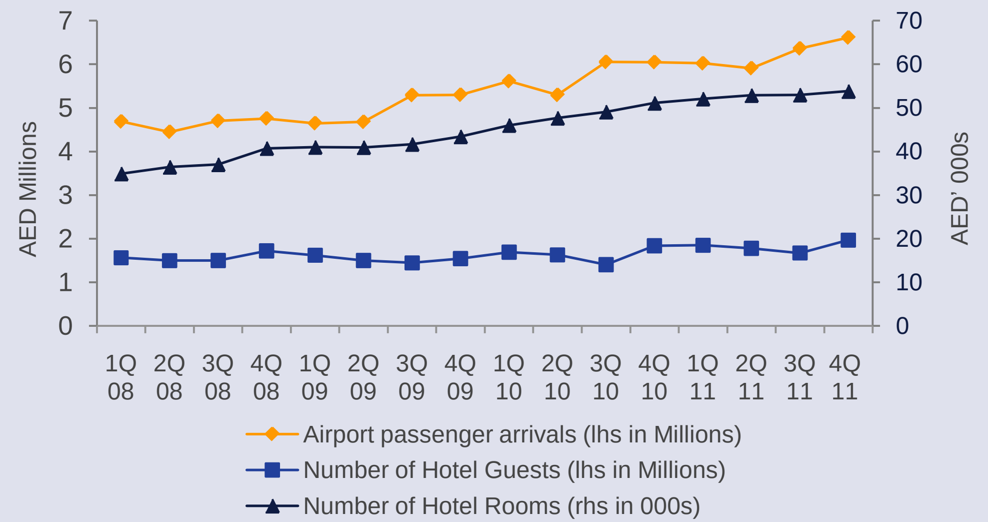
# Dubai Economic Update (cont'd)

## 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
- Airport passenger arrivals, no. of hotel rooms occupied and number of hotel guests have all shown a steadily increasing trend
- Dubai exports, re-exports and imports have been steadily growing

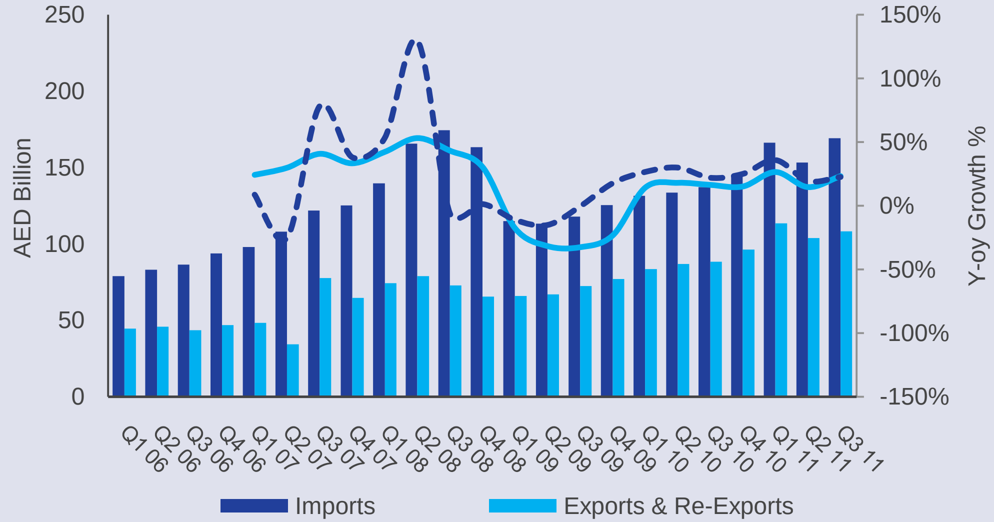
## Dubai's Strategic Location

## Dubai: Air passenger arrivals increase in H2 2011




*Source: Dubai Statistics Centre, Emirates NBD Research*

## Dubai: External trade growth remains strong



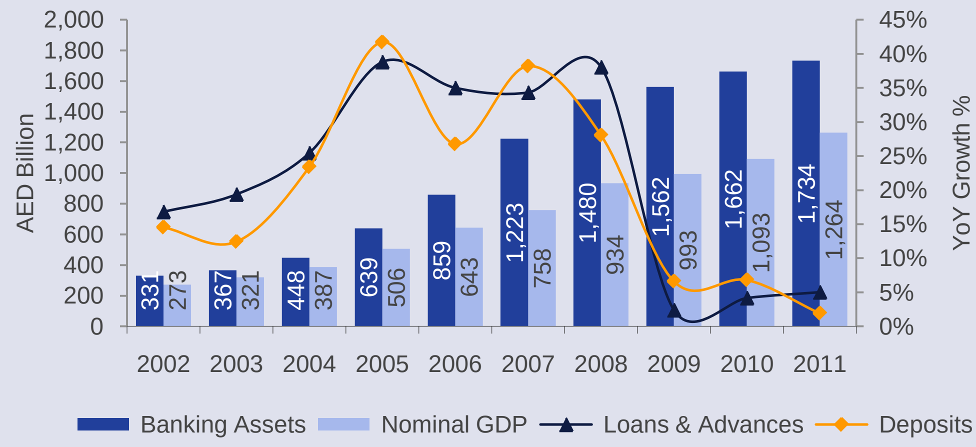

*Source: Dubai Statistics Centre, Emirates NBD Research*

# UAE Banking Market Update

## Highlights

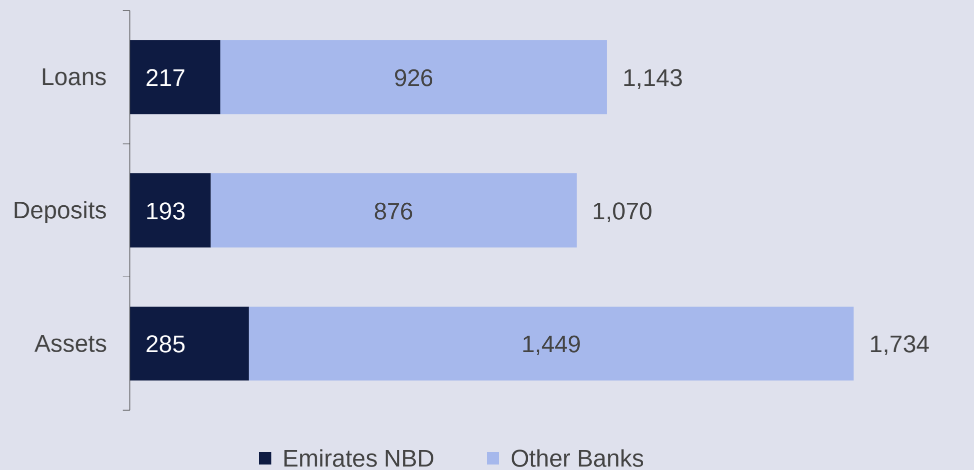
- **UAE Banking sector is the largest by assets in the GCC;** sector is dominated by 23 local banks which account for more than 75% of banking assets; 28 foreign banks account for the remainder
- **UAE Banking system liquidity tightened in 2008** due to outflow of c. AED 180 billion of speculative capital 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)

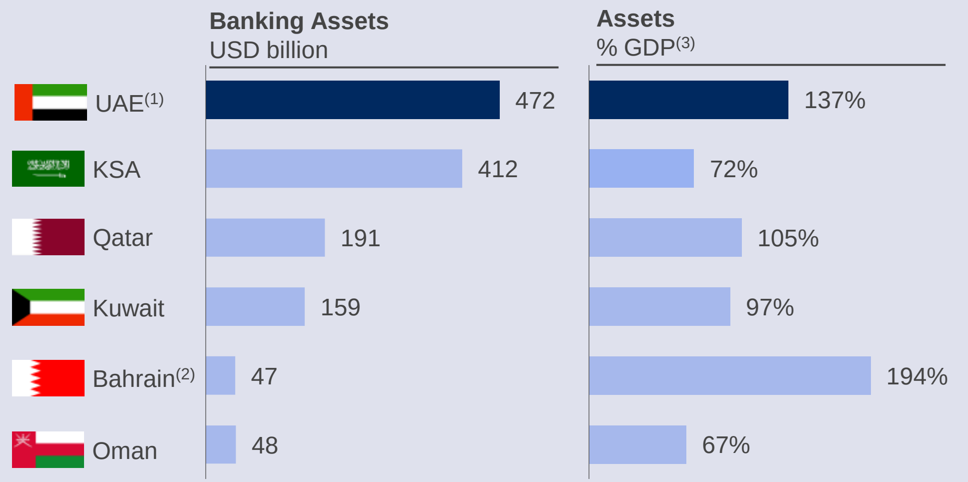



*Source: UAE Central Bank, EIU, Emirates NBD estimates; Banking Assets as at 31 Dec 2011*

## Composition of UAE Banking Market (AED billion)




*Source: UAE Central Bank 31 Dec 2011, ENBD data as of 31 Dec 2011.*
*Loans and Assets presented gross of impairment allowances*




*1) Includes Foreign Banks ; 2) Excludes Foreign Banks ; 3) GDP data is for FY 2011 forecasted.*
*UAE, KSA, Qatar, Kuwait, Bahrain and Oman as at 31 Dec 2011.*
*Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts*

# Contents

# Summary

- One of the largest financial institutions (by asset size) in the GCC
- Flagship bank for Dubai Government
- 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

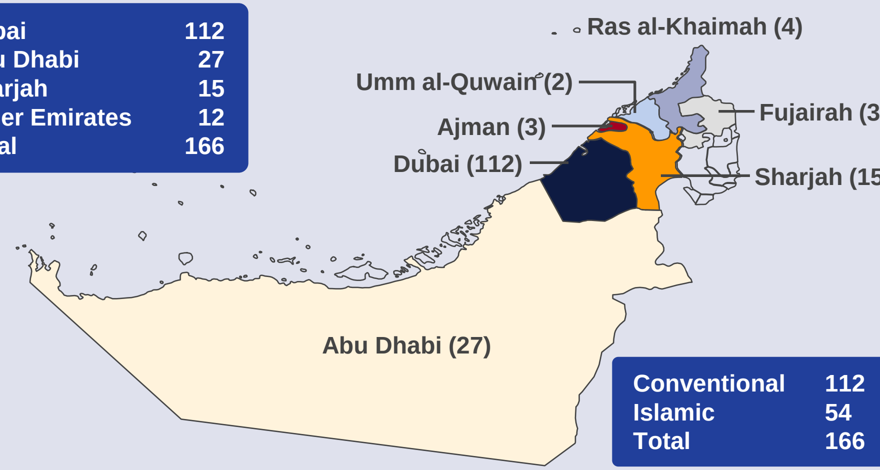
# Emirates NBD at a Glance

## Largest Bank in UAE

- **No.1 Market share in UAE** (at 31 Dec 2011):
  - Assets c.16%; Loans c.19%
  - Deposits c.18%
- **Retail market shares** (estimated):
  - Personal loans c.10%
  - Home loans c.7%
  - Auto loans (Originations c.12%; Book size c. 14%)
  - Credit cards c.15%
  - Debit cards c.20%
- **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 | 112 |
| Abu Dhabi | 27 |
| Sharjah | 15 |
| Other Emirates | 12 |
| Total | 166 |




| | |
|---|---|
| Conventional | 112 |
| Islamic | 54 |
| Total | 166 |

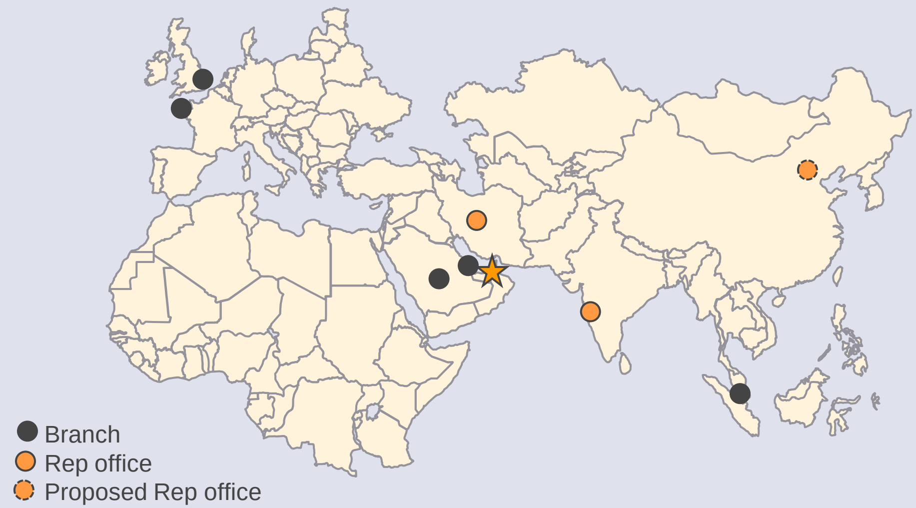
*Includes 21 branches added due to Dubai Bank acquisition

