

## IMPORTANT NOTICE

**NOT FOR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO THE UNITED STATES OR TO ANY U.S. PERSON.**

**IMPORTANT:** You must read the following disclaimer before continuing. The following disclaimer applies to the attached prospectus (the "**Prospectus**") and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the Prospectus. In reading, accessing or making any other use of the Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in this Prospectus, including any modifications to them from time to time, each time you receive any information from the Issuer or the Joint Lead Managers (each as defined below) as a result of such access. You acknowledge that this electronic transmission and the delivery of the Prospectus is confidential and intended only for you and you agree you will not forward, reproduce or publish this electronic transmission or the Prospectus to any other person.

**NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION OR AN OFFER TO BUY IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED IN THIS PROSPECTUS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE U.S. THE SECURITIES DESCRIBED IN THIS PROSPECTUS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")), OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAW.**

**THE FOLLOWING ELECTRONIC TRANSMISSION MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS DOCUMENT CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.**

The distribution in the United Kingdom of this Prospectus and any other marketing materials relating to the securities described in the Prospectus is being addressed to, or directed at (a) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**"); (b) persons falling within any of the categories of persons described in Article 49(2) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (c) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order (all such persons referred to as "**relevant persons**"). Persons of any other description in the United Kingdom may not receive and should not act or rely on this Prospectus or any other marketing materials in relation to any securities.

**UK MiFIR professionals/ECPs-only/Prohibition of Sales to EEA and UK Retail Investors** – The manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). The Capital Securities are not intended to be offered, sold or otherwise made available to any retail investor in the European Economic Area or the United Kingdom. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended or Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018 has been prepared.

In addition to the above, pursuant to the United Kingdom Financial Conduct Authority Conduct of Business Sourcebook ("**COBS**"), the securities described in the Prospectus are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the United Kingdom.

**Confirmation of your representation:** By accessing, reading or making any other use of the Prospectus you confirm to Emirates NBD Bank PJSC (the "**Issuer**" or "**ENBD**") and to Abu Dhabi Commercial Bank PJSC, Citigroup Global Markets Limited, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, Merrill Lynch International and Standard Chartered Bank (the "**Joint Lead Managers**") that: (i) you understand and agree to the terms set out herein; (ii) you are a relevant person; (iii) you are not a U.S. person (within the meaning of Regulation S), or acting for the account or benefit of a U.S. person, and, to the extent that you purchase the securities described herein, you will be doing so pursuant to Regulation S, and that the electronic mail address that you have given is not located in the United States (including any state of the United States and the District of Columbia), its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands); (iv) you are a person who is permitted under applicable law and regulation to receive this

Prospectus; (v) you consent to delivery of such Prospectus and any amendments or supplements thereto by electronic transmission; (vi) you will not transmit the Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person except with the consent of the Joint Lead Managers; (vii) if you are a person in Hong Kong, you are a "professional investor" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; and (viii) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the securities.

You are reminded that the Prospectus has been delivered to you on the basis that you are a person into whose possession the Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver or disclose, electronically or otherwise, the contents of the Prospectus to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers to sell or solicitations to buy are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Joint Lead Managers or any affiliate of the Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such licensed Joint Lead Manager or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

Recipients of the Prospectus who intend to subscribe for or purchase the securities described herein are reminded that any subscription or purchase may only be made on the basis of the information contained in the Prospectus and/or supplement(s) to the Prospectus (if any).

Under no circumstances shall the Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities described herein in any jurisdiction in which such offer, solicitation or sale would be unlawful. The Prospectus may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the FSMA does not apply.

The distribution of the Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Prospectus comes are required by the Issuer and the Joint Lead Managers to inform themselves about, and to observe, any such restrictions.

The Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Joint Lead Managers or the Agents, nor any person who controls them, or any director, officer, employee or agent of them or any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer and the Joint Lead Managers. Please ensure that your copy is complete. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Each of the Joint Lead Managers is acting exclusively for the Issuer and no one else in connection with any offer of the securities described in the Prospectus. They will not regard any other person (whether or not a recipient of the Prospectus) as their client in relation to any offer of the securities described in the Prospectus and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for giving advice in relation to any offer of the securities described in the Prospectus or any transaction or arrangement referred to herein.

Neither the Joint Lead Managers nor any of their respective directors, officers, employees, agents or affiliates accepts any responsibility whatsoever for the contents of the Prospectus or for any statement made or purported to be made by them, or on their behalf, in connection with the Issuer or the offer of the securities described in the Prospectus. The Joint Lead Managers and their directors, officers, employees, agents and affiliates accordingly disclaim all and any liability whether arising in tort, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Lead Managers or any of their respective directors, officers, employees, agents or affiliates as to the accuracy, completeness or sufficiency of the information set out in the Prospectus and none of the Joint Lead Managers nor any of their respective directors, officers, employees, agents or affiliates accepts any responsibility for any acts or omissions of the Issuer or any other person in connection with the Prospectus or the issue and offering of the securities described in the Prospectus.



## EMIRATES NBD BANK PJSC

(incorporated with limited liability in the United Arab Emirates)

### U.S.\$1,000,000,000 Perpetual Additional Tier 1 Capital Securities

The U.S.\$1,000,000,000 Perpetual Additional Tier 1 Capital Securities (the "**Capital Securities**") shall be issued by Emirates NBD Bank PJSC (the "**Issuer**" or "**ENBD**") on 25 February 2025 (the "**Issue Date**"). Interest Payment Amounts (as defined in the Conditions) shall be payable subject to and in accordance with terms and conditions set out in the "*Terms and Conditions of the Capital Securities*" (the "**Conditions**") on the Prevailing Principal Amount (as defined in the Conditions) of the Capital Securities from (and including) the Issue Date to (but excluding) 25 February 2031 (the "**First Reset Date**") at a rate of 6.250 per cent. per annum. If the Capital Securities are not redeemed in accordance with the Conditions on or prior to the First Reset Date, Interest Payment Amounts shall continue to be payable from (and including) the First Reset Date subject to and in accordance with the Conditions at a fixed rate, to be reset on the First Reset Date and every six years thereafter, equal to the Relevant Six-Year Reset Rate (as defined in the Conditions) plus a margin of 1.839 per cent. per annum. Interest Payment Amounts will (subject to the occurrence of a Non-Payment Event (as defined in, and as more particularly provided in, Condition 6.1 (*Interest Cancellation – Non-Payment Event*))) be payable semi-annually in arrear on 25 February and 25 August in each year, commencing on 25 August 2025 (each, an "**Interest Payment Date**"). Payments on the Capital Securities will be made free and clear of, without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature, imposed, levied, collected, withheld or assessed by or within the Tax Jurisdiction (as defined in the Conditions) (the "**Taxes**") to the extent described under Condition 12 (*Taxation*). All payments by the Issuer in respect of the Capital Securities shall be conditional upon satisfaction of the Solvency Conditions (as defined in the Conditions) and no bankruptcy order in respect of the Issuer having been issued by a court in the United Arab Emirates (the "**UAE**"), as more particularly described in Condition 4 (*Status and Subordination*) (see, in particular, "*Risk Factors – Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities – The Capital Securities are subordinated, conditional and unsecured obligations of the Issuer*").

If a Non-Viability Event (as defined in the Conditions) occurs, a Write-down (as defined in the Conditions) shall occur on the relevant Non-Viability Event Write-down Date (as defined in the Conditions), as more particularly described in Condition 10 (*Write-down at the Point of Non-Viability*). In such circumstances, the Capital Securities shall automatically be deemed to be irrevocably, unconditionally and permanently written-down by the relevant Write-down Amount (as defined in the Conditions) and, in the case of the Write-down Amount corresponding to the full Prevailing Principal Amount of the Capital Securities then outstanding, the Capital Securities shall be cancelled (see "*Risk Factors – Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities – The right to receive repayment of the principal amount of the Capital Securities and the right for any further interest will be permanently written-down upon the occurrence of a Non-Viability Event*").

The Issuer may elect, in its sole discretion, and in certain circumstances shall be required, not to pay interest falling due on the Capital Securities. Any Interest Payment Amounts not paid as aforesaid will not accumulate and the holder of a Capital Security shall not have any claim in respect thereof.

The Capital Securities are undated and have no final maturity date. Unless the Capital Securities have previously been redeemed or purchased and cancelled as provided in the Conditions, the Capital Securities may, at the option of the Issuer, subject to the prior approval of the Regulator (as defined in the Conditions), be redeemed (in whole but not in part) at the Early Redemption Amount (as defined in the Conditions) on 25 August 2030 (the "**First Call Date**"), on any date thereafter up to and including the First Reset Date or on any Interest Payment Date following the First Reset Date. In addition, the Capital Securities may, upon the occurrence of a Tax Event or Capital Event (each as defined in the Conditions), be redeemed (in whole but not in part) at the Tax Redemption Amount or the Capital Event Redemption Amount (each as defined in the Conditions), respectively, subject to the prior approval of the Regulator and subject to the Conditions.

The payment obligations of the Issuer under the Capital Securities: (i) constitute direct, unsecured, conditional (as described in Condition 4.2(b) (*Status and Subordination – Subordination of the Capital Securities*)) and Condition 4.3 (*Status and Subordination – Solvency Conditions*)) and subordinated obligations of the Issuer that rank *pari passu* and without preference or priority amongst themselves; (ii) rank subordinate and junior to all Senior Obligations (as defined in the Conditions) (but not further or otherwise); (iii) rank *pari passu* with all *Pari Passu* Obligations (as defined in the Conditions); and (iv) rank in priority only to all Junior Obligations (as defined in the Conditions). **Notwithstanding any other provisions in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.**

Upon the occurrence of an Enforcement Event (as defined in the Conditions), any holder of the Capital Securities may give written notice to the Issuer at the specified office of the Fiscal Agent (as defined in the Conditions), effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 10 (*Write-down at the point of Non-Viability*) and Condition 11.4 (*Enforcement Events – Restrictions*) become forthwith due and payable at its Early Redemption Amount (as defined in the Conditions), without presentation, demand, protest or other notice of any kind.

**An investment in the Capital Securities involves certain risks. For a discussion of these risks, see "*Risk Factors*".**

The Capital Securities may only be offered, sold or transferred in registered form in minimum principal amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. Delivery of the Capital Securities in book-entry form will be made on the Issue Date. The Capital Securities will be represented by interests in a global certificate in registered form (the "**Global Certificate**") deposited on or about the Issue Date with, and registered in the name of a nominee for, a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg. Individual Certificates (as defined in the Conditions) evidencing holdings of interests in the Capital Securities will be issued in exchange for interests in the Global Certificate only in certain limited circumstances described herein.

This Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under Regulation (EU) 2017/1129 (as amended the "**EU Prospectus Regulation**"). The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Capital Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in such Capital Securities. There can be no assurance that any such admission to trading will be obtained. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin (the "**Euronext Dublin**") for the Capital Securities to be admitted to the official list of Euronext Dublin (the "**Euronext Dublin Official List**") and trading on its regulated market. The regulated market of the Euronext Dublin is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and the Council on markets in financial instruments (as amended, "**MiFID II**"). If you do not understand the contents of this Prospectus or are unsure whether the Capital Securities

to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

This Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under Rule 2.6 of the DFSA's Markets Rules (the "**Markets Rules**") and is therefore an approved prospectus for the purposes of Article 14 of the DIFC Law No. 1 of 2012 (as amended, the "**Markets Law**"). Application has also been made to the DFSA for the Capital Securities to be admitted to the official list of securities maintained by the DFSA (the "**DFSA Official List**") and to Nasdaq Dubai for such Capital Securities to be admitted to trading on Nasdaq Dubai. This Prospectus relates to an Exempt Offer in accordance with the Markets Rules of the DFSA. This Prospectus is intended for distribution only to persons of a type specified in the Markets Rules. It must not be delivered to, or relied on by, any other person. The DFSA does not accept any responsibility for the content of the information included in this Prospectus, including the accuracy or completeness of such information. The liability for the content of this Prospectus lies with the Issuer. The DFSA has also not assessed the suitability of the Capital Securities to which this Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Capital Securities to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

References in this Prospectus to Capital Securities being "**listed**" (and all related references) shall mean that such Capital Securities have been: (a) admitted to the Euronext Dublin Official List and the DFSA Official List; and (b) admitted to trading on the regulated market of Euronext Dublin (which is a regulated market for the purposes of MiFID II) and on Nasdaq Dubai.

This Prospectus is valid until the Capital Securities are admitted to trading on the regulated market of Euronext Dublin and to listing on the Euronext Dublin Official List. The obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies will not apply when this Prospectus is no longer valid. For the purposes of this Prospectus, "**valid**" means valid for admissions to trading on a regulated market by or with the consent of the Issuer and the obligation to supplement this Prospectus is only required within its period of validity between the time when this Prospectus is approved and the closing of the offer period for the Capital Securities or the time when trading on a regulated market begins, whichever occurs later.

The Issuer has been assigned long-term credit ratings of A+ (stable outlook) and A2 (positive outlook) by Fitch Ratings Limited ("**Fitch**") and Moody's Investors Service Cyprus Ltd ("**Moody's**"), respectively. The Issuer has been assigned short-term credit ratings of F1 and P-1 by Fitch and Moody's, respectively. As at the date of this Prospectus, the Capital Securities are not rated. Moody's is established in the European Union and is registered under Regulation (EC) No. 1060/2009 as amended (the "**EU CRA Regulation**"). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation. The rating issued by Moody's to the Issuer is endorsed by Moody's Investors Service Ltd., which is established in the United Kingdom and registered under Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK CRA Regulation**"). Fitch is established in the United Kingdom and registered under the UK CRA Regulation. Fitch appears on the latest update of the list of registered credit rating agencies on the United Kingdom Financial Conduct Authority's Financial Services Register. The rating issued by Fitch to the Issuer is endorsed by Fitch Ratings Ireland Limited, which is established in the European Union and registered under the EU CRA Regulation. As such, Fitch Ratings Ireland Limited is included in the list of credit rating agencies published by ESMA on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the EU CRA Regulation.

**A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

The Capital Securities have not been, nor will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Capital Securities may be offered or sold solely to persons who are not U.S. persons outside the United States in reliance on Regulation S. Each purchaser of the Capital Securities is hereby notified that the offer and sale of Capital Securities to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

***Sole Structuring Agent***

**Emirates NBD Capital**

***Joint Lead Managers***

**Abu Dhabi Commercial Bank  
Emirates NBD Capital**

**BofA Securities  
First Abu Dhabi Bank**

**Citigroup  
Standard Chartered Bank**

The date of this Prospectus is 21 February 2025.

## IMPORTANT NOTICE

This Prospectus complies with the requirements in Part 2 of the Markets Law and Chapter 2 of the Markets Rules and comprises a prospectus for the purposes of Article 6(3) of the EU Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of the knowledge of the Issuer, in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

Certain information contained in "*Risk Factors*", "*Description of the Issuer – ENBD's Competition*", and "*The UAE Banking and Financial Services System*" (as indicated therein) has been extracted from independent, third party sources. The Issuer confirms that all third party information contained in this Prospectus has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by the relevant third party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information contained in this Prospectus is stated where such information appears in this Prospectus.

The accuracy or completeness of the information contained or incorporated by reference in this Prospectus has not been independently verified by the Joint Lead Managers or any of their respective directors, officers, affiliates, advisers or agents. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers or any of their respective directors, officers, affiliates, advisers or agents: (a) as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information provided by the Issuer in connection with the Capital Securities or their distribution; or (b) for any acts or omissions of the Issuer or any other person in connection with this Prospectus or the issue and offering of the Capital Securities. To the fullest extent permitted by law, the Joint Lead Managers do not accept any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection with the Capital Securities or their distribution.

No person is or has been authorised by the Issuer or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with the issuance of the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Joint Lead Managers.

Neither this Prospectus nor any other information supplied in connection with the issuance of the Capital Securities: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the issuance of the Capital Securities should purchase any Capital Securities. Each investor contemplating purchasing any Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issuance of the Capital Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Joint Lead Managers to any person to subscribe for or to purchase any Capital Securities.

Neither the delivery of this Prospectus nor the offering, sale or delivery of any Capital Securities shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the issuance of the Capital Securities is correct as of any time subsequent to the date indicated in the document containing the same. The Joint Lead Managers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the issuance or to advise any investor in the Capital Securities of any information coming to their attention.

Investors should review, *inter alia*, the information contained or incorporated by reference in this Prospectus when deciding whether or not to purchase any Capital Securities.

The Capital Securities have not been, nor will be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and

applicable state securities laws. Accordingly, the Capital Securities may be offered or sold solely to persons who are not U.S. persons outside the United States in reliance on Regulation S.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Capital Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Capital Securities may be restricted by law in certain jurisdictions. The Issuer and the Joint Lead Managers do not represent that this Prospectus may be lawfully distributed, or that any Capital Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Joint Lead Managers which is intended to permit a public offering of any Capital Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Capital Securities may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Capital Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of any Capital Securities. In particular, there are restrictions on the distribution of this Prospectus and the offer or sale of any Capital Securities in the United States, the United Kingdom (the "UK"), the European Economic Area (the "EEA"), the Kingdom of Bahrain, the State of Qatar (including the Qatar Financial Centre), the Kingdom of Saudi Arabia, the Abu Dhabi Global Market (the "ADGM"), the Dubai International Financial Centre (the "DIFC"), the UAE (excluding the DIFC and the ADGM), Hong Kong, Japan, Singapore and Switzerland (see "*Subscription and Sale*").

**The Capital Securities may not be a suitable investment for all investors. Each potential investor in the Capital Securities must determine the suitability of that investment in light of its own circumstances, and is advised to consult its own tax advisers, legal advisers and business advisers as to tax, legal, business and related matters (as applicable) concerning the purchase of any Capital Securities.**

In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- has sufficient knowledge and experience to make a meaningful evaluation of the Capital Securities, the merits and risks of investing in the Capital Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Capital Securities and the impact the Capital Securities will have on its overall investment portfolio;
- has sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including where the currency for payments of principal or interest is different from the potential investor's currency;
- understands thoroughly the terms of the Capital Securities and is familiar with the behaviour of any relevant indices and financial markets; and
- is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

The Capital Securities are complex financial instruments and are of high risk, and may not be a suitable or appropriate investment for all investors (see, in particular, "*MIFID II Product Governance / Professional Investors and ECPs only Target Market*", "*UK MiFIR Product Governance / Professional Investors and ECPs only Target Market*", "*PRIIPs Regulation / Prohibition of Sales to EEA Retail Investors*" and "*UK PRIIPs Regulation / Prohibition of Sales to UK Retail Investors*" below). In some jurisdictions, regulatory authorities have adopted or published laws, regulations and/or guidance with respect to the offer or sale of securities similar to the Capital Securities. There are risks inherent in the holding of the Capital Securities, including risks relating to their subordination and the circumstances in which holders of the Capital Securities may suffer a loss as a result of holding the Capital Securities. For a discussion on certain considerations to be taken into account in respect of the holding of Capital Securities, see "*Risk Factors*".

Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Capital Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Capital Securities will perform under changing conditions, the resulting effects on the value of the Capital Securities and the impact this investment will have on the potential investor's overall investment portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (a) the Capital Securities are legal investments for it; (b) the Capital Securities can be used as collateral for various types of borrowing; and (c) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.

### **FORWARD-LOOKING STATEMENTS**

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus including, without limitation, any statements regarding the financial position of the Issuer, or the business strategy, management plans and objectives for future operations of the Issuer, may constitute forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "continue" or similar terminology. Although the Issuer believes that the expectations reflected in their forward-looking statements are reasonable at this time, there can be no assurance that these expectations will prove to be correct. Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the Issuer's actual results, performance or achievements, or industry results, to be materially different from any expressed or implied by forward-looking statements. Forward-looking statements may be based on numerous assumptions regarding the Issuer's present, and future, business strategies and the environment in which the Issuer expects to operate in the future. Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from any in the forward-looking statements are discussed in this Prospectus (see "*Risk Factors*"). Forward-looking statements speak only as at the date of this Prospectus and, subject as required by applicable law or regulation, the Issuer expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Prospectus to reflect any change in the expectations of the Issuer or any change in events, conditions or circumstances on which any forward-looking statements are based. Given the uncertainties of forward-looking statements, the Issuer cannot assure potential investors that any projected results or events will be achieved and the Issuer cautions potential investors not to place undue reliance on these statements.

### **MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET**

There are no manufacturers for the purposes of MiFID II. Any person subsequently offering, selling or recommending the Capital Securities (a distributor) should consider (i) the target market for the Capital Securities to be eligible counterparties and professional clients only, each as defined in MiFID II and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional clients to be appropriate. However, any person subsequently offering, selling or recommending the Capital Securities (a "**distributor**") subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the target market) and determining appropriate distribution channels.

### **UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET**

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Capital Securities has led to the conclusion that: (i) the target market for the Capital Securities is eligible counterparties, as defined in the UK Financial Conduct Authority ("**FCA**") Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in the Article 2(1)(13A) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK MiFIR**"); and (ii) all channels for distribution of the Capital Securities to eligible counterparties and professional

clients are appropriate. Any distributor should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Capital Securities (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

### **PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPS Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

### **UK PRIIPS REGULATION / PROHIBITION OF SALES TO UK RETAIL INVESTORS**

The Capital Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPS Regulation**") for offering or selling the Capital Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Capital Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.

### **PROHIBITION ON MARKETING AND SALES TO RETAIL INVESTORS**

1. The Capital Securities are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Capital Securities. Potential investors in the Capital Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Capital Securities (or any beneficial interests therein).
2.
  - (a) In the UK, COBS requires, in summary, that the Capital Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the UK
  - (b) Certain of the Joint Lead Managers are required to comply with COBS.
  - (c) By purchasing, or making or accepting an offer to purchase, any Capital Securities (or a beneficial interest in such Securities) from the Issuer and/or the Joint Lead Managers each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:
    - (i) it is not a retail client in the UK;
    - (ii) it will not sell or offer the Capital Securities (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Capital Securities (or any beneficial interests therein) where that invitation or inducement is



addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

- (d) In selling or offering the Capital Securities or making or approving communications relating to the Capital Securities you may not rely on the limited exemptions set out in COBS.
3. The obligations in paragraph 2. above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Capital Securities (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under MiFID II or the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Capital Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.
4. Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Capital Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

### **SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION**

Solely for the purposes of its obligations pursuant to Section 309B(1)(a) and Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as amended or modified from time to time, the "SFA"), the Issuer has determined, and hereby notifies all "relevant persons" (as defined in Section 309(A) of the SFA), that the Capital Securities are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

### **STABILISATION**

In connection with the issue of the Capital Securities, Standard Chartered Bank (the "**Stabilisation Manager**") (or persons acting on behalf of the Stabilisation Manager) may over-allot Capital Securities or effect transactions with a view to supporting the market price of the Capital Securities at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Capital Securities is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Capital Securities and 60 days after the date of the allotment of the Capital Securities. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

### **NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN**

In relation to investors in the Kingdom of Bahrain, Capital Securities issued in connection with this Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in another currency or such other amount as the CBB may determine.

This Prospectus does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Capital Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Prospectus or related offering documents and it has not in any way considered the merits of the Capital Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the contents of this Prospectus. No offer of the Capital Securities will be made to the public in the Kingdom of Bahrain.

and this Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

#### **NOTICE TO RESIDENTS OF THE STATE OF QATAR**

The Capital Securities will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Prospectus has not been and will not be reviewed or approved by, or registered with, the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Capital Securities are not and will not be traded on the Qatar Stock Exchange. The Capital Securities and interests therein will not be offered to investors domiciled or resident in the State of Qatar (including the Qatar Financial Centre) and do not constitute debt financing in Qatar under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar (including the Qatar Financial Centre).

#### **NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA**

This Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Prospectus. Prospective purchasers of the Capital Securities should conduct their own due diligence on the accuracy of the information relating to the Capital Securities. If a prospective purchaser does not understand the contents of this Prospectus, he or she should consult an authorised financial adviser.

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

#### **PRESENTATION OF FINANCIAL INFORMATION**

Certain figures and percentages included in this Prospectus have been subject to rounding adjustments. Accordingly, figures shown in the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

All references in this document to "**U.S. dollars**", "**U.S.\$**" and "**\$**" refer to United States dollars, to "**dirham**" and "**AED**" refer to UAE dirham, to "**TL**" refer to Turkish Lira and to "**euro**" and "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended. The exchange rate between the AED and the United States dollar has been fixed since 22 November 1980 at U.S.\$1.00 = AED 3.6725. Such translation should not be construed as representing that UAE dirham amounts have been or could have been converted into United States dollars at this or any other rate of exchange. All references to "**UAE**" are to the UAE.

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## RISK FACTORS

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Capital Securities. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with the Capital Securities are also described below.*

*If any of the risks described below actually materialise, the Issuer's and/or the Group's (as defined below) business, results of operations, financial condition or prospects could be materially and adversely affected. If that were to occur, the trading price of the Capital Securities could decline and investors could lose all or part of their investment.*

*The Issuer believes that the factors described below represent all the material risks inherent in investing in the Capital Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Capital Securities may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in "Terms and Conditions of the Capital Securities" shall have the same meanings in this section. References in "Risks relating to ENBD's business which may affect its ability to fulfil its obligations under or in connection with the Capital Securities" and "Risks relating to the UAE and the MENAT region" to "ENBD" shall be deemed to refer to the Group, unless the context otherwise requires.*

*The factors included below have been classified into the following categories: (i) risks relating to ENBD's business which may affect its ability to fulfil its obligations under or in connection with the Capital Securities; (ii) risks relating to the UAE and the MENAT region; (iii) risks relating to enforcement of ENBD's obligations under the Capital Securities; (iv) risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities; and (v) risks related to the market generally.*

### **Risks relating to ENBD's business which may affect its ability to fulfil its obligations under or in connection with the Capital Securities**

#### ***Risks arising from ENBD's business activities***

In the course of its business activities, ENBD is exposed to a variety of risks, the most significant of which are market risks, liquidity risks, credit risks and operational risks. Difficult macroeconomic and financial market conditions have affected, and could continue to materially adversely affect, ENBD's business.

#### ***Market risks***

ENBD is exposed to diverse financial instruments, including fixed income products, foreign currencies, equities and commodities, and deals in both physical as well as cash and derivative instruments. Market risk is the risk that the value of financial instruments in ENBD's and its subsidiaries' (together with ENBD, the "Group") inventories (with the inclusion of some other financial assets and liabilities) will produce a loss because of changes in future market conditions.

ENBD, in common with other financial institutions, is susceptible to changes in the macroeconomic environment and the performance of financial markets generally. Dubai enjoys a relatively diverse economy, and the four biggest sectors of Dubai's economy are wholesale and retail trade, transportation and storage, financial and insurance activities and manufacturing (comprising 24.7 per cent., 13.6 per cent., 11.3 per cent. and 9.1 per cent., respectively, of Dubai's GDP at constant prices in the six months ended 30 June 2024 (*source*: Dubai Statistics Centre)). However, any significant impact on international oil prices may have a negative impact on regional spending and liquidity, and consequently, is likely to affect Dubai's economy indirectly through its impact on the trade, construction, real estate, tourism and banking sectors in particular, given the openness of the economy which has no capital or exchange controls.

As at the date of this Prospectus, the performance of global debt, equity and commodity markets has been volatile, reflecting the ongoing volatility in the macro-economic climate which has had, and which

continues to have, a material adverse effect on the world's economies, including the economies of the UAE and other GCC states.

#### Events impacting the global macro-economic environment

Geopolitical tensions and uncertainties between Russia and NATO countries and increased military activity in the Baltic Sea, the conflicts in the Middle East, the increased naval drills in Asia-Pacific, as well as the potential for the continuation of global trade wars between key economic powers, are among the key factors contributing to global macroeconomic uncertainty and risk.

In February 2022, a war erupted between Russia and Ukraine which is currently ongoing. The conflict is resulting in tragic loss of life and a flux of refugees to neighbouring countries, as well as causing significant damage to Ukraine's physical infrastructure. The United States, the UK, the EU, Japan, Canada and other countries have implemented extensive and unprecedented sanctions (including disconnection from the SWIFT system) against certain Russian entities, persons and sectors, including Russian financial, oil and defence companies as a result of the conflict. In addition, certain members of the North Atlantic Treaty Organization ("NATO") and European countries have banned the import of Russian oil and transactions with the Central Bank of Russia and European Union has outlined plans to eliminate Russian gas imports by 2027.

Since mid-2021, there has been an increase in inflation, attributed to multiple causes including fiscal and monetary stimulus provided by governments and central banks in 2020 and 2021 in response to the Covid 19 pandemic, pandemic-related economic and supply chain dislocations, and the post-pandemic recovery in demand resulting in broad supply shortages. The Russian invasion of Ukraine further exacerbated the situation, through an increase in global prices of oil, natural gas, fertilisers and food prices. Central banks led by the US Federal Reserve responded by raising interest rates significantly. The increase in the cost of capital resulted in lower valuation multiples, lower economic growth expectations and impacted company earnings. The economic impact of the monetary tightening also resulted in stress in the banking sector.

While not directly impacting the UAE's territory, the war could negatively affect the economy of the Republic of Türkiye ("**Türkiye**"), including through its impact on Türkiye's ability to import from and export to Russia and Ukraine. In the first eleven months of 2024, Türkiye's exports to Russia amounted to approximately \$10.9 billion, while imports from Russia were about \$45.6 billion (source: Turkish Statistical Institute). Trade with Ukraine during the same period included significant imports of agricultural products, with wheat imports from Ukraine totalling \$155.2 million, accounting for a substantial portion of Türkiye's wheat imports (source: Turkish Statistical Institute). The war may also negatively impact Türkiye's access to Russian energy supplies as a result of the sanctions and measures imposed on Russian entities and individuals. The war and related sanctions imposed on Russian entities and individuals could also negatively impact ENBD's corporate and individual customers. This, in turn, may have an adverse effect on ENBD's business, financial condition, results of operations and prospects.

Furthermore, the ongoing conflict between Israel and Palestine (including the Israeli military campaign in Gaza which commenced in October 2023), Israel and Hezbollah in Lebanon and Israel and Iran, which remains highly volatile and uncertain, presents a risk to geopolitical stability in the Middle East (see "*Risks relating to the UAE and the MENAT region—Political, economic and related considerations*") and in turn the global macroeconomy. For example, in response to the Israeli military campaign in Gaza, the Houthi militants in Yemen have been attacking commercial vessels in the Red Sea and have threatened to continue such attacks until Israel ends its military campaign in Gaza. As a result, some of the world's largest shipping companies suspended travel in the Red Sea and diverted container vessels and a multinational naval coalition was formed to help safeguard commercial traffic in the Red Sea. In addition to Hezbollah, the Houthi militants have also launched missiles at Israeli targets. Furthermore, in April 2024, Israel and Iran engaged in a limited but direct exchange of missile strikes (the first such exchange directly between the two countries). These events have caused significant disruption to the economies of affected countries and have had a destabilising effect on international oil and gas prices (see "*Oil price volatility*"). It is not possible to predict the occurrence of events or circumstances such as war or hostilities, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability could have a material adverse effect on the political and economic stability of the Middle East (including the UAE, although to date there has been no significant impact on the UAE) and, in particular, could impact the numbers of tourists that choose to visit the UAE and the number of businesses interested in doing business

in the UAE. This in turn, may have an adverse effect on ENBD's business, financial condition, results of operations and prospects.

#### Interest rate volatility

Movements in global interest rates also impact the global economy. On 6 July 2020, the Central Bank of the UAE (the "**UAE Central Bank**") introduced the overnight deposit facility to enable conventional banks operating in the UAE to deposit their surplus liquidity at the UAE Central Bank on an overnight basis. Accordingly, the general stance of the UAE Central Bank's monetary policy would be signalled through the interest rate of the overnight deposit facility, which became the main policy rate of the UAE Central Bank (the "**UAE Base Rate**").

In March 2022, after cutting overnight interest rates to near zero in 2020 in response to the COVID-19 outbreak, the United States Federal Reserve Board (the "**U.S. Federal Reserve**") reversed its monetary policy in response to high levels of inflation. Between 16 March 2022 and 26 July 2023, the U.S. Federal Reserve incrementally increased the United States interest rate on reserve balances (the "**IORB**") by an aggregate 530 basis points to 5.40 per cent. During that period, each increase to the IORB was followed by a corresponding increase to the UAE Base Rate by the UAE Central Bank such that the UAE Base Rate also increased by an aggregate of 530 basis points, bringing it to 5.40 per cent as at 27 July 2023. In September and November 2024, the U.S. Federal Reserve cut the U.S. overnight interest rate by an aggregate of 750 basis, which the UAE Central Bank tracked. It is highly probable that the UAE Base Rate will continue to track U.S. interest rate movements.

Future movements in such rates may adversely impact ENBD's net interest margins, borrowing costs and capital. Moreover, continued monetary policy tightening by the U.S. Federal Reserve could adversely affect asset prices globally and ultimately economic growth globally.

#### Oil price volatility

Oil prices also impact the global economy and the economies of Gulf Cooperation Council (the "**GCC**") countries are exposed to oil price volatility. International oil prices have been volatile since 2019 and they are likely to continue to be volatile in the future. Prices for oil and natural gas are based on world supply and demand with increasingly complex interlinkages with other macro-economic conditions and parameters which are both beyond the ENBD's control and unpredictable. For example, the COVID-19 pandemic contributed to a significant decline in hydrocarbon prices in 2020 and the Russia-Ukraine conflict contributed to a significant increase in hydrocarbon prices in 2022. This volatility can be illustrated by the OPEC Reference Basket price which was, based on the average annual price, U.S.\$41.47 in 2020, U.S.\$69.89 in 2021, U.S.\$100.08 in 2022, U.S.\$82.95 in 2023 and U.S.\$79.89 in 2024. Increases to oil prices, due to the ongoing Russia-Ukraine war, the Israel-Palestine war or for any other reason and particularly when coupled with high inflation, may have a negative impact on ENBD's corporate and individual customers which, in turn, may have an adverse effect on ENBD's business, financial condition, results of operations and prospects (see "*Market risks – Inflation*").

#### UAE fiscal reforms

In the UAE, the volatile oil price environment referred to above stimulated a federal government-led policy of rationalisation of fiscal spending, which in turn, led to an ongoing transformation of the UAE economy. The UAE federal government has scaled back capital transfers to government-related entities, reduced government investment, raised electricity and water tariffs and removed fuel subsidies. Further, with effect from 1 January 2018, the federal government introduced a value-added tax ("**VAT**") regime in the UAE at a rate of 5 per cent. as part of a broader GCC-wide agreement. The Kingdom of Bahrain joined the GCC VAT regime on 1 January 2019 and Oman implemented VAT on 16 April 2021. Qatar is expected to introduce VAT in the near future, though Kuwait has announced that VAT is unlikely to be introduced before 2028. Saudi Arabia, which implemented VAT on 1 January 2018 at the rate of 5 per cent., increased the rate to 15 per cent. effective from 1 July 2020. In addition, on 9 December 2022, the UAE Ministry of Finance issued Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the "**Corporate Tax Law**") to enact a Federal corporate tax regime in the UAE, which became effective for taxable persons for financial years beginning on or after 1 June 2023. The Corporate Tax Law is applicable to ENBD for the tax period that commenced on 1 January 2024 (see "*Tax changes in the UAE may have an adverse effect on ENBD*" below for further information).

These significant fiscal reforms have become an integral part of a broader federal government strategy aimed at reducing fiscal expenditure generally and fiscal dependency on hydrocarbon-related revenues. This ongoing transformative process in the domestic economy may have a material adverse effect on ENBD's loan portfolio and its credit risk profile generally.

Further, and in response to the ongoing economic volatility, certain regional oil producing countries that have traditionally "pegged" their domestic currencies to the U.S. dollar have faced pressure to remove these foreign exchange "pegs". During 2015, each of Kazakhstan and Azerbaijan chose to unwind the U.S. dollar peg of their domestic currencies. While the likelihood of the GCC states pursuing a similar course of action is unclear, the UAE Central Bank has, as recently as January 2018, reiterated its intention to retain the UAE dirham peg against the U.S. dollar, and there remains a risk that any such future de-pegging by the GCC states (in the event that the current challenging market conditions or the volatility in global crude oil prices seen since mid-2014 persist for a prolonged period) would pose a systemic risk to the regional banking systems by virtue of the inevitable devaluation of any such de-pegged currency against the U.S. dollar and the impact this would have on the open cross-currency positions held by regional banks, including ENBD.

### Inflation

Many of the world's economies have experienced high levels of inflation since mid-2021. Inflation averaged at 7.3 per cent. in advanced economies and 9.8 per cent. in emerging market and developing economies in 2022 compared to 4.6 per cent. in advanced economies and 8.3 per cent. in emerging market and developing economies in 2023 (*source: International Monetary Fund World Economic Outlook 2024*). Whilst the expectation is for inflation to generally decline, as with the growth outlook, considerable uncertainty surrounds inflation projections. Various factors have contributed to shaping inflation outlook, including the Russia-Ukraine conflict, which increased energy and food prices (due to disruptions in the supply of commodities such as wheat, corn and fertilisers), and the maritime disruptions in the Red Sea caused by Houthi attacks on commercial vessels which are resulting in increased logistical costs. The possibility of further supply shocks led by geopolitical risks could cause an increase in prices of commodities and manufactured goods and lead to inflationary effects on wages. Prolonged inflation could affect the wider global economy (by, for example, causing prompt broad-based selling in long-duration, fixed-rate debt, which could have negative implications for equity and real estate markets) and ENBD's customers and counterparties (leading to lower recoverability), which, in turn, could have a material adverse effect on ENBD, particularly when coupled with a slowdown in the global economic environment and/or reductions in governmental spending and economic activity in the UAE, Türkiye and the wider MENAT region.

Volatile market conditions may result in reduced liquidity, the widening of credit spreads and a lack of price transparency in credit and capital markets and adverse market conditions impact investment markets both globally and in the UAE, with increased volatility in interest rates and exchange rates.

While ENBD believes that it has implemented the appropriate policies, systems and processes to minimise these risks (please see "*Description of the Issuer – Risk Management*"), investors should note that adverse market conditions could lead to reductions in investor and consumer confidence, market volatility, economic disruption and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of ENBD (including, for example, ENBD's net interest margin) irrespective of steps currently taken to adequately control these risks. As a result of adverse market conditions, some companies to which ENBD has directly extended or continues to extend credit have experienced, and may continue to experience, decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing and increased funding costs and some of these companies have been unable to meet their debt service obligations or other expenses as they become due, including amounts payable to ENBD. The business, results of operations, financial condition and prospects of ENBD may be adversely affected by any such adverse economic conditions in the Middle East, North Africa and Türkiye ("MENAT") region and emerging markets generally as well as by United States, European and international trading market conditions.

### *Liquidity risks*

Liquidity risk is the risk that ENBD will be unable to meet the payment obligations associated with its financial liabilities when they fall due and/or replace funds when they are withdrawn. This could arise from the inability of ENBD to anticipate and provide for unforeseen decreases or changes in funding sources.

An inability on ENBD's part to access funds or to access the markets from which it raises funds may put ENBD's position in liquid assets at risk and lead to it being unable to fund operations adequately. A dislocated credit environment also compounds the risk that ENBD will not be able to access funds at favourable rates. These factors could also lead creditors to form a negative view of ENBD's liquidity, which could result in less favourable credit ratings, higher borrowing costs and reduced access to funds. In addition, because ENBD receives a significant proportion of its funding from customer deposits, ENBD is subject to the risk that customers could withdraw their funds at a rate faster than the rate at which borrowers repay their loans, thus causing further liquidity strain. ENBD's inability to refinance or replace such deposits with alternative funding could materially adversely affect ENBD's liquidity, business, results of operations, financial condition and prospects.

Liquidity is essential to the performance of the banking sector and the business of ENBD and during this period a number of measures were taken in an attempt to improve the liquidity levels in the UAE by the UAE Ministry of Finance and the UAE Central Bank, including, but not limited to, regular contact and intervention with respect to UAE banks to provide liquidity to the market (UAE Ministry of Finance deposits and UAE Central Bank funding support). Although the UAE Ministry of Finance and the UAE Central Bank have supported the domestic banking industry in the past, there can be no assurance that either the UAE Ministry of Finance or the UAE Central Bank will provide any additional support to ENBD and the domestic banking industry or initiate support if another major economic disruption were to occur in the future. While ENBD does not materially rely on government deposits, and generally enjoys healthy levels of liquidity, there is no guarantee that this trend will persist or that any improvement in liquidity will continue in the future.

The UAE Central Bank adopted a policy of a gradual, phased introduction of the capital and liquidity standards for credit institutions, approved by the Basel Committee on Banking Supervision (the "**Basel Committee**") in response to the 2008 global financial crisis (the "**Basel III Reforms**"). As part of this gradual introduction of Basel III in the UAE, the UAE Central Bank informed certain banks in the UAE that they are obliged to report the Basel III Liquidity Coverage Ratio ("**LCR**") and the Net Stable Funding Ratio ("**NSFR**") to the UAE Central Bank.

The LCR is a metric introduced by the Basel Committee as part of the Basel III Reforms to measure a bank's ability to manage a sustained outflow of customer funds in an acute stress event over a 30-day period. The ratio is calculated by taking a financial institution's stock of unencumbered high-quality liquid assets ("**HQLAs**"), which include low-risk, highly marketable asset classes, designed to provide significant sources of liquidity in such a stress scenario, and dividing them by its projected net cash outflows over the immediately following 30-day period. The LCR requires that banks have sufficient HQLAs in their liquidity buffer to cover the difference between expected cash outflows and expected capped cash inflows over a 30-day stressed period. The Basel III Reforms require that the minimum value of the ratio be 100 per cent. (i.e., an institution's stock of HQLAs should at least equal total net cash outflows). See further "*The UAE Banking and Financial Services System – Recent Trends in Banking – Liquidity*".

By virtue of the inherent costs associated with LCR compliance and maintaining a sufficient portfolio of HQLAs, ENBD may be at a competitive disadvantage to its peer UAE-based financial institutions who are not required to monitor liquidity through LCR, which may have a material adverse effect on its business, results of operations, financial condition and prospects. Any future shortage of liquidity in the UAE and the MENAT region financial markets could have an adverse effect on the business, financial condition, results of operations and prospects of ENBD.

#### *Credit risks*

Credit risk refers to the risk of financial loss arising from the failure of ENBD's customers or counterparties to meet their contractual obligations to ENBD, and is relevant to both funded and non-funded transactions that are contingent in nature. Credit risk can arise from a deterioration in the credit quality of specific counterparties or borrowers of ENBD, from a general deterioration in local or global economic conditions or from systemic risks within the financial sector. As a provider of credit products, credit risk is inherent in a wide range of ENBD's businesses.

The global macro-economic climate remains volatile (see "*Risks arising from ENBD's business activities – Market risks – Events impacting the global macro-economic environment*"). During adverse market conditions, customers to which ENBD directly extends credit, as well as counterparties of ENBD, may experience decreased revenues, financial losses, insolvency, difficulty in obtaining access to financing,



increased funding costs and problems servicing their debt obligations or other expenses as they become due.

This challenging economic environment is expected to continue to impact ENBD's credit risk profile. Although ENBD's credit quality ratio has been stable in recent years, impairments may need to be recognised and future defaults may occur. The occurrence of these events and any failure by the Group to maintain the quality of its assets through effective risk management policies to mitigate against credit risk, could have a material adverse effect on the business, financial condition, results of operations and prospects of ENBD. The foregoing may require further provisioning by ENBD in subsequent financial periods.

#### *Concentration risk*

Concentrations in the loan/financing receivable and deposit portfolio of ENBD subject it to risks from default by its larger borrowers, from exposure to particular sectors of the UAE economy and from withdrawal of large deposits. The loans and receivables/financing receivables portfolio of ENBD shows industry and borrower concentration. Although ENBD considers that it has adequate access to sources of funding, the withdrawal of a significant portion of these large deposits may have an adverse effect on ENBD's liquidity, financial condition and results of operations as well as its ability to meet the UAE Central Bank target stable resources ratio of 100 per cent.

ENBD's loan portfolio is concentrated, geographically, in the UAE and Türkiye. The 10 largest private sector borrowers (which excludes those borrowers which are either wholly or majority owned by the Government of Dubai or the Ruler of Dubai, H.H. Sheikh Mohammed bin Rashid Al Maktoum) of the Group represented 4.3 per cent. of its total gross loans and receivables as at 31 December 2024. As at 31 December 2024, ENBD's largest funded exposure to a private sector borrower was AED 4.6 billion, which constitutes 0.9 per cent. of its total gross loans and receivables (as at 31 December 2024) and 3.9 per cent. of its total regulatory capital (total regulatory capital being AED 117.9 billion as at 31 December 2024).

In terms of the industry concentration of the Group's total credit risk portfolio, pertaining to conventional loans and receivables as at 31 December 2024, financial institutions and investment companies accounted for 5.9 per cent., construction and real estate combined accounted for 10.7 per cent., trade and manufacturing combined accounted for 12.0 per cent., sovereign accounted for 12.4 per cent., personal finance accounted for 30.2 per cent. and other sectors accounted for approximately 28.8 per cent.

As at 31 December 2024, the Group's corporate banking customers represented 45.2 per cent. of the sum of customer deposits and Islamic customer deposits.

#### *Real estate exposure*

As at 31 December 2024, exposures to real estate and construction constituted 5.4 per cent. and 1.3 per cent., respectively, of the Group's total credit risk exposure. The Group's total funded real estate and construction exposure stood at AED 57.6 billion as at 31 December 2024.