## Credit Ratings

| | Long Term | Short Term | Outlook |
|---|---|---|---|
| Moody's | A3 | P-2 | Negative |
| Fitch Ratings | A+ | F1 | Stable* |
| CAPITAL intelligence | A+ | A1 | Negative |

*Individual Rating "c" and Viability rating of "bbb" on Rating Watch Negative

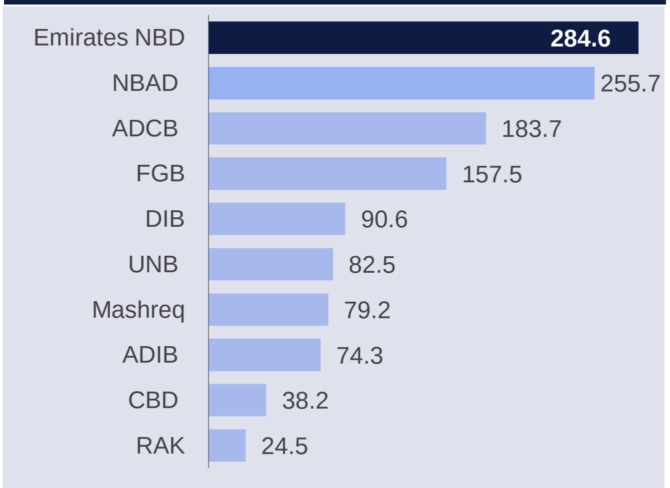
## International Presence



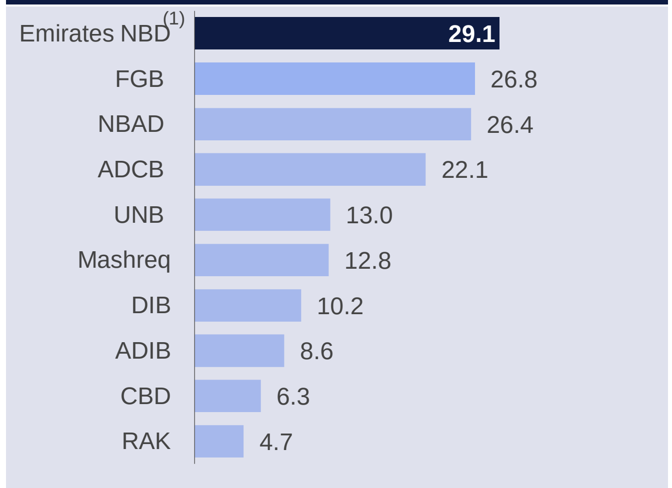
# Emirates NBD is the Largest Bank in the UAE and one of the largest in the GCC by Assets

as at 31 Dec 2011

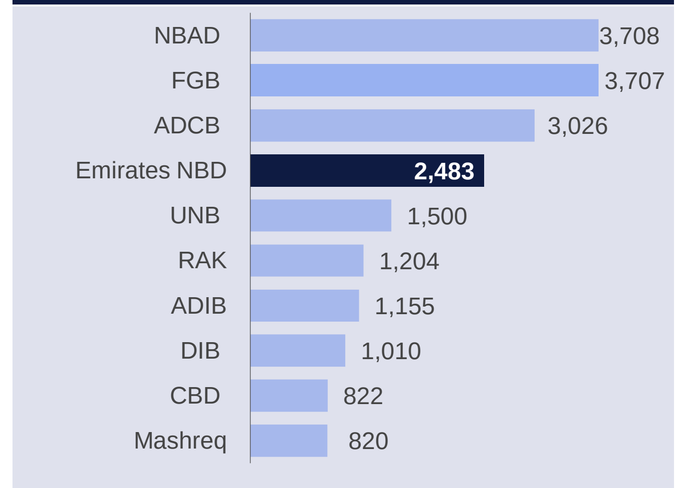
## UAE Ranking by Assets (AED billion)



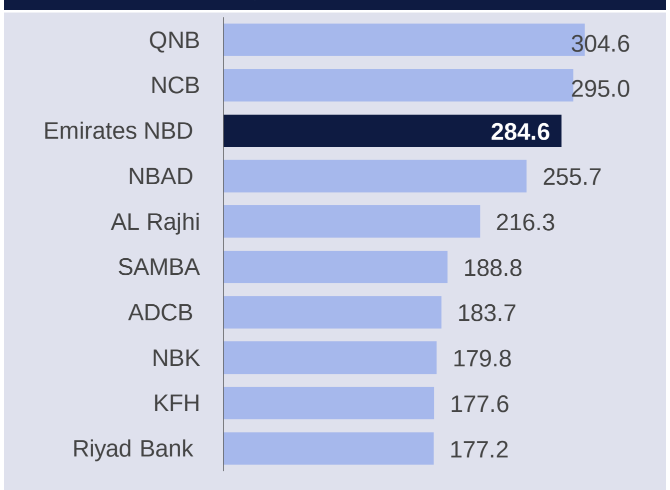

## UAE Ranking by Equity (AED billion)



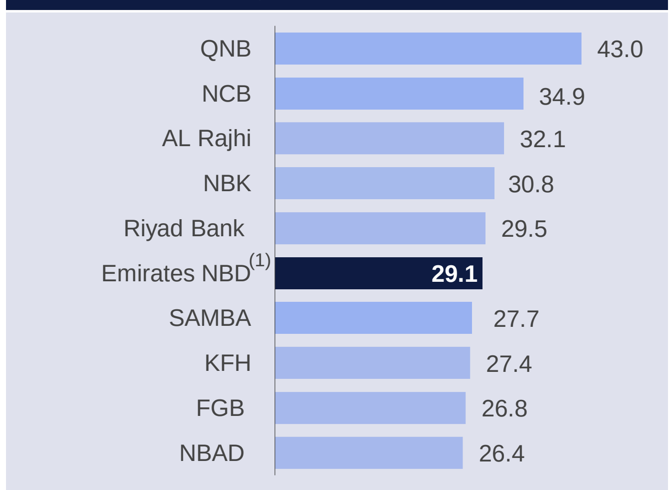

## UAE Ranking by Profits (AED million)



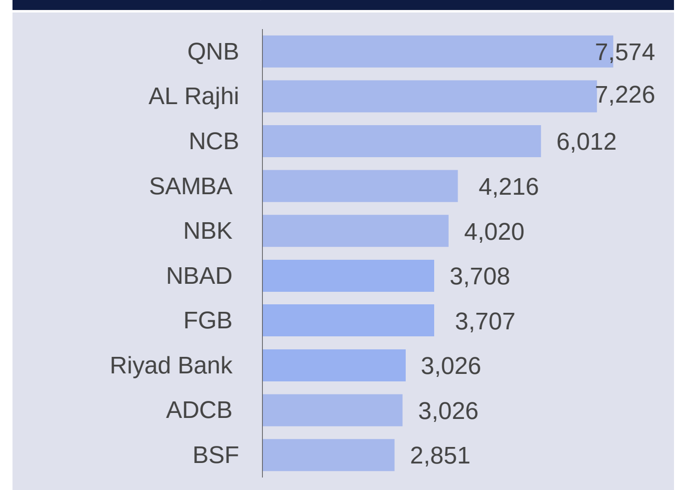

## GCC Ranking by Assets (AED billion)




## GCC Ranking by Equity (AED billion)




## GCC Ranking by Profits (AED million)

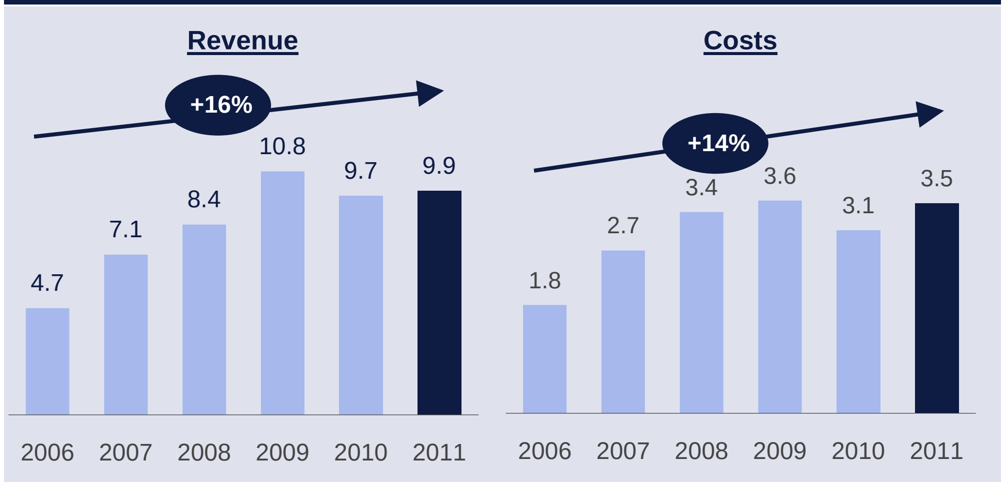



*(1) Shareholders' Equity for Emirates NBD is AED 35 billion. The number shown is Tangible Shareholder's Equity which excludes goodwill and intangibles.*
*Source: Bank Financial Statements and Press Releases for 31 Dec 2011, Bloomberg*

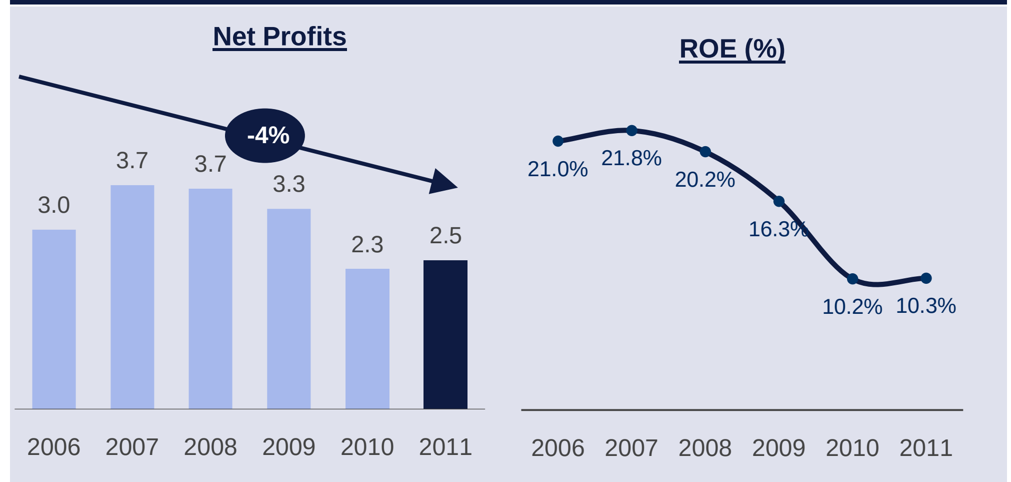
# Contents

# Profit and Balance Sheet Growth in Recent Years

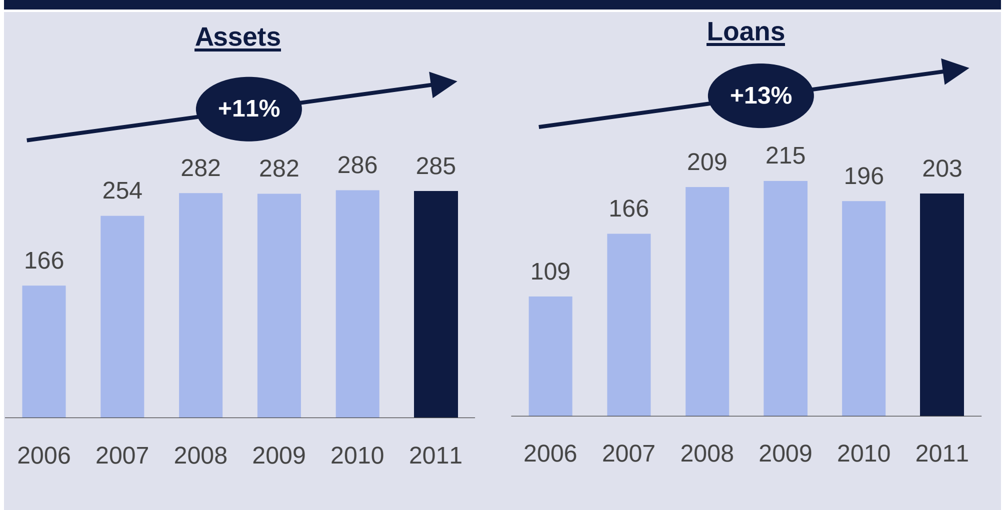
## Revenues and Costs (AED billion)



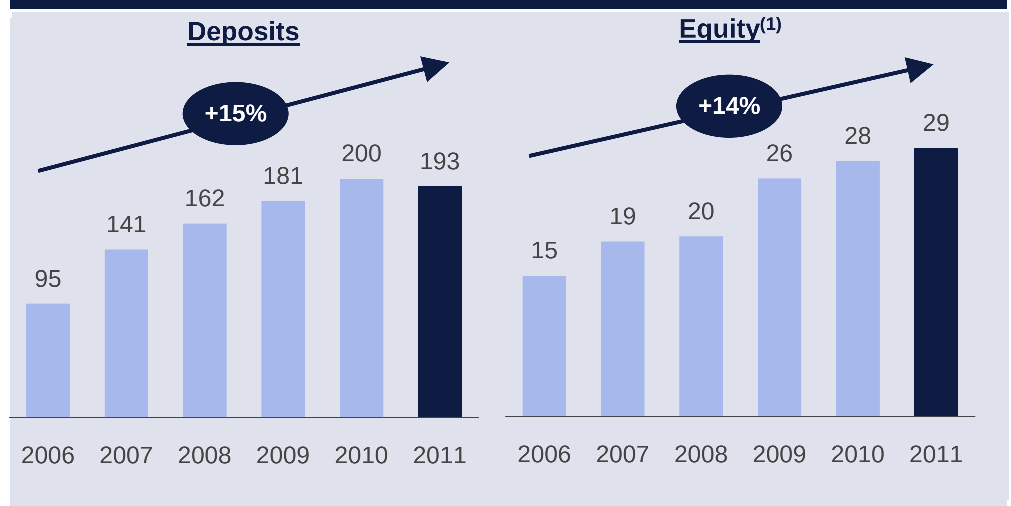

## Net Profits (AED billion) and Return on Equity (%)




## Assets and Loans (AED billion)




## Deposits and Equity (AED billion)




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

# Financial Highlights
## 2011

### 2011 Financial Results Highlights

- **Net profit of AED 2.5 billion**, +6% vs. 2010
- **Net interest income grew 7% y-o-y** to **AED 7.3 billion** due to net interest margin improvement to 2.68% in 2011 from 2.52% in 2010
- **Non-interest income declined** by 9% y-o-y due to impact of non-core items; however **core fee income grew 8% y-o-y**
- **Costs increased by 15% y-o-y from** AED 3.1 billion to AED 3.5 billion in 2011 resulting from **investment in future growth opportunities** and **additional depreciation** on buildings commissioned in Q4 2011; Cost to Income Ratio was at 35.3% in 2011 vs 31.4% in 2010
- Continuation of balance sheet **de-risking** and **conservatism on provisioning** resulted in **impairment allowances of AED 5 billion** and **write-down** in book value of **Union Properties investment of AED 750 million in 2011**
- **Gain on Network International transaction** of **AED 1.8 billion**
- Signs of modest **pickup in new underwriting** with 4% y-o-y growth in net loans
- **Deposits decreased 3% y-o-y** due to balance sheet management initiatives

### Key Performance Indicators

| Income Statement AED million | 2011 | 2010 | Change % |
|---|---|---|---|
| Net interest income | 7,258 | 6,795 | +7% |
| Fee & other income | 2,672 | 2,927 | -9% |
| **Total income** | **9,930** | **9,721** | **+2%** |
| Operating expenses | (3,508) | (3,053) | +15% |
| **Operating profit before impairment allowances** | **6,422** | **6,668** | **-4%** |
| Impairment allowances: | (4,978) | (3,190) | +56% |
| *Credit* | *(4,757)* | *(2,930)* | *+62%* |
| *Investment securities* | *(221)* | *(260)* | *-15%* |
| **Operating profit** | **1,444** | **3,478** | **-58%** |
| Amortisation of intangibles | (94) | (94) | +0% |
| Associates | (654) | (1,024) | -36% |
| Gain on subsidiaries | 1,813 | - | n/a |
| Taxation charge | (26) | (21) | +24% |
| **Net profit** | **2,483** | **2,339** | **+6%** |
| Cost to income ratio (%) | 35.3% | 31.4% | +3.9% |
| Net interest margin (%) | 2.68% | 2.52% | +0.16% |
| EPS (AED) | 0.41 | 0.37 | +9% |
| ROE (%) | 10.2% | 10.3% | - 0.1% |
| ROA (%) | 0.9% | 0.8% | +0.1% |

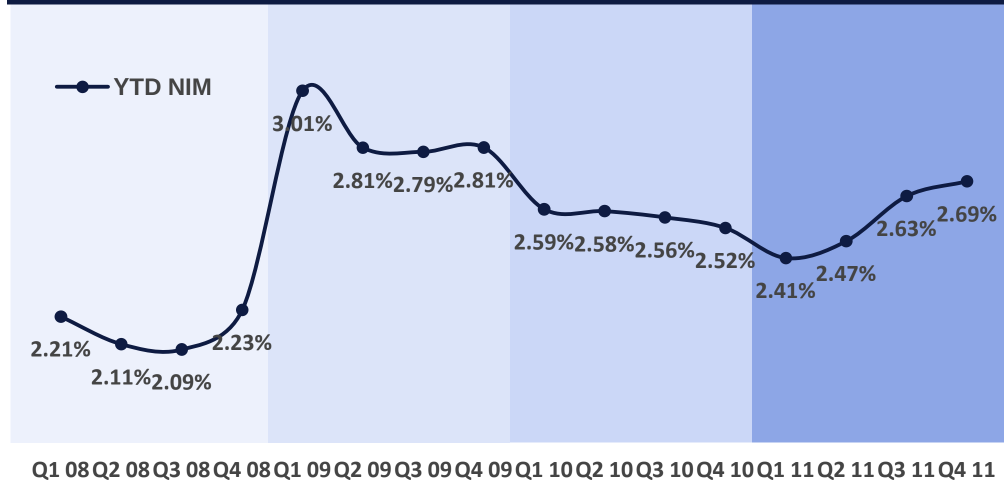
| Balance Sheet AED billion | 2011 | 2010 | Change % |
|---|---|---|---|
| Total assets | 284.6 | 286.1 | -1% |
| Loans | 203.1 | 196.2 | +4% |
| Deposits | 193.3 | 200.0 | -3% |
| Capital Adequacy Ratio (%) | 20.5% | 19.8% | +0.7% |
| Tier 1 Ratio (%) | 13.0% | 12.6% | +0.4% |

# Net Interest Income

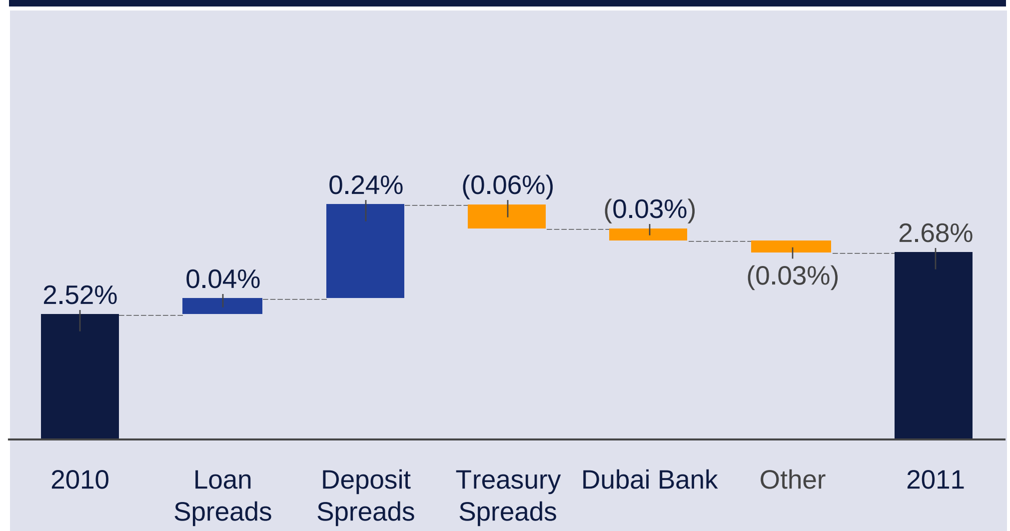
## Highlights

- **2011 NIM of 2.68% increased by 16 bps** from 2.52% in 2010 due to:
  - Slightly higher loan spreads due to declining average Eibor rates during 2011
  - Positive impact in 2011 of downward re-pricing on deposits during H1 2011
  - offset by lower treasury spreads and impact of Dubai Bank consolidation in Q4 2011
- **Net interest income grew 7% compared to last year** to **AED 7.3 billion** due to increased NIMs

## Net Interest Margin Trends (%)




## Net Interest Margin Drivers: FY 2011 vs. FY 2010 (%)



# Non Interest Income

## Highlights

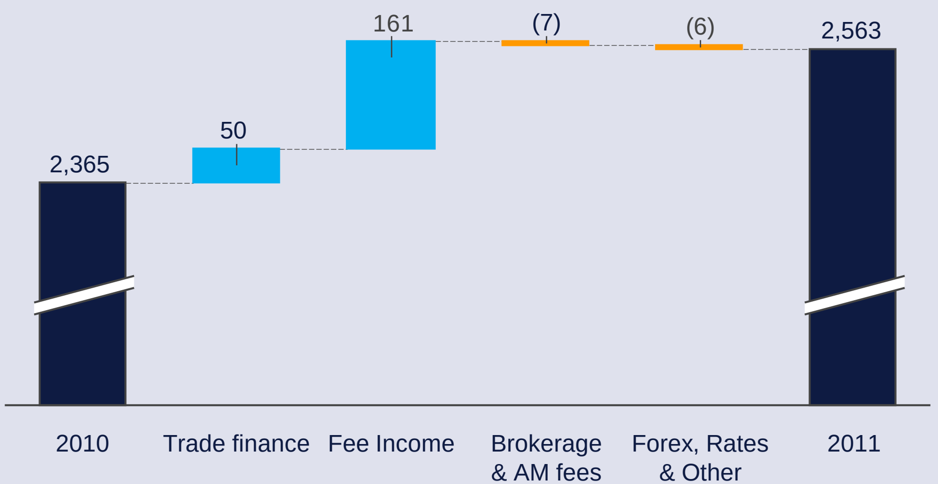
- **2011 Non interest income decreased** by 9% from 2010 due to
  - AED 250 million loss on investment properties in 2011 vs. AED 195 million loss in 2010
  - lower investment securities income in 2011, down 61% or AED 327 million
  - AED 363 million contribution from Network International in 2010
  - Offset by AED 318 million other one-off income
- **2011 Core fee income improved** by 8% from 2010 due to
  - pickup in core banking fee income (+17%)
  - improvement in trade finance income (+9%)

## Composition of Non Interest Income (AED million)

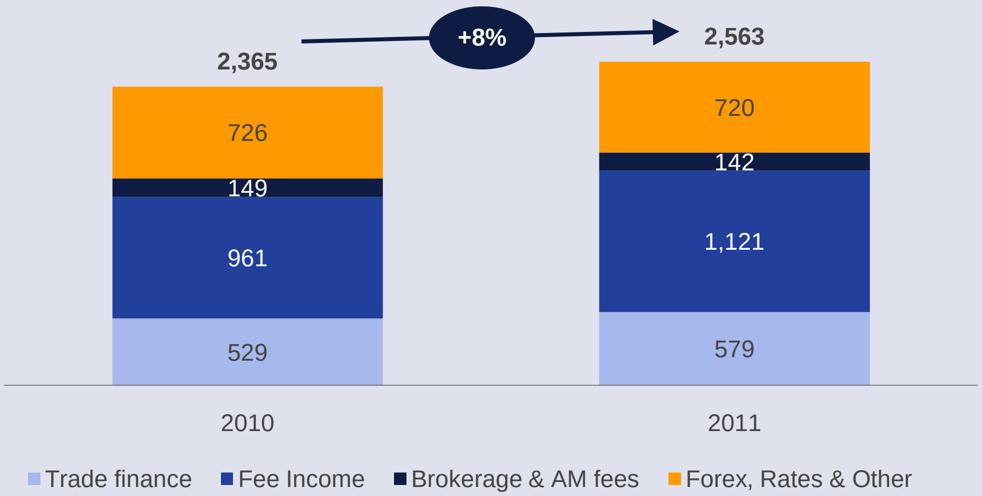
| AED million | 2011 | 2010 | Change (%) |
|---|---|---|---|
| Core gross fee income | 2,563 | 2,365 | +8% |
| Fees & commission expense | (164) | (138) | +19% |
| **Core fee income** | **2,399** | **2,227** | **+8%** |
| Investment properties | (250) | (195) | +28% |
| Investment securities | 205 | 532 | -61% |
| Network International | - | 363 | -100% |
| Other One-Off Income* | 318 | - | n/a |
| **Total Non Interest Income** | **2,672** | **2,927** | **-9%** |