While Dubai's real estate prices rose by 21 per cent. in 2021, 11 per cent. in 2022 and 20.1 per cent. in 2023, a decrease in real estate prices or a default of ENBD's main real estate-related clients in the future could have a material adverse effect on the financial condition, results of operations and prospects of ENBD.

#### *Principal shareholder and governmental support*

As at the date of this Prospectus, Investment Corporation of Dubai ("ICD") holds 40.92 per cent. and DH 7 LLC, a wholly-owned subsidiary of Dubai Holding (LLC) ("**Dubai Holding Company**"), holds 14.84 per cent. of ENBD's share capital. Each of ICD and Dubai Holding Company is wholly-owned by the Government of Dubai. However, the Government of Dubai does not explicitly or implicitly guarantee the financial obligations of ENBD (including in respect of the Capital Securities) nor does it, like any other shareholder (acting through ICD), have any legal obligation to provide any support or additional funding for any of ENBD's future operations.

Neither the Government of Dubai nor the UAE Federal Government is under any obligation to invest in, make deposits with, do business with or otherwise support ENBD. The Government of Dubai or the UAE Federal Government may, whether directly or through government-owned entities, at any time and for any reason, dispose of its investments in, withdraw its deposits from, cease to do business with or otherwise

cease to support ENBD. The reduction or elimination of governmental support could have a material adverse effect on the business, results of operations, financial condition and prospects of ENBD.

### ***Competition***

ENBD faces high levels of competition for all products and services. ENBD competes primarily with a large number of other domestic banks in the UAE, some of which are also owned, directly or indirectly, by the governments of the relevant Emirates, government-related entities or members of the ruling families of the relevant Emirates. As of 31 December 2024, there were a total of 50 commercial banks registered in the UAE (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024). ENBD's main domestic competitors in terms of size of banking franchise and product and customer segments are First Abu Dhabi Bank P.J.S.C., Abu Dhabi Commercial Bank P.J.S.C., Dubai Islamic Bank P.J.S.C., Mashreqbank PSC, Abu Dhabi Islamic Bank P.J.S.C. and HSBC Bank Middle East Limited. Amongst banks in the UAE market, as at 31 December 2024, ENBD ranked second in terms of total assets, deposits and loans (*source*: year-end financials for each of the aforementioned banks). However, there can be no assurance that ENBD will be able to maintain this ranking in the future.

In addition to the local commercial banks in the UAE, ENBD competes with a number of international banks in investment advisory, investment banking, corporate advisory, finance and other services. In the large corporate and government client segments, ENBD faces competition from international banks and such competition is expected to increase in the UAE over time. Although ENBD seeks to co-operate with some of the top-tier international banks, especially in securities underwriting and distribution, it will also compete with them in other areas, particularly in corporate advisory and treasury operations in which these banks have a long history of successful operations in other regions.

Further, the UAE could be viewed as an over-banked market, even by regional standards, with a total of 50 commercial banks registered in the UAE (consisting of 23 locally incorporated commercial banks and 27 foreign commercial banks) (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024), serving a population estimated to be in the region of 9.7 million at the end of 2023 (*source*: OPEC Annual Statistical Bulletin 2024). There has traditionally been little impetus for consolidation. However, the merger between National Bank of Abu Dhabi P.J.S.C. ("**NBAD**") and First Gulf Bank P.J.S.C. ("**FGB**"), which was consummated on 30 March 2017, has stimulated further moves towards greater consolidation amongst UAE banks. In 2019, Abu Dhabi Commercial Bank P.J.S.C., Union National Bank P.J.S.C. and Al Hilal Bank P.J.S.C. agreed a merger to create the third largest bank in the UAE, which was completed in May 2019 (*source*: Bloomberg). In January 2020, Dubai Islamic Bank P.J.S.C. also announced the completion of its acquisition of Noor Bank P.J.S.C. (*source*: Reuters).

While any such attempts at further consolidation would reduce the level of concentration in the domestic banking sector, they would also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as information technology system development (see "*The UAE Banking and Financial Services System – Principal Banks in the UAE – Characteristics of the Banking System*").

Generally, the banking market in the UAE has been a relatively protected market with high regulatory and other barriers to entry for foreign financial institutions. However, should some of these barriers be removed or eased in the future, either voluntarily or as a result of the UAE's obligations to the World Trade Organisation, the GCC or any other similar entities, it is likely to lead to a more competitive environment for ENBD and other domestic financial institutions. Such increase in competition could have a material adverse effect on the businesses, results of operations, financial condition and prospects of ENBD.

ENBD's Turkish subsidiary, DenizBank A.Ş. ("**DenizBank**"), competes with both state-owned banks and, more recently, international banks with banking operations in Türkiye. As at 31 December 2024, there were a total of 58 banks (excluding the Central Bank of the Republic of Türkiye in Türkiye), 25 of which were banks with foreign ownership (*source*: The Banks Association of Türkiye). The entry of foreign-owned banks to the Turkish market, either directly (such as MUFG Bank Türkiye A.Ş., which commenced operations in November 2013) or indirectly through collaborations with existing Turkish banks, and the continued strength and size of state-owned and large privately owned banks which benefit from economies of scale in the Turkish banking market, may increase the already significant competition for DenizBank in the market.

***Foreign exchange movements may adversely affect the profitability of ENBD***

ENBD maintains its accounts and reports its results in AED. The UAE dirham has been pegged at a fixed exchange rate to the U.S. dollar since 22 November 1980. ENBD is exposed to the potential impact of any alteration to, or abolition of, this foreign exchange peg (see also "*Risks arising from ENBD's business activities – Market risks – UAE fiscal reforms*").

In addition, the depreciation of the Turkish Lira against the U.S. dollar or other major currencies might adversely affect the financial condition of DenizBank, which would, in turn, affect the financial condition of the Group.

***A negative change in credit ratings could limit ENBD's ability to raise funding and may increase its borrowing costs***

ENBD currently has a long-term issuer default rating of A+ with a stable outlook from Fitch and long-term foreign currency and local currency bank deposits ratings of A2 with a positive outlook and senior unsecured foreign currency and local currency ratings of A2 with a positive outlook from Moody's. These ratings, which are intended to measure ENBD's ability to meet its debt obligations as they mature, are an important factor in determining ENBD's cost of borrowing funds. ENBD's ratings could be affected by any changes in the ratings of the UAE.

On 15 October 2024, Moody's Investors Service Singapore Pte. Ltd ("**Moody's Singapore**") affirmed the UAE's long-term foreign currency and domestic currency issuer ratings of Aa2 with a stable outlook. The rating has been endorsed by Moody's Investors Service Limited in accordance with the EU CRA Regulation. Moody's Singapore is not established in the European Union or the UK and is not registered under the EU CRA Regulation or UK CRA Regulation. A principal reason cited by Moody's Singapore for this high investment grade rating is Moody's assessment that the UAE federal government's debt level will remain very low, supported by its continued adherence to balanced budget targets and limited spending needs due to the scale of fiscal decentralisation within the country, as well as the view that there will be extraordinary direct or indirect support from Abu Dhabi during episodes of stress or shocks, should the UAE Federal Government not have the capacity to provide countercyclical spending or absorb the shock. On 27 June 2024, Fitch affirmed the UAE's long-term foreign currency and local currency issuer default ratings of AA- with a stable outlook citing the UAE's moderate consolidated public debt level, strong net external asset position and high GDP per capita.

DenizBank currently has a long-term foreign currency issuer default rating of BB- with a stable outlook and a long-term local currency issuer default rating of BB- with a stable outlook from Fitch, and a long term foreign currency bank deposits rating of Ba3 with a positive outlook and a long term local currency bank deposits rating of Baa2 with a positive outlook from Moody's. These ratings, which are intended to measure DenizBank's ability to meet its debt obligations as they mature, are an important factor in determining DenizBank's cost of borrowing funds. DenizBank's ratings could be affected by any changes in the ratings of the Government of Türkiye.

On 6 September 2024, Fitch upgraded Türkiye's long-term foreign currency and local currency issuer default ratings to BB- (with a stable outlook) from B+. The upgrade reflects improved external buffers, bolstered by increased reserves and a strengthened net foreign asset position, as well as reduced contingent foreign exchange liabilities driven by declining financial dollarisation and foreign exchange -protected deposits, alongside positive real interest rates and enhanced external liquidity. On 19 July 2024, Moody's Investors Service Inc. ("**Moody's Inc.**") upgraded Türkiye's long-term foreign currency and domestic currency issuer ratings to B1 (with a positive outlook) from B3 and the foreign currency senior unsecured rating to B1 (with positive outlook) from B3. The key driver of the upgrade is improvements in governance, more specifically the decisive and increasingly well-established return to orthodox monetary policy. This yielded visible results in terms of reducing Türkiye's major macroeconomic imbalances. Inflation and domestic demand have started to moderate, providing greater confidence that inflationary pressures will ease. The Central Bank of Türkiye's efforts to enhance monetary policy credibility increased confidence in the lira and reducing external vulnerabilities, though political risk remains a constraint. The positive outlook reflects a balance of risks skewed to the upside, with improved monetary policy credibility and macroeconomic stability enhancing Türkiye's credit strengths, supported by a competitive economy, strong fiscal metrics, and reduced inflation risks through structural reforms. Moody's Inc. is not established in the European Union or the UK and is not registered under the EU CRA Regulation or the UK CRA Regulation.

An announcement of a negative ratings outlook of ENBD's or DenizBank's credit rating may also limit the Group's ability to raise capital. Moreover, actual or anticipated changes in ENBD's credit ratings may affect the market value of the Capital Securities.

### ***Importance of key personnel***

ENBD's ability to maintain and grow its business will depend, in part, on its ability to continue to recruit, retain and motivate qualified and experienced banking and management personnel. ENBD may face challenges in recruiting and retaining qualified personnel to manage its business from time to time and, if it is to continue to grow, it will need to continue to increase its employee numbers.

Additionally, in 2005, the UAE Federal Government recommended a policy, pursuant to Ministerial Order 43, that banks operating in the UAE recruit UAE nationals representing at least 4 per cent. of their total employees each year. In 2017, this policy was replaced with a points-based system under which a bank is allocated its Emiratisation quota by way of target points on an annual basis. In common with other banks in the UAE, ENBD experiences a shortage of, and competition to recruit and retain, qualified UAE national employees. If ENBD is unable to meet or exceed the UAE Federal Government's recommended policy for recruiting UAE nationals, it may be subject to legal penalties, including, with respect to its current licences, and may be prevented from obtaining additional licences necessary in order to allow it to expand its business.

Competition in the UAE for personnel with relevant expertise is also intense due to a disproportionately low number of available qualified and/or experienced individuals compared with demand. While ENBD currently meets (and exceeds) the UAE Federal Government's "Emiratisation" requirements (in particular, see *"Management of the Issuer – Emiratisation"*) and believes that it has effective staff recruitment, training and incentive programmes in place, if it was unable to retain key members of its senior management and/or remove underperforming staff and/or hire new qualified personnel in a timely manner, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

### ***ENBD's business is dependent on its information and technology systems which are subject to potential cyber-attack***

In common with other financial institutions based in the MENAT region and elsewhere in the world, there is a growing threat to the security of ENBD's information and customer data from cyber-attacks. Activists, rogue states and cyber criminals are amongst those targeting computer systems around the world. Risks to technology and cyber-security change rapidly and require continued focus and investment. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. Failure to adequately manage cyber-security risk and continually review and update current processes in response to new threats could have an adverse effect on ENBD's business, results of operations, financial condition and prospects.

### ***Security interests or loan guarantees provided in favour of ENBD may not be sufficient to cover any losses and may not be legally enforceable***

The practice of pledging assets (such as share portfolios in margin lending and real estate assets) to obtain a bank loan is subject to certain limitations and administrative restrictions under UAE law. In particular, such security may not be enforced without a court order. As a result, security over certain pledged assets may not be enforced in UAE courts. Accordingly, ENBD may have difficulty foreclosing on collateral (including any real estate collateral) or enforcing guarantees or other third-party credit support arrangements when debtors default on their loans and would likely face further such difficulties if any of ENBD's key clients or shareholders were to default on their loans.

Additionally, under recent changes to Federal Decree by Law No. (50) of 2022, Promulgating the Commercial Transactions Law (the "CTL"), banks are required to obtain "adequate securities or collaterals" against loans granted by them. The amendments to the CTL have not defined what "adequate" or "sufficient" securities means in a commercial context and nor have the amendments to the CTL specified the consequences for failing to comply with them. As a result, in the absence of further clarification, it is possible that the UAE courts may reject claims from ENBD in respect of loans made to individuals and corporations on the basis of lack of "adequate" or "sufficient" security supporting the underlying loan.

In addition, even if such security interests are enforceable in UAE courts, the time and costs associated with enforcing security interests in the UAE may make it uneconomical for ENBD to pursue such enforcement proceedings, adversely affecting ENBD's ability to recover its loan losses.

ENBD typically requires additional collateral in the form of cash and/or other assets in situations where ENBD may not be able to exercise rights over pledged shares or where it enters into guarantees or other third-party credit support arrangements for loans made to individuals and corporations. Any decline in the value or liquidity of such collateral (as a result of, for example, the market value of real estate assets which have been pledged as collateral) may prevent ENBD from foreclosing on such collateral for its full value or at all in the event that a borrower becomes insolvent and enters bankruptcy, and could thereby adversely affect ENBD's ability to recover the full amounts advanced to the borrower.

The occurrence of any of the foregoing could have a material adverse effect on ENBD's business, results of operations and financial condition.

***Climate change can create risks that could adversely affect ENBD***

There is an increasing focus over the risks of climate change and related environmental sustainability matters. Climate change may imply two primary drivers of financial risk that could adversely affect ENBD: (a) transition risks, being the risks arising from the process of adjustment to a low-carbon economy, in order to limit global temperature rise; and (b) physical risks, being the risks arising from increasing frequency and severity of acute weather-related events and longer-term chronic shifts in climate patterns.

Transition risks may result in policy, regulatory and technological changes which could increase ENBD's regulatory, compliance or other costs and impact its strategies. In particular, the possibility of regulatory fragmentation across regions in which ENBD operates, together with existing guidance and expectations, may have a significant impact on ENBD by, for instance, requiring investment in terms of resources to comply with regulations across ENBD's markets. ENBD's customers and counterparties may also be subject to similar risks and, as a result, may face reduced corporate earnings and/or business disruption due to new regulations or market shifts which could, in turn, adversely affect ENBD credit exposure.

Physical risks related to discrete events (such as flooding and wildfires) and extreme weather impacts and longer-term shifts in climate patterns (such as extreme heat, sea level rise and more frequent and prolonged drought) could result in financial losses that could impair asset values and the creditworthiness of ENBD's customers. For example, the UAE experienced heavy thunderstorms on 15 and 16 April 2024 causing flash floods across the UAE including cities such as Abu Dhabi and Dubai and impacting the cities' infrastructure. Such events could disrupt ENBD's operations or those of its customers or third parties on which ENBD relies and does business with, including through direct damage to assets and indirect impacts from supply chain disruption and market volatility.

The implementation of climate change solutions could result in market changes in carbon-intensive sectors and may, therefore, affect energy and commodity prices, corporate bonds, equities and certain derivatives contracts. Accordingly, any climate change related solutions could also affect macroeconomic conditions, weakening fundamental factors such as economic growth, employment and inflation which may, in turn, expose companies (including ENBD, its customers and its counterparties) to liquidity risks including as a result of cash outflows to improve their reputation in the market or solve climate-related problems.

ENBD has developed and continues to enhance processes to embed climate risk considerations into its processes and risk management cycle. However, since the timing and severity of climate change may not be predictable, and is rapidly evolving, ENBD's risk management strategies may not be effective in mitigating climate risk exposure. Furthermore, as the risks, perspective and focus of regulators, shareholders, employees and other stakeholders regarding climate change are evolving rapidly, it can be difficult to assess the ultimate impact on ENBD of climate change-related risks, compliance risks and uncertainties. ENBD may not be able to meet its estimates, targets or commitments or it may not be able to achieve them within the timelines it announces. Actual or perceived shortcomings with respect to the foregoing could result in litigation or regulatory enforcement as well as reputational damage to ENBD.

Any of the conditions described above, or ENBD's failure to identify other climate-related risks, could have a material adverse effect on ENBD's business, financial condition, results of operations and prospects.

## **Risks relating to the UAE and the MENAT region**

### ***Political, economic and related considerations***

While the UAE has historically enjoyed significant economic growth and relative political stability, there can be no assurance that such growth or stability will continue. Investors should note that ENBD's businesses and financial performance may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and the MENAT region. Certain sectors of the GCC and UAE economies such as financial institutions could be adversely affected by a slowdown in economic growth.

No assurance can be given that the UAE Government will not implement regulations or fiscal or monetary policies, including policies, regulations, or new legal interpretations of existing regulations, relating to or affecting taxation, interest rates or exchange controls, or otherwise take actions which could have an adverse effect on ENBD's business, financial condition, results of operations, prospects or ability to perform its obligations under the Capital Securities, or which could adversely affect the market price and liquidity of the Capital Securities.

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the MENAT region are not, and there is a risk that regional geopolitical instability could impact the UAE. Instability in the MENAT region may result from a number of factors, including government or military regime change, civil unrest or terrorism.

In particular, since 2011, there has been political unrest in a number of countries in the MENA region, including Libya, Lebanon, Yemen, the Republic of Iraq and Syria, ranging from public demonstrations and riots (such as the series of civil protests that arose in Iran on 16 September 2022 in respect of women's rights) to, in extreme cases, armed conflict (including the UAE's involvement in the Saudi-led intervention in Yemen against the Al Houthi militia from 2015 to 2020, the Saudi-led multinational coalition formed in 2015 (of which the UAE remains a part of today) to combat Islamic extremism and the so-called Islamic State (also known as Daesh, ISIS or ISIL), ongoing tensions between the US and Iran, which have led to military strikes as recently as in April 2024 and the war between Israel and Palestine), which have increased geopolitical tensions and political uncertainty across the MENA region.

In addition to the war between Israel and Palestine, armed conflict between Israel and Iran, Israel and Hezbollah in Lebanon and Israel and the Al-Houthi militia in Yemen has contributed to escalating tensions in the Middle East. Any continuation of, or increase in, regional tensions, including further attacks on or seizures of oil tankers that have disrupted international trade and impaired trade flows through the Strait of Hormuz, and the resulting military action taken by the United States and other countries against Al-Houthi bases in Yemen, may also have a destabilising impact on the broader region and the situation remains volatile and uncertain.

These situations have caused significant disruption to the economies of affected countries and may have had a destabilising effect on international oil and gas prices (see further "*Risk Factors – Risks relating to ENBD's business which may affect ENBD's ability to fulfil its obligations in respect of the Capital Securities– Risks arising from ENBD's business activities – Market risks – Oil price volatility*").

It is not possible to predict the occurrence of events or circumstances such as war, terrorism, civil unrest or hostilities, or the impact of such occurrences, and no assurance can be given that the UAE would be able to sustain its current economic growth levels if adverse political events or circumstances were to occur. Continued instability affecting the countries in the MENAT region could adversely impact the UAE, although, to date, there has been no significant impact on the UAE.

Dubai is also dependent on expatriate labour and has made significant efforts in recent years to attract high volumes of foreign businesses and tourists to the Emirate. These steps make it potentially more vulnerable should regional instability increase. In addition, the continued instability affecting countries in the MENAT region could negatively impact the number of foreign businesses seeking to invest in the UAE, while also affecting the number of tourists visiting the UAE.

A general downturn, political instability or instability in certain sectors of the UAE or the regional economy could have an adverse effect on ENBD's businesses, financial condition, results of operations and prospects.

### ***Impact of regulatory changes in the UAE***

ENBD is subject to a number of prudential and regulatory controls designed to maintain the safety and soundness of banks, ensure its compliance with economic, social and other objectives and limit its exposure to risk. These regulations include UAE federal laws and regulations (particularly those of the UAE Federal Government and the UAE Central Bank, as well as the laws and regulations of the other countries in which ENBD operates) (in particular, see "*The UAE Banking and Financial Services System – Recent Trends in Banking*"). Such regulations may, amongst other things, limit ENBD's ability to increase its loan/financing receivable portfolios or raise capital or may increase its cost of doing business.

Regulatory standards applicable to banks in the UAE and the oversight and enforcement thereof by the regulators may differ from those applicable to banking operations in other regulatory regimes. The UAE Central Bank has recently issued a high volume of new regulations and standards, some of which are already in effect and others which will become effective in the near future. In particular, new regulations and standards have been proposed that cover consumer protection, data privacy, outsourcing and credit risk management. As part of the process of introducing internal controls and action plans to comply with the UAE Central Bank's regulations and standards, such actions may have an adverse effect on ENBD's businesses, financial condition, results of operations and prospects. There can be no assurance that the UAE Government or the UAE Central Bank will not implement regulations or policies, including policies or regulations or legal interpretations of existing banking or other regulations, relating to or affecting taxation, interest rates, commissions, fees, inflation or exchange controls, or otherwise take action that could have a material adverse effect on ENBD's business, results of operations, financial condition or prospects, and further on the market price and liquidity of the Capital Securities.

Although ENBD works closely with its regulators and continually monitors the situation, any changes in the laws and regulations and/or the manner in which they are interpreted or enforced cannot be predicted and are beyond the control of ENBD. Such changes may, for example, limit the ENBD's ability to increase its loan portfolio or raise capital or may increase the ENBD's cost of doing business and thereby have a material adverse effect on ENBD's business, results of operations, financial condition and prospects. In particular, any changes in UAE Central Bank regulations or policy may affect ENBD's reserves, provisions, impairment allowances and other applicable ratios. Furthermore, non-compliance with regulatory guidelines could expose ENBD to potential liabilities and fines or other sanctions in the jurisdictions in which ENBD operates.

In addition, Article 116 of Federal Law No. 14 of 2018 Regarding the Central Bank & Organization of Financial Institutions and Activities, as amended by Federal Decree Law No. 25 of 2020 and Federal Decree No. 9 of 2021 (the "**2018 Federal Law**") indicates that the UAE Central Bank shall establish a resolution framework for financial institutions, pursuant to which, in the case of a deficiency in an institution's financial position, the UAE Central Bank may take certain actions for the protection of the concerned institution and its depositors. These may include (without limitation) requesting a court to liquidate or declare bankrupt such institution, or prepare a plan for transfer of its assets and liabilities, in accordance with established laws. Pursuant to the 2018 Federal Law, the UAE Central Bank issued a recovery planning regulation pursuant to Circular No. 4/2023 dated 30 October 2023 (the "**Recovery Planning Regulation**") which became effective as of 29 December 2023 and requires financial institutions to have in place a recovery plan in accordance with the Recovery Planning Regulation by 30 June 2024 (see further *The UAE Banking and Financial Services System—Recent Trends in Banking—Recovery and Resolution*). As of 30 June 2024, ENBD is in compliance with the Recovery Planning Regulation. However, it is not clear when and to what extent the UAE Central Bank will issue any further frameworks. The exercise (or perceived likelihood of exercise) of any action by the UAE Central Bank (such as requesting a court to liquidate or declare bankrupt such institution, or prepare a plan for transfer of its assets and liabilities) or any suggestion of such exercise could materially adversely affect the value of the Capital Securities and could lead to holders losing some or all of their investment in the Capital Securities.

A description of the legal and regulatory environment applicable to banks generally in the UAE is set out below under "*The UAE Banking and Financial Services System*".

### ***Terrorism, political conflicts and natural disasters relating to or occurring in Türkiye***

DenizBank primarily operates in Türkiye. Türkiye is located in a region that has been subject to ongoing political and security concerns, especially in recent years. Political uncertainty within Türkiye and in certain neighbouring and nearby countries, such as Iraq, Syria, Iran, Georgia, Cyprus, Egypt, Ukraine and Armenia

have historically been one of the potential risks associated with an investment in Turkish securities. At the end of July 2015, Türkiye joined the U.S.-led coalition and initiated air strikes against ISIL in Syria and against the People's Congress of Kurdistan, also known as the Partiya Karkerê Kurdistanê or PKK in northern Iraq. Moreover, unrest and protests broke out amongst Kurdish groups within Türkiye as a result of the events in Syria. In August 2016, Türkiye's military began direct operations in Syria to combat ISIL and the People's Protection Units, a Kurdish separatist group in northern Syria. On 25 September 2017, the Kurdish Regional Government in Northern Iraq held a referendum for the independence of the region administered by the Kurdish Regional Government in Northern Iraq. Turkish government officials announced that Türkiye will not recognise the outcome of the referendum and might take punitive measures, including economic sanctions and closing its airspace and border crossing to Northern Iraq. On 20 January 2018, Turkish officials announced that the Turkish military had started an operation in the Afrin area of Syria, targeting organisations that Türkiye deems to be terrorist organisations. Elevated levels of conflict in Iraq and Syria have also caused a significant displacement of people. The high number of refugees within Türkiye's borders and foreign intelligence agents infiltrating both refugee camps and local communities remain current threats. Türkiye is amongst the countries that have taken a significant number of Syrian refugees with a negative economic, political and social impact on Türkiye. Any continuation or escalation of political instability or international military intervention in Syria and/or a more aggressive stance by the allies of Bashar al-Assad (the President of Syria) against Türkiye may act as a destabilising factor for Türkiye.

In 2022, Türkiye (a NATO member), in response to the Russia-Ukraine conflict, invoked the 1936 Montreux Convention and denied a request from Russia to sail several naval vessels through the Turkish Straits. While not directly impacting Türkiye's territory, the dispute could negatively affect Türkiye's economy, including through its impact on the global economy and the impact it might have on Türkiye's access to Russian energy supplies. This, in turn, may have an adverse effect on the DenizBank's business, financial condition, results of operations and prospects.

It is difficult to predict the impact of the continuing tensions on the geopolitical stability in the broader region, including Türkiye, and any potential resulting adverse effect on the Turkish economy, as well as on DenizBank's business, financial condition, results of operations and prospects.

Furthermore, terrorist attacks (which have occurred in the past) and the threat of future terrorism could have a material adverse effect on Türkiye's capital markets, the level of tourism, foreign investment and other elements of the Turkish economy and ultimately on ENBD's financial condition and results of operations.

A significant portion of Türkiye's population and most of its economic resources are located in a first-degree earthquake risk zone and Türkiye has experienced a large number of earthquakes in recent years, some quite significant in magnitude. Most recently, on 6 February 2023, two earthquakes with a magnitude of 7.7 and 7.6 (respectively) on the Richter scale occurred in Kahramanmaraş, which caused catastrophic loss of life and destruction of numerous buildings. The Turkish government declared a Level 4 state of emergency, which includes a call for international assistance as well as the mobilisation of all national forces. The impact of those earthquakes was estimated to be U.S.\$104 billion in damage.

Major earthquakes and other natural disasters have effects due to the direct impact of such events on DenizBank and its employees, including adverse effects on DenizBank's employees, operational systems and property. Furthermore, the government could take measures (such as the imposition of taxes), that have a material adverse effect on ENBD's profitability. Any of these events could materially adversely affect ENBD's business, financial condition and results of operations.

The above factors may have a material adverse effect on DenizBank's (and therefore ENBD's) business, financial condition, results of operations and prospects.

#### ***Changes in the policy of the Central Bank of Türkiye on reserve requirements and interest rates in Türkiye***

The value of the Turkish currency against the U.S. dollar has been volatile over the last years, primarily as a result of uncertainties surrounding the political and economic landscape. The Turkish Lira depreciated by 36.5 per cent., 28.3 per cent. and 44.8 per cent. against the US dollar, in 2023, 2022 and 2021, respectively, before depreciating by a further 16.5% in 2024. The exchange rate was TRY 35.28 per U.S. dollar as of 31 December 2024, TRY 29.44 per U.S. dollar as of 31 December 2023 and TRY 18.70 per U.S. dollar as of 31 December 2022 (*source*: Central Bank of Türkiye). On 19 May 2022 Türkiye's net international reserves



dropped to U.S.\$-151 million (compared to U.S.\$28,130 million as at 16 December 2022 and U.S.\$ 9,561 million as at 20 May 2022) to its lowest level since February 2002 (*source: Reuters*).

The Turkish economy experienced further volatility between 2021 and 2024. The Central Bank of Türkiye's policy rate was cut nine times (by an aggregate 10.5 per cent.) to 8.5 per cent. between 20 March 2021 and 24 February 2023. During 2022, the aggregate annual inflation rate rose to a peak of 85.5 per cent. in October 2022. In April 2023, the annual inflation rate was recorded at 43.68 per cent. (*source: Central Bank of Türkiye*). In line with a reversal in Central Bank of Türkiye's monetary policy to reduce the inflation rate, the policy rate was raised nine times (by an aggregate of 41.5 per cent.) to 50.0 per cent. between 25 February 2023 and 22 March 2024. Annual inflation increased gradually from a low of 38.21 per cent. in June 2023 to 75.45 per cent. in May 2024 notwithstanding the policy rate hikes (*source: Central Bank of Türkiye*).

The Central Bank of Türkiye also utilises reserve requirements for banks registered in Türkiye as a monetary policy tool to counter inflation. The Central Bank of Türkiye introduced in March 2024 a reserve requirement based on loan growth whereby lenders are required to hold for the amount of a loan that exceeds a monthly growth rate of 2 per cent. TRY-denominated required reserves for one year. Furthermore, reserve requirement ratios for Turkish lira deposits and foreign exchange ("FX") -protected deposits were raised, thereby withdrawing approximately TRY 550 billion of liquidity from the system (*source: Central Bank of Türkiye*).

Future policies by the Central Bank of Türkiye and other Turkish government authorities are subject to a number of uncertainties, and the Turkish economy, inflation rates and foreign exchange rates may continue to experience difficult and volatile conditions in the future. The impact of these circumstances, including changes in the exchange rates of the Turkish Lira, could have a material adverse effect on DenizBank, including through borrower defaults, increased NPLs, reduced loan volumes and reduced earnings, the revaluation of assets and liabilities (including increases in the Turkish Lira-equivalent value of DenizBank's obligations in other currencies), a decline in capital and/or rapid changes in the economic and legal environment.

**Any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham or other regional currencies at a fixed exchange rate to the U.S. dollar will expose ENBD to U.S. dollar foreign exchange movements against the UAE dirham or other such currencies** ENBD maintains its accounts and reports its results in UAE dirham. The UAE dirham has been pegged to the U.S. dollar since 22 November 1980 and remains pegged as of the date of this Prospectus. Additionally, the currencies of other major oil-producing GCC countries, including the Kingdom of Saudi Arabia, the Sultanate of Oman, the Kingdom of Bahrain, and the State of Qatar, are also pegged to the U.S. dollar as of the date of this Prospectus.

Historically, periods of international oil price volatility have put pressure on countries with dollar-pegged currencies to reconsider their pegs. For example, in 2015, Kazakhstan and Azerbaijan de-pegged their currencies from the U.S. dollar following significant pressure from declining oil revenues.

There remains a risk that additional GCC countries may choose to unwind their existing currency pegs to the U.S. dollar or adjust the peg rate. Any such de-pegging or revaluation could result in immediate devaluation of the affected currencies against the U.S. dollar. Given the levels of exposure among regional financial institutions to pegged currencies, such devaluation(s) could adversely impact banking systems across the UAE and the wider GCC region.

While the UAE Central Bank has reiterated its intention to retain the dirham's peg to the U.S. dollar, there can be no assurance that the peg will be maintained or that adjustments will not occur in the future.

Investors should be aware that new legislation and any resulting shift in policy and procedure in the UAE, including currency de-pegging or devaluation, could affect the ability of ENBD to perform its obligations in respect of the Capital Securities.

***Tax changes in the UAE may have an adverse effect on ENBD***

On 9 December 2022, the UAE Ministry of Finance issued the Corporate Tax Law to enact a Federal corporate tax regime in the UAE, which applies to taxable persons for financial years beginning on or after 1 June 2023. For ENBD, corporate tax applies from 1 January 2024. Under the Corporate Tax Law,

corporate tax will apply on the net profits of a business. A 9 per cent. corporate tax rate applies to taxable income above AED 375,000, while a rate of 0 per cent. applies to taxable income not exceeding AED 375,000. The first tax period that the Corporate Tax Law is applicable to ENBD commenced on 1 January 2024.

In December 2024, the UAE announced its implementation of the Pillar 2 model rules (the "**GloBE**") of the Organisation for Economic Cooperation and Development in the form of a domestic minimum top-up tax of 15 per cent., effective from 1 January 2025, for multinational enterprises meeting the criteria of the rules. The GloBE rules seek to ensure that multinational enterprises pay a minimum tax of 15 per cent. in respect of the excess profits derived from every jurisdiction in which they operate. ENBD and its subsidiaries are within the scope of these rules and are therefore required to calculate their GloBE effective tax rate for each jurisdiction in which they operate. As a result of these rules, ENBD would be liable for a top-up tax in respect of low-taxed jurisdictions (i.e., jurisdictions with an effective tax rate below 15 per cent.), with such top-up tax (to bring the effective rate up to 15 per cent.) payable to the Federal Tax Authority of the UAE.

In addition, with effect from 1 January 2018, certain of the GCC states (including the UAE) have implemented a VAT regime at a rate of 5 per cent. as part of a broader GCC-wide agreement. See further "*Risks relating to ENBD's business which may affect ENBD's ability to fulfil its obligations in respect of the Capital Securities—Risks arising from ENBD's business activities – Market risks – UAE fiscal reforms*".

Material amendments to the Corporate Tax law (or any other analogous tax regime) may have a material adverse effect on ENBD's business, financial condition, results of operations and prospects, which in turn could affect ENBD's ability to perform its obligations in respect of the Capital Securities. With respect to the introduction of VAT in the UAE, ENBD's costs have increased and its future profitability could be negatively affected, in comparison to the previous tax-free environment.

#### ***Risks relating to enforcement of ENBD's obligations under the Capital Securities***

##### ***UAE bankruptcy law***

In the event of the insolvency of ENBD, UAE bankruptcy law may adversely affect the ability of ENBD to perform its obligations under the Capital Securities issued by it and, in turn, may adversely affect ENBD's ability to make payments to Holders of Capital Securities. There is little precedent to predict how a claim on behalf of the holders of Capital Securities against ENBD would be resolved in the case of the insolvency of ENBD (including the approach that would be adopted by a liquidator or analogous insolvency official in respect of any subordination agreed as a matter of contract between ENBD and any of its creditors).

##### ***Investors may experience difficulties in enforcing arbitration awards and foreign judgments in Dubai***

If ENBD fails to make payments to investors in the manner contemplated under the Capital Securities, it may be necessary to bring an action against ENBD to enforce its obligations and/or to claim damages which could be both time-consuming and costly.

ENBD has irrevocably agreed to the Capital Securities, the Agency Agreement, the Deed of Covenant (each as defined in the terms and conditions of the Capital Securities (the "**Conditions**")) and the Subscription Agreement (as defined in "*Subscription and Sale*") being governed by English law. Unresolved disputes in relation to the Capital Securities, the Agency Agreement, the Deed of Covenant and/or the Subscription Agreement (as applicable) will, unless the option to litigate set out therein is exercised, be referred to arbitration under the LCIA Arbitration Rules, with the seat of arbitration in London. In the event that such option to litigate set out therein is exercised, any dispute may also be referred to the courts of England (or another court of competent jurisdiction as the relevant party may elect). Notwithstanding that an arbitral award may be obtained from an arbitral tribunal in London or that a judgment may be obtained in an English court there is no assurance that ENBD has or would at the relevant time have assets in the UK against which such arbitral award or judgment could be enforced. ENBD is a UAE company and is incorporated in and has its operations and the majority of its assets located in the UAE. To the extent that the enforcement of remedies must be pursued in the UAE, it should be borne in mind that there is limited scope for self-help remedies under UAE law and that generally enforcement of remedies in the UAE must be pursued through the courts.

Under current Dubai law, the Dubai courts are unlikely to enforce an English court judgment without re-examining the merits of the claim and may not observe the choice by the parties of English law as the governing law of the transaction. In the UAE, foreign law is required to be established as a question of fact and the interpretation of English law, by a court in the UAE, may not accord with the interpretation of an English court. In principle, courts in the UAE recognise the choice of foreign law if they are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. They will not, however, honour any provision of foreign law which is contrary to public policy, order or morals in the UAE, or to any mandatory law of, or applicable in, the UAE.

The UAE is a civil law jurisdiction and judicial precedents in Dubai have no binding effect on subsequent decisions. In addition, court decisions in Dubai are generally not recorded. These factors create greater judicial uncertainty than would be expected in other jurisdictions.

The New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**") entered into force in the UAE on 19 November 2006. In the absence of any other multilateral or bilateral enforcement convention, an arbitration award rendered in London should be enforceable in Dubai in accordance with the terms of the New York Convention. Under the New York Convention, the UAE has an obligation to recognise and enforce foreign arbitration awards, unless the party opposing enforcement can prove one of the grounds under Article V of the New York Convention to refuse enforcement, or the Dubai courts find that the subject matter of the dispute is not capable of settlement by arbitration, or enforcement would be contrary to the public policy of the UAE.

How the New York Convention provisions would be interpreted and applied by the Dubai courts in practice and whether the Dubai courts will enforce a foreign arbitration award in accordance with the New York Convention (or any other multilateral or bilateral enforcement convention) remains largely untested. This is reinforced by the lack of a system of binding judicial precedent in the UAE and the independent existence of different Emirates within the UAE, some with their own court systems, whose rulings may have no more than persuasive force cross-border. Although there are examples of foreign arbitral awards being enforced in the UAE under the New York Convention, there are other cases where the enforcement of foreign arbitral awards has been refused, with, for example, the relevant judge confusing the requirements for the enforcement of domestic awards with the requirements for the enforcement of foreign awards.

Federal Law No. 42 of 2022 Promulgating the Civil Procedure Law ("**Law of Civil Procedure**") governs the enforcement of foreign arbitral awards in the UAE. The Law of Civil Procedure confirms that arbitral awards issued in a foreign state may be enforced in the UAE and that any conditions for enforcement of foreign arbitral awards set out therein shall not prejudice the provisions of treaties and agreements entered into by the UAE with other states, such as the New York Convention. However, there is no established track record as to how the overlapping provisions of the New York Convention and the Law of Civil Procedure will be interpreted and applied by the UAE courts in practice. In addition, there remains a risk that, notwithstanding the Law of Civil Procedure and the terms of an applicable treaty or convention between the UAE and other states, the UAE courts may, in practice, still consider and apply the grounds set out in Federal Law No. 6 of 2018 (the "**UAE Arbitration Law**") to the enforcement of any non-UAE arbitral award. As the UAE Arbitration Law and the Law of Civil Procedure are both relatively untested, it is unclear how they will be applied by the UAE courts in practice. Accordingly, there is a risk that a non-UAE arbitral award will be refused enforcement by the UAE courts.

### ***Sovereign immunity***

Under the Capital Securities ENBD has waived its rights in relation to sovereign immunity in respect of such documents. However, there can be no assurance as to whether such waivers of immunity from suit, execution or attachment or other legal process by ENBD under the Capital Securities are legal, valid, binding and enforceable under the laws of the UAE and applicable in Dubai.

### **Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities**

#### ***The right to receive repayment of the principal amount of the Capital Securities and the right to any further interest will be permanently written-down upon the occurrence of a Non-Viability Event***

If a Non-Viability Event occurs, the Prevailing Principal Amount of the Capital Securities then outstanding will be permanently written-down in whole or, in exceptional cases, in part on a pro rata basis, in each case

as solely determined by the Regulator. See "*The circumstances triggering a Write-down are unpredictable*". Pursuant to a Write-down, the rights of any holder of the Capital Securities for payment of any amounts under or in respect of the Capital Securities (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event), in a proportion corresponding to the relevant Write-down Amount (and any related unpaid Interest Payment Amounts), shall be cancelled (and the principal amount of the Capital Securities shall be reduced accordingly) and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Event or notice in relation thereto. In the case of a Write-down in whole, the Capital Securities shall be cancelled.

In the exceptional cases in which a Write-down in part is required by the Regulator, a Write-down in part may occur on one or more occasions as solely determined by the Regulator provided, however, that the principal amount of a Capital Security shall never be reduced to below nil.

Furthermore, upon the occurrence of any Write-down in part pursuant to Condition 10 (*Write-down at the Point of Non-Viability*), Interest Payment Amounts will then accrue on the reduced principal amount of the Capital Securities (subject to the Conditions). Also, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event or any redemption of the Capital Securities will be by reference to such reduced principal amount of the Capital Securities.

The Conditions do not in any way impose restrictions on the Issuer following a Write-down, including restrictions on making any distribution or equivalent payment in connection with any Junior Obligations (including, without limitation, the ordinary shares of the Issuer), any *Pari Passu* Obligations or any Senior Obligations.

Holders of the Capital Securities will lose all or some of their investment in the Capital Securities as a result of a Write-down and moreover, in such event, holders of the Capital Securities may suffer losses in respect of their investment in the Capital Securities ahead of, or without, any losses being required to be borne by the Issuer's shareholders.

Prospective investors should also be aware that the application of a non-viability loss absorption feature contained in Condition 10 (*Write-down at the Point of Non-Viability*) has not been tested in the UAE and therefore some degree of uncertainty exists in its application.

A "**Non-Viability Event**" means that the Regulator has notified the Issuer in writing that it has determined that the Issuer has, or will become, Non-Viable without: (a) a Write-down; or (b) a public injection of capital (or equivalent support).

The Issuer shall be "**Non-Viable**" if (a) it is insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business, or (b) any other event or circumstance occurs, which is specified as constituting non-viability by the Regulator, or in the Capital Regulations.

#### ***The circumstances triggering a Write-down are unpredictable***

The occurrence of a Non-Viability Event is unpredictable and depends on a number of factors, many of which are outside of the Issuer's control. The occurrence of a Non-Viability Event is subject to, inter alia, a subjective determination by the Regulator. As a result, the Regulator may require a Write-down in circumstances that are beyond the control of the Issuer and with which the Issuer or a holder of the Capital Securities may not agree (and regardless of whether or not the Solvency Conditions (as defined below) are satisfied at such time). Furthermore, although the Conditions provide that the Regulator may require a Write-down in whole or in part upon the occurrence of a Non-Viability Event, the current stated position of the Regulator is that a Write-down in whole will apply in all such cases save only in exceptional cases as determined by the Regulator in its sole discretion.

Prospective investors should also be aware that the application of a non-viability loss absorption feature similar to Condition 10 (*Write-down at the Point of Non-Viability*) has not been tested in the UAE and therefore some degree of uncertainty exists in its application. The Issuer expects that any Write-down of the Capital Securities would take place (a) after the Ordinary Shares of the Issuer absorb losses (if and to the extent permissible under the relevant regulations applicable to the Issuer at such time); (b) after the write-down or write-off of any of the Issuer's obligations in respect of Other Common Equity Tier 1 Instruments; and (c) simultaneously and pro rata with the write-down of any of the Issuer's other obligations

in respect of Additional Tier 1 Capital. However, the Regulator shall, in its sole discretion, determine the occurrence of a Non-Viability Event and therefore the occurrence of a Write-down and there can be no assurance that a Write-down would take place as described in this paragraph.

The Regulator shall, in its sole discretion, determine the occurrence and scope of a Non-Viability Event and therefore the requirement for a Write-down. Accordingly, prospective investors should note that the Regulator may require a Write-down, regardless of whether or not the Solvency Conditions are satisfied at such time, without also requiring the Ordinary Shares of the Issuer and/or Other Common Equity Tier 1 Instruments to absorb any losses. In such circumstances, holders of the Capital Securities may suffer losses in respect of their holding of the Capital Securities ahead of, or without, any losses being required to be borne by the Issuer's shareholders.

The exercise (or perceived likelihood of exercise) of any such power (and the manner of exercise of such power) by the Regulator or any suggestion of such exercise could materially adversely affect the value of the Capital Securities and could lead to holders losing some or all of their investment in the Capital Securities. As a result of a Write-down, a holder may suffer a loss in respect of its holding of the Certificates ahead of, or without, any loss being required to be borne by a shareholder of the Issuer in respect of its shareholding. The financial viability of the Issuer will also depend in part on decisions made by the Issuer in relation to its business and operations, including the management of its capital position. In making such decisions, the Issuer may not have regard to the interests of the holders of the Capital Securities and, in particular, the consequences for the holders of the Capital Securities of any such decisions and there can be no assurance in any such circumstances that the interests of the Issuer, its shareholders and the Regulator will be aligned with those of the holders of the Capital Securities.