**Comprises of AED 160 million earned in Q2 11 from Gain on Debt Exchange and AED 158 million earned in Q4 11 due to non-recurring gain on a treasury position*

## Core Gross Fee Income Trends in 2011 (AED million)




## Core Gross Fee Income Components (AED million)

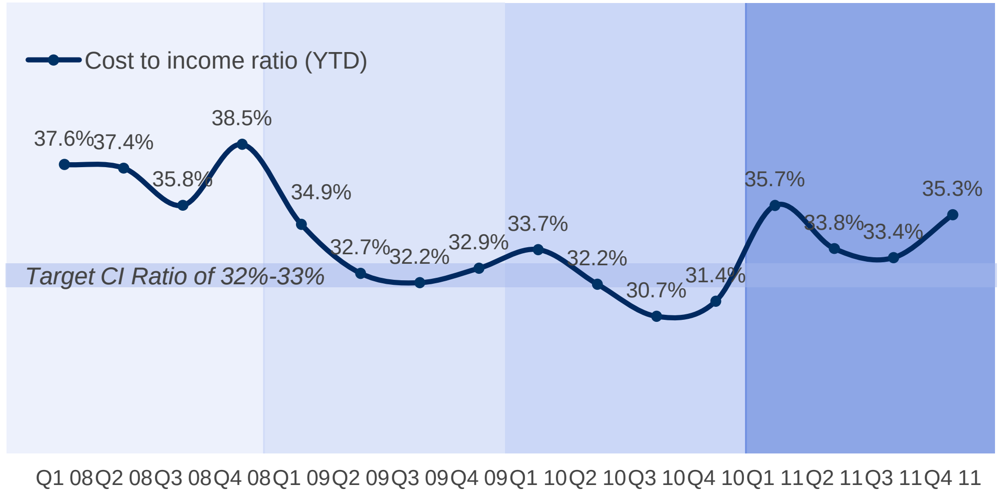


# Operating Costs and Efficiency

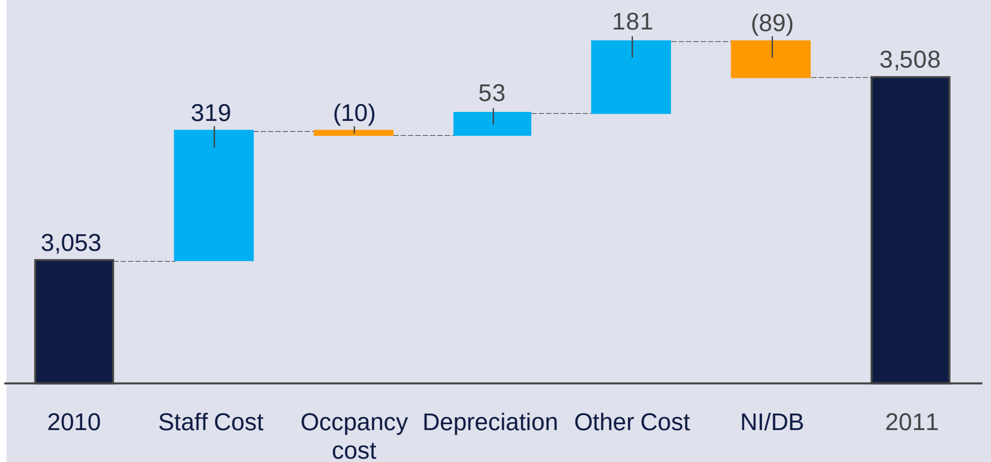
## Highlights

- **Costs increased by 15% to AED 3.5 billion in 2010** resulting from:
  - Investment in future growth across advertising and marketing costs, and expansion of retail distribution and sales force
  - Additional depreciation charged on properties commissioned during 2011
  - Card processing fees paid to NI in 2011
- The cost to Income ratio for 2011 increased by 3.9% to 35.3% from 31.4% in 2010
- In 2012, the cost to Income ratio is expected to be managed to the target range of c.33%-34%

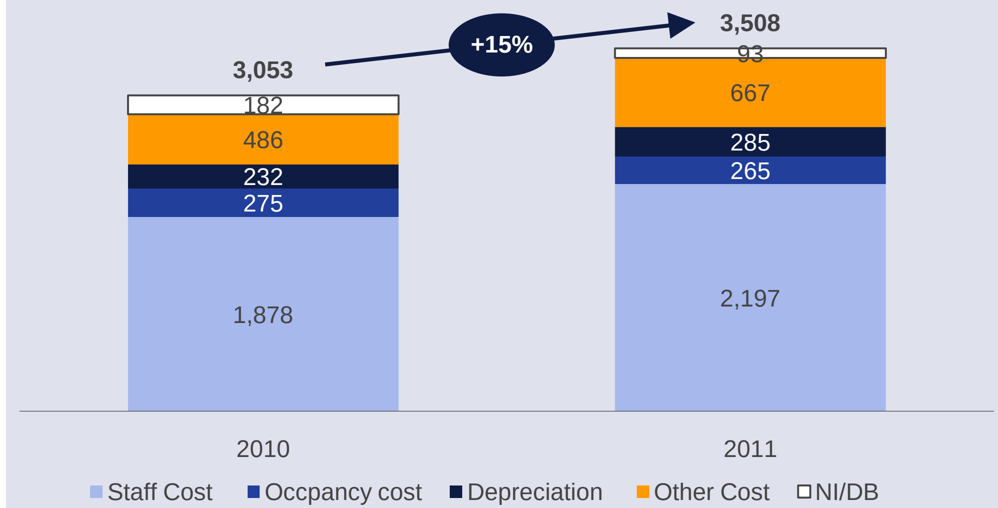
## Cost to Income Ratio Trends




## Operating Cost Trends in 2011 (AED million)




## Operating Cost Components (AED million)

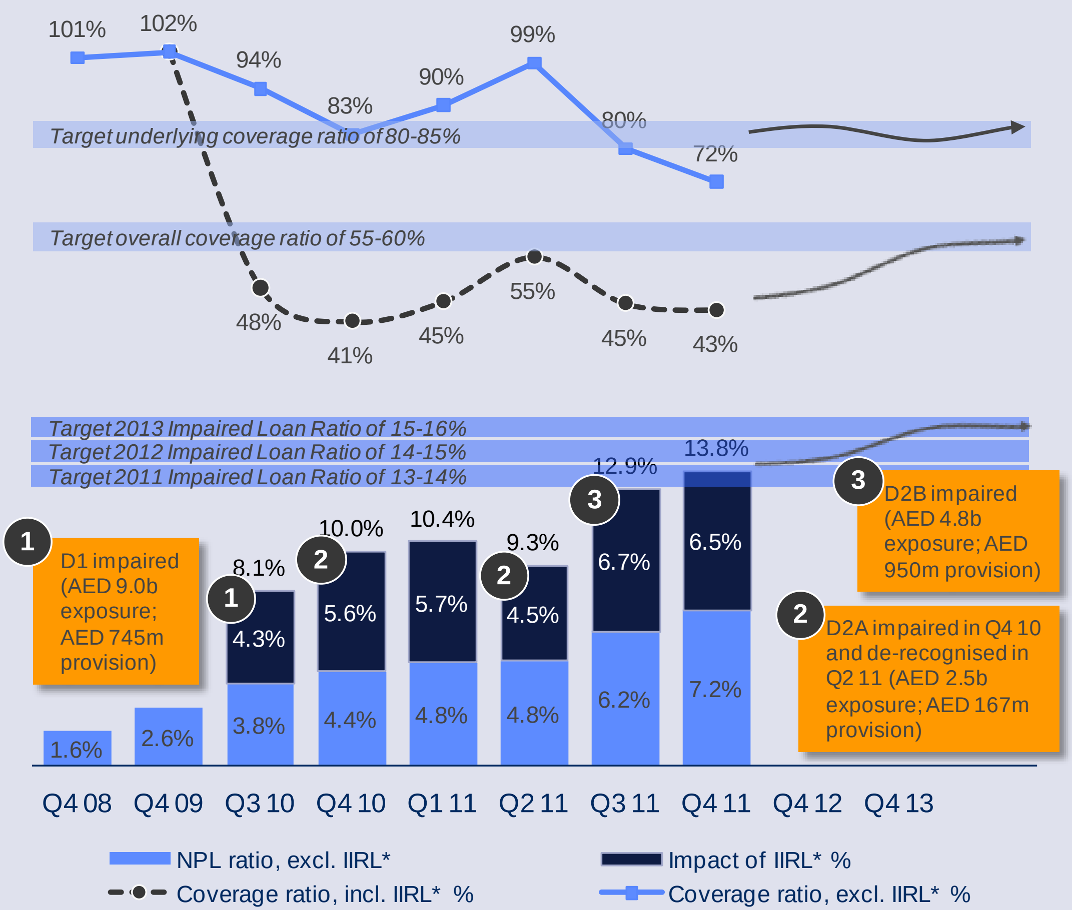


# Credit Quality

## Key Messages

- **2011 impairment charge of AED 5 billion** driven by:
  - Specific provisions of
    - AED 2.3 billion for Corporate (of which AED 950 million made in relation to the AED 4.8 billion exposure to a Dubai GRE in Q3 2011)
    - AED 441 million for Retail and
    - AED 475 million for Islamic financing portfolios
  - AED 1.6 billion portfolio impairment allowances for 2011 taking the total allowance to AED 3.8 billion or 2.54% of credit RWAs
- 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**

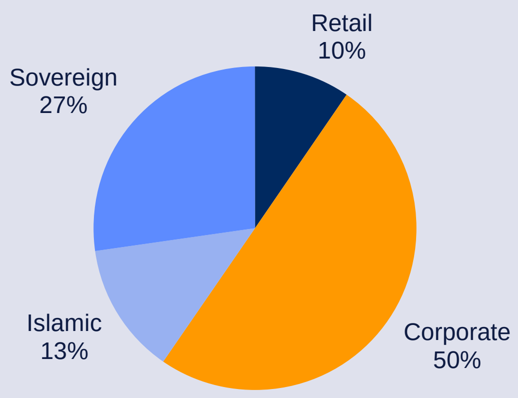
## Impaired Loans & Coverage Ratios (%)



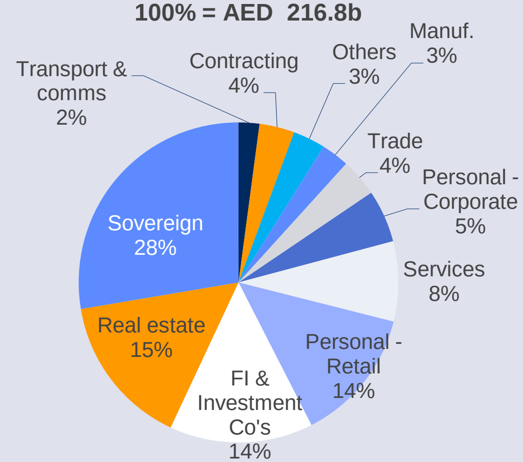

* IIRL = Interest Impaired Renegotiated Loans; Specific entities are referenced by number with the prefix "D"