***Payments of Interest Payment Amounts are conditional upon certain events and may be cancelled and are non-cumulative***

No Interest Payment Amounts are payable on the relevant Interest Payment Date if a Non-Payment Event (as more particularly provided in Condition 6.1 (*Interest Cancellation – Non-Payment Event*)) occurs. Each of the following events is a Non-Payment Event for the purposes of the Conditions with respect to each Interest Payment Date:

- (i) the Interest Payment Amount payable, when aggregated with any distributions or amounts payable by the Issuer on any *Pari Passu* Obligations having the same date in respect of payment of such distributions or amounts as, or otherwise due and payable on, the date for payment of the relevant Interest Payment Amount, exceeds, on the relevant date for payment of such Interest Payment Amount, the Distributable Items;
- (ii) the Issuer is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to a breach of any capital buffers imposed on the Issuer by the Regulator, as appropriate) or payment of the relevant Interest Payment Amount would cause it to be in breach thereof;
- (iii) the Regulator having notified the Issuer that the Interest Payment Amount due on that Interest Payment Date should not be paid for any reason the Regulator may deem necessary;
- (iv) the Solvency Conditions are not satisfied (or would no longer be satisfied if the relevant Interest Payment Amount was paid); or
- (v) the Issuer, in its sole discretion, has elected that Interest Payment Amounts shall not be paid to holders of the Capital Securities on such Interest Payment Date (other than in respect of any amounts due on any date on which the Capital Securities are to be redeemed in full, in respect of which this paragraph (v) does not apply), including, without limitation, if the Issuer incurs a net loss during the relevant Interest Period.

In relation to limb (i) above, as at the Issue Date, "Distributable Items" is defined in the Conditions as "the amount of the Issuer's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable reserves, all as set out in the most recent audited or (as the case may be) auditor reviewed consolidated financial statements of the Issuer or any equivalent or successor term from time to time as prescribed by the Capital Regulations, including the applicable criteria for Tier 1

Capital instruments that do not constitute Common Equity Tier 1 Capital". As at 31 December 2024, the Issuer's Distributable Items amounted to AED 93.7 billion.

However, current guidance issued by the Regulator has indicated that the definition of "Distributable Items" may in the future be calculated by reference to the latest audited or (as the case may be) auditor reviewed non-consolidated financial statements. To the extent that this change comes into effect in the future, the level of Distributable Items as so calculated might be lower than otherwise would be the case if the change does not take effect.

In relation to limb (ii) above, payment restrictions will also apply in circumstances where the Issuer does not meet certain capital buffer requirements, namely, payment restrictions in an amount equal to the Maximum Distributable Amount (as defined below) if the combined capital buffer requirement is not satisfied pursuant to the Capital Regulations. In the event of a breach of the combined buffer requirement, under the Capital Regulations, the restrictions will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the Issuer's profits for the most recent relevant period. Such calculation will result in a maximum distributable amount (the "**Maximum Distributable Amount**") in each relevant period. As an example, the scaling is such that in the lowest quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of breach of the combined buffer requirement it may be necessary to reduce payments that would, but for the breach of the combined buffer requirement, be discretionary, including Interest Payment Amounts in respect of the Capital Securities. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, Interest Payment Amounts and redemption amounts on its Additional Tier 1 instruments (including the Capital Securities) and certain variable remuneration (such as bonuses) or discretionary pension benefits will be limited. Furthermore, there can be no assurance that the combined buffer requirement applicable to the Issuer will not be increased in the future, which may exacerbate the risk that discretionary distributions, including payments of Interest Payment Amounts in respect of the Capital Securities, are cancelled.

In the event of a Non-Payment Event, certain restrictions on declaration of dividends or distributions and redemption of certain securities by the Issuer will apply in accordance with Condition 6.3 (*Interest Cancellation – Dividend and Redemption Restrictions*). However, the holders of the Capital Securities shall have no claim in respect of any Interest Payment Amount not paid as a result of a Non-Payment Event and the non-payment of any Interest Payment Amount in such a circumstance shall not constitute an Enforcement Event. The Issuer shall not make or have any obligation to make any subsequent payment in respect of any such unpaid amount. Any failure to provide notice of a Non-Payment Event in accordance with the Conditions will not invalidate the cancellation of the relevant payment of the Interest Payment Amount. In the absence of notice of a Non-Payment Event having been given in accordance with Condition 6.2 (*Interest Cancellation – Effect of Non-Payment Event*), the fact of non-payment of an Interest Payment Amount on the relevant Interest Payment Date shall be evidence of the occurrence of a Non-Payment Event.

In such case, the holders of the Capital Securities will not receive Interest Payment Amounts on their investment in the Capital Securities and shall not have any claim in respect thereof. Any non-payment of Interest Payment Amounts or perceived risk of such non-payment may have a material adverse effect on the market value of the Capital Securities.

***The Capital Securities are subordinated, conditional and unsecured obligations of the Issuer***

Prospective investors should note that the payment obligations of the Issuer under the Conditions rank: (i) subordinate and junior to all Senior Obligations; (ii) *pari passu* with all *Pari Passu* Obligations; and (iii) in priority only to all Junior Obligations. Accordingly, the payment obligations of the Issuer under the Conditions rank junior to all unsubordinated payment obligations of the Issuer (including payment obligations to depositors of the Issuer in respect of their due claims) and all subordinated payment obligations of the Issuer to which the payment obligations under the Conditions rank or are expressed to rank junior, and *pari passu* with all subordinated payment obligations of the Issuer which rank or are expressed to rank *pari passu* with the payment obligations of the Issuer under the Conditions.

Prospective investors should also note that the payment obligations of the Issuer under the Conditions are conditional upon the following conditions (together, the "**Solvency Conditions**"):

- (a) the Issuer being Solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations;
- (b) the Issuer being capable of making payment of the relevant Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and all *Pari Passu* Obligations and still be Solvent immediately thereafter; and
- (c) the total share capital (including, without limitation, retained earnings) of the Issuer being greater than zero at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations.

Further, the payment obligations of the Issuer under the Capital Securities are unsecured and no collateral is or will be given by the Issuer in relation thereto.

Notwithstanding any other provisions in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities. As a result, holders of the Capital Securities would lose the entire amount of their investment in the Capital Securities.

In addition, a holder of the Capital Securities may exercise its enforcement rights in relation to the Capital Securities only in the manner provided in Condition 11 (*Enforcement Events*). If an Enforcement Event occurs and the Issuer fails to satisfy any of the Solvency Conditions or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, the claims of the holders of the Capital Securities under the Capital Securities will be extinguished without any further payment to be made by the Issuer under the Capital Securities.

Furthermore, any indication or perceived indication that any of the Solvency Conditions may not be satisfied or that a bankruptcy order may be issued may have a material adverse effect on the market price of the Capital Securities and could lead to holders losing some or all of their investment in the Capital Securities.

#### ***The Capital Securities are perpetual securities***

The Capital Securities are perpetual securities which have no scheduled repayment date. Holders of the Capital Securities have no ability to require the Issuer to redeem their Capital Securities unless, and subject to the restrictions described in Condition 11 (*Enforcement Events*), an Enforcement Event occurs. The Issuer has the option to redeem the Capital Securities in certain circumstances as more particularly described in Condition 9 (*Redemption and Variation*), although there is no assurance that it will do so.

Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in the Capital Securities and have no ability to cash in their investment, except:

- (i) if the Issuer exercises its rights to redeem the Capital Securities in accordance with Condition 9 (*Redemption and Variation*);
- (ii) upon the occurrence of an Enforcement Event, to the extent possible under the limited remedies set out in Condition 11 (*Enforcement Events*); or
- (iii) by selling their Capital Securities.

The exercise of (or perceived likelihood of exercise of) any such redemption feature of the Capital Securities may limit their market value, which is unlikely to rise substantially above the price at which the Capital Securities can be redeemed.

If the Capital Securities are redeemed, there can be no assurance that holders of the Capital Securities will be able to reinvest the amount received upon redemption or sale at a rate that will provide the same rate of return as their investment in the Capital Securities.

#### ***No limitation on issuing senior securities***

Other than the limitations in relation to the issue of further Additional Tier 1 Capital by the Issuer as set out in Condition 4.4 (*Status and Subordination – Other Issues*) which limits the circumstances in which Additional Tier 1 Capital of the Issuer that ranks senior to the Capital Securities can be issued, there is no restriction on the Issuer incurring additional indebtedness or issuing securities or creating any guarantee or contractual support arrangement which would rank senior to the Capital Securities, and which may reduce the likelihood of the Solvency Conditions being met and/or the amount recoverable by holders of the Capital Securities on a winding-up or liquidation of the Issuer.

#### ***The Conditions contain limited Enforcement Events and remedies***

The Enforcement Events in the Conditions are limited to: (i) a payment default by the Issuer for a period of seven days in the case of any principal and 14 days in the case of interest (save, in each case, where such failure occurs solely as a result of the occurrence of a Non-Payment Event); (ii) a final determination is made by a court or other official body that the Issuer is insolvent or bankrupt or unable to pay its debts as they fall due; (iii) an administrator is appointed, an order is made by a court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or cease, or through an official action of its board of directors threaten to cease, to carry on all or substantially all of its business or operations, in each case except: (a) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the holders of the Capital Securities; or (b) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or (iv) any event occurs which under the laws of the UAE has an analogous effect to those described in (ii) and (iii) above.

Moreover, pursuant to Condition 11 (*Enforcement Events*), upon the occurrence of an Enforcement Event, limited remedies are available to a holder of the Capital Securities. A holder of the Capital Securities may give notice to the Issuer (at the specified office of the Fiscal Agent) that the Capital Securities are due and payable at the Early Redemption Amount and thereafter: (1) institute any steps, actions or proceedings for the winding-up of the Issuer; and/or (2) prove in the winding-up of the Issuer; and/or (3) claim in the liquidation of the Issuer for such payment; and/or (4) take such other steps, actions or proceedings to enforce, prove or claim for such payment which, under the laws of the UAE, have an analogous effect to the actions referred to in (1) to (3) above (in each case, without prejudice to Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*), which provides (amongst other things) that if the Solvency Conditions are not satisfied or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities). In addition, any holder of the Capital Securities may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Conditions other than any payment obligation of the Issuer (including, without limitation, payment of any principal or satisfaction of any payments in respect of the Conditions, including any damages awarded for breach of any obligations).

Furthermore, pursuant to Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*), claims in respect of Senior Obligations of the Issuer would first have to be satisfied in any winding-up or liquidation before holders of the Capital Securities may expect to obtain any amounts in respect of the Capital Securities and, prior thereto, holders of the Capital Securities may only have limited (if any) ability to influence the conduct of such winding-up or liquidation. If an Enforcement Event occurs and the Issuer has failed to satisfy any of the Solvency Conditions or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished, and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.



***Resettable fixed rate instruments have a market risk***

A holder of an instrument with a fixed interest rate that will be reset during the term of the instrument (as will be the case for the Capital Securities with effect from each Reset Date if not previously redeemed and/or purchased and cancelled) is exposed to the risk of fluctuating interest rate levels and uncertain interest income. While the expected interest rate on the Capital Securities is fixed until the First Reset Date (with a reset of the Interest Rate on the First Reset Date as set out in the Conditions and every sixth anniversary thereafter), the current investment return rate in the capital markets (the "**market return rate**") typically changes on a daily basis. As the market return rate changes, the market value of the Capital Securities may also change, but in the opposite direction. If the market return rate increases, the market value of the Capital Securities would typically decrease. If the market return rate falls, the market value of the Capital Securities would typically increase. The holders of Capital Securities should be aware that movements in these market return rates can adversely affect the market value of the Capital Securities and can lead to losses for the holders of Capital Securities if they sell the Capital Securities.

***Variation upon the occurrence of a Capital Event or a Tax Event***

Upon the occurrence of a Capital Event or a Tax Event, the Issuer may, subject as provided in Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) (as the case may be) and without the need for any consent of the holders of the Capital Securities, vary the terms of the Capital Securities such that they become or remain (as appropriate) Qualifying Tier 1 Instruments and, in the case of a variation upon the occurrence of a Tax Event, so that the relevant withholding or deduction otherwise arising from the relevant Tax Law Change is no longer required.

A Capital Event will arise if the Issuer is notified in writing by the Regulator to the effect that the outstanding principal amount (or the amount that qualifies as regulatory capital, if some amount of the Capital Securities is held by the Issuer or whose purchase is funded by the Issuer) of the Capital Securities would cease to be eligible to qualify, in whole or in part, for inclusion in the consolidated Additional Tier 1 Capital of the Issuer (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital), and provided that the Issuer satisfies the Regulator that such non-qualification was not reasonably foreseeable at the time of issuance of the Capital Securities.

A Tax Event will arise if, on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay Additional Amounts (whether or not a Non-Payment Event has occurred), as a result of a Tax Law Change that becomes effective on or after the Issue Date (and such requirement cannot be avoided by the Issuer taking reasonable measures available to it), and provided that the Issuer satisfies the Regulator that such Tax Law Change was not reasonably foreseeable at the time of issuance of the Capital Securities.

The tax and stamp duty consequences of holding the Capital Securities following variation as contemplated in Condition 9 (*Redemption and Variation*) could be different for certain holders of the Capital Securities from the tax and stamp duty consequences for them of holding the Capital Securities prior to such variation and the Issuer shall not be responsible to any holder of the Capital Securities for any such consequences in connection therewith. No assurance can be given as to whether any of these changes will negatively affect any particular holder of the Capital Securities or the market value of the Capital Securities.

***The Capital Securities may be redeemed early or purchased subject to certain requirements***

Upon the occurrence of a Tax Event or a Capital Event, or at its option on the First Call Date or on any date thereafter up to and including the First Reset Date or on any Interest Payment Date following the First Reset Date, the Issuer may, having given not less than 10 nor more than 15 days' prior notice to the holders of the Capital Securities in accordance with Condition 15 (*Notices*), redeem in accordance with the Conditions all (but not some only) of the Capital Securities at the Tax Redemption Amount, Capital Event Redemption Amount or Early Redemption Amount (as applicable) (as more particularly described in Condition 9.1(b) (*Redemption and Variation – Issuer's Call Option*), Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) and Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*)).

Any redemption of the Capital Securities is subject to the requirements in Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), including (to

the extent then required) obtaining the prior consent of the Regulator. There can be no guarantee that the consent of the Regulator will be received on time or at all.

There is no assurance that the holders of the Capital Securities will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities. Potential investors should consider re-investment risk in light of other investments available at that time.

The exercise of (or perceived likelihood of exercise of) the redemption features of the Capital Securities may limit their market value, which is unlikely to rise substantially above the price at which the Capital Securities can be redeemed.

Any purchase of the Capital Securities by the Issuer or any of its subsidiaries is subject to the requirements in Condition 9.2 (*Redemption and Variation – Purchase*), including (to the extent then required by the Regulator or the Capital Regulations) obtaining the prior written consent of the Regulator. There can be no guarantee that the written consent of the Regulator will be received on time or at all, particularly as the Issuer has been notified by the Regulator that it will provide such written consent in exceptional cases only.

### ***Modification***

The Conditions contain provisions for calling meetings of holders of the Capital Securities to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders of the Capital Securities including holders of the Capital Securities who did not attend and vote at the relevant meeting and holders of the Capital Securities who voted in a manner contrary to the majority.

The Conditions also provide that the Fiscal Agent and the Issuer may agree, without the consent of holders of the Capital Securities, to any modification of any Capital Securities, in the circumstances specified in Condition 16 (*Meetings of Holders of the Capital Securities and Modification*).

The Conditions also provide that the Issuer may, without the consent or approval of the holders of the Capital Securities, vary the Conditions provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments and, in the case of a variation upon the occurrence of a Tax Event, so that the relevant withholding or deduction otherwise arising from the relevant Tax Law Change is no longer required, as provided in Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) and Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*).

### ***Change of law***

The Conditions are based on English law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practices after the date of this Prospectus, nor can any assurance be given as to whether any such change could adversely affect the ability of the Issuer to make payments under the Capital Securities.

### ***Reliance on Euroclear and Clearstream, Luxembourg procedures***

The Capital Securities will be represented on issue by a Global Certificate that will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg (together, the "ICSDs"). Except in the circumstances described in the Global Certificate, investors will not be entitled to receive Individual Certificates. The ICSDs and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Certificate. While the Capital Securities are represented by the Global Certificate, investors will be able to trade their beneficial interests only through the ICSDs and their respective participants. While Capital Securities are represented by the Global Certificate, the Issuer will discharge its payment obligation under such Capital Security by making payments through the relevant clearing systems. A holder of a beneficial interest in the Global Certificate must rely on the procedures of the relevant clearing system and its participants to receive payments under the relevant Capital Securities. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Capital Securities so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

### ***Credit ratings may not reflect all risks***

As at the date of this Prospectus, the Capital Securities are not rated. However, one or more independent credit rating agencies may assign a credit rating to the Capital Securities. Any rating may not reflect the potential impact of all risks related to the transaction structure, the market, the additional factors discussed above, or any other factors that may affect the value of the Capital Securities. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and publication of an updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Prospective investors should note that this is subject, in each case, to: (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Capital Securities changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Capital Securities may have a different regulatory treatment, which may impact the value of the Capital Securities and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Prospectus.

### ***Taxation risks on payments***

Payments made by the Issuer in respect of the Capital Securities could become subject to taxation. Condition 12 (*Taxation*) requires the Issuer to pay additional amounts in certain circumstances in the event that any withholding or deduction is imposed by the UAE or the Emirate of Dubai in respect of any interest payments under the Capital Securities (but not in respect of principal), such that net amounts received by the holders of the Capital Securities after such withholding or deduction shall equal the respective amounts of interest which would otherwise have been receivable in respect of the Capital Securities in the absence of such withholding or deduction.

### ***Trading in the clearing systems***

As the Capital Securities have a denomination consisting of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof, it is possible that such Capital Securities may be traded in amounts that are not integral multiples of U.S.\$200,000. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than U.S.\$200,000 in his account with the relevant clearing system at the relevant time may not receive an Individual Certificate in respect of such holding (should Individual Certificates be printed) and would need to purchase a principal amount of Capital Securities such that its holding amounts to at least U.S.\$200,000 in order to be eligible to receive an Individual Certificate.

If Individual Certificates are issued, holders should be aware that Individual Certificates which have a denomination that is not an integral multiple of U.S.\$200,000 may be illiquid and difficult to trade.

## **Risks related to the market generally**

Set out below is a brief description of the principal market risks, including liquidity risk and exchange rate risk:

### *Absence of secondary market/limited liquidity*

There is no assurance that a secondary market for the Capital Securities will develop or, if it does develop, that it will provide the holders of the Capital Securities with liquidity of investment or that it will continue for the life of the Capital Securities. The Capital Securities generally may have a more limited secondary market liquidity and may be subject to greater price volatility than conventional debt securities as they are subordinated (see "*Risk Factors – Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities – The Capital Securities are subordinated, conditional and unsecured obligations of the Issuer*") and the Conditions contain limited Enforcement Events and remedies (see "*Risk Factors – Risks which are material for the purpose of assessing the risks associated with the terms of the Capital Securities – Payments of Interest Payment Amounts are conditional upon certain events and may be cancelled and are non-cumulative*").

Application has been made for the Capital Securities to be admitted to listing on the Official List and to trading on the London Stock Exchange's main market. However, there can be no assurance that any such listing will occur or will enhance the liquidity of the Capital Securities.

Illiquidity may have an adverse effect on the market value of the Capital Securities. Accordingly, a holder of the Capital Securities may not be able to find a buyer to buy its Capital Securities readily or at prices that will enable the holder of the Capital Securities to realise a desired yield. The market value of the Capital Securities may fluctuate and a lack of liquidity, in particular, can have a material adverse effect on the market value of the Capital Securities. Accordingly, the purchase of Capital Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Capital Securities and the financial and other risks associated with an investment in the Capital Securities.

### *Exchange rate risks and exchange controls*

The Issuer will pay any principal and interest payable on the Capital Securities in U.S. dollars. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of U.S. dollars or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to U.S. dollars would decrease: (a) the Investor's Currency-equivalent yield on the Capital Securities; (b) the Investor's Currency-equivalent value of the principal payable on the Capital Securities; and (c) the Investor's Currency-equivalent market value of the Capital Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

## OVERVIEW OF THE ISSUANCE

*The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Prospectus. Any decision to invest in the Capital Securities should be based on a consideration of this Prospectus as a whole.*

Words and expressions defined in "*Terms and Conditions of the Capital Securities*" shall have the same meanings in the following description.

<b>Issuer:</b>	Emirates NBD Bank PJSC.
<b>Description:</b>	U.S.\$1,000,000,000 Perpetual Additional Tier 1 Capital Securities.
<b>Sole Structuring Agent:</b>	Emirates NBD Bank PJSC.
<b>Joint Lead Managers:</b>	Abu Dhabi Commercial Bank PJSC, Citigroup Global Markets Limited, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC, Merrill Lynch International and Standard Chartered Bank.
<b>Fiscal Agent and Calculation Agent:</b>	Deutsche Bank AG, London Branch.
<b>Registrar and Transfer Agent:</b>	Deutsche Bank Luxembourg S.A.
<b>Issue Date:</b>	25 February 2025.
<b>Issue Price:</b>	100 per cent.
<b>Interest Payment Dates:</b>	25 February and 25 August in every year, commencing on 25 August 2025.
<b>Interest Payment Amounts:</b>	<p>Subject to Condition 6 (<i>Interest Cancellation</i>), the Capital Securities shall, during the Initial Period, bear interest at a rate of 6.250 per cent. per annum (the "<b>Initial Interest Rate</b>") on the Prevailing Principal Amount of the Capital Securities (being the aggregate of a margin of 1.839 per cent. per annum (the "<b>Margin</b>") and the Relevant Six-Year Reset Rate). The Interest Payment Amount payable on each Interest Payment Date during the Initial Period shall be U.S.\$31.25 per U.S.\$1,000 in principal amount of the Capital Securities. For the purpose of calculating payments of interest following the Initial Period, the Interest Rate will be reset on each Reset Date on the basis of the aggregate of the Margin and the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date, as determined by the Calculation Agent (see Condition 5 (<i>Interest</i>)).</p> <p>If a Non-Payment Event occurs, the Issuer shall not pay the corresponding Interest Payment Amount and the Issuer shall not have any obligation to make any subsequent payment in respect of any unpaid Interest Payment Amount as more particularly described in Condition 6 (<i>Interest Cancellation</i>). In such circumstances, interest will not be cumulative and any interest which is not paid will not accumulate or compound and holders of the Capital Securities will have no right to receive such interest at any time, even if interest is paid in the future.</p>
<b>Form of Capital Securities:</b>	The Capital Securities will be issued in registered form. The Capital Securities will be represented on issue by ownership interests in a Global Certificate which will be deposited with,

and registered in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg. Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by each relevant clearing system and its participants. Individual Certificates evidencing a holding of Capital Securities will be issued in exchange for interests in the Global Certificate only in limited circumstances.

**Clearance and Settlement:**

Holders of the Capital Securities must hold their interest in the Global Certificate in book-entry form through Euroclear or Clearstream, Luxembourg. Transfers within and between Euroclear and Clearstream, Luxembourg will be in accordance with the usual rules and operating procedures of the relevant clearing systems.

**Denomination:**

The Capital Securities will be issued in denominations of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof.

**Status of the Capital Securities:**

Each Capital Security will rank *pari passu* without preference or priority, with all other Capital Securities.

**Subordination of the Capital Securities:**

The payment obligations of the Issuer under the Capital Securities (the "**Obligations**") will: (i) constitute Additional Tier 1 Capital of the Issuer; (ii) constitute direct, unsecured, conditional (as described below) and subordinated obligations of the Issuer that rank *pari passu* and without preference or priority amongst themselves; (iii) rank subordinate and junior to all Senior Obligations; (iv) rank *pari passu* with all *Pari Passu* Obligations; and (v) rank in priority only to all Junior Obligations.

Notwithstanding any other provision in the Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.

**Solvency Conditions:**

Payments in respect of the Obligations by the Issuer are conditional upon the following conditions (together, the "**Solvency Conditions**"):

the Issuer being Solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations;

the Issuer being capable of making payment of the relevant Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and all *Pari Passu* Obligations and still be Solvent immediately thereafter; and

the total share capital (including, without limitation, retained earnings) of the Issuer being greater than zero at all times from (and including) the first day of the relevant Interest Period (or

the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations.

**Redemption and Variation:**

The Capital Securities are perpetual securities in respect of which there is no fixed or final redemption date. The Capital Securities may be redeemed in whole but not in part, or the terms thereof may be varied by the Issuer only in accordance with the provisions of Condition 9 (*Redemption and Variation*).

Pursuant to Condition 9.1(b) (*Redemption and Variation – Issuer's Call Option*), the Issuer may, on any Call Date, redeem all, but not some only, of the Capital Securities at the Early Redemption Amount.

In addition (on any date on or after the Issue Date, whether or not an Interest Payment Date), upon the occurrence of a Tax Event or a Capital Event, all but not some only, of the Capital Securities may be redeemed or the terms of the Capital Securities may be varied, in each case in accordance with Conditions 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) and 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*).

Any redemption of the Capital Securities is subject to the conditions described in Condition 9.1 (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*).

**Write-down at the Point of Non-Viability:**

If a Non-Viability Event occurs, a Write-down will take place in accordance with Condition 10.2 (*Write-down at the Point of Non-Viability – Non-Viability Notice*).

"Write-down" means:

- (i) the holders' rights under the Capital Securities shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the relevant Write-down Amount;
- (ii) in the case of the Write-down Amount corresponding to the full Prevailing Principal Amount of the Capital Securities then outstanding, the Capital Securities shall be cancelled; and
- (iii) all rights of any holder for payment or any amounts under or in respect of the Capital Securities, in a proportion corresponding to the relevant Write-down Amount (and any corresponding Interest Payment Amounts), shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date.

**Purchase:**

Subject to the Issuer (to the extent then required by the Regulator or the Capital Regulations): (i) obtaining the prior written consent of the Regulator; (ii) being in compliance with the Applicable Regulatory Capital Requirements immediately following such purchase; and (iii) being Solvent at the time of purchase, the Issuer or any of its subsidiaries may purchase the

Capital Securities in the open market or otherwise at such price(s) and upon such other conditions as may be agreed upon between the Issuer or the relevant subsidiary (as the case may be) and the relevant holders of Capital Securities. Upon any such purchase, the Issuer may (but shall not be obliged to) deliver such Capital Securities for cancellation.

**Enforcement Events:**

Upon the occurrence of an Enforcement Event, any holder of the Capital Securities may give written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 10 (*Write-down at the Point of Non-Viability*) and Condition 11.4 (*Enforcement Events – Restrictions*), become forthwith due and payable at its Early Redemption Amount, without presentation, demand, protest or other notice of any kind.

**Withholding Tax:**

All payments in respect of the Capital Securities will be made free and clear of, without withholding or deduction for, or on account of, withholding taxes imposed by the relevant Tax Jurisdiction, subject as provided in Condition 12 (*Taxation*). In the event that any such deduction is made, the Issuer will, in respect of interest (but not in respect of principal), save in certain limited circumstances provided in Condition 12 (*Taxation*), be required to pay additional amounts to cover the amounts so deducted.

**Ratings:**

The Issuer has been assigned long-term credit ratings of A+ (stable outlook) and A2 (positive outlook) by Fitch and Moody's, respectively. The Issuer has been assigned short-term credit ratings of F1 and P-1 by Fitch and Moody's, respectively.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing and Admission to Trading:**

Application has been made for the Capital Securities to be: (i) admitted to the Euronext Dublin Official List and the DFSA Official List; and (ii) admitted to trading on the regulated market of Euronext Dublin and on Nasdaq Dubai.

**Governing Law and Dispute Resolution:**

The Capital Securities and any non-contractual obligations arising out of or in connection with the Capital Securities will be governed by, and shall be construed in accordance with, English law.

The Agency Agreement, the Deed of Covenant and any non-contractual obligations arising out of, relating to or having any connection with the Agency Agreement and the Deed of Covenant will be governed by, and shall be construed in accordance with, English law. In respect of any dispute, claim, difference or controversy under the Capital Securities, the Agency Agreement or the Deed of Covenant, the Issuer has consented to arbitration in accordance with the LCIA Arbitration Rules unless any holder of Capital Securities (in the case of the Capital Securities or the Deed of Covenant) or Agent (in the case of the Agency Agreement) elects to have the dispute, claim, difference or controversy resolved by a court, in which case the English courts will have exclusive jurisdiction



to settle such dispute (or such other court of competent jurisdiction as such party may elect).

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Capital Securities in the United States (Regulation S Category 2), the UK, the EEA, the Kingdom of Bahrain, the State of Qatar (including the Qatar Financial Centre), the Kingdom of Saudi Arabia, the ADGM, the DIFC, the UAE (excluding the DIFC and the ADGM), Hong Kong, Japan, Singapore and Switzerland and such other restrictions as may be required in connection with the offering and sale of the Capital Securities (see "*Subscription and Sale*").

## OVERVIEW OF ALTERNATIVE PERFORMANCE MEASURES

The list below presents "Alternative Performance Measures" as defined in the ESMA Guidelines on Alternative Performance Measures. These financial measures presented by ENBD in this Prospectus provide useful supplementary information to both investors and ENBD's management, as they facilitate the evaluation of company performance and should be read in conjunction with ENBD's financial statements incorporated by reference into this Prospectus. The basis of calculating these performance measures, along with the rationale for including them, is explained below but it is to be noted that, since not all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by other companies:

<b>Metric</b>	<b>Calculation</b>	<b>Rationale for inclusion</b>	<b>2024 Year End Financial Statements line item</b>	<b>FS page number</b>
Cost to income ratio	Calculated as general and administrative expenses divided by total operating income	Also called efficiency ratio; it is used to assess the amount spent to earn income expressed as a percentage. It compares cost with income	General and administrative expenses	9
			Total operating income	9
Impairment coverage ratio	Expected credit losses divided by total of credit impaired loans and receivables	This measures the sufficiency of provisions set aside to cover impaired loans and receivables. This is a widely used measure to assess the asset quality of banks	Expected credit losses	35
			Total of credit impaired loans and receivables	35
Loans to deposit ratio	Calculated as the sum of loans and receivables and Islamic financing receivables divided by customer deposits	This is a measure of a bank's ability to fund its loan book through its deposit base. A ratio of 100 per cent. or less shows that a bank is funding all its loans from deposits rather than relying on wholesale funding	Loans and receivables	8
			Customer deposits	8
Net interest margin	Calculated as yield minus cost of funds.	This measures the spread a	Interest and similar income	9

<b>Metric</b>	<b>Calculation</b>	<b>Rationale for inclusion</b>	<b>2024 Year End Financial Statements line item</b>	<b>FS page number</b>
	Yield is calculated as interest and similar income divided by the daily average of interest bearing assets. Cost of funds is calculated as interest and similar expense divided by the daily average of interest bearing liabilities	bank makes on its lending activities. This is a critical success factor for banks as this will have a significant impact on a bank's profitability	Interest and similar expense	9
Net loan growth	This is the percentage increase in loans and receivables over the period	This is a measure of a bank's ability to grow its loan book	Loans and receivables	8
Non-performing/impaired loan ratio	Calculated as impaired loans divided by gross loans	This measures bad loans as a percentage of total loans. This is a widely used measure to assess the asset quality of banks	Total of credit impaired loans and receivables	35
			Gross loans and receivables	35

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the Central Bank and the DFSA, shall be incorporated by reference in, and form part of, this Prospectus:

- (i) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2024 (the "**2024 Annual Financial Statements**") (available at: [https://cdn.emiratesnbd.com/en/assets/file/ir/quarterly/2024/emirates\\_nbd\\_financial\\_statements\\_q4\\_2024\\_english.pdf](https://cdn.emiratesnbd.com/en/assets/file/ir/quarterly/2024/emirates_nbd_financial_statements_q4_2024_english.pdf)), including:
  - (a) consolidated statement of financial position (page 8);
  - (b) consolidated income statement (page 9);
  - (c) consolidated statement of comprehensive income (page 10);
  - (d) consolidated statement of cash flows (page 11);
  - (e) consolidated statement of changes in equity (pages 12);
  - (f) notes to the consolidated financial statements (pages 13-75); and
  - (g) independent auditors' report (pages 2-7); and
- (ii) the audited consolidated financial statements of the Group as at and for the year ended 31 December 2023 (the "**2023 Annual Financial Statements**", and together with the 2024 Annual Financial Statements, the "**Financial Statements**") (available at: [https://cdn.emiratesnbd.com/en/assets/File/ir/quarterly/2023/emirates\\_nbd\\_financial\\_statements\\_q4\\_2023\\_english.pdf](https://cdn.emiratesnbd.com/en/assets/File/ir/quarterly/2023/emirates_nbd_financial_statements_q4_2023_english.pdf)), including:
  - (a) consolidated statement of financial position (page 8);
  - (b) consolidated income statement (page 9);
  - (c) consolidated statement of comprehensive income (page 10);
  - (d) consolidated statement of cash flows (page 11);
  - (e) consolidated statement of changes in equity (pages 12);
  - (f) notes to the consolidated financial statements (pages 13-72); and
  - (g) independent auditors' report (pages 1-7).

As at the date of this Prospectus, the documents above have been approved by the UAE Central Bank and document (ii) above has been adopted by the shareholders of ENBD at the annual general meeting held on 21 February 2024. Document (i) is due to be adopted by the shareholders of ENBD at the annual general meeting held on 24 February 2025

ENBD prepared the Financial Statements in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"). The Financial Statements have been audited by Deloitte & Touche (M.E.) ("**Deloitte**") (see further "*General Information – Independent Auditors*").

In addition, copies of documents incorporated by reference in this Prospectus can be obtained from Euronext Dublin's website at <https://live.euronext.com/en/products/fixed-income/list> and, upon request, free of charge, from the registered office of ENBD and from the specified offices of the Paying Agents for the time being in London.

ENBD will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Prospectus which is capable of affecting the assessment of the Capital

Securities, prepare a supplement to this Prospectus or publish a new Prospectus for use in connection with any subsequent issue of Capital Securities.

Following the publication of this Prospectus, a supplement may be prepared by ENBD and approved by the Central Bank in accordance with Article 23 of the EU Prospectus Regulation, and the DFSA. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus (or any earlier supplement) or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Prospectus is either not relevant to investors or is covered elsewhere in this Prospectus.

For the avoidance of doubt, unless specifically incorporated by reference herein, information contained on any websites referenced herein does not form part of this Prospectus and has not been scrutinised or approved by the Central Bank or the DFSA.

## TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

*The following are the Terms and Conditions of the Capital Securities which will be incorporated by reference into the Global Certificate (as defined below) and endorsed on each Individual Certificate (if issued) in respect of the Capital Securities:*

Each of the U.S.\$1,000,000,000 Perpetual Additional Tier 1 Capital Securities (the "**Capital Securities**") is issued by Emirates NBD Bank PJSC in its capacity as issuer (the "**Issuer**") pursuant to the Deed of Covenant and the Agency Agreement (each as defined below).

Payments relating to the Capital Securities will be made pursuant to an agency agreement dated the Issue Date (as amended or supplemented from time to time, the "**Agency Agreement**") made between the Issuer, Deutsche Bank AG, London Branch as fiscal agent (in such capacity, the "**Fiscal Agent**" and together with any further or other paying agents appointed from time to time in respect of the Capital Securities, the "**Paying Agents**"), Deutsche Bank Luxembourg S.A. as registrar (in such capacity, the "**Registrar**") and as transfer agent (in such capacity, the "**Transfer Agent**" and, together with the Registrar and any further or other transfer agents appointed from time to time in respect of the Capital Securities, the "**Transfer Agents**") and Deutsche Bank AG, London Branch as calculation agent (the "**Calculation Agent**", which expression includes any other calculation agent appointed from time to time in respect of the Capital Securities). The Paying Agents, the Calculation Agent and the Transfer Agents are together referred to in these terms and conditions (the "**Conditions**") as the "**Agents**". References to the Agents or any of them shall include their successors. The Capital Securities are constituted by a deed of covenant dated the Issue Date (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer.

Any reference to "**holders**" in relation to any Capital Securities shall mean the persons in whose name the Capital Securities are registered and shall, in relation to any Capital Securities represented by a Global Certificate, be construed as provided below.

Copies of the Agency Agreement and the Deed of Covenant are obtainable during normal business hours at the specified offices of the Agents. The holders of the Capital Securities are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Deed of Covenant. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Deed of Covenant.

### 1. INTERPRETATION

Words and expressions defined in the Agency Agreement shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between any such document and these Conditions, these Conditions will prevail. In addition, in these Conditions, the following expressions have the following meanings:

"**Additional Amounts**" has the meaning given to it in Condition 12 (*Taxation*);

"**Additional Tier 1 Capital**" means capital qualifying as, and approved by the Regulator as, additional tier 1 capital in accordance with the Capital Regulations;

"**Applicable Regulatory Capital Requirements**" means any requirements contained in the Capital Regulations for the maintenance of capital from time to time applicable to the Issuer, including transitional rules and waivers granted in respect of the foregoing;

"**Assets**" means the consolidated gross assets of the Issuer as shown in the latest audited or (as the case may be) auditor reviewed consolidated balance sheet of the Issuer, but adjusted for subsequent events in such manner as the Directors, the auditors of the Issuer or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of the Issuer) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

"**Authorised Denomination**" has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

"**Authorised Signatory**" means any person who is duly authorised by the Issuer to sign documents on its behalf and whose specimen signature has been provided to the Fiscal Agent;

**"Basel III Documents"** means the Basel Committee on Banking Supervision document *"A global regulatory framework for more resilient banks and banking systems"* released by the Basel Committee on Banking Supervision on 16 December 2010 and revised in June 2011 and the Annex contained in its document *"Basel Committee issues final elements of the reforms to raise the quality of regulatory capital"* on 13 January 2011;

**"Business Day"** means a day, other than a Saturday, Sunday or public holiday, on which registered banks settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Dubai, London and New York City;

**"Call Date"** means the First Call Date and any date thereafter up to and including the First Reset Date and any Interest Payment Date following the First Reset Date;

**"Capital Event"** is deemed to have occurred if the Issuer is notified in writing by the Regulator to the effect that the outstanding principal amount (or the amount that qualifies as regulatory capital, if some amount of the Capital Securities is held by the Issuer or whose purchase is funded by the Issuer) of the Capital Securities would cease to be eligible to qualify, in whole or in part, for inclusion in the consolidated Additional Tier 1 Capital of the Issuer (save where such non-qualification is only as a result of any applicable limitation on the amount of such capital), and provided that the Issuer satisfies the Regulator that such non-qualification was not reasonably foreseeable at the time of issuance of the Capital Securities;

**"Capital Event Redemption Amount"** in relation to a Capital Security means: (a) in the case of a redemption date which occurs prior to the First Call Date, 101 per cent. of its Prevailing Principal Amount together with any Outstanding Payments; and (b) in the case of a redemption date which occurs on or after the First Call Date, 100 per cent. of its Prevailing Principal Amount together with any Outstanding Payments;

**"Capital Regulations"** means, at any time, the regulations, requirements, standards, guidelines and policies relating to the maintenance of capital and/or capital adequacy then in effect in the United Arab Emirates, including those of the Regulator;

**"Central Bank"** means the Central Bank of the United Arab Emirates or any successor thereto;

**"Clearstream, Luxembourg"** has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

**"Code"** has the meaning given to it in Condition 7.3 (*Payments – Payments Subject to Laws*);

**"Common Equity Tier 1 Capital"** means capital qualifying as, and approved by the Regulator as common equity tier 1 capital in accordance with the Capital Regulations;

**"Day-count Fraction"** means the actual number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed of the Interest Period in which the relevant period falls (including the first such day but excluding the last));

**"Designated Account"** has the meaning given to it in Condition 7.1 (*Payments – Payments in respect of Individual Certificates*);

**"Designated Bank"** has the meaning given to it in Condition 7.1 (*Payments – Payments in respect of Individual Certificates*);

**"Directors"** means the executive and non-executive directors of the Issuer who make up its board of directors;

**"Dispute"** has the meaning given to it in Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*);

**"Distributable Items"** means the amount of the Issuer's consolidated retained earnings and reserves, including general reserves, special reserves and statutory reserves (to the extent not restricted from distribution by applicable law) after the transfer of any amounts to non-distributable

reserves, all as set out in the most recent audited or (as the case may be) auditor reviewed consolidated financial statements of the Issuer or any equivalent or successor term from time to time as prescribed by the Capital Regulations, including the applicable criteria for Tier 1 Capital instruments that do not constitute Common Equity Tier 1 Capital;

**"Dividend Stopper Date"** has the meaning given to it in Condition 6.3 (*Interest Cancellation – Dividend and Redemption Restrictions*);

**"Early Redemption Amount"** in relation to a Capital Security means 100 per cent. of its Prevailing Principal Amount together with any Outstanding Payments;

**"Enforcement Event"** means:

- (a) **Non-payment:** the Issuer fails to pay an amount in the nature of principal or interest due and payable by it pursuant to the Conditions and the failure continues for a period of seven days in the case of principal and 14 days in the case of interest (save in each case where such failure occurs solely as a result of the occurrence of a Non-Payment Event); or
- (b) **Insolvency:** a final determination is made by a court or other official body that the Issuer is insolvent or bankrupt or unable to pay its debts as they fall due; or
- (c) **Winding-up:** an administrator is appointed, an order is made by a court of competent jurisdiction or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or the Issuer shall apply or petition for a winding-up or administration order in respect of itself or cease, or through an official action of its board of directors threaten to cease, to carry on all or substantially all of its business or operations, in each case except: (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the holders of the Capital Securities; or (ii) for any step or procedure which is part of a solvent reconstruction or amalgamation approved by any court of competent jurisdiction or other competent authority; or
- (d) **Analogous Event:** any event occurs which under the laws of the United Arab Emirates has an analogous effect to any of the events referred to in paragraph (b) or paragraph (c) above;

**"Euroclear"** has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

**"Exchange Event"** has the meaning given to it in Condition 3.4 (*Transfers of Capital Securities and Exchange for Individual Certificates – Exchange for Individual Certificates*);

**"Existing 2019 Tier 1 Securities"** means the U.S.\$1,000,000,000 Perpetual Additional Tier 1 Capital Securities issued by the Issuer on 20 March 2019 (XS1964681610);

**"Existing 2020 Tier 1 Securities"** means the U.S.\$750,000,000 Perpetual Additional Tier 1 Capital Securities issued by the Issuer on 9 July 2020 (XS2134363170);

**"Existing 2021 Tier 1 Securities"** means the U.S.\$750,000,000 Perpetual Additional Tier 1 Capital Securities issued by the Issuer on 27 May 2021 (XS2342723900);

**"Existing Tier 1 Securities"** means the Existing 2019 Tier 1 Securities, the Existing 2020 Tier 1 Securities and the Existing 2021 Tier 1 Securities;

**"Extraordinary Resolution"** has the meaning given to it in the Agency Agreement;

**"First Call Date"** means 25 August 2030;

**"First Interest Payment Date"** means 25 August 2025;

**"First Reset Date"** means 25 February 2031;

**"Global Certificate"** means the global registered certificate;



"**H.15**" means the statistical release designated as such, or any successor or replacement publication, published by the Board of Governors of the United States Federal Reserve System and "**most recent H.15**" means the H.15 published closest in time but prior to the relevant U.S. Securities Determination Date. The H.15 may be currently obtained at the following website: <https://www.federalreserve.gov/releases/h15/>;

"**Individual Certificate**" means a registered certificate in definitive form;

"**Initial Interest Rate**" has the meaning given to it in Condition 5.1 (*Interest – Initial Interest Rate and Interest Payment Dates*);

"**Initial Period**" means the period (from and including) the Issue Date to (but excluding) the First Reset Date;

"**Interest Payment Amount**" means, subject to Condition 6 (*Interest Cancellation*) and Condition 7 (*Payments*), the interest payable on each Interest Payment Date;

"**Interest Payment Date**" means each of 25 February and 25 August in every year, commencing on the First Interest Payment Date;

"**Interest Period**" means, in the case of the first Interest Period, the period from (and including) the Issue Date to (but excluding) the First Interest Payment Date and, subsequently, the period from (and including) an Interest Payment Date to (but excluding) the succeeding Interest Payment Date;

"**Interest Rate**" means, in respect of the Initial Period, the Initial Interest Rate, and, in respect of each Reset Period thereafter, the rate calculated in accordance with the provisions of Condition 5.2 (*Interest – Interest Rate following the Initial Period*);

"**Issue Date**" means 25 February 2025;

"**Junior Obligations**" means all claims of the holders of Ordinary Shares, all payment obligations of the Issuer in respect of its Other Common Equity Tier 1 Instruments and any other payment obligations that rank or are expressed to rank junior to the Capital Securities;

"**LCIA**" means the London Court of International Arbitration;

"**Liabilities**" means the consolidated gross liabilities of the Issuer as shown in the latest audited or (as the case may be) auditor reviewed consolidated balance sheet of the Issuer, but adjusted for contingent liabilities and for subsequent events in such manner as the Directors, the auditors of the Issuer or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of the Issuer) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

"**Margin**" means 1.839 per cent. per annum;

"**Non-Payment Event**" has the meaning given to it in Condition 6.1 (*Interest Cancellation – Non-Payment Event*);

"**Non-Viability Event**" means that the Regulator has notified the Issuer in writing that it has determined that the Issuer has, or will, become Non-Viable without:

- (a) a Write-down; or
- (b) a public injection of capital (or equivalent support);

"**Non-Viability Event Write-down Date**" shall be the date on which a Write-down will take place as specified in a relevant Non-Viability Notice, which date shall be as determined by the Regulator;

"**Non-Viability Notice**" has the meaning given to it in Condition 10.2 (*Write-down at the Point of Non-Viability – Non-Viability Notice*);

**"Non-Viable"** means: (a) insolvent, bankrupt, unable to pay a material part of its obligations as they fall due or unable to carry on its business; or (b) any other event or circumstance occurs, which is specified as constituting non-viability by the Regulator or in the Capital Regulations;