# Credit Quality
## Group

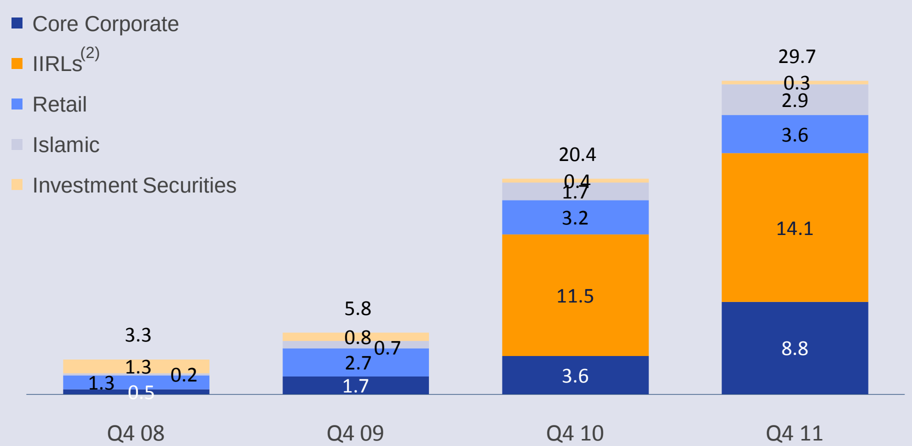
### Loan Portfolio by Type – FY 2011



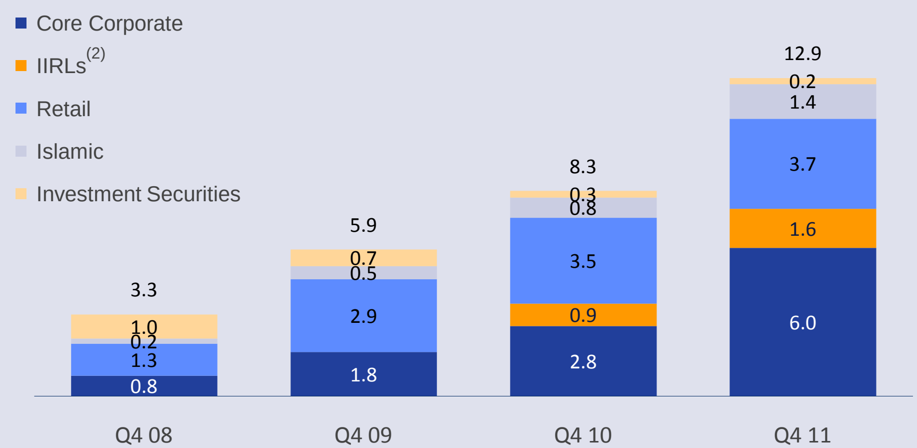

### Loan Portfolio by Type – FY 2011




### Impaired Loans Composition (AED billion)




### Impairment Allowance Composition (AED billion)




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**

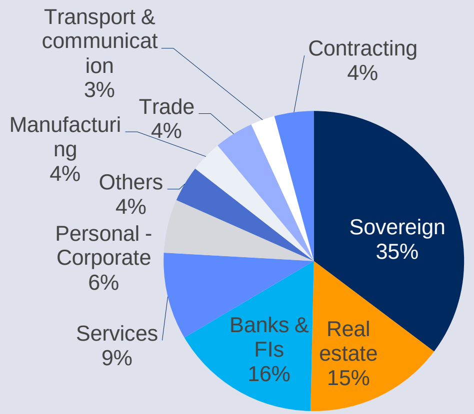
- Impaired loan ratio 13.8% at Q4 2011 vs. 12.0% at Q3 2011
- 97.6% of the portfolio is to UAE customers where the Bank has long-standing relationships
- Exposure is mainly to top tier names with diversified business interests and multiple sources of repayment
- Environment necessitates renegotiation of certain customer accounts:
  - 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 25.3b (15.1%) and AED 7.1b (4.1%) 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 49% of the Real Estate portfolio has a repayment maturity of < 3 years

**By Sector[1]**

100% = AED 167.5 b




### Retail Lending Portfolio

**Personal loans**

- Portfolio AED 5.5b (26.5%)
- 56% 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
- 2010 & 2011 delinquency trends improving

**Credit Cards**

- Portfolio AED 2.9b (14.2%)
- Product with highest yield in Retail Portfolio
- 90+ delinquencies better than industry benchmarks
- Measures taken to control exposures on unutilised limits
- 2010 & 2011 delinquency trends improving

**Car loans**

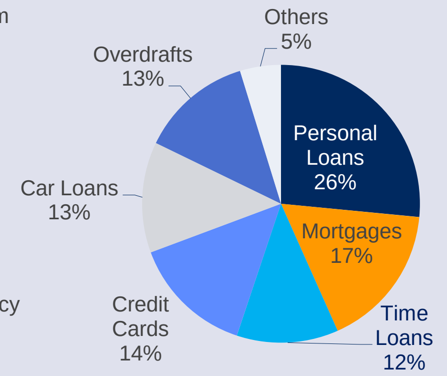
- Portfolio AED 2.7b (13.0%)
- Portfolio balance has declined from Q2 2009 due to changes in credit policy
- Minimum Income threshold has been raised
- Down payment of 10-20% mandatory based on customer profiles
- 2010 & 2011 delinquency trends improving

**Mortgages**

- Portfolio AED 3.5b (17.0%)
- Only offered for premium developers
- Completed properties account for 87% of the portfolio
- Average LTV is 75% on original value
- > 75% of the customers have only one loan from Emirates NBD
- 2010 & 2011 delinquency trends improving

**By Sector[1]**

100% = AED 21.6b



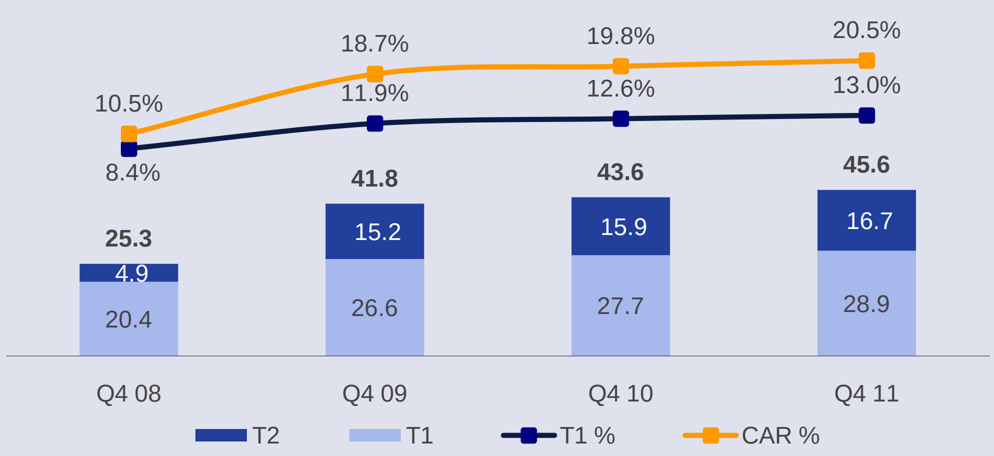

1) *Loans and advances before provisions; Corporate & Sovereign Lending sectoral breakdown as per "Analysis by Economic Activity for Assets" in note 50, page 95 of the FY 2011 Financial statements*

# Capital Adequacy

## Highlights

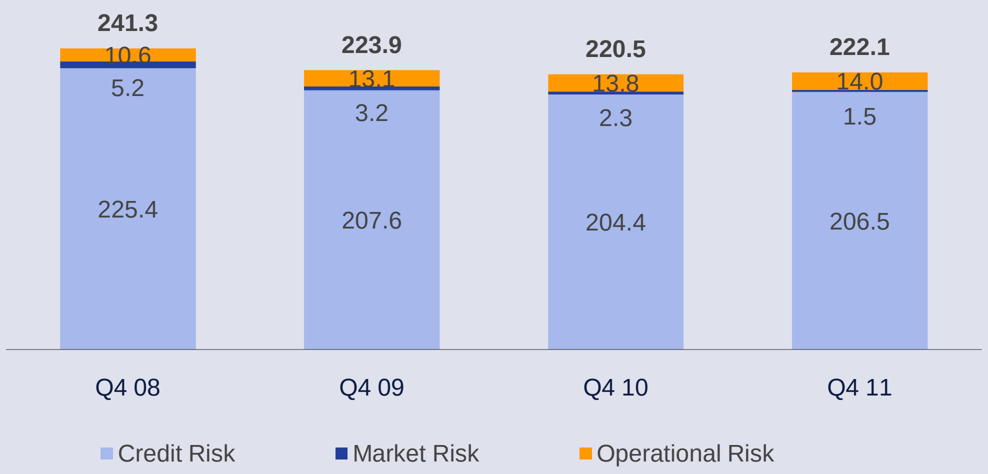
- CAR declined 0.7% to 20.5% in 2011 from 19.8% in 2010 and T1 declined 0.4% to 13.0% in 2011 from 12.6% in 2010
- The impact of consolidation of Dubai Bank's good book RWA's was -98bps for CAR and -62bps for T1
- **Tier 1 capital increased by AED 1.2 billion** in 2011 due to net profit generation partly offset by dividend paid in respect of 2010
- **Risk Weighted Assets increased by 1%** from AED 221 billion at end-2010 to AED 222 billion at end-2011

## Capital Ratios - Basel II (AED billion)




*Note: Core Tier 1 Ratio as at FY 2011 is 11.2%*

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




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

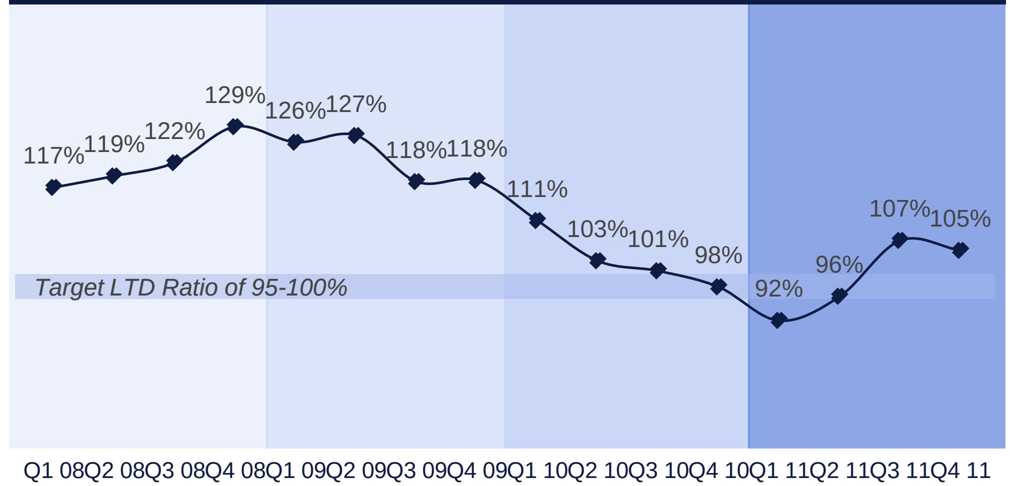
| 31 Dec 2010 to 31 Dec 2011 | Tier 1 | Tier 2 | Total |
|---|---|---|---|
| **Capital as at 31 Dec 2010** | **27.7** | **15.9** | **43.6** |
| Net profits generated | 2.5 | - | 2.5 |
| FY 2010 dividend payable | (1.1) | - | (1.1) |
| Interest on T1 securities | (0.3) | - | (0.3) |
| Cumulative changes in FV | - | 0.1 | 0.1 |
| Redemption of T2 securities | - | (1.4) | (1.4) |
| Change in general provisions | - | 2.2 | 2.2 |
| Other | 0.1 | (0.1) | - |
| **Capital as at 31 Dec 2011** | **28.9** | **16.7** | **45.6** |

# Funding and Liquidity

## Highlights

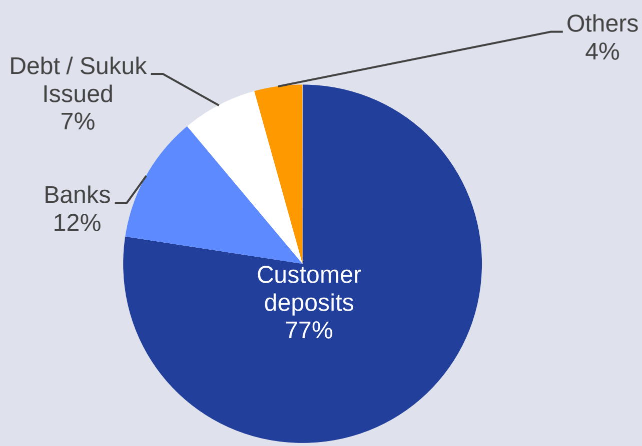
- Headline **LTD ratio of 105%** at Q4 2011 vs. 98% at Q4 2010 due to balance sheet optimisation initiatives and increased deposit competition in the sector
- The **LTD ratio is expected to be managed** to the **target range of c.95%-100%**
- **LTD ratio managed through growth in stable deposits**
- **Liquid assets of AED 41 billion** as at 30 December 2011 (15% of total assets)
- **Debt maturity profile** well **within** existing **funding capacity; USD 825 million public debt issuance in 2012** to date