**"Obligations"** has the meaning given to it in Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*);

**"Ordinary Shares"** means ordinary shares of the Issuer;

**"Other Common Equity Tier 1 Instruments"** means securities issued by the Issuer that qualify as Common Equity Tier 1 Capital of the Issuer other than Ordinary Shares;

**"Outstanding Payments"** means, in relation to any amounts payable on redemption of the Capital Securities, an amount representing any accrued and unpaid interest for the Interest Period during which redemption occurs to the date of redemption;

**"Pari Passu Obligations"** means the Issuer's payment obligations (as issuer or guarantor, as applicable) under the Existing Tier 1 Securities and all other subordinated payment obligations of the Issuer which rank, or are expressed to rank, *pari passu* with the Obligations;

**"Payment Day"** has the meaning given to it in Condition 7.4 (*Payments – Payment Day*);

**"Prevailing Principal Amount"** means, in respect of a Capital Security, the initial principal amount of such Capital Security as reduced by any Write-down of such Capital Security (on one or more occasions) pursuant to Condition 10 (*Write-down at the Point of Non-Viability*);

**"Proceedings"** has the meaning given to it in Condition 18.4 (*Governing Law and Dispute Resolution – Effect of Exercise of Option to Litigate*);

**"Qualifying Tier 1 Instruments"** means instruments (whether securities, trust certificates, interests in limited partnerships or otherwise) other than Ordinary Shares or Other Common Equity Tier 1 Instruments, issued directly or indirectly by the Issuer that:

- (a) will be eligible to constitute (or would, but for any applicable limitation on the amount of such capital, constitute) Additional Tier 1 Capital;
- (b) have terms and conditions not materially less favourable to a holder of the Capital Securities than the terms and conditions of the Capital Securities (as reasonably determined by the Issuer (provided that in making this determination the Issuer is not required to take into account the tax treatment of the varied instrument in the hands of all or any holders of the Capital Securities, or any transfer or similar taxes that may apply on the acquisition of the new instrument), provided that a certification to such effect of two Authorised Signatories shall have been delivered to the Fiscal Agent prior to the variation of the terms of the Capital Securities);
- (c) continue to be direct or indirect obligations of the Issuer;
- (d) rank on a winding up at least *pari passu* with the Obligations;
- (e) have the same outstanding principal amount and interest payment dates as the Capital Securities and at least equal interest or distribution rate or rate of return as the Capital Securities;
- (f) (where the instruments are varied prior to the First Call Date) have a first call date no earlier than the First Call Date and otherwise have the same optional redemption dates as the Capital Securities (as originally issued); and
- (g) if, immediately prior to the variation of the terms of the Capital Securities in accordance with Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) (as applicable): (i) the Capital Securities were listed or admitted to trading on a Regulated Market, have been listed or admitted to trading on a Regulated Market; or

(ii) the Capital Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market, have been listed or admitted to trading on any internationally recognised stock exchange (including, without limitation, a Regulated Market), in each case, as selected by the Issuer and notified to the holders of the Capital Securities in accordance with Condition 15 (*Notices*),

and which may include such technical changes as necessary to reflect the requirements of Additional Tier 1 Capital under the Capital Regulations then applicable to the Issuer (including, without limitation, such technical changes as may be required in the adoption and implementation of the Basel III Documents);

**"Record Date"** means, in the case of any Interest Payment Amount, the date falling on the 15<sup>th</sup> day before the relevant Interest Payment Date and, in the case of the payment of a Redemption Amount, the date falling two Payment Days before the date for payment of the relevant Redemption Amount (as the case may be);

**"Redemption Amount"** means the Early Redemption Amount, the Tax Redemption Amount or the Capital Event Redemption Amount (as the case may be);

**"Register"** has the meaning given to it in Condition 2.1 (*Form, Denomination and Title – Form and Denomination*);

**"Regulated Market"** means a regulated market for the purposes of Directive 2014/65/EU (as amended);

**"Regulator"** means the Central Bank or any successor entity having primary bank supervisory authority with respect to the Issuer in the United Arab Emirates;

**"Relevant Date"** has the meaning given to it in Condition 12 (*Taxation*);

**"Relevant Period"** has the meaning given to it in Condition 5.1 (*Interest – Initial Interest Rate and Interest Payment Dates*);

**"Relevant Six-Year Reset Rate"** means, in respect of each Reset Period: (a) the rate per annum (expressed as a decimal) determined on the relevant U.S. Securities Determination Date equal to the weekly average yield to maturity for U.S. Treasury securities with a maturity of six years and trading in the public securities markets; or (b) if there is no such published U.S. Treasury security with a maturity of six years and trading in the public securities markets, the rate determined on the relevant U.S. Securities Determination Date by interpolation between the most recent weekly average yield to maturity for two series of U.S. Treasury securities trading in the public securities market: (i) one maturing as close as possible to, but earlier than, the immediately following Reset Date; and (ii) the other maturing as close as possible to, but later than, the immediately following Reset Date, in each case as published in the most recent H.15. In respect of any Reset Period, if the Issuer cannot procure the determination of the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date pursuant to the methods described in (a) and (b) above, then the Relevant Six-Year Reset Rate will be: (1) equal to the rate applicable to the immediately preceding Reset Period; or (2) in the case of the Reset Period commencing on the First Reset Date, 4.411 per cent.;

**"Reset Date"** means the First Reset Date and every sixth anniversary thereafter;

**"Reset Period"** means the period from and including the First Reset Date to but excluding the following Reset Date, and each successive period thereafter from and including such Reset Date to but excluding the next succeeding Reset Date;

**"Rules"** has the meaning given to it in Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*);

**"Senior Obligations"** means all unsubordinated payment obligations of the Issuer (including payment obligations to the Issuer's depositors in respect of their due claims) and all subordinated payment obligations (if any) of the Issuer except Junior Obligations or *Pari Passu* Obligations;

**"Solvency Conditions"** has the meaning given to it in Condition 4.3 (*Status and Subordination – Solvency Conditions*);

**"Solvent"** means that: (a) the Issuer is able to pay its debts as they fall due; and (b) the Issuer's Assets exceed its Liabilities;

**"Tax Event"** means on the occasion of the next payment due under the Capital Securities, the Issuer has or will become obliged to pay Additional Amounts (whether or not a Non-Payment Event has occurred), as a result of any change in, or amendment to or interpretation of, the laws, published practice or regulations of a Tax Jurisdiction, or any change in the application or official interpretation of such laws or regulations (each, a **"Tax Law Change"**), which Tax Law Change becomes effective on or after the Issue Date (and such requirement cannot be avoided by the Issuer taking reasonable measures available to it), and provided that the Issuer satisfies the Regulator that such Tax Law Change was not reasonably foreseeable at the time of issuance of the Capital Securities;

**"Tax Jurisdiction"** has the meaning given to it in Condition 12 (*Taxation*);

**"Tax Law Change"** has the meaning given to it in the definition of "Tax Event";

**"Tax Redemption Amount"** in relation to a Capital Security means 100 per cent. of its Prevailing Principal Amount together with any Outstanding Payments;

**"Taxes"** has the meaning given to it in Condition 12 (*Taxation*);

**"Tier 1 Capital"** means capital qualifying as, and approved by the Regulator as, tier 1 capital in accordance with the Capital Regulations;

**"U.S. Government Securities Business Day"** means any day except for a Saturday, Sunday or a day on which the U.S. Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

**"U.S. Securities Determination Date"** means the second U.S. Government Securities Business Day before the commencement of the Reset Period for which the rate will apply;

**"Write-down"** means:

- (a) the holders' rights under the Capital Securities shall automatically be deemed to be irrevocably, unconditionally and permanently written-down in a proportion corresponding to the relevant Write-down Amount;
- (b) in the case of the Write-down Amount corresponding to the full Prevailing Principal Amount of the Capital Securities then outstanding, the Capital Securities shall be cancelled; and
- (c) all rights of any holder for payment of any amounts under or in respect of the Capital Securities (including, without limitation, any amounts arising as a result of, or due and payable upon the occurrence of, an Enforcement Event), in a proportion corresponding to the relevant Write-down Amount (and any corresponding Interest Payment Amounts), shall be cancelled and not restored under any circumstances, irrespective of whether such amounts have become due and payable prior to the date of the Non-Viability Notice or the Non-Viability Event Write-down Date,

and all references to **"Written-down"** shall be construed accordingly; and

**"Write-down Amount"** means, in relation to any Non-Viability Event Write-down Date, the amount as determined by the Regulator by which the aggregate Prevailing Principal Amount of the Capital Securities then outstanding is to be Written-down on a *pro rata* basis and shall be calculated per Capital Security by reference to the Prevailing Principal Amount of each Capital Security then outstanding which is to be Written-down.

All references in these Conditions to "U.S. dollars", "U.S.\$" and "\$" are to the lawful currency of the United States of America.

## 2. **FORM, DENOMINATION AND TITLE**

### 2.1 **Form and Denomination**

The Capital Securities are issued in registered form in nominal amounts of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof (each an "**Authorised Denomination**"). An Individual Certificate will be issued to each holder of the Capital Securities in respect of its registered holding of Capital Securities. Each Individual Certificate will be numbered serially with an identifying number which will be recorded on the relevant Individual Certificate and in the register of holders of the Capital Securities (the "**Register**").

Upon issue, the Capital Securities will be represented by the Global Certificate which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear and Clearstream, Luxembourg (as applicable), and their respective participants. The Conditions are supplemented by certain provisions contained in the Global Certificate.

### 2.2 **Title**

The holder of any Capital Security will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest or any writing on, or the theft or loss of, the certificate issued in respect of it) and no person will be liable for so treating the holder.

For so long as any of the Capital Securities is represented by the Global Certificate held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Capital Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Capital Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by each of the Issuer and the Agents as the holder of such nominal amount of such Capital Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Capital Securities, for which purpose the registered holder of the Global Certificate shall be treated by each of the Issuer and any Agent as the holder of such nominal amount of such Capital Securities in accordance with and subject to the terms of the Global Certificate.

## 3. **TRANSFERS OF CAPITAL SECURITIES AND EXCHANGE FOR INDIVIDUAL CERTIFICATES**

### 3.1 **Transfers of Interests in the Global Certificate**

Capital Securities which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg (as the case may be).

### 3.2 **Transfer of Individual Certificates**

Subject to the conditions set forth in the Agency Agreement, Capital Securities represented by Individual Certificates may be transferred in whole or in part (in Authorised Denominations). In order to effect any such transfer: (a) the holder or holders must: (i) surrender the relevant Individual Certificate(s) for registration of the transfer of the Capital Security (or the relevant part of the Capital Security) at the specified office of any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing, and (ii) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (b) the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer

will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 5 to the Agency Agreement). Subject as provided above, the relevant Transfer Agent will, within five business days (being for this purpose a day on which commercial banks are open for business (including dealings in foreign currencies) in the cities where the specified office of the Registrar and (if applicable) the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Individual Certificate of a like aggregate nominal amount to the Capital Security (or the relevant part of the Capital Security) transferred. In the case of the transfer of part only of a Capital Security represented by an Individual Certificate, a new Individual Certificate in respect of the balance of the Capital Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

### 3.3 **Costs of Registration**

Holders of the Capital Securities will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

### 3.4 **Exchange for Individual Certificates**

Interests in the Global Certificate will be exchangeable (free of charge), in whole but not in part, for Individual Certificates only upon the occurrence of an Exchange Event (as defined below). The Issuer will give notice to holders of the Capital Securities in accordance with Condition 15 (*Notices*) if an Exchange Event occurs as soon as practicable thereafter. For these purposes, an "**Exchange Event**" shall occur if: (a) an Enforcement Event has occurred; or (b) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of legal holiday) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system satisfactory to the Issuer is available.

In such circumstances, the Global Certificate shall be exchanged in full for Individual Certificates and the Issuer will, at the cost of the Issuer, cause sufficient Individual Certificates to be executed and delivered to the Registrar within 10 days following the request for exchange for completion and dispatch to the holders of the Capital Securities.

### 3.5 **Closed Periods**

No holder of Capital Securities may require the transfer of a Capital Security to be registered during the period of 15 calendar days ending on the due date for any payment of principal or interest in respect of such Capital Security.

### 3.6 **Other**

References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system as shall have been approved by the Issuer and the Fiscal Agent.

## 4. **STATUS AND SUBORDINATION**

### 4.1 **Status of the Capital Securities**

Each Capital Security will rank *pari passu* without preference or priority, with all other Capital Securities.

#### 4.2 Subordination of the Capital Securities

- (a) The payment obligations of the Issuer under the Capital Securities (the "**Obligations**") will: (i) constitute Additional Tier 1 Capital of the Issuer; (ii) constitute direct, unsecured, conditional (as described in Condition 4.2(b) (*Status and Subordination – Subordination of the Capital Securities*) and Condition 4.3 (*Status and Subordination – Solvency Conditions*)) and subordinated obligations of the Issuer that rank *pari passu* and without preference or priority amongst themselves; (iii) rank subordinate and junior to all Senior Obligations (but not further or otherwise); (iv) rank *pari passu* with all *Pari Passu* Obligations; and (v) rank in priority only to all Junior Obligations.
- (b) Notwithstanding any other provisions in these Conditions, to the extent that any of the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the United Arab Emirates, all claims of the holders of the Capital Securities under the Capital Securities will be extinguished and the Capital Securities will be cancelled without any further payment to be made by the Issuer under the Capital Securities.
- (c) Subject to applicable law, each holder of the Capital Securities unconditionally and irrevocably waives any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of the Obligations. No collateral is or will be given for the Obligations and any collateral that may have been or may in the future be given in connection with other obligations of the Issuer shall not secure the Obligations.

#### 4.3 Solvency Conditions

Payments in respect of the Obligations by the Issuer are conditional upon the following conditions (together, the "**Solvency Conditions**"):

- (a) the Issuer being Solvent at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations;
- (b) the Issuer being capable of making payment of the relevant Obligations and any other payment required to be made on the relevant date to a creditor in respect of all Senior Obligations and all *Pari Passu* Obligations and still be Solvent immediately thereafter; and
- (c) the total share capital (including, without limitation, retained earnings) of the Issuer being greater than zero at all times from (and including) the first day of the relevant Interest Period (or the Issue Date in the case of the first Interest Period) to (and including) the time of payment of the relevant Obligations.

#### 4.4 Other Issues

So long as any of the Capital Securities remain outstanding, the Issuer will not issue any securities (regardless of name or designation) or create any guarantee of, or provide any contractual support arrangement in respect of, the obligations of any other entity which in each case constitutes (whether on a solo, or a solo consolidated or a consolidated basis) Additional Tier 1 Capital of the Issuer if claims in respect of such securities, guarantee or contractual support arrangement would rank (as regards distributions on a return of assets on a winding-up or in respect of distribution or payment of dividends and/or any other amounts thereunder) senior to the Obligations. This prohibition will not apply if at the same time or prior thereto these Conditions are amended to ensure that: (a) the holders obtain; and/or (b) the Obligations have, in each case, the benefit of such of those rights and entitlements as are contained in or attached to such securities or under such guarantee or contractual support arrangement as are required so as to ensure that claims in respect of the Obligations rank *pari passu* with, and contain substantially equivalent rights of priority as to distributions or payments on, such securities or under such guarantee or contractual support arrangement.

## 5. INTEREST

### 5.1 Initial Interest Rate and Interest Payment Dates

Subject to Condition 6 (*Interest Cancellation*), the Capital Securities shall, during the Initial Period, bear interest at a rate of 6.250 per cent. per annum (the "**Initial Interest Rate**") on the Prevailing Principal Amount of the Capital Securities in accordance with the provisions of this Condition 5 (*Interest*). The Interest Payment Amount payable on each Interest Payment Date during the Initial Period shall be U.S.\$31.25 per U.S.\$1,000 in principal amount of the Capital Securities.

Subject to Condition 6 (*Interest Cancellation*), interest shall be payable on the Capital Securities semi-annually in arrear on each Interest Payment Date, in each case as provided in this Condition 5 (*Interest*). Interest is discretionary, will not be cumulative and any interest which is not paid will not accumulate or compound and holders of the Capital Securities will have no right to receive such interest at any time, even if interest is paid in the future.

If interest is required to be calculated in respect of a period of less than a full Interest Period (the "**Relevant Period**"), it shall be calculated as an amount equal to the product of: (a) the applicable Interest Rate; (b) the Prevailing Principal Amount of the relevant Capital Security then outstanding; and (c) the applicable Day-count Fraction for the Relevant Period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

### 5.2 Interest Rate following the Initial Period

For the purpose of calculating payments of interest following the Initial Period, the Interest Rate will be reset on each Reset Date on the basis of the aggregate of the Margin and the Relevant Six-Year Reset Rate on the relevant U.S. Securities Determination Date, as determined by the Calculation Agent.

The Calculation Agent will, as soon as practicable upon determination of the Interest Rate which shall apply to the Reset Period commencing on the relevant Reset Date, cause the applicable Interest Rate and the corresponding Interest Payment Amount to be notified to each of the Paying Agents and the holders of the Capital Securities in accordance with Condition 15 (*Notices*) as soon as possible after their determination but in no event later than the second Business Day thereafter.

### 5.3 Determinations of Calculation Agent Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions by the Calculation Agent given, expressed, made or obtained for the purposes of this Condition 5 (*Interest*) shall (in the absence of manifest error) be binding on the other Agents and the holders of the Capital Securities and (in the absence of manifest error) no liability to the holders of the Capital Securities shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

## 6. INTEREST CANCELLATION

### 6.1 Non-Payment Event

Notwithstanding Condition 5.1 (*Interest – Initial Interest Rate and Interest Payment Dates*), subject to Condition 6.2 (*Interest Cancellation – Effect of Non-Payment Event*), if any of the following events occurs (each, a "**Non-Payment Event**"), Interest Payment Amounts shall not be paid on the corresponding Interest Payment Date:

- (a) the Interest Payment Amount payable, when aggregated with any distributions or amounts payable by the Issuer on any *Pari Passu* Obligations having the same date in respect of payment of such distributions or amounts as, or otherwise due and payable on, the date for payment of Interest Payment Amounts, exceeds, on the relevant date for payment of such Interest Payment Amount, the Distributable Items;
- (b) the Issuer is, on that Interest Payment Date, in breach of the Applicable Regulatory Capital Requirements (including any payment restrictions due to breach of capital buffers imposed



on the Issuer by the Regulator, as appropriate) or payment of the relevant Interest Payment Amount would cause it to be in breach thereof;

- (c) the Regulator having notified the Issuer that the Interest Payment Amount due on that Interest Payment Date should not be paid for any reason the Regulator may deem necessary;
- (d) the Solvency Conditions are not satisfied (or would no longer be satisfied if the relevant Interest Payment Amount was paid); or
- (e) the Issuer, in its sole discretion, has elected that Interest Payment Amounts shall not be paid to holders of the Capital Securities on such Interest Payment Date (other than in respect of any amounts due on any date on which the Capital Securities are to be redeemed in full, in respect of which this paragraph (e) does not apply), including, without limitation, if the Issuer incurs a net loss during the relevant Interest Period.

## 6.2 Effect of Non-Payment Event

If a Non-Payment Event occurs, then the Issuer shall give notice to the Fiscal Agent and the holders of the Capital Securities (in accordance with Condition 15 (*Notices*)) (which notice shall be revocable) providing details of the Non-Payment Event as soon as practicable (or, in the case of a Non-Payment Event pursuant to Condition 6.1(e) (*Interest Cancellation – Non-Payment Event*), no later than five Business Days prior to such event). However, any failure to provide such notice will not invalidate the cancellation of the relevant payment of the Interest Payment Amount. In the absence of notice of a Non-Payment Event having been given in accordance with this Condition 6.2 (*Interest Cancellation – Effect of Non-Payment Event*), the fact of non-payment of an Interest Payment Amount on the relevant Interest Payment Date shall be evidence of the occurrence of a Non-Payment Event.

Holders of the Capital Securities shall have no claim in respect of any Interest Payment Amount not paid as a result of a Non-Payment Event (whether or not notice of such Non-Payment Event has been given in accordance with this Condition 6.2 (*Interest Cancellation – Effect of Non-Payment Event*)) and any non-payment of an Interest Payment Amount in such circumstances shall not constitute an Enforcement Event. The Issuer shall not make or shall not have any obligation to make any subsequent payment in respect of any such unpaid Interest Payment Amount.

## 6.3 Dividend and Redemption Restrictions

If any Interest Payment Amount is not paid as a consequence of a Non-Payment Event pursuant to Condition 6.1 (*Interest Cancellation – Non-Payment Event*), then, from the date of such Non-Payment Event (the "**Dividend Stopper Date**"), the Issuer will not, so long as any of the Capital Securities are outstanding:

- (a) declare or pay any distribution or dividend or make any other payment on, and will procure that no distribution or dividend or other payment is made on, Ordinary Shares (other than to the extent that any such distribution, dividend or other payment is declared before such Dividend Stopper Date); or
- (b) declare or pay profit or any other distribution on any of its Other Common Equity Tier 1 Instruments or securities ranking, as to the right of payment of dividend, distributions or similar payments, *pari passu* with or junior to the Obligations (excluding securities the terms of which do not at the relevant time enable the Issuer to defer or otherwise not to make such payment), only to the extent such restriction on payment or distribution is permitted under the Capital Regulations for Tier 1 Capital applicable from time to time; or
- (c) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Ordinary Shares; or
- (d) directly or indirectly redeem, purchase, cancel, reduce or otherwise acquire Other Common Equity Tier 1 Instruments or any securities issued by the Issuer ranking, as to the right of repayment of capital, *pari passu* with or junior to the Obligations (excluding

securities the terms of which stipulate a mandatory redemption or conversion into equity), only to the extent such restriction on redemption, purchase, cancellation, reduction or acquisition is permitted under the Capital Regulations for Tier 1 Capital applicable from time to time,

in each case unless or until one Interest Payment Amount following the Dividend Stopper Date has been made in full (or an amount equal to the same has been duly set aside or provided for in full for the benefit of the holders of the Capital Securities).

## 7. PAYMENTS

### 7.1 Payments in respect of Individual Certificates

Subject as provided below, payments will be made by credit or transfer to an account maintained by the payee with, or, at the option of the payee, by a cheque drawn on, a bank in New York City.

Payments of principal in respect of each Capital Security will be made against presentation and surrender of the Individual Certificate at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Capital Security appearing in the Register at the close of business in the place of the Registrar's specified office on the Record Date. Notwithstanding the previous sentence, if: (a) a holder does not have a Designated Account; or (b) the principal amount of the Capital Securities held by a holder is less than U.S.\$200,000, payment will instead be made by a cheque in U.S. dollars drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means a bank in New York City.

Payments of interest in respect of each Capital Security will be made by a cheque in U.S. dollars drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Capital Security appearing in the Register at the close of business in the place of the Registrar's specified office on the Record Date at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Capital Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Capital Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payments of interest due in respect of each Capital Security on redemption will be made in the same manner as payment of the principal amount of such Capital Security.

Holders of Capital Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Capital Security as a result of a cheque posted in accordance with this Condition 7.1 arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Capital Securities.

### 7.2 Payments in respect of the Global Certificate

The holder of the Global Certificate shall be the only person entitled to receive payments in respect of Capital Securities represented by the Global Certificate and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Certificate in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Capital Securities represented by such Global Certificate must look solely to Euroclear or Clearstream, Luxembourg (as the case may be), for his share of each payment so made by the Issuer, or to the order of, the holder of such Global Certificate. Each payment made in respect of the Global Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the

Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business.

### 7.3 **Payments Subject to Laws**

All payments are subject in all cases to: (a) any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*); and (b) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law in any jurisdiction implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the holders of the Capital Securities in respect of such payments.

### 7.4 **Payment Day**

If the date for payment of any amount in respect of the Capital Securities is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 13 (*Prescription*)) is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in New York City and London.

### 7.5 **Interpretation of principal and interest**

Any reference in the Conditions to principal in respect of the Capital Securities shall be deemed to include, as applicable:

- (a) the Early Redemption Amount of the Capital Securities;
- (b) the Capital Event Redemption Amount of the Capital Securities; and
- (c) the Tax Redemption Amount of the Capital Securities.

Any reference in the Conditions to interest or Interest Payment Amounts in respect of the Capital Securities shall be deemed to include, as applicable, any Additional Amounts which may be payable with respect to interest under Condition 12 (*Taxation*).

## 8. **AGENTS**

The names of the initial Agents are set out above and their initial specified offices are set out in the Agency Agreement.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

- (a) there will at all times be a Fiscal Agent and a Registrar;
- (b) with effect from the U.S. Securities Determination Date prior to the First Reset Date, and so long as any Capital Securities remain outstanding thereafter, there will be a Calculation Agent;
- (c) so long as the Capital Securities are listed on any stock exchange or admitted to listing, trading and/or quotation by any other relevant authority, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (d) there will at all times be a Paying Agent and a Transfer Agent with a specified office in Europe.

Subject to the Agency Agreement, any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the holders of the Capital Securities in accordance with Condition 15 (*Notices*).

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any holders of the Capital Securities. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **9. REDEMPTION AND VARIATION**

### **9.1 Redemption and Variation**

#### **(a) *No Fixed Redemption Date and Conditions for Redemption and Variation***

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 4 (*Status and Subordination*), Condition 10 (*Write-down at the Point of Non-Viability*) and Condition 11 (*Enforcement Events*) and without prejudice to the provisions of Condition 13 (*Prescription*)) only have the right to redeem the Capital Securities or vary the terms thereof upon satisfaction of and in accordance with the following provisions of this Condition 9 (*Redemption and Variation*).

The redemption of the Capital Securities or variation of the Conditions, in each case pursuant to this Condition 9 (*Redemption and Variation*), is subject to the following conditions (to the extent then required by the Regulator or the Capital Regulations):

- (i) the prior consent of the Regulator;
- (ii) the requirement that both at the time when the relevant notice of redemption or variation is given and immediately following such redemption or variation (as applicable), the Issuer is or will be (as the case may be) in compliance with the Applicable Regulatory Capital Requirements; and
- (iii) the Solvency Conditions being satisfied.

#### **(b) *Issuer's Call Option***

Subject to Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), the Issuer may (acting in its sole discretion), by giving not less than 10 nor more than 15 days' prior written notice to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (which shall specify the date fixed for redemption), redeem all, but not some only, of the Capital Securities at the Early Redemption Amount (provided such notice has not been revoked by the Issuer giving notice of such revocation to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (prior to the redemption date specified in the initial notice)).

Redemption of the Capital Securities pursuant to this Condition 9.1(b) (*Redemption and Variation – Issuer's Call Option*) may only occur on a Call Date.

#### **(c) *Redemption or Variation due to Taxation***

- (i) Subject to Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), upon the occurrence of a Tax Event, the Issuer may (acting in its sole discretion), by giving not less than 10 nor more than 15 days' prior written notice to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*): (1) redeem all, but not some only, of the Capital Securities at the Tax Redemption Amount; or (2) vary the terms of the Capital

Securities provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments and so that the relevant withholding or deduction otherwise arising from the relevant Tax Law Change is no longer required, in each case without any requirement for consent or approval of the holders of the Capital Securities.

- (ii) Redemption of the Capital Securities, or variation of the Conditions, in each case pursuant to this Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) may occur on any date after the Issue Date (whether or not such date is an Interest Payment Date).
- (iii) At the same time as the publication of any notice of redemption or variation (as the case may be) pursuant to this Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*), the Issuer shall give to the Fiscal Agent: (1) a certificate signed by two Authorised Signatories of the Issuer stating that: (A) the relevant conditions set out in Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*) have been satisfied; (B) a Tax Event has occurred; and (C) in the case of a variation only, the varied Capital Securities will be Qualifying Tier 1 Instruments and that the Regulator has confirmed that the varied Capital Securities will satisfy limb (a) of the definition of Qualifying Tier 1 Instruments; and (2) an opinion of independent legal advisors of recognised standing to the effect that the Issuer has or will become obliged to pay Additional Amounts as a result of the Tax Event. Such certificate delivered in accordance with this Condition 9.1(c)(iii) shall be conclusive and binding evidence of the satisfaction of the conditions precedent set out in (1)(A) to (C) above. Upon expiry of such notice, the Issuer shall redeem or vary the terms of the Capital Securities (as the case may be) (provided such notice has not been revoked by the Issuer giving notice of such revocation to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (prior to the redemption date specified in the initial notice)).

(d) ***Redemption or Variation for Capital Event***

- (i) Subject to Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*), upon the occurrence of a Capital Event, the Issuer may (acting in its sole discretion), by giving not less than 10 nor more than 15 days' prior written notice to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*): (1) redeem all, but not some only, of the Capital Securities at the Capital Event Redemption Amount; or (2) solely for the purpose of ensuring compliance with Applicable Regulatory Capital Requirements vary the terms of the Capital Securities provided that they become or, as appropriate, remain, Qualifying Tier 1 Instruments, in each case without any requirement for consent or approval of the holders of the Capital Securities.
- (ii) Redemption of the Capital Securities, or variation of the Conditions, pursuant to this Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) may occur on any date after the Issue Date (whether or not an Interest Payment Date).
- (iii) At the same time as the delivery of any notice of redemption or variation (as the case may be) pursuant to this Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*), the Issuer shall give to the Fiscal Agent a certificate signed by two Authorised Signatories stating that: (1) the relevant conditions set out in Condition 9.1(a) (*Redemption and Variation – No Fixed Redemption Date and Conditions for Redemption and Variation*) have been satisfied; (2) a Capital Event has occurred; and (3) in the case of a variation only, the varied Capital Securities will be Qualifying Tier 1 Instruments and that the Regulator has confirmed that the varied Capital Securities will satisfy limb (a) of the definition of Qualifying Tier 1 Instruments. Such certificate shall be conclusive and binding evidence of the satisfaction of the conditions precedent

set out above. Upon expiry of such notice, the Issuer shall redeem or vary the terms of the Capital Securities (as the case may be) (provided such notice has not been revoked by the Issuer giving notice of such revocation to the Fiscal Agent and the Registrar, and to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) (prior to the redemption date specified in the initial notice)).

(e) ***Taxes upon Variation***

In the event of a variation in accordance with Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*), the Issuer will not be obliged to pay and will not pay any liability of any holder of the Capital Securities to corporation tax, corporate income tax or tax on profits or gains or any similar tax arising in respect of the variation of the terms of the Capital Securities provided that (in the case of a Tax Event) or so that (in the case of a Capital Event) they become or, as appropriate, remain, Qualifying Tier 1 Instruments, including in respect of any stamp duty or similar other taxes arising on any subsequent transfer, disposal or deemed disposal of the Qualifying Tier 1 Instruments by such holder of the Capital Securities.

(f) ***No redemption in the case of a Non-Viability Notice being delivered***

The Issuer may not give a notice of redemption under this Condition 9 (*Redemption and Variation*) if a Non-Viability Notice has been given in respect of the Capital Securities. If a Non-Viability Notice is given after a notice of redemption has been given by the Issuer under this Condition 9 (*Redemption and Variation*) but before the relevant date fixed for redemption, such notice of redemption shall be deemed not to have been given and the Capital Securities shall not be redeemed.

9.2 **Purchase**

Subject to the Issuer (to the extent then required by the Regulator or the Capital Regulations): (a) obtaining the prior written consent of the Regulator; (b) being in compliance with the Applicable Regulatory Capital Requirements immediately following such purchase; and (c) being Solvent at the time of purchase, the Issuer or any of its subsidiaries may purchase the Capital Securities in the open market or otherwise at such price(s) and upon such other conditions as may be agreed upon between the Issuer or the relevant subsidiary (as the case may be) and the relevant holders of Capital Securities. Upon any such purchase, the Issuer may (but shall not be obliged to) deliver such Capital Securities for cancellation.

9.3 **Cancellation**

All Capital Securities which are redeemed will forthwith be cancelled. All Capital Securities so cancelled and any Capital Securities purchased and cancelled pursuant to Condition 9.2 (*Redemption and Variation – Purchase*) cannot be reissued or resold.

10. **WRITE-DOWN AT THE POINT OF NON-VIABILITY**

10.1 **Non-Viability Event**

If a Non-Viability Event occurs, a Write-down will take place in accordance with Condition 10.2 (*Write-down at the Point of Non-Viability – Non-Viability Notice*).

10.2 **Non-Viability Notice**

On the third Business Day following the date on which a Non-Viability Event occurs (or on such earlier date as determined by the Regulator), the Issuer will notify the Fiscal Agent, the Registrar and the holders of the Capital Securities thereof (in accordance with Condition 15 (*Notices*)) (such notice, a "**Non-Viability Notice**"). A Write-down will occur on the Non-Viability Event Write-down Date. In the case of a Write-down resulting in the reduction of the Prevailing Principal Amount of each Capital Security then outstanding to nil, with effect from the Non-Viability Event

Write-down Date, the Capital Securities will be automatically cancelled and the holders shall not be entitled to any claim for any amount in connection with the Capital Securities.

## **11. ENFORCEMENT EVENTS**

### **11.1 Enforcement Event**

Upon the occurrence of an Enforcement Event, any holder of the Capital Securities may give written notice to the Issuer at the specified office of the Fiscal Agent, effective upon the date of receipt thereof by the Fiscal Agent, that such Capital Security is due and payable, whereupon the same shall, subject to Condition 10 (*Write down at the point of Non-Viability*) and Condition 11.4 (*Enforcement Events – Restrictions*) become forthwith due and payable at its Early Redemption Amount, without presentation, demand, protest or other notice of any kind.

### **11.2 Dissolution Remedies**

To the extent permitted by applicable law and by these Conditions, any holder of the Capital Securities may at its discretion: (a) institute any steps, actions or proceedings for the winding-up of the Issuer; and/or (b) prove in the winding-up of the Issuer; and/or (c) claim in the liquidation of the Issuer; and/or (d) take such other steps, actions or proceedings which, under the laws of the United Arab Emirates, have an analogous effect to the actions referred to in (a) to (c) above (in each case, without prejudice to Condition 4.2 (*Status and Subordination – Subordination of the Capital Securities*)), for such payment referred to in Condition 11.1 (*Enforcement Events – Enforcement Event*), but the institution of any such steps, actions or proceedings shall not have the effect that the Issuer shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it. Subject to Condition 11.3 (*Enforcement Events – Performance Obligations*), no remedy against the Issuer, other than the steps, actions or proceedings to enforce, prove or claim referred to in this Condition 11 (*Enforcement Events*), and the proving or claiming in any dissolution/winding-up or liquidation of the Issuer, shall be available to the holders of the Capital Securities, whether for the recovering of amounts owing in respect of the Capital Securities or in respect of any breach by the Issuer of any other obligation, condition or provision binding on it under the Capital Securities.

### **11.3 Performance Obligations**

Without prejudice to the other provisions of this Condition 11 (*Enforcement Events*), any holder of the Capital Securities may at its discretion institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under these Conditions, in each case, other than any payment obligation of the Issuer (including, without limitation, payment of any principal or satisfaction of any payments in respect of the Conditions, including any damages awarded for breach of any obligations). However, in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

### **11.4 Restrictions**

All claims by any holder of the Capital Securities against the Issuer (including, without limitation, any claim in relation to any unsatisfied payment obligation of the Issuer under the Capital Securities) shall be subject to, and shall be superseded by: (a) the provisions of Condition 10 (*Write-down at the Point of Non-Viability*), irrespective of whether the relevant Non-Viability Event occurs prior to or after the event which is the subject matter of the claim; and (b) the provisions of Condition 4 (*Status and Subordination*), irrespective of whether the breach of a Solvency Condition at the relevant time or the issue of a bankruptcy order in respect of the Issuer occurs prior to or after the event which is the subject matter of the claim.

## **12. TAXATION**

All payments of principal and interest in respect of the Capital Securities by the Issuer will be made free and clear of, without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Tax Jurisdiction ("**Taxes**") unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts in respect

of Interest Payment Amounts (but not in respect of principal) as shall be necessary in order that the net amounts received by the holders of the Capital Securities after such withholding or deduction shall equal the respective Interest Payment Amount(s) which would otherwise have been receivable in respect of the Capital Securities (as the case may be), in the absence of such withholding or deduction ("**Additional Amounts**"); except that no such Additional Amounts shall be payable with respect to any Capital Security:

- (a) presented for payment (where presentation is required) by or on behalf of a holder who is liable for such taxes, duties, assessments or governmental charges in respect of such Capital Security by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Capital Security; or
- (b) presented for payment (where presentation is required) more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an Additional Amount on presenting the same for payment on such 30<sup>th</sup> day assuming that day to have been a Payment Day; or
- (c) presented for payment in a Tax Jurisdiction.

As used in these Conditions:

- (i) "**Tax Jurisdiction**" means the United Arab Emirates or Dubai or, in each case, any political sub division or any authority thereof or therein having power to tax; and
- (ii) the "**Relevant Date**" means the date on which such payment first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) that, upon further presentation of the Capital Security in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

Notwithstanding any other provision in these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Capital Securities for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

### 13. **PRESCRIPTION**

Subject to applicable law, claims for payment in respect of the Capital Securities will become void unless made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

### 14. **REPLACEMENT OF INDIVIDUAL CERTIFICATES**

Should any Individual Certificate be lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Individual Certificate is subsequently presented for payment, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Individual Certificate) and otherwise as the Issuer and the Registrar may require. Mutilated or defaced Individual Certificates must be surrendered before replacements will be issued.

### 15. **NOTICES**

All notices to the holders of the Capital Securities will be valid if mailed to them at their respective addresses in the register of the holders of the Capital Securities maintained by the Registrar. The Issuer shall also ensure that notices are duly given or published in a manner which complies with



the rules and regulations of any stock exchange or other relevant authority on which the Capital Securities are for the time being admitted to listing, trading and/or quotation. Any notice shall be deemed to have been given on the second day after being so mailed or on the date of publication or, if so published more than once or on different dates, on the date of the first publication.

For so long as all the Capital Securities are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, notices may be given by delivery of the relevant notice to those clearing systems for communication to the holders rather than by mailing as provided for in the paragraph above except that, so long as the Capital Securities are listed on any stock exchange and/or admitted to listing, trading and/or quotation by any other relevant authority, notices shall also be published in accordance with the rules of such stock exchange or other relevant authority on which the Capital Securities are admitted to listing, trading and/or quotation. Any such notice shall be deemed to have been given on the day on which such notice is delivered to the relevant clearing systems.

Notices to be given by any holder of the Capital Securities shall be in writing and given by lodging the same, together (in the case of any Individual Certificate) with the relevant Individual Certificate(s), with the Registrar. Whilst any of the Capital Securities are represented by a Global Certificate, such notice may be given by any holder of a Capital Security to the Registrar through Euroclear and/or Clearstream, Luxembourg (as the case may be), in such manner as the Registrar, and Euroclear and/or Clearstream, Luxembourg (as the case may be) may approve for this purpose.

#### 16. **MEETINGS OF HOLDERS OF THE CAPITAL SECURITIES AND MODIFICATION**

The Agency Agreement contains provisions for convening meetings of the holders of the Capital Securities to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Capital Securities or any of the provisions of the Agency Agreement or the Deed of Covenant. Such a meeting may be convened by the Issuer and shall be convened by the Issuer if required in writing by holders of the Capital Securities holding not less than 10 per cent. in nominal amount of the Capital Securities for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing in aggregate not less than 50 per cent. in nominal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting one or more persons being or representing holders of the Capital Securities whatever the nominal amount of the Capital Securities so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Capital Securities (as specified in the Agency Agreement, and including (without limitation) modifying any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Capital Securities, altering the currency of payment of the Capital Securities or modifying the provisions concerning the quorum required at any meeting of holders of the Capital Securities or the majority required to pass the Extraordinary Resolution), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Capital Securities for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Capital Securities for the time being outstanding. An Extraordinary Resolution passed at any meeting of the holders of the Capital Securities shall be binding on all the holders of the Capital Securities, whether or not they are present at the meeting, and whether or not they voted on the resolution.

The Agency Agreement provides that a written resolution **signed by or on behalf of all the holders of Capital Securities** shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of holders of the Capital Securities duly convened and held. Such a written resolution may be contained in one document or several documents in the same form, each signed by or on behalf of one or more of the holders of the Capital Securities. Such a written resolution will be binding on all holders of the Capital Securities whether or not they participated in such written resolution.

The Fiscal Agent and the Issuer may agree, without the consent of the holders of the Capital Securities, to:

- (a) any modification (except as mentioned above) of the Capital Securities, the Agency Agreement or the Deed of Covenant which is not prejudicial to the interests of the holders of the Capital Securities (as determined by the Issuer in its sole opinion); or
- (b) any modification of the Capital Securities, the Agency Agreement or the Deed of Covenant which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

In addition, the Fiscal Agent shall be obliged to agree to such modifications of the Capital Securities, the Agency Agreement or the Deed of Covenant as may be required in order to give effect to Condition 9.1(c) (*Redemption and Variation – Redemption or Variation due to Taxation*) or Condition 9.1(d) (*Redemption and Variation – Redemption or Variation for Capital Event*) in connection with any variation of the Capital Securities upon the occurrence of a Tax Event or a Capital Event (as applicable).

Any such modification shall be binding on the holders of the Capital Securities and any such modification shall be notified to the holders of the Capital Securities in accordance with Condition 15 (*Notices*) as soon as practicable thereafter.

## 17. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of these Conditions, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

## 18. **GOVERNING LAW AND DISPUTE RESOLUTION**

### 18.1 **Governing law**

The Agency Agreement, the Deed of Covenant and the Capital Securities, and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant and the Capital Securities, are governed by, and shall be construed in accordance with, English law.

### 18.2 **Arbitration**

Subject to Condition 18.3 (*Governing Law and Dispute Resolution – Option to Litigate*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Capital Securities (including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute, claim, difference or controversy relating to any non-contractual obligations arising out of or in connection with the Capital Securities) (a "**Dispute**") shall be referred to and finally resolved by arbitration in accordance with the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*). For these purposes:

- (a) the seat, or legal place of arbitration will be London, England;
- (b) the language of the arbitration shall be English;
- (c) there shall be three arbitrators, each of whom shall be disinterested in the arbitration and shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and
- (d) the governing law of the arbitration shall be English.

### 18.3 **Option to Litigate**

Notwithstanding Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*), any holder of the Capital Securities may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

- (a) within 28 days of service of a Request for Arbitration (as defined in the Rules); or
- (b) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If any holder of the Capital Securities gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 18.4 (*Governing Law and Dispute Resolution – Effect of Exercise of Option to Litigate*) and, subject as provided below, any arbitration commenced under Condition 18.2 (*Governing Law and Dispute Resolution – Arbitration*) in respect of that Dispute will be terminated. Each person who gives such notice and the recipient of that notice will bear its own costs in relation to such terminated arbitration.

If any notice to terminate the arbitration in accordance with this Condition 18.3 (*Governing Law and Dispute Resolution – Option to Litigate*) is given after service of any Request for Arbitration in respect of any Dispute, the holder of the Capital Securities must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

- (i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;
- (ii) his entitlement to be paid his proper fees and disbursements; and
- (iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

### 18.4 **Effect of Exercise of Option to Litigate**

In the event that a notice pursuant to Condition 18.3 (*Governing Law and Dispute Resolution – Option to Litigate*) is issued, the following provisions shall apply:

- (a) subject to paragraph (c) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;
- (b) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and
- (c) this Condition 18.4 (*Governing Law and Dispute Resolution – Effect of Exercise of Option to Litigate*) is for the benefit of the holders of the Capital Securities only. As a result, and notwithstanding paragraph (a) above, any holder of the Capital Securities may take proceedings relating to a Dispute ("**Proceedings**") in any other court with jurisdiction. To the extent allowed by law, any holder of the Capital Securities may take concurrent Proceedings in any number of jurisdictions.

### 18.5 **Service of Process**

The Issuer appoints Emirates NBD Bank PJSC, London Branch (attention of: Chief Executive Officer) at its registered office at Emirates NBD House, 25 Knightsbridge, London, SW1X 7LY, United Kingdom as its agent for service of process and agrees that, in the event of Emirates NBD Bank PJSC, London Branch ceasing so to act or ceasing to be registered in England, it will immediately (and in any event within 30 days of the event taking place) appoint another person as its agent for service of process in England in respect of any Proceedings or Disputes. Failure by a process agent to notify the person that appointed it of any process will not invalidate the relevant

proceedings. Nothing herein shall affect the right to serve process in any other manner permitted by law.

18.6 **Waiver of Immunity**

The Issuer hereby irrevocably and unconditionally waives, with respect to the Capital Securities, any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings or Disputes.

### **USE OF PROCEEDS**

The proceeds from the issue of the Capital Securities will be U.S.\$1,000,000,000 and will be paid gross to ENBD on the Issue Date. The proceeds will be applied by ENBD for its general corporate purposes and to further strengthen its capital base.

## DESCRIPTION OF THE ISSUER

### Overview

ENBD was incorporated and registered in the UAE as a Public Joint Stock Company on 16 July 2007 with registration number 1013450, under the Commercial Companies Law (Federal Law Number 8 of 1984, as amended). ENBD is a publicly listed company whose shares are listed on the Dubai Financial Market (the "DFM").

ENBD is one of the largest banking entities in the UAE across a range of metrics, including by shareholder equity and by loans as at 31 December 2024. ENBD is also one of the largest banking entities in the GCC by assets, with total equity of AED 126.2 billion, total assets of AED 996.6 billion as at 31 December 2024 and total operating income of AED 44.1 billion for the year ended 31 December 2024. Originally incorporated to serve as the holding company of Emirates Bank International PJSC ("EBI") and National Bank of Dubai ("NBD") during the initial stages of their merger, on 21 November 2009, EBI and NBD were legally amalgamated with ENBD. As a result of the amalgamation, all of the assets and liabilities of EBI and NBD were transferred to ENBD and EBI and NBD were dissolved.

ENBD is one of the leading full-service banks in the UAE with branches in India, the Kingdom of Saudi Arabia ("KSA"), Singapore, the UAE and the UK, as well as branches (through its operating subsidiaries) in Austria, Bahrain, Egypt, Germany, Türkiye and representative offices in China and Indonesia.

During 2024, ENBD won the following awards and accreditations:

- "Bank of the Year in the UAE" and "Best Private Bank in the UAE" by The Banker;
- "Middle East's Best Bank for SMEs", "UAE's Best Bank for SMEs", "Middle East's Best Bank for Wealth Management" and "UAE's Best Bank for Corporates" by the Euromoney Awards for Excellence;
- Designated a "Market Leader" in the Corporate Banking, Digital Solutions and Investment Banking categories of the Euromoney Market Leaders;
- "Middle East's Best Regional Private Bank", "Middle East's Best for Ultra HighNet-Worth", "Middle East's Best for Digital Solutions", "UAE's Best Domestic Private Bank", "UAE's Best for Ultra High-Net-Worth" and "UAE's Best for Digital Solutions" by the Euromoney Global Private Banking Awards;
- "Best Bank in the UAE" by Global Finance World's Best Banks;
- "Best Supply Chain Finance Provider in the Middle East" and "Best Trade Finance Provider in the UAE" by Global Finance;
- "Excellence in Mobile Banking – ENBD X" by the Finnovex Awards Middle East;
- "Financial Institutions Bond Deal of the Year", "Sukuk House of the Year" and "High Yield Debt House of the Year" by the Bonds, Loans & Sukuk Middle East Awards;
- "Best Private Bank in the Middle East for Digital Portfolio Management" by the Financial Times & PWM Wealth Tech Awards;
- Ranked #1 amongst 50 Middle East Banks for Market Share, Banking Quality, Ease of Doing Business and Frequency of Contact by the Greenwich Coalition Awards;
- "Best for Fixed Income in the UAE" at the Euromoney Securities Houses Awards; and
- "Most Innovative Islamic Deal - Türkiye" at the Euromoney Islamic Finance Awards.

ENBD's key sustainability achievements in 2024 include:

- Being marked as a "Market Leader" in the environmental, social, and governance ("ESG") category of the Euromoney Market Leaders;

- Achieving a record 35 Leadership in Energy and Environmental Design ("**LEED**") certifications including 6 LEED Platinum certifications and 19 LEED Gold certifications across ENBD branches in the UAE, Saudi Arabia, and India and one Parksmart Gold certification;
- Successfully planting 60,000 mangroves at the Jebel Ali Wildlife Sanctuary in partnership with Emirates Marine Environmental Group;
- Group social contributions of AED 51 million, including Islamic contributions, humanitarian aid and contributions towards education, health and wellness and community development;
- Issuing a landmark U.S.\$500 million sustainability-linked loan financing bond ("**SLLB**"), as the world's first SLLB fully aligned with the new International Capital Market Association ("**ICMA**") and Loan Market Association framework;
- Emirates Islamic Bank PJSC ("**Emirates Islamic**"), issuing its first ever sustainability sukuk (U.S.\$750 million), as the first sustainability sukuk issued out of the UAE following the release of the ICMA, Islamic Development Bank and London Stock Exchange Group Guidance on Green, Social & Sustainability Sukuk;
- Launching an ESG-focused sustainable fixed deposit, allowing customers to earn attractive interest rates while supporting environmentally and socially responsible projects;
- Introducing carbon trading services, becoming the first bank in the UAE to empower clients to offset emissions - an initiative in line with the UAE's Net Zero 2050 strategy; and
- Launching several initiatives to engage employees in sustainability efforts, including Eco Supporters, Green Champions, and Green Tips. The Green Champion initiative celebrates employee-led sustainability success stories, while Eco Supporters invites all employees from across the Group to share innovative ideas for reducing emissions within our offices and branches, focusing on electricity saving, water conservation and reducing paper and plastic usage.

ENBD has a significant presence in the UAE retail, corporate and commercial banking market. In addition, through its subsidiaries (including Emirates Islamic) and associates, ENBD offers Islamic banking services, as well as investment banking, property management, asset management, insurance services, credit card facilities and other banking-related services.

On 30 July 2019, ENBD acquired DenizBank, the fifth largest private bank in Türkiye in terms of total consolidated assets. DenizBank has operations in Türkiye, Austria, Germany, Bahrain, Girne, Russia and the Turkish Republic of Northern Cyprus.

As at 31 December 2024, ENBD had total assets of AED 996.6 billion and total equity worth AED 126.2 billion, while as at 31 December 2023, ENBD had total assets and total equity of AED 862.8 billion and AED 110.0 billion, respectively. As at 31 December 2024, ENBD had liquid assets (defined as cash and deposits with the UAE Central Bank) of AED 104.7 billion, while as at 31 December 2023, ENBD had liquid assets of AED 96.0 billion.

For the purposes of reporting its risk-weighted assets in accordance with Basel III, ENBD had, as at 31 December 2024, Tier 1 capital of AED 110.4 billion and eligible Tier 2 capital of AED 7.5 billion. ENBD's profit after tax for the years ended 31 December 2024 and 31 December 2023 was AED 23.0 billion and AED 21.5 billion, respectively. As at 31 December 2024, ENBD had total deposits of AED 666.8 billion.

## General

As at the date of this Prospectus, ENBD has a long-term issuer default rating of A+ with a stable outlook and a short-term issuer default rating of F1 from Fitch, and long-term foreign currency and local currency bank deposits ratings of A2 with a positive outlook, short-term foreign currency and local currency bank deposit ratings of P-1 and senior unsecured foreign currency and local currency ratings of A2 with a positive outlook from Moody's.

ENBD operates in the UAE under a banking licence issued by the UAE Central Bank. The registered address of ENBD is Baniyas Road, Deira, P.O. Box 777, Dubai, UAE and the telephone number of the registered office is +971 4 225 6256.

## Ownership Structure

As at 31 December 2024, ENBD's authorised, issued and paid-up capital was 6,316,598,253 ordinary shares of AED 1.00 each. No shareholder, other than ICD and Dubai Holding Company (each as defined below) held more than 10 per cent. of the shares of ENBD as at 31 December 2024.

As at 31 December 2024, ICD held 40.92 per cent. and DH 7 LLC, a wholly-owned subsidiary of Dubai Holding Company held 14.84 per cent. of ENBD's share capital. Each of ICD and Dubai Holding Company is wholly-owned by the Government of Dubai.

ICD was established in May 2006, through the partial transfer of the Government of Dubai's investment portfolio from the Department of Finance, pursuant to a decree issued by H.H. Sheikh Mohammed bin Rashid Al Maktoum, the Vice President and Prime Minister of the UAE (the "**Ruler of Dubai**"). It is the principal investment arm of the Government of Dubai.

The aim of ICD is to consolidate and manage the Government of Dubai's portfolio of commercial companies and investments, devise and implement the Government of Dubai's investment strategy and manage investments deemed to be of strategic importance to Dubai's long-term development goals.

The investments, diversified across multiple sectors, are considered to be a platform for the future growth of Dubai and include Dubai's most recognised companies, including, but not limited to, in addition to ENBD, Borse Dubai Limited, Dubai Islamic Bank P.J.S.C., Commercial Bank of Dubai P.J.S.C., The Emirates Group (including dnata), Dubai Aerospace Enterprise (DAE) Ltd, Dubai Aviation Corporation (trading as flydubai), Emirates Global Aluminium PJSC (a joint venture between Mubadala Investment Company and ICD), Dubai Cable Company (Private) Ltd, Emirates National Oil Company Limited (ENOC) LLC and Emaar Properties PJSC.

ICD works closely with its portfolio companies to identify value-enhancing acquisition opportunities as well as providing them with strategic support to aid their growth.

The board of directors of ICD is chaired by the Ruler of Dubai and is composed of nine directors, who include the Chairman of ENBD.

Dubai Holding Company was established in 2024 as a holding company wholly-owned by the Government of Dubai with the aim of supporting the Government's long-term vision of a sustainable economy for Dubai and managing large-scale projects and initiatives in Dubai across multiple sectors through its subsidiaries.

## Strategy

Building on the record financial performance in 2024, ENBD is driven by a clear strategic focus and exceptional execution, supported by favourable conditions across the UAE and its international footprint. With a firm commitment to enhancing customer experience, leading in digital innovation, and maintaining the highest regulatory compliance standards, ENBD is well positioned to continue to seize opportunities across its network and further expand its market presence, as the Group seeks to create lasting and sustainable value for its shareholders and stakeholders.

In 2025, ENBD will continue to focus on its six strategic pillars:

1. delivering an excellent customer experience;
2. driving core business;
3. focusing on future potential;
4. driving international diversification;
5. building market-leading infrastructure; and
6. developing a dynamic organisation.

Meeting the evolving needs of clients remains at the centre of ENBD's strategy, in line with a dedication to continuously enhance customer experience and deliver service excellence. ENBD's customer experience strategy for 2025 focuses on enhancing its digital wealth offerings and product suite, strengthening its



leadership in mobile banking and improving straight-through processing ("STP") service rates. The Group aims to integrate more deeply into client ecosystems by providing innovative solutions, strong client support coverage and comprehensive financial services. Key priorities include optimising digital banking platforms with intuitive user experience and user interface offerings, real-time tracking and analytics, as well as expanding the use of digital channels for payments, account management and reporting to ensure seamless client operations.

ENBD's strategy also focuses on strengthening its core business. In 2024, the Group saw significant growth, supported by a strong customer deposit base and streamlined loan disbursement processes. The bank's financial performance was marked by higher revenues, improved returns and sustainable income growth, driven by increased loan volumes and lower credit risk due to higher recoveries and improved lending quality. In 2025, ENBD plans to further develop its Wholesale Banking proposition to align its offerings with client expansion plans. The custody and securities business will also be a key focus. ENBD aims to sustain its growth trajectory of Business Banking, while Private Banking will expand its presence in key markets.

ENBD continues to seek growth opportunities across its network, with a strong emphasis on Wealth Management, sustainable finance, digital innovation and sectoral diversification. Building on the success of its digital wealth platform on ENBD X, in 2024, the bank introduced new products and features, driving significant customer adoption. This platform has also been extended to Emirates Islamic, making it the first Islamic bank in the region to offer investment products via mobile banking. In 2025, ENBD aims to further develop its Wealth Management proposition by broadening client segments, enhancing customer engagement, streamlining onboarding and expanding *Shari'a*-compliant investment opportunities.

ENBD continues to introduce specialised financial solutions, including real estate and project finance as Group-wide products and an aviation desk as a specialised segment. Emirates NBD PAY has been launched and approved as an authorised merchant acquirer, reinforcing the bank's digital payments infrastructure. Additionally, Liv X, a next-generation mobile banking experience, has been introduced on the ENBD X platform.

Sustainability remains a core focus, with ENBD embedding ESG principles across its operations. The bank has strengthened its role in sustainable finance, aligning with global best practices and regulatory standards. Key initiatives include sustainable fixed deposits, sustainability-linked loans, and the region's first globally recognised SLLB Framework, allowing for the issuance of notes to fund ENBD's portfolio of sustainability-linked loan assets. ENBD then issued the world's first U.S.\$500 SLLB. In 2024, ENBD achieved the highest ESG ratings in the Middle East and North Africa region, ranking fifth among diversified banks according to Sustainalytics, and secured top rankings including the highest rated bank in the region for ESG according to Standard & Poor's. ENBD will continue prioritising improvements in ESG performance.

In addition, international growth and diversification remains a core pillar of ENBD's strategy. In 2024, the bank's international operations saw a 17 per cent. increase in total assets, with strong performance across key markets, including Türkiye, Saudi Arabia, Egypt, the UK, Singapore, and India. The KSA continues to be a major focus, with significant growth in customer base, revenues, and balances. In 2024, six new branches were opened in the KSA and Emirates NBD Capital recorded its best performance to date, closing 19 transactions valued at AED 5.4 billion. In 2025, the bank plans to further expand its presence in the KSA, with additional branches and a new head office in Riyadh to support long-term growth.

ENBD will continue leveraging its presence in Egypt, Türkiye, London, Singapore and India to capture global trade and capital flows and ENBD's representative offices in China and Indonesia will continue to support network expansion through referrals and relationship management with financial and non-banking institutions. ENBD will also explore opportunities for further international expansion, evaluating both organic growth and potential strategic acquisitions in 2025.

In addition, ENBD's strategy focuses on strengthening its banking and digital infrastructure. In 2024, the bank advanced its digital transformation by implementing scalable technologies that enhance system reliability, resilience and customer experience. A key milestone was the migration to a Tier 3 Data Centre, ensuring 99.9 per cent. availability and uninterrupted service. ENBD also improved accessibility in digital banking, driving increased adoption of digital services and enhancing efficiency. In 2025, ENBD plans to further expand its digital capabilities with the launch of a new contact centre designed to provide seamless, omni-channel customer interactions. The bank will also enhance its payments infrastructure by expanding

its international ATM network and introducing an in-house merchant acquiring platform. For Business Banking and Corporate clients, ENBD will develop tailored digital channels while collaborating with fintech companies, technology providers, and cloud service firms to expand service offerings. Additionally, the bank will accelerate public cloud adoption to ensure a scalable and high-performing IT infrastructure.

To support real-time financial transactions, ENBD plans to develop payment and settlement infrastructure that enables instant domestic and cross-border transactions while expanding sectoral diversification. Additionally, through the Emirates NBD Innovation Fund, which is the Corporate Venture Capital arm of ENBD, the bank remains committed to investing in emerging financial technologies to ensure long-term adaptability in a rapidly evolving industry. The Emirates NBD Innovation Fund had a landmark year in 2024, making seven new investments, taking ENBD's total live portfolio to nine companies.

ENBD remains committed to building a high-capacity organisation, fostering innovation and developing a future-ready workforce. A key focus is on upskilling and reskilling employees to adapt to evolving industry demands. In 2024, ENBD expanded its School of Data Sciences, offering advanced technical and leadership program and introduced a dynamic learning platform to enhance employee development. Emiratisation remained a strategic priority, with over 1,140 UAE Nationals participating in specialised training programs. In 2025, ENBD aims to further enhance its workforce strategy by maintaining its focus on diversity, inclusion and employee well-being. ENBD will continue evolving towards a "Workplace of the Future", ensuring an environment that supports career growth, innovation and operational efficiency.

### Activities of ENBD

ENBD divides its operations into the following business segments:

1. **Corporate and Institutional Banking** comprises corporate loans, customer deposits (including current and savings accounts), overdrafts, trade finance and term loans for government, corporate customers, investment banking, Islamic products (including through ENBD's subsidiary, Emirates Islamic) and structured financing primarily in the UAE, Egypt and the KSA;
2. **Retail Banking and Wealth Management** comprises retail loans and deposits, private banking and wealth management, Islamic products (including through Emirates Islamic), equity brokerage services, asset management and consumer financing primarily in the UAE, Egypt and the KSA;
3. **Global Markets and Treasury Activities** comprise managing the Group's portfolio of investments, funds management, Islamic products (including through Emirates Islamic) and interbank treasury operations primarily in the UAE, Egypt and the KSA;
4. **DenizBank** comprises the operations of DenizBank, a subsidiary of ENBD and a full-service commercial banking platform of corporate banking, retail banking and treasury; and
5. **Other Operations** of the Group include Emirates NBD Global Services LLC ("**Emirates NBD Global Services**") (formerly known as Tanfeeth), property management, operations and support functions.

### Corporate and Institutional Banking

ENBD's largest business segment in terms of assets is that of Corporate and Institutional Banking ("**C&IB**"), which accounted for 39.4 per cent. of ENBD's total assets as of 31 December 2024. C&IB offers a wide range of specialised services to all the prominent client groups, which include public sector entities, medium-sized and large corporate entities, multinational entities and financial institutions. C&IB designs solutions and products specific to the business needs of its customers (see "*C&IB Transformation Programme*" below).

C&IB is organised into two client segments, (i) Corporate Banking and (ii) the Financial Institutions Group, and into five product groups: (a) Transaction Banking (which includes cash management and trade finance); (b) Investment Banking; (c) Equity Brokerage and Securities Services; (d) ENBD's Islamic Banking Window; and (e) Core Lending and Working Capital Solutions.

C&IB has a presence in 13 countries, operating primarily through: (i) ENBD offices in the UAE; (ii) ENBD subsidiaries/branches in Egypt, India, the KSA, Singapore and the UK; and (iii) representative offices in

China and Indonesia. The Group also serves clients in Austria, Bahrain, Germany, Türkiye and Russia (through DenizBank).

## ***Client Segments***

### ***Corporate Banking***

Corporate Banking caters to corporate clients across a variety of industries and operates through the following sub-segments:

- ***Corporate Banking: Public Sector***  
The Public Sector unit works with government-related departments and government-related entities across the UAE, providing transaction, structured finance and cash-management solutions.
- ***Corporate Banking: Large Local Corporate***  
The Large Local Corporate unit caters to businesses located in Dubai and the wider UAE.
- ***Corporate Banking: Private Sector***  
The Private Sector unit caters to businesses in the private sector such as multinational corporates, wholesalers and retailers, commodity trading firms and international corporate entities.
- ***Corporate Banking: Real Estate, Contracting and specialised Project Finance***  
The Real Estate & Contracting unit supports both UAE-based and international clients in commercial and residential real estate, construction and contracting projects across the region.

### ***Financial Institutions Group***

The Financial Institutions Group caters to the banking needs of banks, finance companies and non-banking financial institutions, including insurers, leasing companies, sovereign wealth funds, family holding companies and financial services companies.

## ***Products and Solutions***

### ***Core Lending and Working Capital Solutions***

This unit provides customised lending and working capital solutions, such as real estate finance, asset-based finance, commodity finance, project finance and equipment finance to meet the needs of clients across different sectors.

### ***Transaction Banking***

The Transaction Banking Services ("TBS") unit offers a range of comprehensive solutions including trade and supply chain finance, cash management and payment solutions which enables clients to optimize their working capital and contributes to their building efficiency and automation in their day-to-day business operations. TBS provides an integrated single window approach for all the transactional requirements of its corporate clients across various segments and sectors such as commercial, government and financial institutions. It aims to assist clients with innovative financing and payment solutions as well as offering the convenience of interacting with ENBD through state-of-the-art digital channels in addition to traditional banking channels.

ENBD's comprehensive suite of channels includes businessONLINE (web and mobile), host-to-host, API banking, SWIFT for corporate clients, smartTRADE, smartGUARANTEES and smartSCF.

ENBD's cash management product offerings include: (i) collection services including Emirates NBD Pay, virtual Accounts, remote cheque deposit, UAE direct debit services and UAE payment gateway services, (ii) payment services including payroll, pension, domestic and cross-border transfers, manager's cheque, demand draft, utility, credit card, remote cheque printing and cardless cash withdrawal, and (iii) escrow services including real estate escrow, common area escrow and commercial escrow.

### *Investment Banking*

ENBD provides investment banking services through its subsidiaries, Emirates NBD Capital Limited and Emirates NBD Capital P.S.C. (together, "**ENBD Capital**"). ENBD Capital advises on and arranges a wide variety of transactions, including bond and sukuk issuances, syndicated loans and structured finance as well as equity capital markets services, such as initial public offerings, and rights issues. ENBD Capital also advises on merger and acquisition transactions. Emirates NBD Capital Limited is licensed and regulated by the Dubai Financial Services Authority (the "**DFSA**") and Emirates NBD Capital P.S.C. is licensed and regulated by the Securities and Commodities Authority (the "**SCA**"). See also ENBD Capital's key sustainability achievements in 2024, set out in "*Overview*" above.

### *Equity Brokerage and Securities Services*

ENBD offers brokerage services through its subsidiary, Emirates NBD Securities LLC ("**Emirates NBD Securities**"). Emirates NBD Securities offers secure and convenient access to the major exchanges in the UAE and Saudi Arabia. Established in 2002, Emirates NBD Securities is regulated by the SCA.

Furthermore, ENBD Capital, as a licensed custodian, offers securities and custody services for investors to hold securities (such as stocks, bonds or other assets) across multiple geographies globally (including the UAE).

### *Emirates NBD Islamic (Islamic Banking Window)*

Emirates NBD Islamic (also known as Al Watani Al Islami ("**AWAI**")) is the licensed Islamic banking window of ENBD, established to offer *Shari'a*-compliant solutions designed to meet the wide range of financial requirements of ENBD's customers in the UAE and the KSA.

All the activities of AWAI are conducted in full compliance with Islamic *Shari'a* under the supervision of its own *Shari'a* Supervisory Board, comprising prominent *Shari'a* scholars.

### *C&IB Transformation Programme*

In 2024, C&IB continued to accelerate its digital transformation by delivering high-quality digital solutions that are focused on providing an efficient and seamless user experience.

ENBD maintains one of the leading positions in the market by offering technology-driven banking solutions which are tailored to customers' needs together with cash management, payments, trade and supply chain finance solutions. These include:

- businessONLINE, which is a digital global cash management ecosystem, available through the web portal and mobile application;
- Instance Banking Services, which is a solution that provides ENBD's clients with the ability to request, track and receive services instantaneously;
- smartTRADE, which is an end-to-end trade finance platform;
- smartSCF, which is a supply chain finance channel that seeks to simplify supply chain collaboration by allowing clients access to short-term credit to pay suppliers promptly;
- smartCDM, which is a programme that allows ENBD's clients to receive credit from cash and cheques;
- Virtual accounts, which identify payers easily and simplify the reconciliation process;
- SWIFT for corporates, which provides customers with an ability to connect with thousands of financial institutions as they interact and settle transactions in an easy and secure manner;
- API Souq Portal, which provides access to advanced technologies and solutions. This interface is an advanced comprehensive financial API portal, providing FinTech businesses, developers and corporate clients with a holistic ecosystem to rapidly develop innovative financial solutions;

- Emirates NBD Pay, which is a merchant acquiring service in the UAE offering in-store point of sale and e-commerce solutions;
- Emirates NBD Securities Application, which provides ENBD customers with the ability to trade online marketable securities and have access to the latest market public offering; and
- IPO subscription portal, which offers retail investors inside and outside the UAE the ability to invest in equities.

As part of its digital transformation drive, the unit provides high-quality digital banking solutions to corporate and institutional clients in the UAE and across ENBD's international network.

## **Retail Banking and Wealth Management**

Retail Banking and Wealth Management is divided into two distinct and complementary business lines: (i) Retail Banking; and (ii) Wealth Management.

### ***Retail Banking***

As at 31 December 2024, ENBD's consumer deposits amounted to AED 365 billion and, as such, is a leading retail banking franchise in the UAE. ENBD provides conventional retail banking products and services through a domestic network of 70 branches (as at 31 December 2024). It also has one of the largest networks of self-service machines in the UAE, with approximately 849 self-service machines spread across the seven Emirates, as at 31 December 2024.

Retail Banking provides a wide range of products and services ranging from accounts and deposits, credit cards, personal loans, auto loans, mortgages, foreign exchange and remittances as well as investment and insurance products. The division's focus on customer experience and innovation is reflected in its growing market share across most products. ENBD's market share as at 31 December 2024, in terms of cards, loans and deposits, was approximately 33.0 per cent., 20.5 per cent. and 20.3 per cent., respectively.

### ***Personal Banking***

Personal Banking is ENBD's largest customer segment serving over 1.66 million mass and emerging affluent customers across the UAE. Personal Banking continued to be a significant contributor to the Retail Banking segment's revenues in 2024 (growing 10 per cent. year-on-year). Acquisition of emerging affluent customers through Personal Banking's "Beyond" proposition increased by 17.59 per cent. during 2023 compared to the previous year, thereby creating a more diversified customer base for ENBD.

### ***Priority Banking***

Priority Banking is a premium banking service designed to provide wealth management solutions to the affluent customer base. The division's Business Banking segment addresses the needs of small and medium-sized enterprises ("SMEs"), providing them with a suite of lending, foreign exchange, trade and wealth services and facilities. Customer service was further reinforced through a series of initiatives such as the setting up of a new Priority Banking website and organising advanced training and certification for front-line staff. In addition, through its referral partnership with MetLife, a global provider of insurance, ENBD customers are able to sign up for life insurance and savings plans. The division reported a revenue growth of 14 per cent. at Group level and 12 per cent. in 2024 compared to 2023.

Among other initiatives launched in 2023, Signature by Priority Banking was tailored exclusively for ultra-high-net-worth customers and is an extension of ENBD's offshore booking centre in Singapore.

### ***Business Banking***

The Business Banking segment addresses the needs of SMEs, providing them with a suite of lending, foreign exchange, trade and wealth management services and facilities. The revenue generated by ENBD's Business Banking division grew by 11 per cent. in 2024, driven by a 13 per cent. growth in net fee income. An enhanced product suite of varied derivative products and a targeted customer campaign creates further potential for the foreign exchange business to achieve growth. The Business Banking segment also launched a next-generation digital onboarding solution, allowing seamless and efficient onboarding for customers.

### ***Product developments***

ENBD strengthened its product suite in 2023 with the launch of new products and partnerships. Enhancing its digital capabilities, ENBD's auto loans product introduced a contactless sourcing process along with an automated release of mortgage. ENBD's personal loans product also introduced micro SME business loans.

ENBD also introduced customer campaigns, such as the Mega liabilities campaign, to support liabilities acquisition and account balance enhancement. The campaign provides new-to-bank as well as existing customers with the opportunity to win prizes based on the growth of their account balances. ENBD markets the Mega liabilities campaign extensively among existing and new customers.

Through the MegaFX campaign, ENBD offers individual and business customers similar opportunities to win prizes when carrying out foreign exchange transactions, thereby promoting the use of ENBD's foreign exchange facilities.

In 2023, ENBD also launched its DirectRemit service to the United Kingdom through ENBD X, offering instantaneous transfers to any bank account in the United Kingdom. ENBD's DirectRemit is considered to be one of the fastest services in this regard, allowing quick international money transfers at competitive exchange rates. Furthermore, credit cards usage programs were enhanced with focus on e-commerce and digital wallets.

In 2024, ENBD launched its first Sustainable Fixed Deposit, attracting U.S.\$100 million, and a financial wellbeing website.

ENBD also reinforced its commitment to empowering UAE Nationals with tailored solutions and bespoke offerings across account cards, loans, accounts and investment products.

### ***Asset Composition of Conventional Retail Loan Portfolio***

Retail loans are governed by strict policy parameters which are uniformly and consistently applied to the relevant customer segments and businesses based on the policy lending rules.

### ***Distribution Channels and Digitisation***

ENBD is a leading retail banking franchise in the UAE. With the opening of three new branches at Reem Mall and Yas Mall in Abu Dhabi and Al Zahia City Centre in Sharjah, ENBD continues to expand its network in the UAE, including through the digital enhancement of key branches and the introduction of a digital lobby to offer convenient banking and payments solutions to its customers. Renovation of the Deira City Centre and Mirdif City Centre branches were received well by customers, with the average wait times dropping further compared to 2022 and other metrics such as customer satisfaction, loans disbursed and balances, among others, all improving in 2023, when the branch reopened.

During 2021, 2022, 2023 and 2024, disability-friendly access was extended to more branches in the ENBD network with a total coverage of 50 branches (71 per cent. of ENBD's network) in the UAE as at 31 December 2024. Furthermore, ENBD trained its frontline staff to communicate using sign language to better assist people of determination.

See "– Overseas Operations" for further details on the new branch opened in the KSA.

The roll out of the ENBD X mobile application was completed in 2023. This enhanced mobile app offers, user-friendliness, top-level security and the suite of products and services made available by ENBD. It also facilitates the opening of digital accounts. ENBD X's global dashboard allows customers to digitally access their entire financial portfolio, and offers various services, including updating customers' identification documents.

ENBD has further upscaled its digital platforms to service its customers better. Tablet banking was enhanced, with customers now able to digitally apply for credit cards and new accounts and submit personal loan requests. Voice banking was also augmented with additional services and the customer relationship management platform was improved with optimised service request processes and a wide range of instant services. In 2023, ENBD also introduced the ability for customers to check account balances, transfer funds, pay bills and access customer support through WhatsApp (via an integrated chatbot).

From an investment and trade perspective, customers can now invest and trade through a new digital wealth platform on 21 global exchanges. In total, the platform offers more than 11,000 global equities and 150 regional equities with a secure sign feature, allowing customers with high trading volumes to sign documents complete trades digitally.

### ***Digital banks***

In 2017, ENBD launched Liv., the first lifestyle digital bank of its kind in the UAE, targeting millennials. Liv. is a mobile-only platform providing a banking-meets-lifestyle experience, with no paperwork, no sales staff and no inbound call centre. Liv. account opening is streamlined, with a biometrics-based KYC process.

Liv. Young, which enables parents and guardians to open a mobile-based account for their children and wards between the ages of 8 to 17, was scaled up. Liv. Young's onboarding journey was also simplified and made faster. The product suite was expanded with the addition of IPO subscriptions, making Liv. the first digital bank to offer such a service across the region.

As at 31 December 2024, Liv. had a customer base of close to 442 thousand users.

The product suite was also expanded with the addition of IPO subscriptions, making Liv. the first digital bank to offer such a service.

### ***Brand, Service and Social Media***

The ENBD brand continued to be a leader in the market with a brand value of U.S.\$3.7 billion according to "Banker's" annual brand valuation league table in 2022. In addition, in 2022 the Group was ranked 29<sup>th</sup> globally in the "Social Media Power 100" ranking by the Financial Brand. In 2023, ENBD was awarded "Best Social Media Marketing Campaign" by MENA Banking Excellence Awards 2023. ENBD has a strong social media presence with over 2.4 million social media followers.

ENBD's customer service teams continued to excel through proactive complaint management and outreach to over a third of the customer base. The establishment of a service council to continuously monitor performance and resolve issues, as well as social media-based customer engagement simplified and expedited customer journeys for key processes.

Ongoing service training academies, customer happiness days, and a bank-wide customer experience month initiative further bolstered ENBD's service culture and resulted in a Net Promoter Score of 47 in 2024, an all-time high.

### ***Wealth Management***

ENBD's Private Banking and Asset Management businesses continued to improve their market positioning and generated positive financial results in 2024.

#### ***Private Banking***

ENBD's Private Banking division was established in 2008 to meet the needs of high-net-worth and ultra-high-net-worth individuals, families and select institutional investors. It provides the full range of premium banking, wealth management, trust and estate planning, and investment services through approximately 75 Relationship Managers across the UAE, the UK, Singapore and the KSA. The Relationship Managers are supported by a team of seven Investment Advisers, the Chief Investment Officer, a team of asset class experts and a Products team covering a vast range of investment solutions across asset classes, sectors and geographies.

In 2024, Private Banking achieved double-digit revenue and profit growth, resulting from new client acquisitions and a rise in the share of wallet from existing clients. A Net Promoter Score of 55 in the Private Banking segment highlighted ENBD's strong customer acquisition strategies and continuous standards of service delivery and consumer engagement. In addition, the division's technology platforms were further enhanced in 2024 to provide increased customer convenience and control.

## ***Asset Management***

ENBD Asset Management ("**ENBD AM**") is a wholly-owned Dubai International Financial Centre ("**DIFC**") subsidiary of ENBD, is regulated by the DFSA and provides a wide range of investment solutions, from in-house managed public funds to tailor-made discretionary solutions offering exposure to the MENA markets as well as global markets. ENBD AM covers various asset classes, which are structured on either a *Shari'a*-compliant basis or on a conventional basis. ENBD AM is based in the DIFC and regulated by the DFSA as a Category II firm, with the additional ability to operate an Islamic window. The funds managed by ENBD AM are domiciled in Jersey (regulated by the Jersey Financial Services Commission) and in Luxembourg (regulated by the CSSF).

The main driver for the growth of ENBD AM has been an increase in institutional mandates across the region, particularly in the fixed income space. ENBD AM's diversified investor base across the full spectrum of sectors and capital base, backed by a large and diverse team with a strong track record, helped the Group grow its asset management business and realise a consistent track record and investment performance. The Emirates Global Sukuk Fund and the Emirates MENA Fixed Income Fund, both managed by ENBD AM and domiciled in Luxembourg reached a value of U.S.\$426.5 million and U.S.\$198.3 million, respectively in 2024 and are amongst the largest funds in their respective strategies. ENBD AM also manages the Emirates Islamic Money Market Fund, domiciled in Jersey, which reached a value of U.S.\$580.7 million in 2024. Both the Emirates Islamic Money Market and the Global Sukuk Fund have been awarded a Mercer rating. ENBD AM also manages ENBD REIT, domiciled in the DIFC and regulated by the DFSA. In 2019, the Global Sukuk Fund was awarded a five-star rating by Morningstar.

In 2021, ENBD AM joined a DIFC employee workplace savings scheme via the Emirates Islamic Money Market Fund. Asset Management's product platform was enhanced in 2021 with the addition of a range of structured notes and funds.

ENBD AM was recognised through a series of investor awards as a leader in the region's Asset Management space.

## **Global Markets and Treasury**

Global Markets and Treasury ("**GM&T**") is organised as four separate segments: (a) Treasury Sales and Structuring; (b) Treasury Trading; (c) Global Funding & Principal Investments; and (d) Assets & Liabilities Management ("**ALM**").

For 2024, the GM&T segment reported a total operating income of AED 2.7 billion and a profit of AED 2.4 billion. The net interest income of the segment remained strong, despite increases to the cost of wholesale funding and deposits. Furthermore, the credit and foreign exchange trading desks reported robust numbers amid macro-economic volatility in 2024, with credit trading reporting a 73 per cent. increase in profit and loss compared to 2023.

Non-funded income doubled as rates, foreign exchange and credit trading delivered improved results and the sales and structuring team grew revenue by more than 55 per cent. based on strong client foreign exchange flows. The international treasury divisions grew their revenue by 99 per cent. The GM&T segment of ENBD was one of the most active primary dealers for Treasury Bonds issued by the UAE Ministry of Finance.

GM&T upgraded its systems to support an expanded product offering and an enhanced customer experience through smart digitisation initiatives.

The GM&T segment was also the first in the region to launch fractional bonds, enabling existing investors to diversify their portfolio while providing access for new investors to fixed income instruments.

## ***Treasury Sales & Structuring***

The Treasury Sales and Structuring team covers various client segments within the Group and is responsible for providing solutions to clients such as managing hedge exposures and implementing investment structures for yield enhancement. This team also offers an electronic foreign exchange platform through the application "smartDEAL".



### ***Treasury Trading***

The Treasury Trading team supports the Treasury Sales and Structuring team with price discovery, transaction execution and trade strategies across all currencies and is now a "market-maker" in the MENAT region across a range of asset classes, including foreign exchange, interest rates and credit covering GCC currencies. This team also provides financial institutions with the ability to trade on an automated basis using various digital channels.

### ***Global Funding & Principal Investments***

The Global Funding team raises funding for ENBD through public issuances and private placements and is responsible for managing ENBD's medium- to long-term liquidity needs.

The Principal Investments team is responsible for investments in strategic fixed income and other alternative asset classes such as funds.

### ***Assets & Liabilities Management ("ALM")***

The ALM team manages ENBD's short-term liquidity needs, balance sheet and nostro through the monitoring and maintenance of overnight balances in various accounts.

### ***Islamic Banking***

In addition to the offering of AWAI, the Group offers a wide range of *Shari'a*-compliant financial services to both retail and corporate customers through Emirates Islamic (a subsidiary of ENBD).

All the activities of Emirates Islamic are conducted in full compliance with Islamic *Shari'a* under the supervision of its own separate *Shari'a* supervisory board ("**EI ISSC**"), comprising several prominent *Shari'a* scholars.

Emirates Islamic's highest net profit was recorded in 2024 at AED 2.8 billion, 32.5 per cent. higher in comparison with 2023, and total income increased by 12.6 per cent. to AED 5.4 billion. It also reported a 26.6 per cent. increase in total assets, a 31.1 per cent. increase in customer advances and a 25.2 per cent. increase in customer deposits. This strong performance was driven by strong growth in both funded and non-funded income, resulting in a healthy net profit margin and a low cost of risk, supported by exceptional customer financing growth of 31 per cent. in 2024.

Emirates Islamic's Corporate and Institutional Banking ("**C&IB**") division provides a comprehensive product range consisting of working capital finance, trade finance, project finance, syndicated and structured finance, cash management and treasury services to large and mid-sized corporate clients, financial institutions, sovereigns and government-related entities. Emirates Islamic's C&IB division is comprised of three key business units, namely (i) corporate banking, (ii) structured finance and (iii) syndication and financial institutions. Operationally, Emirates Islamic's Treasury and Markets division and its C&IB form the broader Wholesale Banking division of Emirates Islamic.

Emirates Islamic's Retail Banking and Wealth Management ("**RBWM**") division offers a comprehensive range of *Shari'a*-compliant retail and personal banking products and services through Emirates Islamic's network of 40 branches located throughout the UAE as at 31 December 2024.

Additionally, Emirates Islamic's Business Banking division, part of its RBWM division, provides banking services to SMEs (identified in accordance with Central Bank guidelines), including general financing, trade finance, foreign exchange and liabilities and cash management solutions with dedicated relationship managers and hubs within the ENBD branch network.

Emirates Islamic continued to expand its product offerings with the launch of products like Emarati Family Savings Account, Emarati Absher Business Account, enhanced Kunooz Savings Account, Super Savings Etihad Guest Account and "Businesswomen Account", offering a number of benefits and privileges to support women entrepreneurs in the UAE. In 2023, Emirates Islamic issued AED 1 billion publicly listed sukuk under its trust certificate issuance programme, constituting the first AED-denominated sukuk in the UAE and reinforcing its commitment to deepening and promoting liquidity in the local currency sukuk market. This three-year issuance was oversubscribed 2.5 times, highlighting the strength of the AED sukuk market and emphasising confidence in the local currency market from global *Shari'a*-compliant investors.

In line with an ongoing digital transformation journey, Emirates Islamic made further strategic investments in technological solutions to enhance its banking operations. In 2023, online and mobile banking transactions increased by 6 per cent. over the previous year. Furthermore, in 2023 Emirates Islamic launched its new mobile banking application, EI +, which also incorporated the new Digital Wealth Management Platform, allowing customers to open investment accounts, trade local and international equities and connect with their relationship manager directly through the application. The businessONLINE Platform was also launched as an integrated digital platform, delivering a consistent banking experience to businesses of all scales and sizes. Other successful digital initiatives included (i) an enhanced use of an electronic trading platform, offering clients and relationship managers an integrated and enhanced FX digital experience, (ii) the improvement of Emirates Islamic's WhatsApp Chat Banking, introducing various transactional features and (iii) an integrated ATM, CDM and ITM network with new and improved features.

With a focus on sustainability, Emirates Islamic adopted the Group's Sustainable Finance Framework and issued U.S.\$750 million ESG sukuk under its trust certificate issuance programme. Emirates Islamic also participated in the COP28 United Nations Climate Change Conference as the Islamic Banking brand of the Group.

Emirates Islamic is committed to developing Emirati talent and undertook a number of initiatives in 2024 to increase Emirati participation in critical roles within the organisation, supporting the UAE Central Bank's Emiratisation policy. Emirates Islamic has one of the highest Emiratisation levels in the UAE banking sector at 36 per cent. of the total number of employees. In addition, women in leadership positions reached 25 per cent. and Emirates Islamic signed the UAE Gender Balance Pledge to accelerate gender balance in the UAE private sector.

### **Other Operations**

ENBD has a number of other operations, which include Emirates NBD Egypt, DenizBank, Emirates NBD Global Services LLC (formerly known as Tanfeeth), property management, operations and support functions.

### **Overseas Operations**

ENBD has overseas branches in the UK, the KSA, Singapore and India. ENBD has two wholly-owned subsidiaries, in Türkiye (DenizBank) and Egypt (Emirates NBD Egypt). ENBD has a network of representative offices in China and Indonesia. ENBD's income from Egypt, the KSA, London, Singapore and India grew by 15 per cent in 2024, as compared to 2023.

In spite of significant macro-economic pressures in Egypt over the last couple of years, Emirates NBD Egypt produced an outstanding performance in 2024, delivering record-high profits through strong balance sheet growth, healthy margins and prudent lending activities. The introduction of a flexible exchange rate regime and the high interest rate environment further led ENBD to achieve unprecedented net interest margin levels and earn more trade and foreign exchange income. In addition, robust asset growth improved ancillary income flows.

In the KSA, ENBD delivered excellent operating profits in 2024, capitalizing on its expanded branch presence and coverage across the KSA. In 2023, ENBD was granted the award of "Best Foreign Bank in Saudi Arabia" by the emeafinance Middle East Banking Awards for the fourth year in a row and in 2024, ENBD's King Abdullah Financial District (KAJD) branch was the bank branch in the KSA to attain LEED Platinum rating. ENBD opened six new branches across the KSA since the beginning of 2024, taking its total number of branches to 21 spread across ten cities (Riyadh, Jeddah, Khobar, Makkah and Medina, Dammam, Al-Ahsa, Al Qassim, Jubail & Taif). In 2025, ENBD will be working towards accelerating the opening of additional branches to enhance cross-regional coverage in the KSA.

ENBD's branches in London, Singapore and India continue to deliver strong performances, broadening the services offered, building new business avenues and growing network linked business across the Group.

The representative offices in China and Indonesia continue to play an important role in providing on-the-ground business and economic insights to the rest of the network.

## **Subsidiaries and Associates of ENBD**

ENBD is the parent to a number of corporate entities and, ultimately, holds investments in certain associates. The principal operating subsidiaries and associates of ENBD are as follows:

### ***Listed subsidiaries***

#### ***Emirates Islamic Bank PJSC***

Formerly known as Middle East Bank PJSC, Emirates Islamic was incorporated as a public limited company by H.H. Sheikh Rashid Bin Saeed Al Maktoum, former Ruler of Dubai, pursuant to Emiri Decree dated 4 October 1975, as amended by Emiri Decree dated 3 April 1976 and registered as a Public Joint Stock Company (Commercial Register No. 30 dated 18 July 1995). The company was acquired by EBI, pursuant to an agreement dated 9 December 1991. In 2004, in response to customer demand for *Shari'a*-compliant products on a broader scale, the bank was converted to an Islamic bank and its name was changed to Emirates Islamic Bank PJSC. Through its 40 branches across the UAE (as at 31 December 2024), Emirates Islamic provides a wide range of banking services and a variety of products through *Shari'a*-compliant financing and investment activities and currently ranks as the third largest Islamic bank in the UAE by assets (*source*: relevant competitors' financial statements). Emirates Islamic Bank is a publicly listed company whose shares are listed on the DFM. Emirates Islamic's authorised share capital, as at 31 December 2024, was AED 10.0 billion, consisting of 10.0 billion shares of AED 1.00 each. Emirates Islamic's paid-up capital, as at 31 December 2024, was AED 5.4 billion. As at 31 December 2024, Emirates Islamic was 99.9 per cent. owned by ENBD.

As at 31 December 2024, Emirates Islamic had total assets of AED 111.1 billion, including total equity worth AED 14.3 billion and a capital base of AED 15.3 billion consisting of Tier 1 capital of AED 14.4 billion and eligible Tier 2 capital of AED 0.9 billion. Emirates Islamic's net profit for the year ended 31 December 2024 was AED 2.8 billion.

While Emirates Islamic is independent in the operation of its business, it enjoys a high level of collaboration with and support from ENBD in relation to many support functions, including human resources, treasury, information technology, certain administrative services and back-office operations such as clearing and remittances. Furthermore, all of Emirates Islamic's activities are overseen by the EI ISSC, comprising scholars of Islamic *Shari'a*.

### ***Unlisted subsidiaries***

#### ***DenizBank***

DenizBank is the fifth largest private bank in Türkiye by total consolidated assets and a wholly owned subsidiary of ENBD. ENBD acquired 99.85 per cent. of the shares of DenizBank on 30 July 2019 and subsequently acquired the remaining 0.15 per cent. of shares by 31 December 2019.

DenizBank was incorporated in Türkiye in 1938 as a state-owned bank, until it was bought by Zorlu Holding in 1997. It was then acquired by Dexia in 2006 and later sold in 2012 to Sberbank of Russia.

As at 31 December 2024, DenizBank had 15 subsidiaries, 644 branches and employed approximately 14,922 employees. DenizBank primarily operates in Türkiye, and also has a presence in Bahrain, Girne, Austria, Germany and Russia.

DenizBank's operations are carried out through two main segments, wholesale banking and retail banking, whereby: (i) Consumer Banking Group, Payment Systems Group, Digital Transformation, Change Management and Non-Branch Channels Group and Private Banking & Investment Sales Group are organised under Retail Banking; and (ii) Corporate & Commercial Banking Group, SME and Public Finance Banking Group and Agricultural Banking Group are organised under Wholesale Banking. A brief description of these business segments is as follows:

1. ***Retail Banking*** comprises of (i) the Consumer and Private Banking Group; (ii) the Payment Systems Group; and (iii) Digital Transformation, Change Management and Non-Branch Channels

Group. DenizBank's Consumer Banking serves individuals, self-employed professionals and Micro Segment customers with an annual turnover of up to TRY 1 million. Private Banking is available to individuals and firms with liquid net worth of at least TRY 2 million.