## Headline Loan to Deposit Ratio (%)



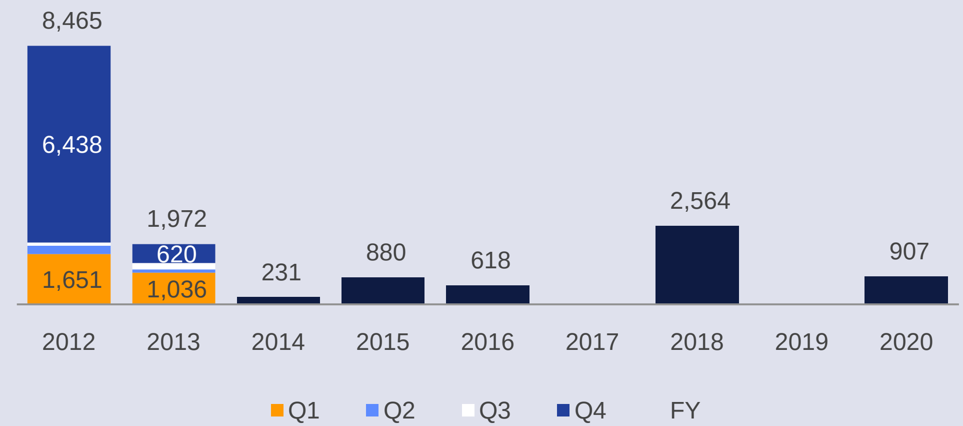

## Composition of Liabilities: FY 2011

**100% = AED 249.6b**




## Maturity Profile: Debt Issued (AED million)

**100% = AED 15.6b**



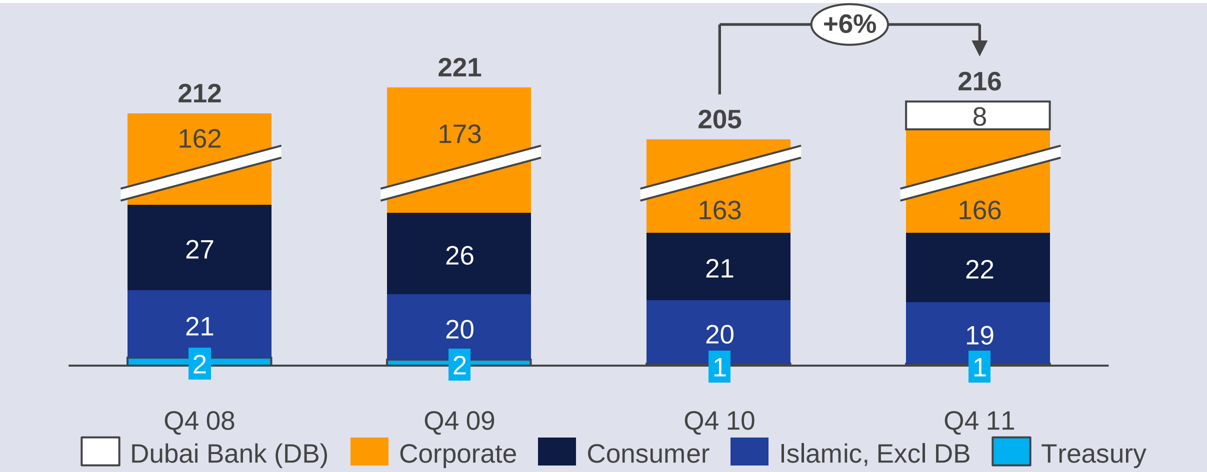

*Note: Debt Issued includes EMTNs of AED 8.3 billion, syndicated borrowings from banks of AED 5.5 billion and borrowings raised from loan securitisations of AED 1.8 billion*

# Loan and Deposit Trends

## Highlights

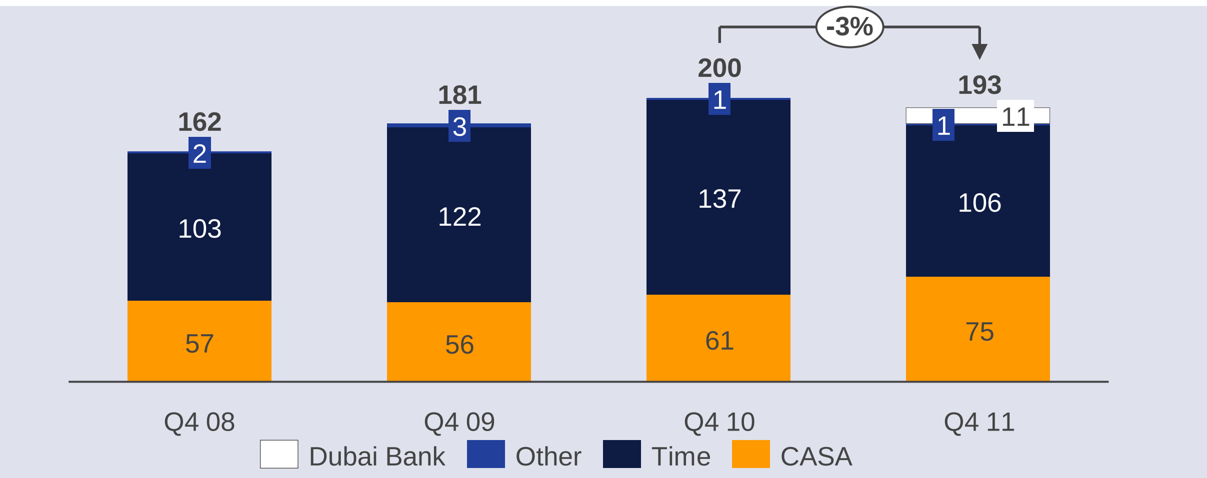
- Signs of **pickup in new underwriting** in 2011:
  - Gross loans increased 6% y-o-y
  - Organic growth in gross loans of 1.5% y-o-y (excl. Dubai Bank Impact)
  - 25% increase in irrevocable loan commitments in H2 2011
- Balance sheet optimisation initiatives successful in **improving deposit mix**:
  - CASA organic growth of AED 14 billion in 2011 (excl. Dubai Bank Impact)
  - Decline in time deposits of AED 31 billion in 2011
  - CASA % age of total deposits 41% at end-2011 vs. 31% at end-2010

## Trend in Gross Loans by Type (AED billion)




** Annualised CAGR, excluding impact of Dubai Bank in Q4 2011*

## Trend in Deposit by Type (AED billion)

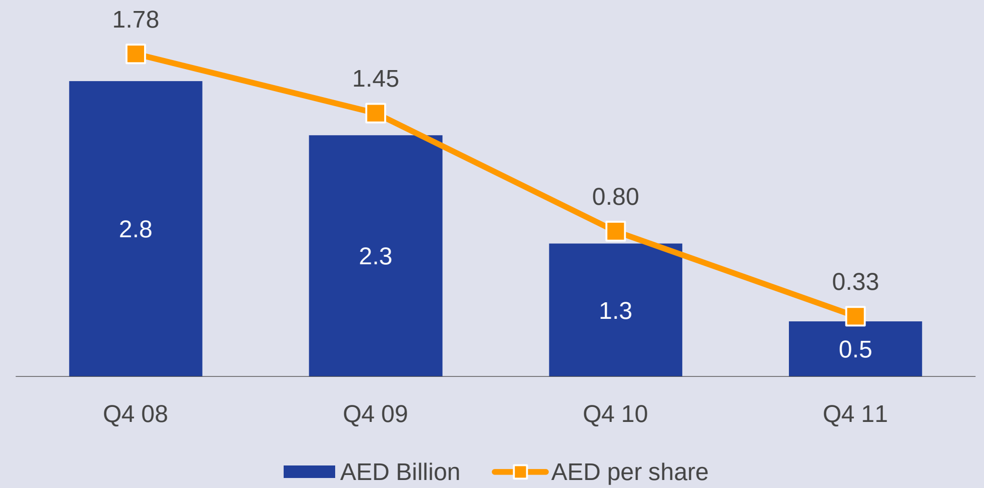


# Associates and Joint Ventures
## Composition of Balances

### Highlights

- **Significant de-risking** of investment in **Union Properties (UP) since 2009:**
  - **UP investment reduced by AED 0.5 billion in 2009, AED 1.0 billion in 2010 and AED 750 million in 2011** through recognition of share of losses and impairment
  - Further downside risk on UP limited as carrying value is close to market value
- **Network International** accounted for as a **jointly controlled entity** from the start of 2011 with a carrying value of AED 1.4 billion at the end of Q4 2011
- 24.8% stake in **Bank Islami Pakistan** acquired as part of **Dubai Bank**

### Investment in Union Properties




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

| Income Statement AED million | 2011 | 2010 | Change % |
|---|---|---|---|
| Union Properties | (750) | (1,043) | -28% |
| - Share of losses* | (74) | (683) | -89% |
| - Impairment of investment | (676) | (360) | 88% |
| National General Insurance | 12 | 19 | -34% |
| Network International | 81 | 0 | n/a |
| Bank Islami Pakistan | 2 | - | n/a |
| **Total** | **(654)** | **(1,024)** | **-36%** |

| Balance Sheet AED billion | 2011 | 2010 | Change % |
|---|---|---|---|
| Union Properties | 532 | 1,282 | -59% |
| National General Insurance | 129 | 130 | -1% |
| Network International | 1,363 | - | n/a |
| Bank Islami Pakistan | 18 | - | n/a |
| **Total** | **2,042** | **1,412** | **+45%** |

** 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

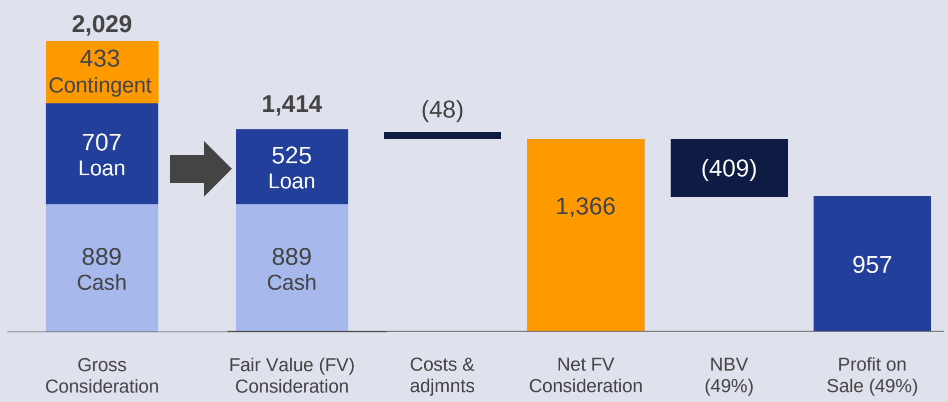
### Transaction Summary & Strategic Rational

- 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)



# Acquisition of Dubai Bank

## Highlights

- As per the decree issued by the Ruler of Dubai **on 11 October 2011, Emirates NBD acquired a 100% stake in Dubai Bank**
- The **consideration was AED 10** which equates to the fair value of net assets acquired
- As on the date of acquisition, there was a **zero NPL and P&L impact** by virtue of the transaction structure and the fair value process of assets and liabilities upon initial consolidation
- The **fair value** of the assets and liabilities was **determined by an external expert**
- Strategy and integration plan for Dubai Bank in process of being finalised
- As at 31st December 2011, Dubai Bank added the following to the Group:
  - 21 Branches
  - 42 ATMs and 15 CDMs and
  - 688 employees

## Financial Impact Upon Acquisition (AED million)


** In connection with the transaction, the Group has received a deposit from the UAE Ministry of Finance amounting to AED 2.8 billion at a discount comparable to market rates. This liability was recognised at fair value resulting in a fair value gain of AED 543 million and will be amortised over the term of the deposit (8 years)*

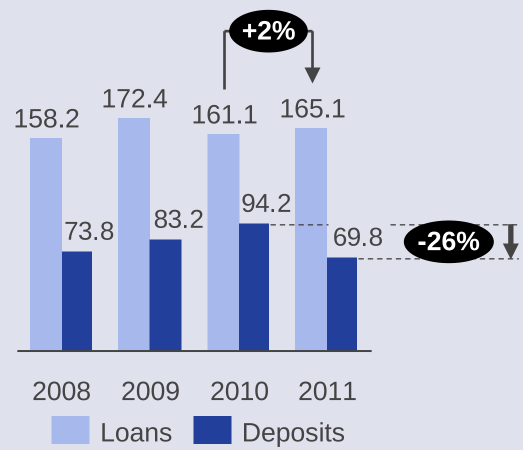
*** In connection with the transaction, the Government of Dubai has provided a guarantee for any losses at the date of acquisition and any future losses relating to the assets and liabilities on the date of acquisition for the next 7 years; an amount of AED 768 million represents the fair value of the Guarantee as at the date of acquisition*

# Divisional Performance

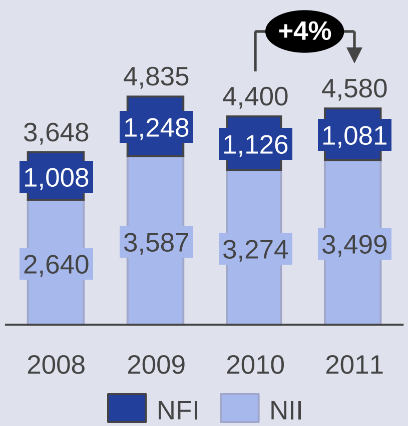
## Wholesale Banking

- **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 4% compared to 2010** as 7% growth in Net Interest Income was partly offset by 4% lower Fee Income
- **Loans** rose by 2% from end-2010 evidencing a pickup in new underwriting during the period
- However**, deposits** declined 26% from end-2010 due to balance sheet management initiatives and increased deposit competition in the sector

**Balance Sheet Trends**
**AED billion**



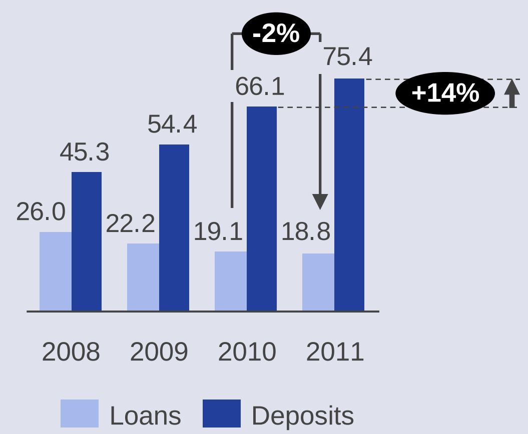

**Revenue Trends**
**AED million**



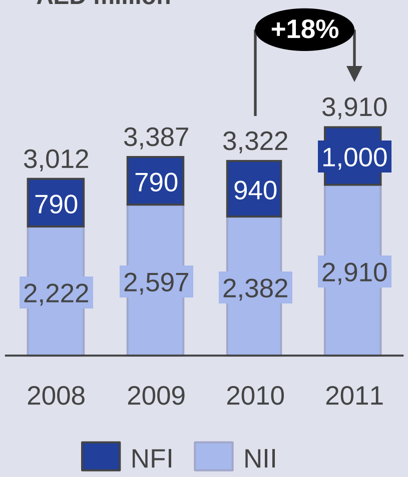

## Consumer Banking & Wealth Management

- CWM **maintained its position** in challenging market conditions
- **Continued expansion in Private Banking** business; now almost 70 RMs
- **Revenue** improved 18% compared to 2010 due to 22% growth in net interest income
- **Deposits** grew 14% from end-2010
- **Loans** declined by 2% from end-2010 due to lower personal loans, mortgages and time loans; partly offset by growth in credit cards, auto loans and retail overdrafts
- Total number of branches now 112 through the addition of 2 branches in Dubai, 4 in Abu Dhabi and 1 in Sharjah during 2011; the ATM & SDM network totals 630

**Balance Sheet Trends**
**AED billion**




**Revenue Trends**
**AED million**

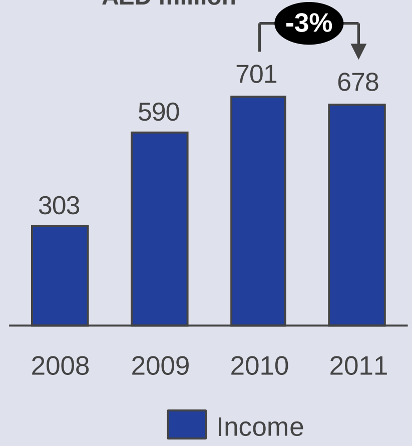


# Divisional Performance

## Global Markets & Treasury

- **Revenue declined 3% compared to 2010** despite a non-recurring gain on a treasury position in 2011
- 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 / interest rate hedging products during 2011;** Similarly, there was a greater demand for investment products.
- Global currency volatility and the USD recovery against other major currencies helped improve the **foreign exchange flow business**, as currency hedging volumes improved

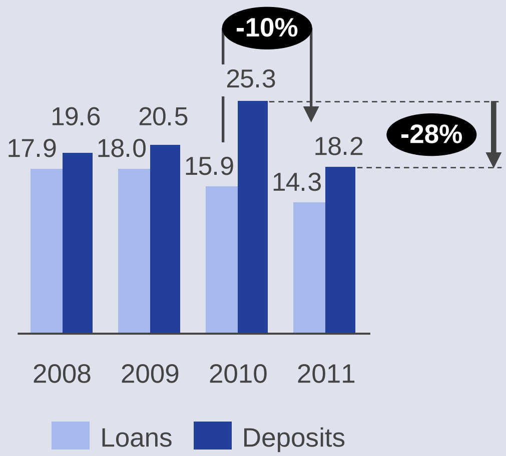
**Revenue Trends**
**AED million**



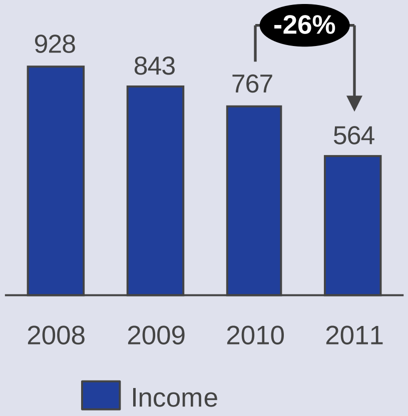

## Emirates Islamic Bank

- **EIB revenue decreased by 26%** compared to 2010 to AED 564 million during 2011 (net of customers' share of profit), due to write-down on investment properties and lower income from investment securities
- **Financing receivables** declined 10% to AED 14.3 billion from end-2010
- **Customer accounts** declined by 28% to AED 18.2 billion from end-2010
- Total number of EIB **branches** now 33 through the addition of 1 branch in Dubai, 1 branch in Abu Dhabi and 1 branch in Sharjah during 2011; the ATM & SDM network totals 98

**Balance Sheet Trends**
**AED billion**




**Revenue Trends**
**AED million**




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

# Contents

# Strategic Imperatives are Evolving

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

2008 | 2009 | 2010 | 2011 | 2012

Crisis Management | Strengthening the Bank | 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 and Capital Allocation**
    - Funding efficiency
    - Acquiring high yielding assets
2. **Drive Profitability**
    - Key account planning
    - Increase cross-sell and bolster fee revenues
    - Effectively manage cost base
3. **Enhance Support Functions and Strengthen Platforms**
4. **Measured Investments in Growth Areas**

# Strategic Imperatives

| 1 | 2011 Objectives | Evidence of Success in 2011 | 2012 Objectives |
|---|---|---|---|
| **Optimise Balance Sheet and Capital allocation** | ▪ **Increase lending activities in identified pockets of growth**, e.g. SME lending, cards, …<br>▪ **Further diversifying funding sources** with a focus on **reducing cost of funding**<br>▪ **Review all Group companies** (subsidiaries and associate companies) **and decide on divestment opportunities, increasing stakes or complementary acquisitions** | ▪ Growth in gross loans of 6% in H2 2011<br>▪ Successfully **managed Headline LTD ratio towards 95%-100%** target range; **grew CASA balances by AED 14 billion**, improving CASA % of total deposits to 41% from 31% at end-2010<br>▪ **Reduced deposit funding costs** by 32 bps from 2010<br>▪ **Conducted LT2 exchange offer** to extend maturity of liabilities at attractive rates<br>▪ **Issued over USD 450m** of private placed **medium term notes**<br>▪ **Expanded funding sources** by establishing a Structured Note Programme<br>▪ Completed bank-wide **economic profit framework**<br>▪ **Closed sale of 49% stake in Network International** at lucrative PE multiple of 21 and recognised **gain of AED 1.8 billion** | ▪ Maintain **headline LTD ratio within 95% - 100%** target range<br>▪ Continue to focus on **liabilities growth** including CASA and long term FDs<br>▪ Target raising **medium - long term funding** at acceptable pricing<br>▪ **Increase lending activity** to select sectors i.e. consumer finance, mid corporate & SME, and large corporate sector in Dubai and Abu Dhabi<br>▪ Continue to **streamline and consolidate subsidiaries** and decide on further **divestment opportunities** |

# Strategic Imperatives (cont'd)

| | 2011 Objectives | Evidence of Success in 2011 | 2012 Objectives |
|---|---|---|---|
| 2 **Drive Profitability** | ▪ Management focus on **yield optimisation**<br>▪ **Extending Key account planning** capturing a larger share of wallet of existing broad customer base through cross-sell Treasury and Investment Banking services to corporate clients<br>▪ Increasing fee income through **enhanced sales efficiency** for FX, investment and banc-assurance products<br>▪ **Improve customer retention and deliver distinctive customer service**<br>▪ Continue implementation of revised **spend control processes**<br>▪ Capturing significant efficiency and process improvements through **Outsourcing** | ▪ Revamped pricing and customer selection models in retail banking resulting in **improved CWM NIM by 47 bps**<br>▪ **Used Key account planning to** capture larger share of trade finance business of existing customers; pilot being rolled out across the Corporate network<br>▪ **Increased fee income in CWM** by 6% 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<br>▪ **Established Tanfeeth** to capture efficiency and process improvements | ▪ Revenue growth<br>– Increase **cross-sell** and bolster **fee based business** within the Consumer Banking and Wealth Management segment; e.g. FX, bancassurance, investments, etc.<br>– Extend **key account management model** across wholesale banking segment; e.g. drive treasury sales and investment banking services to existing corporate relationships<br>– Roll out **sales effectiveness program** across branches and direct sales force<br>▪ Cost management<br>– Continue to focus on cost and operate in a **target cost income ratio of 33% to 34%**<br>– **Efficiency gains** through **merging operational activities into Tanfeeth**, and **centralizing procurement** activities |

# Strategic Imperatives (cont'd)

| 3 | 2011 Objectives | Evidence of Success in 2011 | 2012 Objectives |
|---|---|---|---|
| **Enhance Support Functions and Strengthen Platforms** | ▪ **Further enhance employee proposition** through talent/leadership development as well as performance and retention management<br>▪ Continued **enhancement of the Group wide Risk strategy** and alignment of policies to defined risk appetite<br>▪ **Roll-out of Group wide service Excellence effort** as part of a change management program along all customer touch points<br>▪ Continuously **upgrading and enhancing IT platforms** | ▪ **Talent philosophy and talent model** approved and piloted with rollout planned across the Group in 2012<br>▪ **Certified coach and manager programs launched** to build leadership and managerial capabilities<br>▪ **Established the Group Service Quality / "Tamayyuz"** department to further improve the coordination and focus on the critical issues impacting customer service<br>▪ **Risk Strategy revised** and bank-wide roll-out and integration with economic profit framework completed<br>▪ **Service improvements** through rigorous analysis of findings from customer surveys and mystery shopping; front-line program designed and being rolled-out over next quarters<br>▪ Initiated a **lean transformation initiative** to enhance bank wide IT platforms<br>▪ **Further strengthen IT platforms for international locations**: FinnOne roll-out in KSA and Finacle roll-out in London | ▪ **Continue to upgrade and enhance IT platforms** – undertake implementation of the lean transformation initiative which was initiated in 2011<br>▪ **Further enhance the scope of Tanfeeth** by migrating additional banking support and back office processes<br>▪ **Further enhance the customer service proposition** through focused initiatives to be undertaken by Group Service Quality / "Tamayyuz"<br>▪ **Implement Core banking and Private banking systems in KSA and Singapore** (PB only) in addition to enabling online banking |