2. **Corporate and Commercial Banking** which consists of two business lines: (i) Corporate Banking, which serves entities with an annual turnover of more than TRY 200 million, as well as the groups to which these companies belong (financial services companies are included in this segment regardless of their turnover amount), and has three Corporate branches; and (ii) Commercial Banking, which serves entities with an annual turnover of at least TRY 125 million and that do not fall within the scope of the Corporate Banking segment, and has 21 Commercial Centre branches.
3. **SME Banking and Public Finance** which comprises two primary segments: (i) SME Banking; and (ii) Public Finance Banking. The SME Banking segment comprises two customer segments: medium SMEs with revenue between TRY 25 million and TRY 250 million and small SMEs with revenue between TRY 1 million and TRY 25 million. The Public Finance segment serves local public administrations, their subsidiaries and economic enterprises, as well as state economic enterprises, their establishments and subsidiaries, and all other enterprises in which the public or public companies hold at least a 50 per cent. stake.
4. **Agriculture Banking** provides financial solutions and banking services to the agricultural sector and serves producers with a farmer certification who earn a living from agricultural activities as well as agricultural organisations with legal entity status and agriculture-related businesses.

DenizBank's strategy for 2025 includes (i) enhancing engagement levels among customers acquired through digital channels and driving maximum digital channel penetration across the entire product portfolio, (ii) optimising its branch network to focus on growth through alternative distribution channels, (iii) strengthening its wealth management business by offering a full product suite and (iv) driving loan growth through risk-based pricing and a strong focus on recoveries.

DenizBank will also look to expand its presence in the agriculture sector by adopting a long-term strategic focus to increase market share. It will continue to prioritise sustainable financing and decarbonisation, reinforcing its commitment to environmental responsibility. Additionally, DenizBank will look to proactively address regulatory challenges, while maintaining prudent risk management and cost efficiency. By leveraging digitalisation and mobility, DenizBank also aims to enhance the overall customer experience, ensuring seamless, innovative, and efficient financial solutions.

#### *Emirates NBD Egypt S.A.E.*

During 2013, ENBD acquired 100 per cent. of the issued shares of BNP Paribas Egypt S.A.E., which has since been rebranded as Emirates NBD Egypt S.A.E.

Emirates NBD Egypt S.A.E.'s total operating income was AED 1,090.4 million for the year ended 31 December 2024 and AED 1,059.2 million for the year ended 31 December 2023. Emirates NBD Egypt S.A.E.'s profit after taxation for the year ended 31 December 2024 was AED 360.8 million as compared to AED 358.1 million for the year ended 31 December 2023.

#### *Emirates NBD Asset Management Limited*

Emirates NBD Asset Management Limited (formerly known as Emirates Investment Services Limited) was established in 2007, and offers a broad spectrum of investment products and services. It is wholly owned by ENBD and operates from the DIFC and is regulated by the DFSA. (See also "– Retail Banking and Wealth Management – Asset Management" above.)

#### *Emirates NBD Securities LLC*

Emirates NBD Securities LLC is a wholly-owned subsidiary, as well as the brokerage arm, of ENBD.

Emirates NBD Securities LLC was established in 2002 and is regulated by the SCA in the UAE and is a registered broker with the DFM, the Abu Dhabi Securities Exchange, Nasdaq Dubai and the Dubai Gold and Commodities Exchange ("DGCX").

In addition, in 2015, Emirates NBD Securities began offering clients access to the Saudi Stock Exchange (TADAWUL), with more regional and global markets in the roadmap.

Emirates NBD Securities LLC specialises in the provision of securities and commodities trading and brokerage services to investors who wish to trade in locally, and select internationally, listed equity and debt securities, and offers clients products and services such as early withdrawal facilities, debit cards and access to various online platforms, including iPhone, iPad or Android portals (see also "*Corporate and Institutional Banking – Equity Brokerage*" above).

#### *Emirates NBD Capital*

Each of Emirates NBD Capital P.S.C. (which was incorporated in the UAE in 1998) and Emirates NBD Capital Limited (which was incorporated in the DIFC in 2006) is a wholly-owned subsidiary of ENBD. ENBD Capital provides investment banking as described in "*Corporate and Institutional Banking – Products and Services–Investment Banking*" above. See also ENBD Capital's key sustainability achievements in 2024, set out in "*Overview*" above.

Furthermore, ENBD Capital, as a licensed custodian, offers securities and custody services for investors to hold securities (such as stocks, bonds or other assets) across multiple geographies globally (including the UAE). In March 2023, the Abu Dhabi Securities Exchange ("**ADX**") appointed Emirates NBD Capital P.S.C. as a custodian, as part of its efforts to expand its custodial services and Emirates NBD Capital P.S.C. obtained its custody licence from the SCA.

#### *Emirates NBD Global Services*

Emirates NBD Global Services (formerly known as Tanfeeth) was incorporated in September 2011 as the GCC's first Business Services Partner and is wholly owned by ENBD. Emirates NBD Global Services delivers significant operational efficiency and service quality improvements to the Group. In 2024, Emirates NBD Global Services continued to deliver service excellence and cost-effective solutions to the Group's customers, improving total operating expenses and increasing customer satisfaction. In addition to delivering a lean operational performance, Emirates NBD Global Services has initiated and supported several end-to-end strategic projects across different Group units and subsidiaries, including ENBD's international operations.

Emirates NBD Global Services' operational scope includes most of ENBD's and Emirates Islamic's back-office operations, including:

- ENBD and Emirates Islamic Contact Centre Operations;
- ENBD and Emirates Islamic Financial Remediation;
- Compliance Operations;
- Finance and Accounting;
- International Payments;
- Emirates NBD Global Services Service Centre;
- Retail Credit Operations;
- Human Resource Services;
- Employee Services;
- Procurement Operations;
- Clearing;
- Customer Due Diligence Account Opening and Maintenance;
- Trade Finance Services; and

- Treasury Operations.

### ENBD's Competition

ENBD faces competition in all of its principal business areas and ENBD's principal competitors include both banks that are locally incorporated (conventional and Islamic) as well as certain foreign banks operating in the UAE. As at 30 September 2024, there were a total of 50 commercial banks registered in the UAE (consisting of 23 locally incorporated commercial banks and 27 foreign commercial banks) (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024). The following table shows rankings for banks operating in the UAE by total assets and equity as at 31 December 2024 and by net profits for the year ended 31 December 2024 (*source*: Annual reports and financial statements of the relevant banks as at and for the year ended 31 December 2024).

#### Ranking by Total Assets

Ranking	Bank	Amount
		(AED million)
1	First Abu Dhabi Bank P.J.S.C. ....	1,213.2
2	ENBD .....	996.6
3	Abu Dhabi Commercial Bank P.J.S.C. ....	652.8

#### Ranking by Customer Deposits

Ranking	Bank	Amount
		(AED million)
1	First Abu Dhabi Bank P.J.S.C. ....	782.4
2	ENBD .....	666.8
3	Abu Dhabi Commercial Bank P.J.S.C. ....	421.1

#### Ranking by Loans and Advances

Ranking	Bank	Amount
		(AED million)
1	First Abu Dhabi Bank P.J.S.C. ....	528.9
2	ENBD .....	501.6
3	Abu Dhabi Commercial Bank P.J.S.C. ....	350.6

### Risk Management

ENBD manages its risks through a comprehensive risk management framework which incorporates well-defined risk identification, measurement and monitoring processes.

The key features of ENBD's risk management framework are as follows:

- ENBD's risk appetite is determined by the Board Risk Committee and approved by the board of directors of ENBD (the "**Board**").
- Board committees meet regularly and have oversight of the risk management policies and procedures, and periodically review the adequacy of the risk management framework.
- ENBD's overall risk management policies are monitored and managed by ENBD's risk management function ("**Group Risk**") and the Group Risk Committee, comprising senior management. This function is independent of the business divisions.
- Risk management is an integral component of all business activity that ENBD undertakes.
- Group Risk assists senior management in controlling and proactively managing ENBD's overall risk profile. This function also ensures that:
  - risk policies, procedures and methodologies are consistent with ENBD's risk appetite;
  - ENBD's overall business strategy is consistent with its risk appetite;

- appropriate risk management architecture and systems are developed and implemented; and
- transactions and outstanding risk exposures are regularly quantified and compared against authorised limits and monitored against policy guidelines and key risk indicators. Any discrepancies, excesses or deviations are escalated to the management for appropriate and timely action.

### ***Credit Risk***

Credit risk is the risk of financial loss arising from the failure of a customer or counterparty to meet its contractual obligations to ENBD. ENBD is exposed to credit risk through traditional lending to corporate, retail and institutional customers, financial market transactions and transactions involving settlements with counterparties (which includes other financial institutions), such as direct loans, commitments to extend credit and settlement exposures.

ENBD manages credit risk by setting limits for individual borrowers, groups of borrowers, and geographical and industry/economic activity segments. As at 31 December 2024, ENBD's concentrations of credit risk by economic activity sectors were as follows:

<b>Economic Activity</b>	<b>Amount</b>	<b>Percentage</b>
	<i>(AED billions)</i>	<i>(%)</i>
Personal.....	161.2	30.2
Sovereign .....	66.6	12.4
Real Estate.....	46.4	8.7
Utilities and Services.....	26.8	5.0
Trade .....	35.0	6.6
Financial Institutions & Investment Companies .....	31.5	5.9
Management of Companies and Enterprises .....	36.2	6.8
Manufacturing.....	29.1	5.4
Construction.....	10.6	2.0
Hotels and Restaurants.....	12.4	2.3
Transport and Communications.....	40.6	7.6
Agriculture .....	16.4	3.0
Others .....	21.8	4.1
<b>Total Customer Loans and Receivables .....</b>	<b>534.6</b>	<b>100</b>

ENBD also monitors credit exposures and continually assesses the creditworthiness of counterparties and considers it appropriate to obtain collateral wherever necessary to mitigate the credit risk. In addition, ENBD enters into master agreements and collateral arrangements with counterparties and limits the duration of exposures.

ENBD sets policies and procedures for managing its credit risks. Credit exposures are monitored through exception reports, annual review of facilities, short-form reviews and periodic revaluation of collateral.

ENBD's Board Credit and Investment Committee ("**BCIC**") and the Management Credit Committee ("**MCC**") provides the strategic framework to govern the extension of credit, manage the risk of the loan portfolio, ensure sufficient returns on the portfolio, and authorise individual or group credits within established guidelines.

Credit risk for various portfolios is managed as follows:

*Corporate Credit:* Credit facilities are granted based on the detailed credit risk assessment of the counterparty. The assessment considers, amongst other things, the purpose of the facility, sources of repayment, prevailing and potential macroeconomic factors, industry trends, customers' creditworthiness and standing within the industry. ENBD has established credit underwriting standards for specific industry sectors to manage exposure levels prudently.

ENBD is an active participant in the interbank market and takes exposures in line with the approved credit appetite across banks in the GCC and beyond. Specific Financial Institutions ("**FI**") and country risk policies are in place to manage cross-border country and FI risk. Exposures are monitored against approved limits at regular frequencies.

*Small and Medium Enterprises:* ENBD continues to place a high focus on this segment of the economy. Credit facilities are granted based on detailed risk assessment of the business and the standing of its sponsors. Facilities are generally secured by acceptable risk mitigants wherever possible.

ENBD's portfolio is periodically reviewed to assess the impact (if any) on account of changes to macroeconomic trends or specific industry downturns so that suitable corrective actions are initiated to maintain portfolio quality.

*Credit approval and securities procedure:* ENBD's credit policy is reviewed from time to time in light of market conditions. At all times, ENBD prudently manages large exposures in line with the UAE Central Bank requirements.

The Group Credit Policy details the core credit principles, types of business and sectors in which ENBD is willing to participate, security, details of its credit facility application processes, guidelines on credit approval authorities, borrower risk grading, problem loan identification, management of high-risk customers, impaired credits and provisioning.

The Group Credit Policy consists of specific business guidelines that enable ENBD's management to maintain a portfolio of counterparty risk exposures aligned to ENBD's business strategy and objectives. The policy is designed to ensure that lending officers deal with key credit issues and provide relationship officers with specific guidance on the policy, where required. These procedures also ensure that appropriate controls exist at all stages of the credit process.

ENBD has in place a process for corporate credit approvals. Individual business units have the primary responsibility for credit facilities resting with the executives recommending the facility. In line with lending guidelines, parameters and business-specific procedures, credit facility approvals are referred to the Group Credit Department ("**GCD**"), where risk assessment managers evaluate the proposals and provide their recommendations. The senior management, comprising the Group's Chief Risk Officer ("**CRO**"), the Head – C&IB, Head – Retail Banking & Wealth Management, the Chief Executive Officer, the Chief Credit Officer, Credit Officers and Senior Business Managers, have delegated authority limits to approve credit facilities. Credit facilities above this delegated authority limit are recommended for approval to the MCC and/or the BCIC as appropriate.

ENBD has an automated system for flagging due dates for facility reviews. This automated system highlights when a due date has passed, as well as highlighting when limits have been exceeded. Excesses are monitored daily by business units under their delegated lending authorities and reported to the GCD. Compliance with covenants and credit sanctioning conditions are also monitored by the GCD and, where necessary, escalated to senior management.

*Security Procedures:* ENBD has a standard set of security documentation, which is used in various combinations, depending on the facilities granted. A review by ENBD's legal unit is required for any non-standard documents. ENBD requires that all documentation be completed before any facilities are drawn, with any exceptions requiring approval in accordance with the Group Credit Policy. The post-approval processes and documentation are handled by the Credit Administration Unit (the "**CRAD**") which reports to the GCD.

*Consumer Banking Risk:* ENBD has a comprehensive credit risk management framework for consumer banking risk. The Board Risk Committee ("**BRC**") endorses the credit risk strategy for consumer banking and all credit policies are approved by the BCIC. The BCIC ensures that these are adequate and appropriate to changing business conditions and are within the risk appetite of the Group.

Group Retail Credit ("**GRC**") controls credit risk management for the consumer banking business centrally. It is primarily responsible for implementing the risk strategy approved by the Board, developing procedures and systems for managing risk, carrying out an independent assessment of credit risk, ensuring that individual exposures are approved in line with the credit policies and monitoring portfolio composition and quality.

Discretionary lending authorities have been delegated to lower management levels; however, escalations to senior authorities are required depending on the severity of exceptions. Every application for a retail facility must first be recommended by the sales force and reviewed and approved by the retail credit department.



ENBD's retail lending policy sets forth clear guidelines for specific retail lending products such as personal loans, auto loans, credit cards and home loans. ENBD's retail lending policy is recommended by the Head of Group Retail Credit and is jointly approved by the General Manager – Retail Banking and Wealth Management and the CRO, and further approved or ratified by the BCIC. Retail credit policies are dynamic and are amended based on the prevailing market environment to ensure that product offerings are competitive. Appropriate controls are in place to ensure that credit is within the defined thresholds of ENBD's risk strategy.

Credit processes in consumer banking are driven by approved product programmes for each of the products. Credit exposures are managed through target market identification, appropriate credit approval processes and collections and recovery procedures. The retail credit model is geared towards high volume, small transaction sized businesses where credit appraisals of fresh exposures are guided by statistical models, and are managed on the basis of aggregate product portfolios.

The Group approves maximum levels of credit exposure to a set of customers with similar characteristics, profiles and/or product needs, under clearly defined standard terms and conditions. Retail lending is normally restricted to salaried individuals and, on a selective basis, to self-employed individuals and SMEs. Generally, retail loans are secured by an assignment of salary, mortgages or liens over property (in respect of home loans) and liens on vehicles (in respect of auto loans). This is an operationally efficient approach to managing credit where credit risks and expected returns lend themselves to a template approach or predictable portfolio behaviour in terms of yield, delinquency and charge-offs.

The Group has a robust management information system that allows it to track its retail credit portfolios effectively and take timely action, where required, to maintain asset quality. All retail portfolios are monitored regularly with a high degree of segmentation. GRC monitors overall portfolio quality and high-risk exposures periodically, including the weighted risk grade of the portfolio. GRC carries out periodic portfolio reviews at each product level, reviewing portfolio performance across multiple customer segments and split by critical risk and policy drivers. This allows strategic guidance to be given to product teams in terms of sourcing and asset growth in the approved customer segments.

The Group has a robust provisioning policy which is in line with the guidelines laid down by the UAE Central Bank. It allows for a centralised retail collections and recoveries team to follow up on overdue customers for payments. GRC is responsible for setting collections strategy guidelines and monitors collections performance on a periodic basis. The team is also ably assisted by score cards that allow the team to prioritise collections and recoveries by likelihood of collection or default.

*Rating Models and score cards:* Score cards have been implemented for aiding consumer banking credit decisions. The Group uses a suite of applications and behaviour score cards, including liability behaviour score cards, to provide critical inputs for Basel III capital adequacy and economic capital computations and also to assist in underwriting-related activities. ENBD has developed a suite of risk scorecards for all retail products, including personal loans, credit cards, home loans and auto loans. In addition, customer-level behaviour scorecards are available for cross-selling and collection activities, specialised scorecards are used in the evaluation of spending patterns of customers in their current and saving accounts to assess their creditworthiness, while skip scorecards predict customers' flight risk. The Al Etihad Credit Bureau ("AECB") scores and reports are used in underwriting and in determining cut-offs for certain products and segments. In addition, AECB scores are used for portfolio management and prioritisation in collections.

Development of a robust internal rating model for ENBD's wholesale portfolios (including SMEs) has remained a challenge for a number of reasons, namely the traditionally low number of defaults in the UAE and the small number of customers in the portfolio, as well as the limited availability of financial and other market-based information for customers. To overcome these challenges, ENBD has adopted an expert panel approach. A comprehensive early warning framework complements the expert panel model to assess customers' risk profiles on an ongoing basis.

ENBD has also developed an internal rating model for the financial institutions portfolio and unrated sovereigns which aims to mimic the external rating of the financial institutions and/or unrated sovereigns assigned by top tier external rating agencies.

For consumer and wholesale portfolios, ENBD has developed IFRS 9 Financial Instruments models using internal scorecards and rating models.

Prior to implementation, all risk quantification models are validated by ENBD's independent model validation team and the performance of all scorecards is regularly monitored by another team independent from the model's development team.

### **Market Risk**

ENBD is exposed to diverse financial instruments, including fixed income products, foreign currencies, equities and commodities and deals in both physical as well as cash and derivative instruments. Market risk is the risk that the value of financial instruments in the Group's inventories – with the inclusion of some other financial assets and liabilities – will produce a loss because of changes in future market conditions.

The Group utilises a variety of risk metrics to quantify and monitor market risk. The Group monitors and manages the following categories of market risk:

1. interest rate risk: losses in value due to changes in the level, slope and curvature of yield curves, the volatility of interest rates and changes in credit spreads;
2. foreign exchange risk: losses in value due to exposure to changes in spot prices, forward prices and volatilities of currency rates;
3. credit spread risk: losses in value due to changes in credit spreads, driven by associated credit risk of an issuer or underlying asset; and
4. commodity price risk: losses in value due to exposures to changes in spot prices, forward prices and volatilities of commodities such as petrochemicals, base and precious metals, and food stocks.

Group Market Risk ("**GMR**"), a risk function which is independent from the market risk-taking units and which reports directly to the CRO, has overall responsibility for measuring, monitoring and managing market risk in the Group, in co-operation with other independent and support functions across the Group's global businesses.

At the macro level, the Group manages its market risk by diversifying exposures and counterparties, limiting the size of risk exposures and setting up economic hedges in appropriate securities or derivatives. This managerial process includes:

- a centralised, group-wide market risk-taking unit, GM&T;
- accurate and timely reporting of risk exposures and multiple risk metrics by GMR;
- a limit-setting framework updated on a regular basis; and
- ongoing regular communication amongst GM&T, GMR and other senior management.

Managers in GM&T are ultimately accountable for managing market risk within the approved limits. These managers have extensive knowledge of markets and products, their risk exposures and of the financial instruments available to hedge their exposures. Managers in both GM&T and GMR exchange information about markets, market conditions, risk exposures and expected risk scenarios on a frequent basis.

The Group's risk exposures to market risk are segregated into the trading and banking books. The trading book includes those financial instruments held with trading intent arising from market-making, position-taking and other designated financial instruments accounted for at fair value. The banking book includes financial instruments not held with trading intent that arise from the management of interest rate risk and foreign exchange risk from the Group's consumer and commercial banking assets and liabilities, and other financial investments designated as either available-for-sale or held-to-maturity.

### **Market Risk Oversight and Management Process**

As part of the Group's enterprise-wide risk management framework, an extensive governance processes are applied to the market risk-taking activities. This governance framework includes, *inter alia*:

- oversight by senior management and Board committees such as the Group Asset and Liability Committee (the "**ALCO**") and the BRC;

- independent valuation of financial instruments in the trading book and measurement of market risk;
- a comprehensive set of policies, procedures and limits;
- monitoring a wide range of risk metrics appropriate for the respective trading activities – such as risk sensitivities, gross and net open positions, Value-at-Risk ("VaR") and stop-loss limits; and
- approval by the Board of a set of risk limits with appropriate monitoring, reporting and procedures for escalation of limits excesses.

The Group uses appropriate and independently validated market standard models for the revaluation and risk measurement of its linear and non-linear financial products, and receives regular market information from independent market data providers in order to measure and monitor market risk.

#### *Trading Book oversight by GMR*

GMR monitors the utilisation of market risk limits in the trading book of the Group on a daily basis through a multi-layered limit-monitoring framework which uses independently sourced data and reports from the GM&T IT systems. Depending on the trading exposures and as appropriate, GMR uses various risk metrics, including:

1. non-statistical metrics: Interest rate sensitivity (DV01/PV01), foreign exchange sensitivity (FX01), net open/net gross outstanding positions, maximum notional and tenor measures, derivatives' Greek sensitivities (delta, gamma, vega), and stop-loss limits; and
2. statistical metrics: VaR by asset classes, as well as a total for the whole trading book.

The Group is exposed to structural foreign exchange risk (which is a form of non-traded market risk) since some of the assets of the Group are denominated in free-floating currencies versus the AED (for example, EGP and GBP); however, these structural risks are hedged at the macro level through the use of assets and liabilities in the balance sheet and the Group is not significantly exposed to this risk since the majority of the assets and liabilities of the Group are denominated in either AED or in U.S.\$-pegged currencies from other GCC countries.

#### *Value-at-Risk*

To better capture the multidimensional aspects of market risk, the Group's primary market risk metric is a statistical one, VaR – Value at Risk, which is used for short-term risk holding periods (one business day). VaR metrics are calculated daily for the whole trading book as well as specific trading desks such as Rates, foreign exchange and Credit Trading.

At ENBD, the VaR metric is calculated daily by simultaneously simulating movements in the relevant market risk factors of all financial instruments in inventory in the trading book at the close of a business day using a full revaluation, historical simulation methodology. This statistical methodology produces VaR metrics set with a 99 per cent. confidence level of statistical significance over a specified horizon (one business day) using over two years of historical data for the relevant market risk factors.

Due to its statistical nature, VaR is most effective as a market risk metric when estimating losses in markets in which there are no sudden fundamental changes or shifts in market conditions. The Group is also aware of some of the inherent limitations of the VaR metric, such as:

1. VaR cannot estimate potential losses over longer holding periods where moves in market risk factors might become extreme;
2. VaR does not take into account the liquidity or illiquidity of different financial instruments and markets;
3. past changes in market risk factors might not accurately forecast future changes; and
4. due to the inter-day nature of VaR, intra-day levels of market risk may vary from those reported at the end of a business day.

GMR therefore complements the VaR metrics with other non-statistical metrics of market risk (as mentioned above), and it is engaged in a process of implementing a comprehensive market risk stress testing framework to determine the impact on the trading book of the Group of various historical, hypothetical and ad-hoc stress scenarios for market risk factors.

### ***Interest Rate Risk in the Banking Book***

Interest rate risk in the banking book arises principally from mismatches between the future yields on assets and their funding costs, as a result of interest rate changes. Analysis of this risk is complicated by having to make assumptions on embedded optionality within certain product areas such as behavioural assumptions regarding the economic duration of liabilities which are contractually repayable on demand, such as current accounts. The ALCO ensures that the assumptions (used to transform positions into interest rate exposures) are reasonable and commensurate with the nature and complexity of ENBD's holdings.

For measuring overall interest sensitivity in the banking book, ENBD conducts stress tests by simulating parallel shifts to the yield curve(s) ranging from 50 basis points to 200 basis points, and assessing the corresponding impact on its net interest income.

To measure and manage interest rate risk and its possible impact on the economic value of the entity, ENBD has established internal limits based on the PV01. The interest rate gaps and sensitivity tests (NII and PV01) are measured and monitored on a monthly basis and reported to the ALCO.

### ***Liquidity Risk***

Liquidity risk refers to the inability of ENBD to fund an increase in assets and meet obligations as they become due (structural funding risk), or the inability to convert assets into cash at reasonable prices (market liquidity risk). The risk arises from mismatches in the amount and timings of cash flows.

The objective of ENBD's liquidity and funding management framework is to ensure that all foreseeable funding commitments (under both normal and stressed conditions) can be met when due, and that access to the wholesale markets is co-ordinated and cost effective. To this end, the Group maintains a diversified funding base comprising core consumer and corporate customer deposits and institutional balances. This is augmented with wholesale funding and portfolios of highly liquid assets which are held to enable the Group to respond quickly and smoothly to unforeseen liquidity requirements.

The ALCO, in conjunction with Group Treasury, is primarily responsible for implementing the liquidity management strategies on structural positions, and maintaining adequate liquidity buffers for possible distress situations. The Group maintains adequate liquidity buffers consisting of high credit quality (minimum AA-) investment securities, UAE Central Bank certificates of deposit and UAE Central Bank securities, which can be monetised at short notice and minimal cost. Other business units contribute to overall structural liquidity management through product mix strategies and deposit targets.

### ***Operational Risk***

Operational risk is the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. It thus excludes strategic and reputation risks but includes legal and regulatory risks.

In each of ENBD's business units, the unit head is responsible for the effective management of these risks, including identification, assessment and overview. These business managers are supported by a framework consisting of a governance structure, a suite of risk-mitigating policies and skilled operational risk professionals employed throughout ENBD.

ENBD's Operational Risk team monitors operational risk issues on a regular basis, reports major deviations from approved parameters and prepares regulatory risk-related reports. Group Operational Risk reviews and approves all bank documentation, new products and any variations on existing products before they are finalised and implemented. Group Operational Risk also reviews new sections and amendments to existing sections of the policies and procedure manuals before they are released. Group Operational Risk also manages ENBD's insurance portfolio and proposes group-wide risk mitigation strategies to the executive management.

ENBD regularly carries out operational risk reviews. The main objectives of these reviews are to identify the risks inherent in each area, analyse them in terms of their severity and likelihood, and develop mitigation strategies for these risks. ENBD agrees key risk indicators during these review sessions in order to facilitate ongoing monitoring of risks.

ENBD has a business continuity management framework which allows prompt action in response to any disruptive events to ensure continuity of operations. ENBD has formulated business continuity plans to ensure uninterrupted provision of services to customers during operational disruptions and these business continuity plans are reviewed and tested at least annually across ENBD. ENBD has also established work area recovery sites providing alternative facilities to business and operational units if their regular offices are not accessible.

### ***Legal Risk***

Legal risk is the risk that a customer or counterparty will commence proceedings against ENBD, or one of its operating companies.

ENBD has an internal legal department which deals with both routine and more complex legal issues. Situations of a particular complexity and sensitivity are referred to external law firms, either in the UAE or overseas, as appropriate.

### ***Reputational Risk***

Reputational risk is the risk of a potential loss of earnings and future revenue, loss in market value or lack of liquidity supply due to a deterioration of reputation. It also includes the threat to the brand value of a financial institution.

Reputational risk can arise as a consequence of failures with a strong negative perception of clients, shareholders, creditors or the public. ENBD has controls to ensure that it maintains a positive public perception. For example, the Board has effective oversight over all aspects of ENBD's strategy and ensures that risk is integrated into its business and strategy planning.

### ***Impaired Loans***

#### ***Expected Credit Loss***

The Group follows a "three-stage" approach as per IFRS 9 for credit portfolio classification and impairment based on changes in credit quality since initial recognition as set out below:

- **Stage 1:** 12-month expected credit loss ("ECL"): The Group measures loss allowances at an amount equal to 12-month ECL on financial assets where they are not credit impaired on initial recognition. The credit risk of Stage 1 loss allowances is periodically monitored by the Group;
- **Stage 2:** Lifetime ECL – not credit impaired: The Group measures loss allowances at an amount equal to lifetime ECL on financial assets where there has been a significant increase in credit risk ("SICR") since initial recognition but the financial assets are not yet deemed to be credit impaired;
- **Stage 3:** Lifetime ECL – credit impaired: The Group measures loss allowances at an amount equal to lifetime ECL on financial assets that are determined to be credit impaired based on objective evidence of impairment, subject to minimum level of coverage as per Regulatory requirements considering collateral and cash flow available against the Stage 3 exposure.

Lifetime ECL is the ECL that results from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of lifetime ECL that results from default events that are possible within the 12 months after the reporting date. Both lifetime ECLs and 12-month ECLs are calculated either on an individual basis or on a collective basis depending on the nature of the underlying portfolio of financial instruments and are measured after reviewing forward-looking information.

### *Assessing SICR*

The Group considers a financial instrument to have experienced a SICR when one or more of the following quantitative, qualitative or backstop criteria have been met:

**Quantitative criteria – Wholesale.** SICR is measured by comparing the risk of default estimated at origination with the risk of default at the relevant reporting date;

**Quantitative criteria – Retail.** Thresholds for probabilities of default are set for each portfolio based on historical default rates and where these exceed the threshold applied, they are considered to have a SICR; and

**Qualitative criteria.** The Group also considers in its assessment of SICR rating changes, which are based on various qualitative factors such as significant adverse changes in business, extension of term granted, actual and expected forbearance or restructuring, and early signs of cash flows and liquidity problems. The Group also considers the underlying cause of any financial difficulty and whether it is likely to be temporary or longer term. In addition to the above, where the borrower is more than 30 days past due on its contractual payments, a backstop is applied and the financial instrument is considered to have experienced a SICR.

### *Defining default and credit-impaired assets*

The Group defines a financial instrument as in default (or credit impaired) when it meets one or more of the following criteria:

**Quantitative definition.** The borrower is more than 90 days past due on its contractual payments; and

**Qualitative definition.** The borrower meets the "unlikelihood to pay" criteria, which indicates that the borrower is in significant financial difficulty. These include long-term forbearance, insolvency of the borrower, or bankruptcy of the borrower.

### *Curing*

The Group continues to monitor financial instruments for a minimum probationary period of 12 months to confirm if the risk of default has decreased sufficiently before moving such exposure from Stage 2 to Stage 1.

The Group observes a probationary period of a minimum of three instalments (for repayments which are on a quarterly basis or shorter) and 12 months (in cases where repayments are on a longer frequency) after the restructuring, before moving from Stage 3 to Stage 2.

### *Write-offs*

Loans and debt securities in Corporate Banking are written off (either partially or in full) more than five years or where there is no realistic prospect of recovery, whichever is earlier. Instances of this include where the Group has exhausted all legal and remedial efforts to recover from the applicable Corporate Banking customer. However, while financial assets are written off, in order to comply with regulatory requirements and the Group's procedures for recovery of amounts due, those assets could still be subject to enforcement activities. Non-performing Consumer Banking loans, other than overdrafts, mortgage facilities and home financings, are written off at 181 days past due. All receivables remain active on the loan management system for recovery and any legal strategy the Group may deem fit to use.

As part of the various relief measures introduced in response to COVID-19, the Central Bank of UAE had issued a regulation regarding "Accounting Provisions and Capital Requirements - Transitional Arrangements" in April 2020 which provides for a "prudential filter" that permits banks to add back increases in IFRS 9 provisions from 31 December 2019 to the regulatory capital over a transition period of 5 years, on a proportionate basis gradually phasing out by 31 December 2024. See further "*The UAE Banking and Financial Services System – COVID-19*".

### *Credit risk monitoring*

Within Corporate Banking, the Group's exposures are continuously monitored through a system of triggers and early warning signals. These are supplemented by monitoring of account conduct, assessment of

collateral and market intelligence and early alerts. "Early alert accounts" are identified based on oversight, vigilance and risk triggers. Account strategy and action plans on these accounts are regularly monitored and discussed in Early Alert Committee meetings.

Additionally, for IFRS 9, ECL computation and credit exposures are monitored and reported as per IFRS 9 requirements. Stage migrations, any exceptions to SICR criteria, other credit and impairment-related matters are reviewed and approved by IFRS 9 Governance Forum.

With respect to Consumer Banking, risks within the Group's loan portfolio are continuously assessed and monitored on the basis of exceptions, management information reports and returns generated by the business and credit units. Credit risk is also monitored on an ongoing basis with formal monthly reporting to ensure that the Group's senior management is aware of shifts in the credit quality of the portfolio along with changing external factors.

Group operating profit before impairment was AED 30.4 billion for the year ended 31 December 2024, which was 3.0 per cent. lower as compared to the year ended 31 December 2023. The impaired loan ratio decreased to 3.3 per cent. by 31 December 2024 from 4.6 per cent. reported as at 31 December 2023. The impairment allowance (in relation to Stage 1, Stage 2 and Stage 3 ECL on loans and receivables) was AED 27.6 billion as at 31 December 2024 and AED 35.8 billion as at 31 December 2023. For the year ended 31 December 2024, the Group's profit for the year after tax was AED 23.0 billion (6.9 per cent. higher as compared to the year ended 31 December 2023). This increase was primarily due to (i) higher income, (ii) record loan growth, (iii) buoyant consumer confidence and (iv) substantial impaired loan recoveries, supported by strong economic growth and continued infrastructure investment in Dubai and the UAE.

For the year ended 31 December 2024, ENBD had net impairment loss on financial assets of AED 0.1 billion, a reduction of 96.9 per cent. year-on-year, including DenizBank. This drop in net impairment loss was primarily due to improving economic conditions and higher level of writebacks and recoveries. Excluding DenizBank, ENBD's net impairment loss on financial assets decreased by 111 per cent. between 31 December 2023 and 31 December 2024.

As at 31 December 2024, ENBD's total impaired loans and receivables amounted to AED 17.6 billion (or 3.3 per cent. of gross loans) and have been provisioned for by impairment allowances of AED 27.6 billion, bringing the impairment coverage ratio to 156.2 per cent. Total allowance for Stage 1 and Stage 2 ECL, as at 31 December 2024, amounted to AED 12.0 billion, equating to 2.0 per cent. of credit risk weighted assets.

The following table summarises the movements in allowances for impairment for loans and receivables (including Islamic financing receivables) for ENBD for the years ended 31 December 2024 and 31 December 2023.

	2024	2023
	<i>(AED billions)</i>	
Movement in allowances for Stage 3/specific impairment		
Balance as at 1 January .....	21.9	26.8
Allowances for impairment made during the year .....	4.4	9.3
Write back/recoveries made during the year .....	(3.1)	(5.3)
Amounts written off during the year .....	(6.5)	(8.1)
Exchange and other adjustments .....	(1.1)	(0.8)
<b>Balance as at 31 December.....</b>	<b>15.6</b>	<b>21.9</b>
Movement in allowances for Stage 1 and Stage 2/collective impairment		
Balance as at 1 January .....	13.9	12.6
Allowances for impairment made during the year .....	(1.6)	0.5
Exchange and other adjustments .....	(0.3)	0.8
<b>Balance as at 31 December.....</b>	<b>12.0</b>	<b>13.9</b>
<b>Total.....</b>	<b>27.6</b>	<b>35.8</b>

Source: Note 45, audited consolidated financial statements of ENBD in respect of the financial year ended 31 December 2024.

## Selected Ratios

The table below shows selected consolidated ratios of ENBD as at and for the years ended 31 December 2024 and 31 December 2023, and are considered to be Alternative Performance Measures. The ratios are unaudited and have been prepared based on management information as well as information in ENBD's financial statements. For further information, see "*Important Notices – Summary of alternative performance measures*".

	Year ended 31 December	
	2024	2023
	(%)	
Selected ratios:		
Impairment coverage ratio .....	156.2	162.5
Non-performing/impaired loans ratio .....	3.3	4.6
Tier 1 ratio .....	16.0	16.5
Capital adequacy ratio .....	17.1	17.6
Cost to income ratio .....	31.2	27.2
Net interest margin .....	3.6	4.0
Loans to deposit ratio .....	75.2	76.1
Net loan growth .....	12.7	6.8

## Regulation and Internal Audit

### Industry Regulation and Supervision

Banks and other financial institutions in the UAE are subject to governmental supervision and regulatory oversight exercised by various regulatory bodies, including the SCA, the UAE Central Bank and the DFSA for companies established within the DIFC. The competent local authority in the Emirate of Dubai, in which the institution is registered, is the Department of Economic Development.

The principal source of banking regulation in the UAE is the UAE Central Bank. The UAE Central Bank provides prudential supervision (see also "*The UAE Banking and Financial Services System*") of each bank's capital adequacy, liquidity and anti-money laundering controls and its general banking activities. Monitoring by the UAE Central Bank is undertaken by way of regular inspections of banks and their records and the requirement for regular submission of data, including, but not limited to, deposited funds, loans and mortgage business, liquidity status and anti-money laundering measures. ENBD submits monthly, quarterly and annual reports to the Banking Supervision and Examination Department of the UAE Central Bank. In addition, ENBD's Memorandum and Articles of Association and any amendments thereto, its audited financial statements, its distribution of dividends and certain other documents are all approved by the UAE Central Bank and the SCA.

The SCA is the predominant authority controlling the operation and governance of public joint stock companies generally, while the Department of Economic Development has a very wide jurisdiction in relation to issues such as the incorporation of companies and the regulation of internal and external trade.

ENBD's business units and subsidiaries are engaged in a wide range of banking and investment activities which also fall within the jurisdiction of a variety of other regulatory regimes located both within the UAE and abroad. In the UAE, ENBD Capital and ENBD Asset Management are regulated by the DFSA. ENBD's activities conducted in countries other than the UAE fall under the jurisdiction of other regulators and include the following: the Capital Markets Authority and the Saudi Arabian Monetary Authority in the KSA; the Monetary Authority of Singapore in Singapore; the Reserve Bank of India in India; the China Banking Regulatory Commission in the PRC; the Jersey Financial Services Commission in Jersey; the Financial Conduct Authority in the UK; and the Egyptian Financial Supervisory Authority in Egypt.

ENBD has an excellent track record in meeting applicable regulatory standards and neither the UAE Central Bank nor any other regulatory authority has raised any material breaches of applicable regulatory standards or imposed sanctions in respect of ENBD.

### Internal Audit

Operating under a mandate from the Board, Group Internal Audit provides internal auditing services across ENBD and its subsidiary companies. Group Internal Audit has a principal reporting line to the Board Audit Committee (the "**BAC**"), a body composed of non-executive directors. Planned audit activities are subject



to review and approval by the BAC, which also evaluates and approves the level of resources available to Group Internal Audit for such activities.

The BAC meets four times annually to discuss the audit reports produced by Group Internal Audit and to discuss the status of management actions on any issues previously raised with the committee. In addition to these meetings, the Group Chief Audit Officer has access to the Chairman of the BAC and the Chief Executive Officer as required.

The primary objective of Group Internal Audit is independently to assess the adequacy and effectiveness of the control framework through which the activities of ENBD are conducted. Group Internal Audit uses a risk-profiling methodology to assess the relative degree of risk in each of the auditable business units and for selecting the business activity to audit. BAC approval is obtained for the risk-based annual audit plan.

Group Internal Audit is organised into specialist teams aligned with ENBD's primary business and support areas, and focuses on the employment of professionally qualified individuals with industry-specific experience.

Group Internal Audit is itself subject to a review periodically by independent third-party assessors appointed by the BAC.

### **Group Funding**

GM&T manages the overall short-term and long-term liquidity of ENBD, guided by the overriding principle of prudent liquidity management and with frequent reporting to, and instruction from, ENBD's ALCO.

The majority of ENBD funding is provided by customer deposits. The interbank market is used for residual funding purposes and term funding is used to lengthen the maturity profile and diversify the client base. The current liquidity position of ENBD is considered to be good. To mitigate future liquidity risks (e.g. associated with market events), GM&T maintains a liquidity buffer, which is designed to be of a size sufficient to deal with all foreseeable liquidity events.

ENBD and its subsidiaries also raise money through the international capital markets. All capital markets debt raising activity by ENBD and its subsidiaries is managed by the Group Funding Desk of GM&T.

For short-term funding, EBI established a U.S.\$4 billion Euro Commercial Paper programme (the "**ECP Programme**"). Following the amalgamation of EBI and NBD with ENBD in November 2009, ENBD is now the issuer under the ECP Programme and is responsible for all series of commercial paper issued by EBI and outstanding under the programme.

ENBD also established a U.S.\$700 million Certificate of Deposit programme (the "**CD Programme**") in July 2013. Under the CD Programme, ENBD, acting through its London and Singapore branches, may issue certificates of deposit.

In March 2019, ENBD issued regulatory Tier 1 Capital notes amounting to U.S.\$1,000 million. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate of 6.125 per cent. with a reset after six years.

In November 2019, ENBD raised AED 6.5 billion by way of a rights issue. The new shares were issued at an issue price of AED 8.50 per share and rank *pari passu* with ENBD's existing shares.

In July 2020, ENBD issued regulatory Tier 1 Capital notes amounting to U.S.\$750 million. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate of 6.125 per cent. with a reset after six years.

In May 2021, ENBD issued regulatory Tier 1 Capital notes amounting to U.S.\$750 million. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate of 4.25 per cent. with a reset after six years.

In March 2024, ENBD issued a U.S.\$1,500 million ESG-linked syndicated loan at an interest rate equal to the aggregate of overnight SOFR plus a margin of 55 basis points.

In 2024, ENBD issued U.S.\$500 SLLBs. Proceeds of SLLBs are to be used by ENBD to finance or refinance a portfolio of general corporate purpose sustainability linked-loans in accordance with its sustainability-linked loan financing bond framework.

As at 31 December 2024, ENBD and its subsidiaries had, since July 2002, launched bond and sukuk issues on eight exchanges: Dublin, Luxembourg, London, Nasdaq Dubai, Singapore, Sydney, Switzerland and Taiwan. As at 31 December 2024, the Group's medium term borrowings and sukuk outstanding amounted to a total of U.S.\$79.9 billion (excluding Additional Tier 1 securities) with U.S.\$30.4 billion issued during the year ending 31 December 2024.

The following table shows the maturity profile of the Group's medium term borrowings outstanding as at 31 December 2024:

Year	Amount (AED Millions)
2025.....	21.8
2026.....	9.1
2027.....	12.4
2028.....	6.8
2029.....	6.7
Beyond 2029.....	15.6

The following table shows the maturity profile of the Group's sukuk outstanding as at 31 December 2024:

Year	Amount (AED Millions)
2025.....	1.8
2026.....	2.8
2029.....	2.8

### Capital Adequacy

Under the February 2017 Regulations and the Capital Standards, the UAE Central Bank requires domestic systemically important banks ("**D-SIBs**") operating in the UAE to maintain a prescribed minimum ratio of total capital (which is the sum of Tier 1 capital and Tier 2 capital) to total risk-weighted assets of 10.5 per cent. (of which CET1 ratio is required to be 7 per cent. and Tier 1 ratio 8.5 per cent.)

The tiered components of a UAE bank's regulatory capital comprise:

- CET 1 capital ("**CET1**"), which includes share capital, share premium, legal, statutory and other reserves, fair value reserves, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes;
- Additional Tier 1 capital ("**Tier 1**"), which includes eligible non-common equity capital instruments; and
- Tier 2 capital, which includes qualifying subordinated debt and undisclosed reserves.

While the calculation of capital adequacy ratios in the UAE broadly follows the BIS guidelines, claims on, or guaranteed by, the UAE Federal Government, the governments of individual Emirates and the governments of other GCC member states denominated in their local currency are risk weighted at zero per cent.

When assessing the capital adequacy of an individual bank, the UAE Central Bank can take a number of factors into consideration under a Supervisory Review and Evaluation Process, such as the extent and nature of credit concentration, policies and procedures and internal control systems; and may set a higher total capital requirement for that particular bank if it deems it necessary.

As at 31 December 2024, the Group was above the UAE Central Bank imposed requirement, with a total capital adequacy ratio of 17.1 per cent., a Tier 1 capital adequacy ratio of 16.0 per cent. and a CET1 ratio of 14.7 per cent.

Under the 2018 Federal Law, the UAE Central Bank may determine reserve requirements for UAE banks. Distributions cannot be made from this reserve, except in special legally defined circumstances. All dividends have to be authorised by the UAE Central Bank.

See *"Risk Factors – Risks relating to the UAE and the MENAT region – Impact of regulatory changes in the UAE"*.

## **Compliance Policies**

ENBD aspires to the highest standards of ethical conduct, transparency and compliance with the local and international laws, rules and regulations which govern its businesses. To support this, ENBD has implemented a compliance framework that includes a range of policies, systems and controls. All employees of ENBD are required to adhere to its compliance policies at all times and any breaches of such policies must be reported to the Group Compliance function. ENBD's compliance policies include, but are not limited to, Anti-Money Laundering, Sanctions, Conflicts of Interest, Personal Account Dealing, Breaches and Foreign Account Tax Compliance Act and Common Reporting Standards.

### **Group Anti-Money Laundering ("AML") Policy**

The Group AML Policy provides an indication of a range of issues (inclusive of internal controls, governance, assurance and monitoring, risk management, the risk-based approach, customer due diligence ("CDD"), suspicious activity reports), that each respective business unit should take into consideration.

As part of its Group AML Compliance policy, CDD is covered as a necessary aspect to determine the money laundering risk that the Group encounters when providing a service to a customer. The requirement to establish and verify the identity of a customer before providing a service to that customer is a key obligation that must be undertaken. Appropriate measures are determined through risk analysis of the customer relationship. Notably, CDD initially takes place under the circumstances of onboarding, as well as subsequently as a trigger-based event and potential (annual or otherwise) review, depending on the customer in question and individual circumstances.

The money laundering reporting officer ("MLRO") is responsible for managing the overall AML and Counter Terrorism Financing ("CTF") programme of the Group, setting policy and providing overall guidance and advice. This includes carrying out AML compliance assessments of the Group's customers, products and services as well as oversight of the Group's AML, CDD and customer screening systems and benchmarking against international best practice and standards. The MLRO is also responsible for the submission of the MLRO Report to senior management and the financial services regulator, the UAE Central Bank.

While policies provide important guidance, the AML and CTF programme also relies on a variety of internal controls, including management reports and other built-in safeguards that ensure the proper functioning of the compliance programme.

One of the most important controls over the prevention and detection of money laundering is to have staff that are alert to the risks of money laundering and are well trained in the identification of unusual activities or transactions that can be suspicious. Hence, periodic bank-wide employee training is delivered online as well as via classroom-based sessions, explaining the significance of policies, staff responsibilities and requirements.

### **Group Sanctions Policy**

The Group is also committed to compliance with the economic and trade sanctions laws in all jurisdictions in which the Group operates.

The Group Sanctions Policy mandates that the Group and its subsidiaries must comply with the sanctions laws of various sanctioning bodies. These include, where applicable, compliance with the United States sanctions administered and enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control and the Bureau of Industry & Security, as well as the European Union, the UK (including His Majesty's Treasury) and the United Nations.

The Group should not enter into, or continue with, a client relationship or transaction where the individual, entity or any party to the business has been identified as a sanctioned target.

ENBD has systems and controls in place to ensure compliance with sanctions regulations prescribed by the regulators and to monitor transactions against applicable sanctions requirements. ENBD uses automated systems to screen and monitor customers and transactions to help ensure compliance with key regulatory requirements.

All staff members are required to be aware of ENBD's AML, CTF and sanctions policies and procedures, which are available to all staff members through ENBD's intranet. In addition, ENBD has in place specific training programmes for customer-facing staff.

### **Group Conflicts of Interest Policy and Group Personal Account Dealing Policy**

As a financial institution, it is important that ENBD implements appropriate arrangements to ensure that any conflicts of interest are managed fairly and in full compliance with the laws and regulations of all jurisdictions in which the Group operates.

The Group has developed the Conflicts of Interest and Personal Account Dealing Policies to address the identification and management of Conflicts of Interest that may arise in the conduct of its business activities to mitigate the risk of treating a customer or customers unfairly and therefore reduce the associated reputational risk.

The Conflicts of Interest Policy sets out the Group's overriding principle and expectations for managing conflicts of interest, including the Group's standards in relation to the establishment and maintenance of "information barriers". The Personal Account Dealing Policy sets out the framework and guidelines in relation to personal account dealing and the management of insider information to ensure that the personal investments of employees are free from any conflicts of interest.

### **Group Compliance Breaches Policy**

ENBD as a group is exposed to potential compliance failures as a result of such matters as regulatory changes, the nature of tasks involved, human error and system failure. It is important that all business areas are aware of what constitutes a compliance breach and the importance of reporting, remediating, recording and escalation to prevent the likelihood of a repeat instance.

### **Group Foreign Account Tax Compliance Act ("FATCA") and Common Reporting Standard ("CRS") Policy**

ENBD as a Group is exposed to the FATCA's broad extraterritorial reach which requires all non-U.S. Foreign Financial Institutions to register with the U.S. Internal Revenue Service ("IRS") and to identify, document and report on accounts maintained and/or controlled by U.S. persons to the IRS or local regulatory bodies.

Similarly CRS, often regarded as the non-US version of FATCA, requires financial institutions operating in one or more of the over 100 participating jurisdictions, such as ENBD, to identify and document tax residents of those jurisdictions and report these to the local regulators and tax authorities. Such local regulators and tax authorities may then exchange the information with the various jurisdictions on an annual basis.

The Group FATCA/CRS Policy sets out the minimum standards to be achieved and maintained by ENBD and all of its branches, subsidiaries, special purpose vehicles, trusts and funds.

### **Information Technology**

ENBD's Information Technology ("IT") division is integral to ensuring that ENBD's banking operations run smoothly and to developing new products and services which expand upon ENBD's offerings. It focuses on utilising the latest technology to provide seamless services to customers while ensuring that ENBD's sensitive data is adequately protected.

ENBD envisages the role of technology to be significant in ensuring that it remains responsive and flexible to the competitive and dynamic forces of the environment within which it operates. Accordingly, ENBD continues to invest in IT to ensure that all systems operate with strict service level agreements and in line with modern banking requirements and regulations.

In 2022, ENBD merged the roles of its Chief Information Officer ("CIO") and Chief Digital Officer ("CDO") to better align its technology strategy with overall business goals and take a more holistic approach to digital transformation.

In 2022, the IT division carried out several system upgrades and enhancements, launched new products and services and facilitated the smooth operation of existing products and services. ENBD's IT division continued to make strides to support the digital transformation of the business by building new banking services and products including an enhanced version of the Emirates NBD mobile app for the UAE, an enhanced version of Liv. mobile app, the new businessONLINE, a fully digital IPO portal and a new Digital Wealth app. These were made possible by the new and upgraded IT platforms and infrastructure.

ENBD's IT division made several enhancements in the systems to introduce various instant services that increased straight-through-processing levels to not only strengthen the Group's sales performance and enhance the customers' experience, but also make its operations more efficient. It also built the MENA region's most comprehensive and ready-to-use financial API developer portal, which provides FinTechs, developers, and corporate clients with an all-in-one ecosystem to rapidly co-develop innovative financial solutions in collaboration with ENBD.

Among other significant achievements, the IT division successfully concluded the consolidation and upgrade of ENBD's core banking system for all its markets and launched a new platform to manage its retail assets, beginning with personal loans and credit cards. It continued to strengthen ENBD's cloud technology capabilities with the large-scale implementation of automated self-service provisioning and fortified its data centre network infrastructure with the latest technology stack to provide a stable and secure foundation for its expanding digital services.

Marking the completion of the transformation of ENBD's customer relationship management ("CRM") system, the IT division completed the roll-out of a unified CRM for the branches and contact centres of ENBD in UAE, ensuring a consistent customer management approach across all the markets in which ENBD operates.

Additionally, the IT division deployed new technologies to strengthen the security of ENBD's sensitive data and provide increased visibility regarding data access within its infrastructure. It also improved its portfolio governance by introducing a new portfolio and project management application, optimizing productivity and ensuring efficient management of the IT initiatives in accordance with the agile operating model.

In 2022, ENBD launched a new retail assets platform, which is consolidated with its core banking system, to manage personal loans in the UAE and credit cards for Egypt in a single enterprise assets system with standard workflows. As a result of the new core banking system for its operations in India and upgraded version for its operations in Singapore, ENBD is now operating a unified code version across all markets, covering both conventional and Islamic banking products.

ENBD continued to enhance its platform and cloud technology capabilities with the adoption of automated self-service provisioning pipelines and substantial investment in its network and infrastructure. In addition, the IT division built a new data centre network using world-class automation, a first for a financial institution in the region, to improve the stability and agility of the network. ENBD's API-centric architecture has shown substantial growth and is currently serving more than 45 million API calls per day across multiple customer channels. Public cloud is being embraced and is already supporting several key capabilities for the Group locally and internationally.

In May 2023, ENBD launched the Digital Asset Lab, a platform that will enable and accelerate digital asset and financial services innovation in the UAE. Through the Digital Asset Lab, ENBD is establishing a robust platform with industry experts, enabling co-creation and experimentation for the development of innovative ideas in financial services using digital assets and its underlying technologies.

### **Data Privacy Governance**

ENBD established a dedicated Data Privacy Office to create and implement a robust data privacy framework across the Group (the "**Group Data Privacy Framework**"), in line with the data privacy regulations applicable to the Group. The Board has appointed a Group Data Protection Officer to oversee the implementation of the Group Data Privacy Framework. The Data Privacy Office has also appointed

local Data Protection Officers to assist manage and oversee the data privacy implementation programme across the Group. The Data Privacy Office continues to further develop the Group's data privacy policies and procedures governing data privacy to protect its customers data. Furthermore, the Data Privacy Office conducts several training and awareness programmes to educate key stakeholders on the relevant data privacy laws.

### **Insurance**

ENBD has various insurance policies in place, including directors' and officers' insurance, third party liability insurance and bankers blanket bond insurance. ENBD believes that these insurance policies provide it with comprehensive insurance coverage against the various risks to which ENBD may be exposed.

### **Litigation**

Litigation is a common occurrence in the banking industry due to the nature of the business undertaken. ENBD has formal controls and policies for managing all types of legal claims. In the event of defending a claim, once professional advice has been obtained and if it is deemed that ENBD may be at risk of losing a claim, the amount of potential loss is reasonably estimated. ENBD then makes adjustments to account for any adverse effects which the claim may have on its financial standing. However, ENBD is not involved in any litigation, arbitration or administrative proceedings relating to claims which could have a material adverse effect on its financial condition and results of operations and is not aware of any such material litigation, arbitration or administrative proceeding that is pending or threatened.

Therefore, no material provision has been made as at 31 December 2024 regarding any outstanding legal proceedings against ENBD.

### **Fiscal Year**

The fiscal year of ENBD is the calendar year ending on 31 December.

## MANAGEMENT OF THE ISSUER

### Board of Directors

ENBD is managed by the Board, which comprises up to nine members elected by its shareholders to serve terms of three years. The Board is composed of individuals independent of the Government of Dubai and decisions are taken by the Board in the sole interest of ENBD.

As at the date of this Prospectus, the Board comprises the nine directors listed below.

Name	Position
H.H. Sheikh Ahmed bin Saeed Al Maktoum .....	Chairman
Mr. Hesham Abdulla Qassim Al Qassim .....	Vice Chairman and Managing Director
Mr. Buti Obaid Buti Al Mulla .....	Director
Mr. Mohamed Hadi Ahmad Abdulla Al Hussaini.....	Director
Mr. Salem Mohammed Obaidalla.....	Director
Mr. Ali Humaid Ali Al Owais .....	Director
H.E. Huda Syed Naim AlHashimi.....	Director
H.E. Khalid Juma Al Majid .....	Director
Mr. Jasim Mohammed Abdulrahim Al Ali .....	Director

**H.H. Sheikh Ahmed bin Saeed Al Maktoum** was appointed as the Chairman of ENBD in June 2011. His Highness holds a Bachelor's degree in Political Science from the University of Denver, Colorado, USA and he is a Fellow of the Royal Aeronautical Society, a recipient of the Commandeur de l'Ordre de la Légion d'Honneur (the Legion of Honour) of France and a recipient of the Verfassungspatente of Germany. His Highness is currently the Chairman and Chief Executive of the Emirates Group, which includes Emirates Airlines, dnata and other aviation-related entities. In addition, His Highness is the Chairman of the Supreme Fiscal Committee of the Government of Dubai (the "SFC"), Dubai Supreme Council of Energy, British University of Dubai and President of the Dubai Civil Aviation Authority (since 1985) and a director of ICD.

**Mr. Hesham Abdulla Qassim Al Qassim** was appointed as the Vice Chairman and the Managing Director of ENBD in June 2011. Mr. Al Qassim holds a Bachelor's degree in Banking and Finance and a master's degree in International Business Management and Executive Leadership Development. Mr. Al Qassim is currently the Vice Chairman and CEO of Wasl Asset Management Group and also the Chairman of the Emirates Institute for Banking and Financial Studies (EIBFS) and the Vice Chairman of Dubai Autism Centre. In addition, he is the Chairman of Emirates Islamic, Emirates NBD Egypt and DenizBank and a member of the boards of directors of International Humanitarian City, DIFC Authority, DIFC Investments LLC, Emirates Telecommunications Corporation (Etisalat), Pak Telecom Mobile Ltd Pakistan and Pakistan Telecommunication Company Limited.

**Mr. Buti Obaid Buti Al Mulla** was appointed as a director of ENBD in July 2007. Mr. Al Mulla holds a diploma in Business Administration from Newberry College, Boston, USA. He is currently the Chairman of Dubai Insurance Co., Vice Chairman of Emirates Islamic and Emirates Investment Bank PJSC and a director of Dubai Refreshments Company.

**Mr. Mohamed Hadi Ahmad Abdulla Al Hussaini** was appointed as a director of ENBD in June 2011. Mr. Al Hussaini is a director of Emirates Islamic, Dubai Refreshments Company and Emaar Malls P.J.S.C.

**Mr. Salem Mohammed Obaidalla** was appointed as a director of ENBD in February 2019. Mr. Obaidalla holds a degree in Business Administration from Wentworth Institute of Technology in Boston, USA. Mr. Obaidalla is currently the Senior Vice President – Aeropolitical & Industry Affairs of Emirates Airline. He has extensive professional experience and contributed to the success of launching new stations in addition to handling the launch of various destinations, such as Amsterdam, Prague, Madrid, Geneva, Copenhagen, St. Petersburg, Dublin, Barcelona and Lisbon.

**Mr. Ali Humaid Ali Al Owais** was appointed as a director of ENBD in March 2013. Mr. Al Owais holds a Bachelor's degree in Business Applied Science. Mr. Al Owais is the Chairman of Al Owais Group, United Food Company PJSC, United Can Company LLC and Moderna Group LLC. He is the Vice Chairman of Dubai Refreshment Co. PJSC, Modern Bakery and director of Emirates Islamic, Dar Al Takaful and Oman Refreshment Company.

**H.E. Huda Syed Naim AlHashimi** was appointed as a director of ENBD and Emirates Islamic Bank P.J.S.C. in February 2022. H.E. AlHashimi is the Deputy Minister of Cabinet Affairs for Strategic Affairs. As part of the responsibilities of her current position, H.E. leads the process of articulating the UAE Leadership's Vision, setting an ambitious long-term strategy. H.E. AlHashimi leads the setup and operation of the Mohammed Bin Rashid Centre for Government Innovation. She also leads the Ministry of Possibilities, and the Government Accelerators. H.E. has been chosen as a board member of the "Digital School" as well as a member of the UAE Gender Balance Council and Dubai Women Establishment. She is also a member of the Supreme Committee of the Mohammed Bin Rashid Smart Education Program. She is also an active member of the Agile Governance Future Council at the World Economic Forum. H.E. holds a Bachelor of Science degree in Business Administration from the Higher Colleges of Technology, where she graduated with honours and received the Sheikh Rashid Award for Scientific Excellence. She is also an alumna of the London Business School and was enrolled in the Mohammed Bin Rashid Center for Leadership Development programme.

**Mr. Jasim Mohammed Abdulrahim Al Ali** was appointed as a director of ENBD in February 2022. Mr. Al Ali is currently the Managing Director of Al Ali Property Investments. He is also a member of the board of directors and a member of each of the audit committee and risk committee of Emaar Properties P.J.S.C. Mr. Al Ali is also a board member of Jebel Ali Cement Factory. Mr. Al Ali holds a Business Administration Degree in Public Administration from American University of Sharjah.

**H.E. Khalid Juma Al Majid** was appointed as a director of ENBD in February 2022. H.E. Al Majid is also the Vice Chairman of the Juma Al Majid Group and a member of the Trustees Board of Emirates National Development Programme. H.E. served as the Vice Chairman of the UAE Central Bank from 2010 to 2019, and was a Director of the National Bank of Dubai P.J.S.C. In June 2021, H.E. Al Majid was appointed as a Director of Dubai Chamber of Commerce. H.E. holds a Bachelor's degree in Business Administration from The University of Arizona, USA in 1989.

The business address for each of ENBD's directors is c/o Emirates NBD Bank PJSC, Baniyas Road, Deira, P.O. Box 777, Dubai, UAE.

No member of the Board has any actual or potential conflict of interest between his or her duties to ENBD and his or her private interests or other duties.

## Senior Management

The day-to-day management of ENBD is conducted by the following senior managers (the "**Senior Managers**").

Name	Position
Shayne Nelson .....	Group Chief Executive Officer
Eman Abdulrazzaq.....	Group Chief Operating Officer and Group Chief Human Resource Officer
Patrick Sullivan.....	Group Chief Financial Officer
Manoj Chawla.....	Group Chief Risk Officer
Farid Al Mulla.....	Chief Executive Officer of Emirates Islamic
Ahmed Al Qassim.....	Senior Executive Vice President; Group Head of Wholesale Banking
Marwan Hadi.....	Senior Executive Vice President; Group Head of Retail Banking and Wealth Management
Aazar Ali Khwaja .....	Senior Executive Vice President; Group Head of International and Advisor to the Group CEO for DenizBank
Neeraj Makin.....	Group Head of Strategy, Analytics and Venture Capital
Ammar Al Haj.....	Group Treasurer and Head of Global Markets
Recep Bastug.....	Chief Executive Officer of DenizBank
Amer Kazim.....	Group Chief Audit Officer
Simon Copleston.....	Group General Counsel
Victor Matafonov.....	Group Chief Compliance Officer
Vijay Bains.....	Group Head of ESG and Chief Sustainability Officer
Vinod Ramabhadran .....	Group Chief Credit Officer
Miguel Rio-Tinto .....	Group Chief Digital and Information Officer
Ibrahim Sowaiden .....	Head of Group Corporate Affairs

### **Shayne Nelson, Group Chief Executive Officer**

Shayne Nelson is a veteran banker with an extensive career across many sectors of the industry. During Shayne's eleven-year tenure as Group CEO of ENBD, the bank's market capitalization has increased from AED 15.8 billion to around AED 104 billion. ENBD's assets have grown from AED 308 billion to AED



836 billion over this period with a significant acquisition of DenizBank in Türkiye for U.S.\$2.7 billion successfully executed. Additionally, during Shayne's tenure ENBD experienced organic growth to obtain the largest market share in both Corporate and Retail banking in the UAE whilst leading the industry in the region with technology innovation. ENBD has also expanded its operations to cover Egypt, India and Saudi Arabia.

Shayne is a member of the Board of Directors for Emirates Islamic, Emirates NBD Capital Ltd., Emirates NBD Capital PSC, Emirates NBD Global Services, DenizBank A.Ş. (Türkiye), Marsh Emirates Insurance Brokers, a member of the Advisory Board to the University of Wollongong in Dubai and a member of the International Cooperation Council France UAE.

Prior to joining ENBD, he served in Singapore as the Chief Executive Officer of Standard Chartered Private Bank for three years. He was also the Chairman of Standard Chartered Saadiq Islamic Advisory Board and a Board member of Standard Chartered Bank (China) Ltd.

Shayne has also previously served as the Regional CEO of Standard Chartered Bank Middle East and North Africa from 2006 to 2010, Chairman of Standard Chartered (Pakistan) Limited, and Chairman of the Banking Advisory Council to the Board of the Dubai International Financial Centre. He also held the position of Chief Executive Officer and Managing Director of Standard Chartered Bank, Malaysia Berhad based in Kuala Lumpur.

Shayne's solid experience, across various functions and geographies, is a testament to his diverse background within banking. Earlier in his career, his positions included Standard Chartered Chief Risk Officer for Wholesale Banking based in Singapore, Regional Head of Corporate and Institutional Banking Audit for the Asia Pacific Region and India, as well as Regional Head of Credit in Hong Kong, China and Northeast Asia, with the latter two positions based in Hong Kong. He was also the Head of Corporate and Institutional Banking for Westpac Banking Corporation for Western Australia based in Perth.

A Graduate Member of the Australian Institute of Company Directors, Shayne is also an Associate Fellow of the Australian Institute of Managers.

***Eman Abdulrazzaq, Group Chief Operating Officer and Group Chief Human Resources Officer***

In January 2020, Eman Abdulrazzaq joined ENBD as the Group Chief Human Resource Officer. In March 2024, Eman was also appointed as the Group Chief Operating Officer, managing all day-to-day operations of the bank including leadership of Emirates NBD Global Services. Eman is also a member of the Group EXCO. She also serves on the Board of ENBD Egypt S.A.E.

Eman has over 20 years of experience across corporate banking, strategy and human resources and operations, and has led businesses through complex transformation programs resulting in significant cultural change and new ways of working. Eman's strategic focus areas at ENBD include Emiratisation, with the bank's flagship elite graduate program, Ruwad launched in 2021, followed by its mainstream graduate program, Bedaya the following year. Eman is also a leading sponsor in the creation and ongoing development of ENBD's Advanced Analytics Centre of Excellence.

Previously with HSBC Bank Middle East, North Africa and Türkiye, Eman started her career as a Corporate Banker before moving into Human Resources where she became the Regional Head of Human Resources. In 2016, her role expanded to include Regional Chief of Staff and Head of Strategy and Planning, where she was a trusted advisor to the Regional Chief Executive Officer. Eman led on the delivery of several successful strategic business growth acceleration programs with a focus on technology investment and cultural change.

Eman graduated with a BSc in Banking Administration and a Higher Diploma in Banking and Financial Services. She is a Board Member of Emaar Properties PJSC, Dubai Insurance, and the Emirates Institute of Finance.

***Patrick Sullivan, Group Chief Financial Officer***

Patrick Sullivan has served as Chief Financial Officer of ENBD since January 2020. He is a Chartered Accountant with 31 years' experience in banking and finance in the UK, China, Hong Kong, Russia, New Zealand, and now the UAE. He joined ENBD from Standard Chartered where he held a number of senior finance roles, including Group Financial Controller, Standard Chartered China Chief Financial Officer and

Greater China Head of Finance, Wholesale Banking. Prior to that he worked with PricewaterhouseCoopers in Banking and Capital Markets in multiple countries.

***Manoj Chawla, Group Chief Risk Officer***

Manoj Chawla has served as Group Chief Risk Officer of ENBD since September 2013. He is responsible for overall risk governance covering people, policy, portfolio, processes and risk systems. His role covers group-wide enterprise risk management, environmental and social risk, ensuring alignment of risk-taking activities within the risk appetite across all business segments and geographies, maximizing value of distressed assets, managing market risk, operational and cyber risk, model risk and risk analytics.

Prior to joining ENBD, Manoj worked as Country Chief Risk Officer with a global bank and was based in the UAE, Thailand and Singapore. Manoj is a risk professional with over 30 years of experience in risk management across various risk disciplines with key expertise in building risk infrastructure, portfolio management, restructuring and optimisation, and managing merger and acquisition risk. Manoj is a qualified Chartered Accountant, Lawyer, Company Secretary and a Certified Islamic Finance Executive.

***Farid AlMulla, Chief Executive Officer of Emirates Islamic***

Farid AlMulla is the Chief Executive Officer at Emirates Islamic. His tenure with the Group spans over three decades, having started his career with the Group in 1991. Prior to taking over as CEO in 2023, Farid was Head of Consumer Banking and Wealth Management. He has held several other positions including Deputy Head – Consumer Banking and Wealth Management, Head of Home Finance and Head of Distribution at the Bank.

***Ahmed Al Qassim, Senior Executive Vice President and Group Head of Wholesale Banking***

As a seasoned banking and management professional with more than 20 years of experience in commercial and investment banking, Ahmed Al Qassim leads the Wholesale Banking unit with his role expanding in 2023 to include Global Markets, Treasury and Research at ENBD.

During his tenure, Ahmed has championed the adoption of digital innovation, AI and unmatched customer experience to enhance the Group's corporate banking proposition. He has led product development and implementation of award-winning trade and supply chain finance, cash management and Islamic banking solutions while driving higher levels of lending to the Group's Wholesale Banking client base across nine countries. Previously, Ahmed was Chief Executive Officer of Emirates NBD Capital, the investment banking arm of ENBD, followed by General Manager of Corporate Banking at ENBD where he managed the successful transformation of the respective units, building on capabilities, creating synergies in cross-functional teams and inculcating the principles of risk management, while remaining relevant to the client.

Prior to joining ENBD, Ahmed was the Chief Executive Officer of Dubai Group, a Dubai Holding entity and has also held senior roles at General Electric and Mubadala – GE Capital. He has previously served on the boards of Bank Muscat, Shuaa Capital, EFG-Hermes and Sun Hung Kai & Co. Limited, and Ahmed is a member of ENBD's Executive Committee. Ahmed holds a Bachelor's degree in Engineering Management from Higher Colleges of Technology in the UAE and a Master of Business Administration degree from the University of Victoria in Canada. He has also completed the Advanced Management Program from University of Pennsylvania in the United States.

***Marwan Hadi, Senior Executive Vice President and Group Head of Retail Banking and Wealth Management***

Marwan Hadi is a Senior Executive Vice President and Group Head of Retail Banking and Wealth Management ("RBWM") at ENBD. In this capacity, he has been mandated to oversee all aspects of ENBD's Retail Banking, Business Banking, Private Banking, Consumer Finance, Asset Management and Brokerage businesses as well as setting new standards in product innovation and customer experience across the UAE, Egypt, the KSA, UK and Singapore. Marwan joined the bank in 2019 as Head of Retail Banking, UAE and has been pivotal in steering the success of the Retail Banking segment over the last few years. He has over 18 years of banking experience in which he has held several senior positions.

Prior to joining ENBD, Marwan held a number of senior leadership roles over a 15-year career at HSBC across both retail and commercial banking, including as Managing Director of HSBC Middle East Finance Company, Head of Business Management for Commercial Banking and Head of Network (RBWM) UAE.

Marwan successfully led a number of significant initiatives during his tenure including the realignment of the Premier relationship manager model to create a more customer-centric and holistic client management service and improving productivity across the network.

***Aazar Ali Khwaja, Senior Executive Vice President and Group Head of International and Advisor to the Group CEO for DenizBank***

Aazar Ali Khwaja is the Group's Senior Executive Vice President, Group Head of International and Advisor to the Group CEO of DenizBank. He has been with the Group since September 2012 and was formerly the Group Head of Global Markets and Treasury with over 25 years of experience in treasury and global markets across a number of geographies. Prior to joining ENBD, he was the Regional Treasurer for Emerging Markets/Africa with Barclays Bank PLC, where he also served as Chairman of Barclays' regional Assets and Liabilities Management Committee. His previous roles include Managing Director and Head of Markets in Citigroup's Central and Eastern European division, Group Treasurer for Saudi Hollandi (ABN AMRO) Bank in the Kingdom of Saudi Arabia, Managing Director of Treasury for ABN AMRO/K&H Bank in Hungary, General Manager of Treasury for ABN AMRO in Romania, as well as Country Treasurer for Citibank NA in Pakistan.

***Neeraj Makin, Group Head of Strategy, Analytics and Venture Capital***

Neeraj Makin is the Senior Executive Vice President, Group Head of Strategy, Analytics and Venture Capital and a member of the Group Executive Committee at ENBD. He is also a Non-executive Board member at EmiratesNBD Egypt SAE. He has been with ENBD since September 2008.

As Head of Group Strategy, Neeraj supports the Group Chief Executive Officer and the Board with strategy development across the Group. He also helps with the development and execution of the strategic vision and aspirations for ENBD, its businesses and its subsidiaries along with the management of ENBD's strategic acquisitions and international growth plans. He has led the establishment of the Advanced Analytics Centre of Excellence for ENBD to drive Group-wide efforts to leverage data and analytics. He also heads ENBD's Corporate Venture Capital Fund which aims to invest in fintech and tech companies that have a strategic relevance to the Group and may drive innovation for ENBD.

Previously, Neeraj also led the International Business for the Group with overall business management responsibility for international subsidiaries and branches of ENBD from 2019 till 2022. Over the years Neeraj has played a pivotal role in leading ENBD's international expansion which includes the successful acquisition of BNP Paribas Egypt and DenizBank in Türkiye, as well as the branch licenses in India and the KSA. Between 2016 and 2019 he also served as an Advisory Board member for Network International.

Prior to joining ENBD, Neeraj was a senior manager at Ernst & Young's transaction advisory services with a focus on buy-side advisory, valuations, PPAs, private placement of equity and debt and feasibility studies covering a diverse range of industries. Before joining Ernst & Young, Neeraj worked at global strategy firm McKinsey and Co. from 2000 until Dec 2004 on various client projects in the telecom industry vertical.

He holds an MBA in Finance from International Management Institute in India and completed his Bachelor's degree in Physics and Mathematics.

***Ammar Al Haj, Group Treasurer and Head of Global Markets***

Ammar Al Haj is the Group Treasurer and Head of Global Markets of ENBD. He started his banking career in 2007 at ENBD as a foreign exchange trading associate before becoming the first UAE national to head the GCC rates trading market at the bank in 2009. In 2016, he also became the first UAE national to head the Global Markets and Treasury unit at Emirates Islamic. In 2019, Ammar returned to ENBD as the Head of Group Assets and Liabilities Management before becoming Head of Group Assets and Liabilities Management and International within the Global Markets & Treasury unit in 2021. Among his other responsibilities, Ammar sits on the boards of Emirates NBD Securities, one of the leading brokerage houses in the UAE, Emirates NBD Capital, the investment banking arm of ENBD, Emirates NBD Asset Management, and Al Mehrab Real Estate Fund in the KSA.

***Recep Bastug, Chief Executive Officer of DenizBank***

Recep Bastug was appointed as Chief Executive Officer and Board Member of DenizBank in January 2025. He is a senior banking leader, most recently serving as Chief Executive Officer of Garanti BBVA, Turkey's

second-largest private bank. He has held several Executive Board positions with leading international firms across industries. This background has equipped Mr. Bastug with deep expertise in the domestic Turkish banking market, as well as significant experience in international markets. During his tenure at Garanti BBVA, Mr. Bastug led the bank in a period of significant macroeconomic and competitive challenges. His core strengths lie in his demonstrated leadership capabilities, and his proven ability to foster exemplary client relationships, stakeholder management and a culture of continuous improvement. Mr Bastug currently holds board memberships including; The Banks Association of Türkiye, Turkish Industry and Business Association, International Investors Association as well as trustees membership of the non-governmental organization Istanbul Culture and Art Foundation. He has a Bachelor of Arts in Economics from Cukurova University, Turkey.

***Amer Kazim, Group Chief Audit Officer***

Amer Kazim has been the Chief Audit Officer of ENBD since November 2019. Mr. Kazim is a senior executive with over 27 years of professional experience, having worked in various sectors including aviation, telecommunications, and real estate. Mr. Kazim began his career with Ernst & Young as an external auditor during which time he earned the Certified Public Accountant qualification. He subsequently joined Emirates Airline's internal audit function while earning the certified internal auditor qualification. Mr. Kazim has held senior finance roles across a number of leading organizations including the Emirates Group, Meraas, and Dubai Airports. Prior to joining ENBD, he was the chief financial officer at Emirates Integrated Telecommunications Company (Du). He is currently a member of the board of directors of Etihad Credit Insurance and the board audit, risk, and compliance committee of Emirates Development Bank. He holds a Bachelor's degree in Accounting from the University of Denver.

***Simon Copleston, Group General Counsel***

Simon Copleston was appointed as the Group General Counsel at ENBD in January 2021. He has overall responsibility for the management of legal risks, as well as providing legal advice across the Group. Mr. Copleston has worked in the UAE since 2006, initially at a sovereign wealth fund and subsequently at a prominent local bank. He has more than 20 years of experience as a lawyer and more than a decade of experience in the local banking sector. His experience spans the banking and asset management industries, financial services, corporate finance, procurement, IT, real estate, treasury, regulation and governance. He had extensive exposure to highly regulated sectors and geographies and broad international, cross-border and emerging markets experience. Previously, Mr. Copleston held positions on the boards of several local and international entities, including Damas Jewelry, a bond issuer and a local asset manager. Mr. Copleston has also served on the board of a licensed Islamic bank. From 2021 to 2023, Mr. Copleston was the Chairman of the UAE Banks Federation's legal committee.

***Victor Matafonov, Group Chief Compliance Officer***

Victor Matafonov has been the Group Chief Compliance Officer at Emirates NBD since 2014. He has 37 years of international banking experience across Australasia, Europe, the Americas, the Middle East, Africa and Asia with ENBD, Standard Chartered Bank, Grindlays and Australia and New Zealand Banking Group. This includes 25 years in regulatory and financial crime compliance dealing with regulators, industry bodies, correspondent banks and systems vendors. He is also the outgoing chairman of the compliance committee of the UAE Banks Federation, a founding member of the MENA Financial Crime Compliance Group and a member of the Global Coalition to Fight Financial Crime. Mr. Matafonov started his career with Coopers and Lybrand in Melbourne after graduating in Accounting and Economics at Deakin University.

***Vijay Bains, Group Head of ESG and Chief Sustainability Officer***

Vijay Bains is the Group Head of ESG and Chief Sustainability Officer for ENBD, where he leads the sustainability strategy and its implementation across the Group. He is responsible for the Sustainable and Transition Finance Strategy & Implementation, as well as overseeing the ESG programs for the Group. With 20 years of experience in sustainability within the banking sector, Vijay has previously worked with the European Bank of Reconstruction & Development, Lloyds Banking Group, and in consulting roles for KPMG UK in sustainable finance and ESG strategy. His expertise includes designing sustainable finance frameworks, conducting due diligence, and managing sustainability risk. Vijay is an active member of several prominent councils, including the UAE Banks Federation Sustainability Leadership Council, DIFC Sustainable Finance Council, ADGM Sustainable Finance Leadership Council, World Economic Forum of

Sustainability Leaders, and S&P Sustainability Leadership Council. Additionally, he is a Chartered Environmental Scientist and a Member of the Royal Geographical Society.

***Vinod Ramabhadran, Group Chief Credit Officer***

Mr. Ramabhadran is the chairman of Emirates NBD's Management Credit Committee, responsible for end-to-end credit underwriting. Additional responsibilities include the management of the credit portfolio of ENBD in line with ENBD's risk appetite. Mr. Ramabhadran has over 35 years of banking experience across diverse areas, including corporate relationship management, Group Audit, Group Treasury, corporate governance, and risk management. He spent much of his career at Standard Chartered Bank, Pakistan, holding leadership positions such as Regional Chief Credit Officer, Regional Chief Risk Officer, and Regional Chief Operating Officer for Africa and the Middle East. Before joining the Group, Mr. Ramabhadran served as Director of Standard Chartered Bank, Pakistan, and as Chairman of the Board of Directors of Global Business Services at Standard Chartered Bank Group, where he oversaw a team of approximately 40,000 employees. Mr. Ramabhadran holds a Master's degree in Law from King's College, London, and is a Chartered Accountant from the Institute of Chartered Accountants of India. Additionally, he is a Certified Financial Analyst from the Association for Investment Management and Research, USA, and a Certified Financial Risk Manager from the Global Association of Risk Professionals, USA.

***Miguel Rio-Tinto, Group Chief Digital and Information Officer***

Mr. Rio-Tinto leads ENBD's technology and digital initiatives, ensuring the bank remains at the forefront of digital innovation in the financial sector. With over 25 years of experience in digital transformation and innovation across various industries, Mr. Rio-Tinto has played a key role in ENBD's IT transformation, revolutionising its technology and infrastructure. His strategic vision has set industry benchmarks and established new records across the MENAT region. Before joining ENBD, Mr. Rio-Tinto led Digital McKinsey's Iberian office, advising major financial institutions in Europe and Latin America on large-scale digital transformations, IT strategy, operating models, architecture, cost efficiency, and cybersecurity. He previously served as Chief Operating Officer and Chief Information Officer at Novo Banco SA, one of Iberia's largest banks, and as Chief Information Officer at Banco Espírito Santo in Portugal. His executive experience also includes board roles at Portugal's Tranquilidade Insurance Group and advisory positions in digital and technology. Mr. Rio-Tinto holds a Master of Business Administration from the *Institut Européen d'Administration des Affaires*, France, and a Master of Science in Information Technology from Instituto Superior Técnico, Portugal.

***Ibrahim Sowaiden, Head of Group Corporate Affairs***

Mr. Sowaidan oversees the Group's communications, public relations campaigns, press office management, community sponsorships, corporate events, and financial announcements. His role involves close coordination with key internal decision-makers, high-level media, and other external stakeholders. Mr. Sowaidan has an extensive network of media professionals and senior decision-makers across both the private and public sectors. He is multilingual and possesses deep knowledge of both local and international cultures, enabling him to navigate diverse business environments effectively. Mr. Sowaidan has over 25 years of experience in financial services media, advertising, and public relations within the Arabian Gulf region. He holds a Bachelor of Arts in Economics from The American University of Beirut, Lebanon, and a Master's in Business Administration from the Bradford School of Management, UK.

The business address for each of ENBD's Senior Managers is c/o Emirates NBD Bank PJSC, Baniyas Road, Deira, P.O. Box 777, Dubai, UAE.

No Senior Manager has any actual or potential conflict of interest between his or her duties to ENBD and his or her private interests or other duties.

**Committees**

ENBD has established six Board committees and four management committees, which include the following:

### ***Board Executive Committee***

The Board Executive Committee ("BEC") acts for the Board on urgent matters arising between regular Board meetings in cases where it is not possible to convene a meeting of the Board. The BEC has the powers of the Board in relation to the supervision and oversight of the business and affairs of ENBD.

### ***Board Audit Committee***

The Board Audit Committee ("BAC") is responsible for ensuring quality control in respect of how ENBD's financial reporting and compliance processes are maintained. The BAC oversees and monitors all internal controls and systems in place for financial reporting and ensures legal and regulatory compliance on financial matters. The BAC is also responsible for framing policies on internal audit, overseeing the financial reporting process, providing oversight and interacting with ENBD's external and internal auditors. The members of the BAC comprise members of the Board, and meetings are attended by the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit and the Company Secretary. Other members of executive and senior management may attend by invitation. The committee meets quarterly.

### ***Board Credit and Investment Committee***

This committee meets regularly to review and approve the credit exposures and investment portfolio of ENBD. The committee supports the Board Executive Committee and the Board Risk Committee in actively managing credit and investment risk. It oversees the execution of ENBD's credit risk management and reviews the credit profile of material portfolios to ensure that the credit risk rating is aligned with the business strategy and risk appetite. The members of the committee comprise the Chairman of the Board and at least two other directors.

### ***Board Risk Committee***

The Board Risk Committee shapes the overall philosophy and approves all risk management frameworks of ENBD. The committee also supervises the establishment and operations of risk management systems and receives regular reviews on their effectiveness. In addition, it is responsible for ENBD's corporate and risk governance framework, which includes reviewing, approving and monitoring various Group risk management procedures, Group risk appetite and the overall risk profile. The committee also oversees ENBD's Basel III implementation. The committee convenes on a quarterly basis.

### ***Board Nomination and Remuneration and Environmental, Social and Governance Committee***

This committee reviews and guides management on strategic human resource decisions relating to executive succession planning, nationalisation strategy, management appointments and remuneration policies. The committee, which meets on a quarterly basis, ensures that human resource governance within the Group is implemented in a professional and ethical manner.

### ***Board Profit Equalisation Committee***

The Board Profit Equalisation Committee, formed in November 2022, is a committee of the Board from which it derives its authority and to which it regularly reports. The committee assembles on a quarterly basis and oversees the profit equalisation services, scrutinises their utilisation and makes appropriate recommendations to the Board.

### ***Group Executive Committee***

Chaired by the Group Chief Executive Officer, the Group Executive Committee ("Group EXCO") collectively monitors the performance of the Group and makes Group-level decisions within authority limits delegated by the Board. Such decisions involve the day to day running of the Group, its strategic growth and the implementation of any decisions by Board. The Group Chief Executive Officer regularly updates the Board on all material matters reviewed by the Group EXCO, including compliance with regulatory requirements. The Group EXCO comprises 12 members: the Group Chief Executive Officer; the Group Chief Financial Officer; the Group Chief Risk Officer; the Group Chief Operating Officer; the Group Chief Human Resource Officer; the Group Head of Retail Banking and Wealth Management; the Group Head of Wholesale Banking Corporate and Institutional Banking; the Group Head of International and Advisor to Group CEO for DenizBank, the Group Head of Strategy, Analytics and Venture Capital;

the Group Treasurer and Head of Global Markets; the Chief Executive Officer of Emirates Islamic; and the Chief Executive Office of DenizBank. The Group EXCO meets twice a month.

#### ***Assets and Liabilities Committee***

ENBD's ALCO is responsible for dealing with market risk exposures such as liquidity, interest rates, investment and economic capital management. ENBD's ALCO manages the structure and composition of ENBD's liquid assets, structural interest rates, exchange rate positions and maturity gaps, as well as its capital adequacy position. ENBD's ALCO comprises the Group Chief Executive Officer, the Group Chief Financial Officer, the Group Chief Risk Officer, the Head of Wholesale Banking, the Group Head of Retail Banking and Wealth Management, the Head of Global Markets and other senior executives. The Committee meets once a month in the normal course of business and more often if needed.

#### ***Management Credit Committee***

This committee meets twice a week and supports the BCIC in achieving the strategic objectives of ENBD. This includes assessing, approving and recommending renewal of existing credit and risk facilities, debt settlement, provisioning and write-offs, and amendments to pricing, grades and waivers in respect of credit facilities, within predetermined parameters as set out by the BCIC. The MCC also reviews exposures on common accounts between ENBD and Emirates Islamic, as necessary.

#### ***Management Investment Committee***

The Management Investment Committee is responsible for approving ENBD's investments and ensuring that an appropriate balance is achieved between risks and rewards. The Management Investment Committee manages ENBD's reputation risk by setting and enforcing investment guidelines. The Committee comprises members from GM&T, Risk and other senior management. The committee meets periodically, as and when required.

#### **Employees**

As at 31 December 2024, the Group employed 32,138 employees including 13,572 across its UAE-based businesses, 3,644 within its growing international operations and 14,922 at DenizBank based in Türkiye.

#### **Learning and Professional Development**

ENBD invests extensively in learning and professional development, underpinned by its commitment to continuous future skills building for its workforce in the context of a rapidly evolving banking sector. One of its largest investments is the "Get Future Ready" program, procuring the delivery of 11,000 data and analytics programs so employees can upskill into new digital roles or reskill in their current role. "Qada" is another upskilling program, designed to support branch-based employees in transitioning into emerging, high-growth data and digital roles. Additionally, over 10,000 online courses are offered through Emirates NBD Academy, in partnership with digital learning leaders like Udemy and Coursera. Academic partnerships are also in place with leading tertiary institutions like Oxford University, INSEAD, Hult, Yale and Duke.

ENBD has also launched a range of internal programs to drive continuous professional development. This includes a coaching and mentoring program introduced in 2021 and an increasingly popular career mobility initiative. This encourages ENBD employees to transition into new and different career paths across the Group, both within the UAE and across its growing global operations, especially in fast-expanding markets like Saudi Arabia and Egypt.

#### **Remuneration Policy**

ENBD provides a competitive total reward offering, underpinned by its "pay for performance" culture that recognises and rewards results, aligned with the bank's business strategy. Furthermore, ENBD offers an extensive range of competitive benefits such as UAE-leading maternity leave, paternity adoption and parental leave options, a flexible work policy to enable greater work-life balance, discounted banking products, complimentary bus services to and from ENBD's offices, and a range of leave options.

## Emiratisation

ENBD has a long-term Emiratisation strategy to maintain its status as a leading employer of choice for Emiratis across the UAE, focusing on four key pillars:

- partnering with government entities through programs like NAFIS to connect Emirati job seekers to roles in the short-term and more strategically in the long-term to build ENBD and the country's leadership capabilities;
- collaborating with leading UAE schools and universities to recognize and engage top banking talent early, and influencing tertiary curriculum so it closely aligns with the practical learning needs of the banking sector;
- providing entry-level opportunities for Emirati professionals including via Ruwad and Bedaya; ENBD's two popular graduate programs as well as through internship programs, especially emphasizing STEM students; and
- engaging experienced Emiratis through world-class professional development opportunities and accelerated career paths.

For the fourth key pillar, ENBD's UAE national community is offered prioritised access to the bank's comprehensive suite of learning programs in addition to exclusive ones including MBA sponsorship opportunities.

All of ENBD's Emiratisation efforts are led by ENBD's dedicated Emiratisation team that uniquely includes recruitment unit but also a separate retention and engagement team to drive UAE national employment satisfaction levels.

## Diversity, Inclusion and Wellness

ENBD has significantly increased its investment and efforts in respect of diversity and inclusion, recognizing the importance of this as a strategic business enabler and its importance in attracting high quality talent. ENBD has always boasted a diverse and multi-cultural workforce, currently employing people of 85 different nationalities. It is now focussing its efforts on extending its track-record of success with regards to female employment, especially at its critical management and leadership levels. Currently, 40 percent of ENBD's workforce is female, exceeding global industry averages. ENBD is also looking to increase the number of females at the leadership level.