# Strategic Imperatives (cont'd)

| | 2011 Objectives | Evidence of Success in 2011 | 2012 Objectives |
|---|---|---|---|
| 4<br>**Undertake Measured Investments in Growth Areas** | ▪ **Exploit domestic opportunities**<br>– Implementation of Private Banking growth plan and strengthening SME segment<br>– Continued distribution network expansion/optimisation<br>– Continued roll-out of Abu Dhabi growth plan<br>▪ **Exploit international opportunities**<br>– Implementation of organic growth plan for KSA and detailing growth strategies for all other existing locations<br>– Proactively pursuing inorganic regional expansion opportunities | ▪ **Exploit domestic opportunities**<br>– Further increase of Private Banking RMs and build-up of SME team (increase of more than 30 RMs across these businesses)<br>– 10 new branches, 3 in Dubai, 5 in Abu Dhabi and 2 in Sharjah taking total number of branches to 145, plan to open at least 5 more branches in 2012 across the UAE<br>– Direct sales force team increased by 42% to almost 660 FTE<br>▪ **Captured international opportunities**<br>– Established KSA onshore wealth management platform for PB and Retail Business, further build-up of alternate channels including increase of DSF from around 30 to more than 110 | ▪ **Exploit domestic opportunities**<br>– **Continue to enhance domestic distribution network** through selecting, and implementing the most optimal channel mix<br>– Push for **regional leadership in private banking** through increased capacity and market penetration<br>– Focus on **building SME asset book** by leveraging improved infrastructure and increased credit appetite<br>– Further **grow our market share in Abu Dhabi**<br>▪ **Exploit international opportunities**<br>– Undertake **organic expansion initiatives in current international locations,** e.g. setup SME business in KSA<br>– Continue **small scale international expansion**, e.g. representative offices in target markets<br>– Identify and pursue meaningful **international acquisitions** in select target markets, e.g. KSA, Turkey, etc. |

# Tanfeeth Overview

tanfeeth

| | |
|---|---|
| **Concept and objectives** | ▪ Tanfeeth was established as the GCC's 1st shared services company to deliver most cost efficient operations at significantly improved service levels through application of lean manufacturing methodologies to run efficient operations<br>▪ Strategic objectives:<br>o Enhance competitiveness and value creation for our clients and Emirates NBD through efficient and consistent service delivery<br>o Continuously transfer best in class operations knowledge and infrastructure from world shared services industry leaders to the GCC<br>o Develop Emirati talent platform that could be a role-model for the rest of the UAE |
| **Current State** | ▪ Tanfeeth established as 100% owned subsidiary of Emirates NBD<br>▪ Headcount of 731 as at 31 December 2011<br>▪ Current operational scope includes Retail Credit Centre (RCC) and Call Center processes for Emirates NBD<br>▪ 2011 Accomplishments:<br>o Designed and rolled out Tanfeeth HR engine, including Shared Services specific policies and processes<br>o Onboarded and transformed Emirates NBD's RCC unit by implementing the lean based Tanfeeth Operating Model which significantly reduced turnaround time and improved efficiency<br>o Onboarded Emirates NBD call center and optimised operations<br>o Implemented an empowerment initiative to transform the call center into a virtual branch |
| **IBM Partnership** | ▪ Strategic agreement formed with IBM over a period of 7 years<br>▪ Agreement gives Tanfeeth exclusivity in the UAE paired with a joint go-to-market strategy and leveraging IBM brand<br>▪ IBM will support and provide managed service in Tanfeeth<br>▪ Tanfeeth to have access to IBM's "Top Performers" to supplement Tanfeeth's existing workforce, as well as proprietary tools to support service delivery (Command Center, Advise HR and Time Volume Capture (TVC))<br>▪ IBM to provide process and soft skills training to Tanfeeth employees including the leadership team |

# Tanfeeth Overview (Cont'd)

| | |
|---|---|
| **Focus for 2012** | ▪ Further improve efficiency and customer satisfaction for Emirates NBD<br>▪ Migrating and transforming the next phase of Emirates NBD processes :<br>o Operations Processing Centre (OPC)<br>o HR Services<br>o Finance & Accounting services<br>o Emirates Islamic Bank services<br>o Network International Card Processing<br>o Collections<br>▪ Execute go-to-market strategy to onboard external clients |
| **Financial Metrics** | ▪ Tanfeeth aims to be a profitable entity by end 2013, beginning of 2014<br>o Thereon a growth rate of 15% in income targeted year on year<br>o This is over and above the cost efficiencies already provided to the Emirates NBD<br>▪ Tanfeeth aims to provide a cost efficiency to Emirates NBD @ 8%, 15% and 20% for 2012, 2013 and 2014 of staff cost base taken over<br>▪ Total investments in excess of AED 100 million targeted over a 2 year period |

# Outlook

- The **UAE economy** has **proved relatively resilient** to global and regional developments in 2011, with estimated GDP growth of 4.6% for the year on the back of higher oil production and improving trends in non-oil trade and tourism
- For 2012 the **external environment remains challenging** in the context of weaker expected global growth resulting from recessionary risks in the Eurozone, downgrades to US growth and an expected slowdown in Asia
- Nevertheless, the **UAE remains well-positioned** to enjoy modest GDP growth of 2.5% in 2012 underpinned by supportive fiscal policy
- **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
  - Significantly de-risked and strengthened balance sheet offers strong platform for capturing future growth opportunities
  - The Bank has a clear strategy in place and is focused on relentless execution

# Summary

Emirates NBD

- **Robust operating performance** with pre-impairment operating profit of AED 6.4 billion
- **Top-line trends for 2011 encouraging** with 7% y-o-y growth in net interest income and growth in core fee income of 8%.
- Continuation of balance sheet **de-risking** and **conservatism on provisioning** resulted in **impairment allowances** of AED 5 billion for 2011 and additional AED 750 million **write-down of UP investment**
- **Dubai Bank acquisition completed** without any impact on NPLs or P&L on date of acquisition
- **Capitalisation and liquidity** continue to be **extremely strong**, offering resilience and flexibility for the future
- The **outlook remains challenging** but Emirates NBD has a **clear strategy** in place to take advantage of selected growth opportunities

# APPENDIX A

## Awards

# 2011 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

# 2011 Awards

"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)

Emirates NBD wins "Best Trade Finance Provider in the UAE" by Global Finance.

# 2011 Awards

Emirates NBD wins "Best Foreign Exchange Provider in the UAE" by Global Finance.

Emirates NBD Asset Management awarded "Equity Manager of the Year" by Global Investor.

Emirates NBD wins Stevies Distinguished Honoree for its international brand building strategy with "Truth and Reality" Campaign.

Emirates NBD named region's 'Outstanding Private Bank' at Private Banker International Summit.

# 2011 Awards


Emirates NBD wins Global Award for Brand Leadership in Banking and Financial Services.

Emirates NBD “Best Private Sector Customer Service Initiative” 2011 Customer Service Week STAR Awards.

Emirates NBD wins “Best Large Bank: Service Quality” 2011 Bank Benchmarking Index.

# 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 | Q4 11 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Income:** | | | | | | | | | | | | | | | | | | | | |
| Investment Securities | 31 | 49 | (265) | (504) | (689) | 6 | 241 | 120 | 54 | 421 | 172 | (7) | 143 | 48 | 356 | (12) | 72 | 64 | 2 | 126 |
| CDS | (111) | 21 | (107) | (258) | (455) | (70) | 248 | 157 | (105) | 230 | 71 | 1 | 42 | 61 | 175 | 24 | 29 | (10) | 36 | 79 |
| **Total Income Impact** | (80) | 70 | (372) | (762) | (1,144) | (64) | 489 | 277 | (51) | 651 | 243 | (6) | 185 | 109 | 531 | 12 | 101 | 54 | 38 | 205 |
| **Impairments:** | | | | | | | | | | | | | | | | | | | | |
| Investment Securities | (193) | (140) | (207) | (471) | (1,011) | (144) | (58) | (64) | (82) | (348) | (35) | (44) | (76) | (105) | (260) | (35) | (57) | (27) | (102) | (221) |
| **Total P&L Impact** | (273) | (70) | (579) | (1,233) | (2,155) | (208) | 431 | 213 | (133) | 303 | 208 | (50) | 109 | 4 | 271 | (23) | 44 | 27 | (64) | (16) |
| | | | | | | | | | | | | | | | | | | | | |
| **Balance Sheet:** | | | | | | | | | | | | | | | | | | | | |
| Fair Value Reserves | (225) | 359 | (465) | (1,479) | (1,810) | (128) | 523 | 197 | 324 | 916 | 307 | 35 | (329) | 751 | 764 | 39 | 113 | (16) | (11) | 125 |
| **Total Balance Sheet Impact** | (225) | 359 | (465) | (1,479) | (1,810) | (128) | 523 | 197 | 324 | 916 | 307 | 35 | (329) | 751 | 764 | 39 | 113 | (16) | (11) | 125 |
| | | | | | | | | | | | | | | | | | | | | |
| **Overall Impact:** | | | | | | | | | | | | | | | | | | | | |
| Total Investment Securities | (387) | 268 | (937) | (2,454) | (3,510) | (266) | 706 | 253 | 296 | 989 | 444 | (16) | (262) | 694 | 860 | (8) | 128 | 21 | (111) | 30 |
| CDS | (111) | 21 | (107) | (258) | (455) | (70) | 248 | 157 | (105) | 230 | 71 | 1 | 42 | 61 | 175 | 24 | 29 | (10) | 36 | 79 |
| **Total Impact** | (498) | 289 | (1,044) | (2,712) | (3,965) | (336) | 954 | 410 | 191 | 1,219 | 515 | (15) | (220) | 755 | 1,035 | 16 | 157 | 11 | (75) | 109 |

*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 | Q4 11 | 2011 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **P&L Impairment Allowances:** | | | | | | | | | | | | | | | | | | | | |
| Credit – Specific | 32 | 99 | 58 | 242 | 431 | 94 | 584 | 473 | 533 | 1,684 | 442 | 481 | 1,203 | 469 | 2,595 | 706 | (57) | 1,668 | 872 | 3,189 |
| Credit – PIP | 38 | 10 | 33 | 130 | 211 | 224 | 507 | 226 | 330 | 1,287 | 78 | 468 | (338) | 127 | 335 | 16 | 343 | 476 | 725 | 1,560 |
| Other - PIP | - | - | - | - | - | - | - | - | - | - | - | 200 | 300 | (500) | - | 612 | 638 | (600) | (650) | - |
| Investment Securities | 193 | 140 | 207 | 471 | 1,011 | 144 | 58 | 64 | 82 | 348 | 35 | 44 | 76 | 105 | 260 | 35 | 57 | 27 | 102 | 221 |
| **Total Impairment Allowances** | 263 | 249 | 298 | 843 | 1,653 | 462 | 1,149 | 763 | 945 | 3,319 | 555 | 1,193 | 1,241 | 201 | 3,190 | 1,369 | 981 | 1,571 | 1,049 | 4,970 |
| **Balance Sheet Impairment Allowances:** | | | | | | | | | | | | | | | | | | | | |
| 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 | 8,905 | 8,905 |
| 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 | 3,752 | 3,752 |
| 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 | 240 | 240 |
| **Total Impairment Allowances** | 1,769 | 1,890 | 1,973 | 3,314 | 3,314 | 3,675 | 4,802 | 5,499 | 5,947 | 5,947 | 6,103 | 7,133 | 8,238 | 8,322 | 8,322 | 9,645 | 10,550 | 12,069 | 12,897 | 12,897 |
| **Impaired Loans:** | | | | | | | | | | | | | | | | | | | | |
| 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 | 20,064 | 20,064 | 20,913 | 18,655 | 26,581 | 29,373 | 29,373 |
| 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 | 341 | 341 |
| **Total Impaired Loans** | 1,984 | 2,035 | 2,081 | 3,292 | 3,292 | 3,864 | 4,698 | 5,261 | 5,830 | 5,830 | 6,243 | 6,522 | 17,034 | 20,425 | 20,425 | 21,284 | 19,024 | 26,941 | 29,714 | 29,714 |
| **Loans & Receivables, gross of impairment allowances:** | | | | | | | | | | | | | | | | | | | | |
| 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 | 203,886 | 203,886 | 203,520 | 203,140 | 207,931 | 215,535 | 215,535 |
| 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 | 569 | 567 | 576 | 502 | 502 |
| **Total Loans & Receivables** | 177,653 | 189,835 | 204,854 | 212,244 | 212,244 | 218,073 | 221,434 | 222,610 | 220,563 | 220,563 | 218,058 | 210,880 | 209,383 | 204,546 | 204,546 | 204,089 | 203,707 | 208,507 | 216,037 | 216,037 |

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