Furthering its commitment to female leadership and empowerment, ENBD identified UN Sustainability Development Goal 5 ("UNSDG5") of "Gender Equality and Empowerment of Women and Girls" as an objective in its 2022 strategic sustainability plan and this was reiterated again in 2023. Also in 2023, ENBD signed the UAE Gender Balance Pledge with eight other UAE companies to accelerate the achievement of UNSDG5 while simultaneously launching its "Career Comeback Program". This initiative provides a supportive pathway back to full time employment for professional women in the UAE who have been out of the workforce for over two years.

Hiring people of determination is another significant focus for ENBD for the purpose of diversity and inclusion. As at 31 December 2024, over 55 people of determination worked across the Group on a full-time basis with a 100 percent retention rate. Ensuring they have a supportive environment to work in is critical, with 6,802 employees completing comprehensive training on disability etiquette and sign language.

To further drive employee wellness, engagement and retention, ENBD also launched its new Speak Up policy in 2023. It provides all employees with a transparent and anonymous way to report any type of bullying, discrimination and harassment, further ensuring ENBD lives its values and provides employees with a strong voice within the organization.

## Related Parties

ENBD enters into transactions with its major shareholders, directors, executive management and their related concerns in the ordinary course of its business and at commercial interest and commission rates. As at 31 December 2024, ENBD had made loans and receivables to related parties totalling AED 61.5 billion and had received customer and Islamic customer deposits from related parties totalling AED 10.3 billion.



## THE UNITED ARAB EMIRATES BANKING SECTOR AND REGULATIONS

### SUMMARY

As at 30 September 2024, there were a total of 50 commercial banks registered in the UAE (consisting of 23 locally incorporated commercial banks and 27 foreign commercial banks) (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024). As a result, the UAE could be, and has historically been, viewed as an over-banked market, even by regional standards and there has traditionally been little impetus for consolidation. However, the consummation of the merger of NBAD and FGB on 30 March 2017, which created First Abu Dhabi Bank, stimulated further movement towards greater consolidation amongst locally incorporated banks, observed in the Combination in 2019 and the acquisition of Noor Bank P.J.S.C by Dubai Islamic Bank in 2020.

Within the UAE as a whole, the financial sector was estimated to have contributed approximately 7.25 per cent. of real GDP in 2021 (*source*: FCSC National Account information for 2020-2021).

As a banking regulator, the UAE Central Bank, established in 1980, has grown in stature over the years and is the governing body that regulates and supervises all banks operating in the UAE. The UAE Central Bank monitors banks through its Banking Supervision and Examination Department. It conducts reviews of banks periodically based on the risk profile of each bank. It also reviews all of the returns submitted by banks to the UAE Central Bank.

Historically, the UAE Central Bank does not act as a "lender of last resort". Instead, this role tends to fall on the individual Emirs of each Emirate. However, the UAE Central Bank's marginal lending facility ("**Marginal Lending Facility**") allows non-Islamic UAE banks to use certain tradeable assets and/or foreign exchange as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management (see "*Recent Trends in Banking – Liquidity*" below).

### CHARACTERISTICS OF THE BANKING SYSTEM

#### Historic Lack of Consolidation

The UAE may be, and has historically been, seen as being over-banked with 50 commercial banks registered in the UAE as at 30 September 2024 (consisting of 23 locally incorporated commercial banks and 27 foreign commercial banks) and 11 wholesale banks licensed to operate in the UAE (*source*: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024), serving a population estimated to be in the region of approximately 9.7 million people at the end of 2023 (*source*: OPEC Annual Statistical Bulletin 2024). Traditionally, there has been little impetus for consolidation, with the federal structure of the UAE encouraging, to some extent, the fragmented nature of the banking sector, with the individual Emirates wishing to retain their own national banks. Rivalries between large local business families and a desire not to dilute shareholdings have also historically hampered the process of consolidation. As a result, during the period between the October 2007 merger of Emirates Bank International P.J.S.C. and National Bank of Dubai P.J.S.C. which created ENBD and 2017 there was limited merger activity domestically in the sector. However, following the merger of NBAD and FGB, consummated on 30 March 2017, the Combination, which became effective on 1 May 2019, and the acquisition of Noor Bank P.J.S.C by Dubai Islamic Bank in January 2020, commentators have suggested that the UAE may see more consolidation of the banking sector in order to improve profitability and reduce inefficiencies.

While the anticipated attempts at consolidation would further reduce the level of concentration in the domestic banking sector, they would also likely lead to a significant alteration of the competitive environment with fewer, larger locally incorporated banks competing for the larger financing transactions in the region with the foreign banks, which have tended to have comparatively larger franchises, with greater infrastructure and resources with which to absorb capital costs, such as information technology system development.

#### Domestic Focus

The UAE-incorporated banks are predominantly focused on the domestic market but a number have small operations overseas and are showing growing interest in cross-border business, a trend which is likely to continue in the event of further merger activity in the sector.

With a large number of banks competing for a limited number of wholesale lending opportunities, most banks historically turned to retail banking, a previously untapped market. However, increasing competition in this area has gradually eroded margins and encouraged a relaxation of lending criteria.

Expansion of retail operations has also required heavy investment in distribution channels, particularly ATM networks, kiosks and telephone and internet banking services. As a consequence, information technology costs have been a prominent feature of many UAE banks' expenses in addition to employee costs.

### **Limited Foreign Ownership**

In 1987, the UAE federal government placed a freeze on new foreign banks opening operations in the UAE. At the same time, existing foreign banks were limited to a maximum of eight branches, which restricted their ability to develop any retail potential.

As a result, international banks have largely established their presence in the UAE banking market through the DIFC (established in 2002) and the ADGM (established in 2013). UAE banks are subject to a requirement that a certain percentage of its shareholding must be held by UAE nationals, limiting foreign ownership of domestic banks. In 2018, Federal Law No. 14 of 2018 (which entered into force with effect from 23 September 2018) (the "**2018 Federal Law**") increased the minimum permissible shareholding by UAE nationals in UAE banks to 60 per cent.

### **Exposure to the Oil Sector**

With much of the economy directly or indirectly dependent on the oil sector, UAE banks are potentially vulnerable to business erosion during extended periods of low oil prices. In particular, oil revenues tend to drive levels of liquidity and government infrastructure investment. Gradually, however, private non-oil sectors are gaining ground and the UAE economy is becoming less susceptible to oil price movements. The mining and quarrying sector, which includes crude oil and natural gas, accounted for approximately 30.3 per cent. of the UAE's nominal GDP in 2022.

### **Islamic Banking**

*Shari'a* (Islamic) law forbids the charging of interest on any financial transaction. A number of banks have developed in the Islamic world to serve customers who wish to observe this principle. These institutions offer a range of products which, whilst broadly corresponding with conventional banking transactions, are structured in a way which avoids the application of interest. The UAE is home to numerous institutions offering Islamic banking and financial products. Such institutions include: Dubai Islamic Bank PJSC, Abu Dhabi Islamic Bank PJSC, Emirates Islamic Bank PJSC, Ajman Bank, Sharjah Islamic Bank PJSC, Dubai Islamic Insurance & Reinsurance Company (AMAN), Islamic Arab Insurance Co. (PSC) (Salama), Al Hilal Bank PJSC, Tamweel and Amlak Finance. In addition, conventional financial institutions often offer *Shari'a*-compliant products. In addition, the majority of local and international conventional financial institutions that operate in the UAE also offer *Shari'a*-compliant products through their Islamic windows. The number of Islamic banks continues to increase, with both new entrants to the market and existing conventional banks recasting themselves as Islamic banks.

### **Legal Environment**

There are three primary sources of law in the UAE: (i) federal laws and decrees; (ii) local laws; and (iii) *Shari'a* (Islamic) law. In addition, Emiri decrees can be issued by the Rulers of each of the Emirates which, when issued, have full legal effect and operation in such Emirate. The secondary form of law is trade custom or practice. In the absence of federal legislation on areas specifically reserved to federal authority, the Ruler of a given Emirate or local government will apply his or its own rules, regulations and practices.

### **Supervision of Banks**

The main piece of legislation applicable to the banking system is the 2018 Federal Law which repeals Federal Law No. 10 of 1980 concerning the status of the UAE Central Bank. The UAE Central Bank's primary roles are to formulate and implement banking, credit, monetary and fiscal policy and to be responsible for ensuring price and currency stability with free convertibility to foreign currencies. It is also the "bank for banks" within the UAE, although it is not the "lender of last resort". In the event of a bank experiencing financial difficulties or a solvency crisis, rescue funds – such as long-term liquidity or equity

support – have historically come from the Emirate in which the institution is based. However, in the event of a run on the currency or a major banking crisis, it is likely that the UAE federal government would ultimately stand as de facto defender of the currency and the "lender of last resort".

The 2018 Federal Law grants the UAE Central Bank powers to:

- draw up and implement monetary policy;
- exercise currency issuance;
- organise licensed financial activities, establish the foundations for carrying them on, and determine the standards required for developing and promoting prudential practices in accordance with the provisions of the 2018 Federal Law and international standards;
- set up appropriate regulations and standards for protection of customers of licensed financial institutions;
- monitor the credit condition in the UAE, in order to contribute to the achievement of balanced growth in the national economy;
- manage foreign reserves to maintain, at all times, sufficient foreign currency assets to cover the monetary base as per the provisions of the 2018 Federal Law; and
- regulate, develop, oversee and maintain soundness of the financial infrastructure systems in the UAE, including electronic payment systems, digital currency and stored value facilities.

Historically, income from overseas investments has been used to fund fiscal deficits, obviating the need for the UAE Central Bank to issue UAE federal government debt. However, the UAE Central Bank does issue Monetary Bills ("M-Bills") to UAE banks via auction, denominated in UAE dirhams, in order to absorb excess liquidity rather than to meet a specific funding need. The M-Bills programme was launched in January 2021 to replace UAE Central Bank Certificates of Deposit. The secondary market in M-Bills is currently developing but they can be used as collateral for UAE dirham funding from the UAE Central Bank at any time.

The UAE dirham is linked to the IMF's Special Drawing Right. However, the U.S. dollar is the intervention currency and, in practice, the UAE dirham is pegged to the U.S. dollar. This pegged exchange rate has been in place since the 1980s and has proved to be resilient both to political tensions in the region and to fluctuations in oil prices. However, see *"Risk Factors – Risks relating to ENBD's business which may affect ENBD's ability to fulfil its obligations in respect of the Capital Securities – Risks relating to the UAE and the MENAT region – Any alteration to, or abolition of, the foreign exchange "peg" of the UAE dirham or other regional currencies at a fixed exchange rate to the U.S. dollar will expose ENBD to U.S. dollar foreign exchange movements against the UAE dirham or other such currencies"*.

The UAE Central Bank is also responsible for regulating financial institutions in relation to AML controls and enforcing Federal Law No. 20 of 2018 regarding the procedures for Anti-Money Laundering and Combating the Financing of Terrorism and Illicit Organisations. Pursuant to this, the UAE has established the National Committee to Counter Money Laundering, Combating the Financing of Terrorism and Financing of Illegal Organisations which is responsible for co-ordinating policy and systems on anti-money laundering and the combating of terrorism financing and assessing the effectiveness of such policies and systems and the representation of the UAE in international forums on these matters. Federal Law No. 20 of 2018 also recommends the establishment of an independent "Financial Information Unit" within the UAE Central Bank to receive and investigate reports submitted by financial institutions and corporate entities regarding suspected illicit financial activity. In June 2022, the Financial Action Task Force, a global monitor for AML and counter-terrorism financing regulation, identified the UAE as a "jurisdiction under increased monitoring", commonly referred to as the "grey list", however the UAE was removed from the grey list on 23 February 2024, following improvements to its anti-money laundering and counterterrorist financing regulatory framework.

Although the UAE Central Bank is responsible for regulating all banks, exchange houses, investment companies and other financial institutions in the UAE, the Dubai Financial Services Authority regulates all banking and financial services activities in the DIFC, while the ADGM Financial Services Regulatory

Authority regulates activity in the financial services sector in the ADGM. The UAE Central Bank has also been growing in stature as a banking supervisor. However, it is hampered in its role by the level of legal autonomy afforded to the individual Emirates, which at times makes it difficult to enforce directives uniformly across the banking sector.

## **Capital Markets**

The capital markets in the UAE are regulated by a number of entities, including the UAE Securities and Commodities Authority (the "SCA"), which licenses intermediaries to trade on the Dubai Financial Market and the ADX. The SCA is a federal government organisation but has financial, legal and administrative independence. The other significant stock exchange in the UAE is Nasdaq Dubai which commenced operations in September 2005 and, as an entity based in the DIFC, is separately regulated.

### ***Dubai Financial Market***

The Dubai Financial Market, which is now, along with Nasdaq Dubai, owned by Borse Dubai Limited, was established by the Government of Dubai in 2000 as an independent entity and operates as a market for the listing and trading of shares, bonds and investment units issued by companies, investment funds and other local or foreign financial institutions that conform to its listing requirements.

The Dubai Financial Market was upgraded to the MSCI Emerging Markets Index with effect from 1 June 2014 which has led to an increase in interest and investment from international institutional investors in Dubai.

### ***Nasdaq Dubai***

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, Dubai Financial Market announced that it had made an offer to Borse Dubai Limited and the Nasdaq OMX Group to acquire Nasdaq Dubai. The offer was valued at U.S.\$121 million and comprised U.S.\$102 million in cash and 40 million Dubai Financial Market shares. The merger was approved by Borse Dubai Limited and the Nasdaq OMX Group and was completed on 11 July 2010.

Nasdaq Dubai's standards are comparable to those of leading international exchanges in New York, London and Hong Kong. Nasdaq Dubai allows regional and international issuer's access to regional and international investors through primary or dual listings. Investors can access Nasdaq Dubai through a unique mix of regional and international brokers.

### ***Abu Dhabi Securities Exchange***

The ADX was established in November 2000 as an independent entity and operates as a market for trading securities, including shares issued by public joint stock companies, bonds or sukuku issued by governments or corporations, exchange traded funds, and any other financial instruments approved by the SCA.

ADX is classified as an 'Emerging Market' by each of MSCI index (Morgan Stanley Capital International), S&P Dow Jones, FTSE, S&P and Russell Investments. ADX has the authority to establish centres and branches outside the emirate of Abu Dhabi. To date it has done so in the emirates of Fujairah, Ras al Khaimah and Sharjah.

## **Government Involvement**

There is a high degree of state involvement in the UAE banking sector. Most of the larger banks have some degree of government ownership. Privatisation, though advocated in principle, has been slow to manifest in practice. The state and its related entities are together the banking sector's largest customers, in terms of both deposits and project financing.

## **Expatriate Workforce**

An unusual feature of the UAE economy is its reliance on overseas labour, with expatriates making up approximately 83.3 per cent. of the workforce (*source*: FCSC Labour Force Survey 2019). The banking sector is no exception to this and expatriates are employed in the senior management of most of the major banks. This has brought expertise from more developed markets to the sector. However, the high level of

expatriates in the UAE has been an increasing concern for the UAE federal government and as part of a policy of "Emiratisation", banks were instructed, in 1999, to increase the percentage of UAE nationals on their payroll by at least 4 per cent. per annum. This policy has now been replaced by the Emiratisation Circular, which has introduced a scoring system which takes into account the employment and progression of Emirati employees in the organisation. The minimum threshold for Emirati employees for each institution is dependent on a number of factors. The Emiratisation Circular does not set any upper limit at which the policy would no longer be applicable. If UAE banks are not able to achieve their targets for recruiting and progressing UAE nationals through their organisation, they will be subject to penalties to be computed in accordance with a specific formula set out in the Emiratisation Circular.

### **Accounting Standards**

Since 1 January 1999, all UAE banks have been required to prepare their financial statements in accordance with IFRS Accounting Standards (formerly International Accounting Standards (IAS)).

### **Structure of the Banking System**

Banking institutions in the UAE fall into a number of categories. Domestic commercial banks, also known as "national" banks, of which there were 23 as at 30 September 2024 (*source: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024*). Licensed foreign banks, of which there were 38 as at 31 December 2024 (comprising 27 commercial banks and 11 wholesale banks) (*source: UAE Central Bank Monetary Banking & Financial Markets Developments Report Q3 2024*), need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. "Financial institutions" (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities, but which are not permitted to accept funds by way of deposits) and financial and monetary intermediaries (money and stockbrokers) may also be licensed to operate within the UAE.

## **RECENT TRENDS IN BANKING**

### **Profitability**

The performance of the UAE economy is influenced by oil prices, which directly affect fiscal revenues and hence determine the level of investment in government projects (both federal and within each Emirate) in the country. The high oil prices and strong economic conditions experienced in the UAE between 2004 and 2008 allowed UAE banks to expand significantly.

In addition to strong oil revenues, the UAE has seen an inflow of funds from expatriates supporting domestic demand after the COVID-19 pandemic and UAE banks have benefited from rising interest rates. The average net interest margin of the banking sector in the UAE is estimated to have increased 50 basis points to 3.3 per cent. in the first half of 2023 compared to 2.8 per cent. in 2022 (*source: Fitch non-rating action commentary in respect of the UAE Banks – Peer Review 2024, 5 February 2024*).

### **Liquidity**

The UAE Central Bank closely monitors the level of liquidity in the banking system. It also requires that banks have in place adequate systems and controls to manage their liquidity positions, as well as contingency funding plans to cope with periods of liquidity stress. Banks must also adhere to a maximum loan-to-deposit ratio of 100 per cent. set by the UAE Central Bank. In this context, loans comprise loans, advances and Islamic financing to customers and interbank assets maturing after three months. UAE banks are mostly funded through on demand or time-based customer deposits made by private individuals or private sector companies.

As at 30 September 2024, according to data made available by the UAE Central Bank:

- demand and time deposits constituted approximately 85.9 per cent. of total resident and non-resident deposits of national banks (excluding government deposits, commercial prepayments and borrowings under repurchase agreements);
- resident corporate and individual deposits constituted approximately 64.3 per cent. of total deposits of national banks (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements);

- resident government deposits (including GRE deposits) and non-banking financial institutions constituted approximately 28.8 per cent. of total deposits of national banks (excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements); and
- non-resident sources constituted approximately 6.9 per cent. of total deposits of national banks with approximately 50.2 per cent. of such non-resident deposits being from corporate non-residents (in each case, excluding inter-bank deposits and bank drafts but including commercial prepayments and borrowings under repurchase agreements),

(source: UAE Central Bank Statistical Bulletin October 2024).

Since September 2008, the UAE Central Bank has made available an AED 50.0 billion liquidity facility which banks could draw upon subject to posting eligible debt securities as collateral. The liquidity facility was available only for the purpose of funding existing commitments. New lending was required to be based on growth in the customer deposit base. The UAE Central Bank also established a CD repo facility under which banks can use CDs as collateral for dirham or U.S. dollar funding from the UAE Central Bank.

In line with Basel III requirements, the UAE Central Bank has issued the AE Central Bank Notice No. 33/2015 on liquidity requirements (which was issued by the UAE Central Bank on 27 May 2015 and which entered into force on 1 July 2015) (the "**Liquidity Notice**") and which includes a set of qualitative and quantitative liquidity requirements for UAE banks. The qualitative requirements set out in the Liquidity Notice elaborate on the responsibilities of a UAE bank's board of directors and senior management as well as the overall liquidity risk framework. The new regulations are intended to ensure that liquidity risks are managed at banks operating in the UAE and are in line with the Basel Committee's recommendations and international best practices. These requirements include the following:

*Responsibilities of the board of directors:*

- to bear ultimate responsibility for liquidity risk management within the relevant UAE bank;
- to be familiar with liquidity risk management with at least one board member having a detailed understanding of liquidity risk management; and
- to enable the clear articulation of liquidity risk tolerance in line with the relevant UAE bank's objectives, strategy and risk appetite.

*Responsibilities of senior management:*

- to develop strategies, policies and practices to manage liquidity risk in accordance with the liquidity risk tolerance set by the board of directors;
- to review the UAE bank's strategy and to report to the board of directors on regulatory compliance on a regular basis; and
- to manage liquidity risk in a prudent manner using all available liquidity risk management tools.

*Liquidity risk framework:*

The Liquidity Notice requires each UAE bank to have a robust liquidity risk framework which comprises the following elements:

- sound processes and systems to identify, measure, monitor and control liquidity risk in a timely and accurate manner;
- a robust liquidity risk management framework (which must be shared with the UAE Central Bank upon request) with limits, warning indicators, communication and escalation procedures;
- regular internal stress testing of the portfolio for a variety of scenarios (both institution-specific and market-wide); with the results being communicated to the board of directors and the UAE Central Bank on request;

- incorporation of liquidity costs, benefits and risks into product pricing and approval processes;
- establishment of a forward-looking funding strategy with effective diversification of funding sources and tenors;
- setting of formal contingency funding plans which clearly set out strategies for addressing liquidity shortfalls in emergency situations (and which must be shared with the UAE Central Bank upon request);
- establishment of an adequate cushion of unencumbered, highly liquid assets as insurance against a range of liquidity stress scenarios; and
- a transfer pricing framework (which is commensurate with the bank's liquidity risk tolerance and complexity) developed to reflect the actual cost of funding.

The quantitative requirements set out in the Liquidity Notice are intended to ensure that each UAE bank holds a minimum level of liquid assets which allow it to sustain a short-term liquidity stress (in circumstances both specific to that bank and market wide) as per the below.

	Ratio	Applicability Period
Basel III ratios:	LCR (LCR > = 100%)	1 January 2019 onwards
	NSFR (NSFR > = 100%)	1 January 2018 onwards

The LCR represents a 30-day stress scenario with combined assumptions covering both bank specific and market wide stresses. These assumptions are applied to contractual data representing the main liquidity risk drivers at banks to determine cash outflows within the 30-day stress scenario. The LCR requires that UAE banks should always be able to cover the net cash outflow with HQLAs at the minimum LCR determined by the UAE Central Bank. The Basel III accord requires that this minimum be 100 per cent. The Liquidity Notice describes in detail eligible HQLAs for this purpose. See *"Risk Factors – Risks relating to ENBD's business which may affect ENBD's ability to fulfil its obligations in respect of the Capital Securities – Risks arising from ENBD's business activities – Liquidity risks"* and *"Description of the Issuer – Risk Management – Liquidity Risk"* for more information.

NSFR is a structural ratio that aims to ensure that banks have adequate stable funding to fund the assets on their balance sheets. It also requires an amount of stable funding to cover a portion of the relevant UAE banks contingent liabilities. The NSFR in the UAE mirrors the Basel III standards. The NSFR identifies the key uses of funds and the several types of funding sources used by the UAE banks. It assigns available stable funding ("ASF") factors to the sources of funds and required stable funding ("RSF") (usage) factors to asset classes and off-balance sheet contingent exposures. The assigned ASF factor depends on the terms of funding and the perceived stability of the funding sources. The assigned RSF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III standards. The NSFR minimum is 100 per cent.

### Standing Credit & Liquidity Insurance Facilities

On 15 April 2014, the UAE Central Bank introduced an Interim Marginal Lending Facility which allowed non-Islamic UAE banks to use certain assets as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management during times of market stress.

On 1 March 2022, this was replaced with the MLF and Contingent Liquidity Insurance Facility (together referred to as the **"Standing Credit & Liquidity Insurance Facilities"**). The MLF performs the same function as the former Interim Marginal Lending Facility, whereas the Contingent Liquidity Insurance Facility allows access to UAE Central Bank term liquidity at the discretion of the UAE Central Bank.

The UAE Central Bank accepts a range of tradeable securities and foreign exchange as eligible collateral for the purposes of accessing the Standing Credit & Liquidity Insurance Facilities, including securities issued by sovereigns (originating in the UAE and outside the UAE) and securities issued by corporates, financial institutions or supranational, municipal, or public sector issuers. In order to be eligible, collateral must meet minimum credit rating requirements specified in the terms and conditions of the Standing Credit & Liquidity Insurance Facilities. Banks accessing the Standing Credit & Liquidity Insurance Facilities must borrow a minimum of AED 10 million.

## Position of Depositors

As at the date of this Prospectus, no bank in the UAE has been permitted to fail. However, there is no formal deposit protection scheme in the UAE.

## Prudential Regulations

The UAE Central Bank has supervisory responsibility for banking institutions in the UAE. Supervision is carried out through on-site inspections and review of periodic submissions from the banks. The frequency of inspection depends on the perceived risk of the bank, but inspections are carried out in all banks at least once every 18 months. Prudential returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they contain. An improved risk management framework has been implemented, aimed at providing the UAE Central Bank with more up to date information on credit, market and operational risks within the banking sector.

## Capital Adequacy

All banks are required to follow the principles of the Basel accord in calculating their capital adequacy ratios. Basel II was introduced effective 17 November 2009 by way of UAE Central Bank Circular Number 27/2009. Since 1993, the UAE Central Bank had imposed a 10 per cent. minimum total capital ratio on all UAE banks. In a circular dated 30 August 2009, the UAE Central Bank announced amendments to its capital adequacy requirements, such that UAE banks were required to have a total capital adequacy ratio of at least 11 per cent., with a Tier 1 ratio of not less than 7 per cent., by 30 September 2009. Furthermore, the UAE Central Bank required banks operating in the UAE to increase their Tier 1 capital adequacy ratio to at least 8 per cent., with a minimum total capital adequacy ratio of at least 12 per cent., by 30 June 2010. Thereafter, through its circular dated 17 November 2009 introducing Basel II, the UAE Central Bank stated that it was expected that the main banks in the UAE would move to the Foundation Internal Rating Based approach under Basel II in due course. Through this circular, the UAE Central Bank reiterated that all banks operating in the UAE were required to maintain a minimum capital adequacy ratio of 11 per cent. at all times, increasing to 12 per cent. by 30 June 2010 and also laid out its expectations in relation to Pillar II and Pillar III of the Basel II framework. Profits for the current period, goodwill, other intangibles, unrealised gains on investments and any shortfall in loan loss provisions were deducted from regulatory capital.

As at 31 December 2024, pursuant to the February 2017 Regulations and the Accompanying Standards (as defined below), ENBD was required by the UAE Central Bank to maintain a minimum total capital adequacy ratio of 14.57 per cent. ENBD has been designated as a D-SIB, therefore, included in this prescribed minimum total capital adequacy ratio, is the requirement to maintain a Common Equity Tier 1 D-SIB buffer of 1.5 per cent. In addition, ENBD is required to include a counter cyclical buffer ("CCyB") in its minimum capital adequacy ratio. The CCyB is based on the geographic composition of a bank's portfolio of relevant credit exposures and is assessed by each bank every quarter. As at 31 December 2024, the CCyB for ADCB was 0.07 per cent., resulting in a minimum capital adequacy ratio of 14.57 per cent. for the Group.

Whilst the calculation of capital adequacy ratios in the UAE follows the Bank of International Settlements guidelines, claims on or guaranteed by GCC central governments and central banks denominated in their respective domestic currencies are risk-weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 50 per cent. Under the 2018 Federal Law, the UAE Central Bank may determine reserve requirements for UAE banks. All dividends paid by UAE banks have to be authorised in advance by the UAE Central Bank.

The Basel Committee has put forward a number of fundamental reforms to the regulatory capital framework for internationally active banks. On 16 December 2010 and on 13 January 2011, the Basel Committee issued the Basel III Reforms, constituting guidance on the eligibility criteria for Tier 1 and Tier 2 capital instruments as part of a package of new capital and liquidity requirements intended to reinforce capital standards and to establish minimum liquidity standards for credit institutions. The implementation of the Basel III reforms began on 1 January 2013. However, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. The Basel Committee's press release dated 13 January 2011 entitled "Minimum requirements to ensure loss absorbency at the point of non-viability" (the "**January 2011 Press Release**") included an additional Basel III requirement (the "**Non-Viability Requirement**") that requires contractual or legislative terms providing for, at the option of the relevant authority, the writing-off of the principal amount of Tier 1 and Tier 2 capital instruments or the conversion



of such Tier 1 and Tier 2 capital instruments into ordinary shares upon the occurrence of the earlier of: (a) a decision that a write-off, without which the relevant bank would become non-viable, is necessary; and (b) the decision to make a public sector injection of capital, without which the relevant bank would become non-viable, in each case as determined by the relevant authority.

The January 2011 Press Release states that instruments issued after 1 January 2013 must meet the Non-Viability Requirement in order to be recognised as Tier 1 or Tier 2 instruments for regulatory capital purposes. The recognition of instruments issued before 1 January 2013 which do not meet these requirements will be phased out from 1 January 2013.

The Basel III Regulations and the Accompanying Standards (as defined below) confirm that the Non-Viability Requirement is a pre-requisite for any capital instruments issued by UAE banks to achieve Regulatory Capital (as defined below) classification from the UAE Central Bank. The Non-Viability Requirement must be provided for contractually in the absence of a statutory loss absorption framework in the UAE as at the date of this Prospectus.

In May 2016, the UAE Central Bank published a draft consultation document entitled "Capital Adequacy Regulation" (the "**Consultation Document**"), detailing the Basel III requirements expected to be followed by banks operating in the UAE, once the applicable legislation has been implemented in the UAE. In particular, the Consultation Document outlines the general quantitative requirements expected to be followed by UAE banks, with regards to Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital (together, "**Regulatory Capital**"). It also outlines, amongst other things, the Regulatory Capital ratios that UAE banks will be expected to follow and adhere to, the individual UAE bank minimum capital conservation standards and the required disclosure standards expected to be made available by UAE banks with respect to Regulatory Capital.

On 23 February 2017, UAE Central Bank published the "Regulations re Capital Adequacy" (the "**Basel III Regulations**") in the Official Gazette issue 612, which were effective from 1 February 2017. The February 2017 Regulations are intended to ensure that the capital adequacy of all banks operating in the UAE is in line with the Basel III requirements, whilst implementing the measures contained in the Consultation Document. The Basel III Regulations are supported by the accompanying standards entitled "Standards for Capital Adequacy of Banks in the UAE" which were published by the UAE Central Bank on 12 November 2020 by virtue of Notice No. CBUAE/BSN/2020/4980 and most recently updated on 1 December 2022 (the "**Accompanying Standards**"). The Accompanying Standards elaborate on the supervisory expectations of the UAE Central Bank with respect to the relevant Basel III capital adequacy requirements. Banks which are classified as DSIBs by the UAE Central Bank will be required to hold additional capital buffers as notified to it by the UAE Central Bank. In addition, a bank may also be subject to additional capital add-on requirements following a supervisory review and evaluation process of the UAE Central Bank (see "*Risk Factors – Risks relating to ENBD's business which may affect ENBD's ability to fulfil its obligations in respect of the Capital Securities – Risks relating to the UAE and the MENAT region – Impact of regulatory changes in the UAE*").

## **Reserve Requirements**

Reserve requirements are used by the UAE Central Bank as a means of prudential supervision and to control credit expansion. The reserve requirements are 1 per cent. for term deposits and 14 per cent. for all other customer balances.

## **Credit Controls**

Banks are required by the UAE Central Bank to establish credit policies and procedures commensurate with their size and activities. They must also have a proper credit assessment and approval process and adequate controls in place to monitor credit concentrations to, among others, individual borrowers, economic sectors and foreign countries.

The UAE Central Bank circular dated 23 February 2011 on retail banking and Notice No. 31/2013 dated 28 October 2013 (which was published in the Official Gazette on 28 November 2013 and entered into force on 28 December 2013), as amended by Notice No. CBUAE/BSN/2020/1799 dated 8 April 2020 and Resolution No. 31/2/2020 Amending Circular No. 31/2013 (the "**Mortgage Regulations**"), introduced regulations regarding bank loans and other services offered to individual customers. These regulations, among other things, impose maximum loan/income and loan to value ratios for retail products.

## Large Exposures

The UAE Central Bank defines large exposures as any funded or unfunded exposures (less provisions, cash collaterals and deposits under lien) to a single borrower or group of related borrowers exceeding prescribed limits.

On 22 May 2023, the UAE Central Bank published Circular No. 01/2023 on large exposures (the "**Large Exposures Regulation**") superseding the large exposure circular No. 32/2013. The Large Exposures Regulations list down the large exposure limit for diverse types of counterparties. Violation of any provision of the Large Exposures Regulations shall be subject to supervisory action, administrative and financial sanctions, as deemed appropriate by the UAE Central Bank. Set out below is a table showing a summary of the limits introduced by the Large Exposures Regulations (defined as a percentage of the Issuer's Tier 1 capital base calculated under Basel II):

	Cap as percentage of Tier 1 capital base	
	Aggregate percentage	Individual percentage
UAE federal government and their non-commercial public sector entities treated as sovereign.....	Not applicable	Not applicable
Foreign Sovereign rated AA- or above.....	Not applicable	Not applicable
		No cap for UAE local governments; 25% for each non-commercial entity
UAE local governments and their non-commercial entities .....	150%	
Commercial entities of UAE federal government and UAE local governments (excluding standalone government related entities below) .....	100%	25%
Self-Sustainable commercial entities of UAE federal and local governments .....	Not applicable	25%
A single borrower or a group of related borrowers .....	Not applicable	25%
Shareholders who own 5 per cent. or more of ADCB's capital and their related entities .....	50%	20%
Global systemically important bank (" <b>G-SIB</b> ") exposure to another G-SIB .....	Not applicable	15%
UAE incorporated bank's exposure to its foreign branches .....	30%	Not applicable
Bank's non-bank subsidiaries and affiliates.....	25%	10%
Board members .....	25%	5%
Bank's external auditors .....	Prohibited	Prohibited

## Provisions for Loan Losses

For UAE banks, IFRS 9 was introduced for financial reporting periods commencing on 1 January 2018, replacing IAS 39 and introducing an ECL model for the measurement of the impairment of financial assets, such that it is no longer necessary for a credit event to have occurred before a credit loss is recognised. The guiding principle of the ECL model is to reflect the general pattern of deterioration or improvement in the credit quality of financial instruments. IFRS 9 provision uses a three stage approach in recognising increased credit risk at each stage of risk (i.e., Stage 1 for current facilities, Stage 2 for significant increase in credit risk and Stage 3 for impaired loans).

Banks in the UAE generally do not write off non-performing loans from their books until all legal avenues of recovery have been exhausted. This factor tends to inflate the level of impaired loans and advances to customers and/or financings carried on the balance sheets of UAE banks when compared to banks operating in other economies.

As noted in "*The United Arab Emirates Banking Sector and Regulations – COVID-19*" and as part of the UAE Central Bank's stimulus package in response to COVID-19, banks are able to apply a prudential filter to IFRS 9 expected loss provisions. The prudential filter will allow any increase in IFRS 9 provisioning compared to 31 December 2019 to be partially added back to regulatory capital. This will allow IFRS 9 provisions to be gradually phased-in over a five-year period until 31 December 2024.

## UAE Model Standards and Guidelines

On 23 December 2022, the UAE Central Bank published the Model Standards and Guidelines which contain mandatory modelling practices to be implemented by banks operating in the UAE. The Model Standards and Guidelines aim to improve the quality of models used, increase model homogeneity across the UAE and mitigate model risk. All UAE banks were required to submit a gap assessment of their current model management practices against the standard and the guidance in the Model Standards and Guidelines,

together with a remediation plan, to the UAE Central Bank by 21 June 2023. The introduction of the Model Standards and Guidelines demonstrates a notable increase in the emphasis placed by the UAE Central Bank on ensuring the accuracy and reliability of models used by banks.

#### **Al Etihad Credit Bureau**

Al Etihad Credit Bureau ("**AECB**") is a public joint stock company wholly owned by the UAE federal government. As per UAE Federal law No. (6) of 2010 concerning credit information and amendments, the AECB is mandated to regularly collect credit information from financial and non-financial institutions in the UAE. The AECB aggregates and analyses this data to calculate credit scores and produce credit reports. The Issuer has entered into a data and credit information supply agreement with the AECB. The availability of credit reports reduces the risk involved in the origination of customer lending and banking business generally.

#### ***Shari'a Compliance***

UAE law requires financial institutions licensed by the UAE Central Bank to operate their Islamic banking business activities in compliance with the rules, standards and general principles established by the Higher *Shari'a* Authority and, in certain circumstances, requires such financial institutions to obtain the consent of the Higher *Shari'a* Authority before undertaking certain licensed financial activities.

#### **Corporate Governance**

In addition, banks in the UAE are subject to the Corporate Governance Regulations and the Corporate Governance Standards which were issued by the UAE Central Bank in 2019 with a view to ensuring banks have a comprehensive approach to corporate governance.

## TAXATION

*The following is a general description of certain tax considerations relating to the Capital Securities. It does not purport to be a complete analysis of all tax considerations relating to the Capital Securities and does not constitute legal or tax advice. Prospective purchasers of Capital Securities should consult their tax advisers as to the consequences under the tax laws of the countries of their respective citizenship, residence or domicile of acquiring, holding and disposing of Capital Securities and receiving payments under the Capital Securities. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.*

### Dubai and the UAE

*The following is a general summary of the current tax law and practice in Dubai and the UAE (to the extent applicable in Dubai) ("**Dubai Law**") and does not constitute legal or tax advice. Prospective investors in the Capital Securities are advised to consult their own tax advisers with respect to the tax consequences under the tax laws of the country in which they are resident, of the purchase, ownership or disposition of the Capital Securities or any interest therein.*

There are currently no withholding taxes required to be levied under UAE, Abu Dhabi or Dubai law in respect of payments on debt securities (including in relation to the Capital Securities). In the event of the imposition of any withholding, the Issuer has undertaken to gross-up any payments of interest subject to certain limitations, as described in Condition 12 (*Taxation*).

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to revise taxes on a federal basis for the purposes of funding its budget. It is not known whether this right will be exercised in the future. See further "*Risk Factors – Risks relating to the UAE and the MENAT region – Tax changes in the UAE may have an adverse effect on ENBD*".

### Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "**foreign financial institution**" (as defined by FATCA) may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the UAE) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Capital Securities, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Capital Securities, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Capital Securities, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Capital Securities characterized as debt (or which are not otherwise characterized as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Capital Securities. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Capital Securities, no person will be required to pay additional amounts as a result of the withholding.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Capital Securities.**

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement (the "**Subscription Agreement**") dated 21 February 2025 between the Issuer and the Joint Lead Managers, the Issuer has agreed to issue U.S.\$1,000,000,000 in aggregate principal amount of the Capital Securities and subject to certain conditions, the Joint Lead Managers have jointly and severally agreed to subscribe or procure subscribers for the Capital Securities at the issue price of 100 per cent. of the principal amount of Capital Securities.

The Joint Lead Managers will be paid certain commissions in respect of their services for managing the issue and offering of the Capital Securities. The Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of Capital Securities and to indemnify the Joint Lead Managers against certain liabilities incurred by them in connection therewith.

### **United States**

The Capital Securities have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered or sold any Capital Securities, and will not offer or sell any Capital Securities: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of all Capital Securities, other than in accordance with Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of the Capital Securities, an offer or sale of the Capital Securities within the United States by any dealer/manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

### **Prohibition of Sales to EEA Retail Investors**

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the EEA. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **United Kingdom**

#### ***Prohibition of Sales to UK Retail Investors***

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Capital Securities to any retail investor in the UK. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of UK MiFIR.

### ***Other restrictions***

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Capital Securities in, from or otherwise involving the UK.

### **Kingdom of Bahrain**

Each Joint Lead Manager has represented and agreed that it has not offered or sold, and will not offer or sell, any Capital Securities in the Kingdom of Bahrain except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "accredited investor" means:

- (a) an individual who has a minimum net worth (or joint net worth with their spouse) of U.S.\$1,000,000 excluding that person's principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000;
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or
- (d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

### **State of Qatar (including the Qatar Financial Centre)**

Each Joint Lead Manager has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell, at any time, directly or indirectly, any Capital Securities in the State of Qatar (including the Qatar Financial Centre), except: (a) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (b) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

This Prospectus (a) has not been, and will not be, filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange; (b) is intended for the original recipient only and must not be provided to any other person; and (c) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

### **Kingdom of Saudi Arabia**

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Capital Securities. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Capital Securities pursuant to an offering should note that the offer of Capital Securities is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority resolution number 3-123-2017 dated 27 December 2017, as amended by the Capital Market Authority resolution number 3-114-2024 dated 7 October 2024 (the "**KSA Regulations**"), made through a capital market institution licensed by the Capital Market Authority, in each case, in accordance with the KSA Regulations.

The Capital Securities may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or

by way of a limited offer under Article 9 of, or as otherwise required or permitted by the KSA Regulations. Each Joint Lead Manager has represented and agreed that any offer of Capital Securities to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

The offer of the Capital Securities shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

#### **Abu Dhabi Global Market**

Each Joint Lead Manager has represented and agreed that it has not offered, and will not offer, the Capital Securities to any person in the ADGM unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules Module of the Financial Services Regulatory Authority (the "FSRA") rulebook; and
- (b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Module of the FSRA rulebook.

#### **Dubai International Financial Centre**

Each Joint Lead Manager has represented and agreed that it has not offered and will not offer the Capital Securities to any person in the Dubai International Financial Centre unless such offer is:

- (a) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the DFSA rulebook; and
- (b) made only to persons who meet the "Professional Client" criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

#### **United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)**

Each Joint Lead Manager has represented and agreed that the Capital Securities have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) governing the issue, offering and sale of securities.

#### **Hong Kong**

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Capital Securities other than: (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO"), other than: (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue (in each case whether in Hong Kong or elsewhere), any advertisement, invitation or document relating to the Capital Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Capital Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

## **Japan**

The Capital Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "FIEA") and each Joint Lead Manager has represented and agreed that it will not offer or sell any Capital Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Singapore**

Each Joint Lead Manager has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Capital Securities or caused such Capital Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Capital Securities or cause the Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Capital Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA pursuant to Section 274 of the SFA) or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to, and in accordance with, the conditions specified in Section 275 of the SFA.

## **Switzerland**

Each Joint Lead Manager has acknowledged, that this Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Capital Securities and has represented and agreed that the Capital Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made by it to admit the Capital Securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Capital Securities constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Capital Securities may be publicly distributed or otherwise made publicly available in Switzerland.

## **General**

Each Joint Lead Manager has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it offers or sells any Capital Securities or possesses or distributes this Prospectus and that it will obtain any consent, approval or permission required by it for the offer or sale by it of any Capital Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such offers or sales and neither the Issuer nor any of the other Joint Lead Managers shall have any responsibility therefor.

Neither the Issuer nor any of the Joint Lead Managers has represented that the Capital Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale. Persons into whose possession this Prospectus or the Capital Securities may come must inform themselves about, and observe, any applicable restrictions on the distribution of this Prospectus and the offering and sale of Capital Securities.



## GENERAL INFORMATION

### Authorisation

The issue of the Capital Securities by the Issuer was duly authorised by resolutions of the Board of Directors of the Issuer on 16 October 2024 and by the shareholders of the Issuer on 21 February 2024.

### Approval of the Prospectus, Admission to Trading and Listing of Capital Securities

Application has been made to Euronext Dublin for the Capital Securities to be admitted to listing on the Euronext Dublin Official List and to trading on the regulated market of Euronext Dublin. It is expected that admission to listing of the Capital Securities on the Euronext Dublin Official List and admission to trading of the Capital Securities on the regulated market of Euronext Dublin will be granted on or around the Issue Date. The total expenses related to the admission to trading of the Capital Securities on Euronext Dublin are estimated to be €7,240.

Application has also been made to the DFSA for the Capital Securities to be admitted to the DFSA Official List and to Nasdaq Dubai for the Capital Securities to be admitted to trading on Nasdaq Dubai. It is expected that the listing of the Capital Securities on the DFSA Official List and admission of the Capital Securities to trading on Nasdaq Dubai will be granted on or around the Issue Date. The total expenses relating to the admission to trading of the Capital Securities on Nasdaq Dubai are estimated to be U.S.\$7,350.

### Documents Available

For as long as the Capital Securities are outstanding, copies of the following documents will, when published, be available for inspection from the registered office of the Issuer, the specified offices of the Fiscal Agent for the time being in London:

- (a) the Memorandum and Articles of Association (with an English translation thereof) of the Issuer;
- (b) the Financial Statements;
- (c) this Prospectus; and
- (d) the Agency Agreement (which contains the forms of the Global Certificate and the Individual Certificate) and the Deed of Covenant.

The documents set out in paragraphs will also be available on the website of ENBD (documents set out in paragraphs (a), (c) and (d) at: <https://www.emiratesnbd.com/en/investor-relations/ratings-debt/public-issuances/>; and documents set out in paragraph (b) at the webpages provided under the heading "*Documents Incorporated by Reference*").

### Clearing Systems and Identification Codes

The Capital Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The ISIN is XS3004977057 and the common code is 300497705. The Financial Instrument Short Name (FISN) and the Classification of Financial Instruments (CFI) Code in respect of the Capital Securities are as set out on the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the National Numbering Agency that assigned the ISIN, in each case, as may be updated.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1 210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Legal Entity Identifier ("LEI")

The LEI code of the Issuer is 54930029BCN8HF3B1286.

## **Website of the Issuer**

The website of the Issuer is <https://www.emiratesnbd.com/>. The information on this website does not form part of this Prospectus, except where that information has been incorporated by reference into this Prospectus.

## **Significant or Material Change**

There has been no significant change in the financial or trading position or financial performance of the Group since 31 December 2024 and there has been no material adverse change in the prospects of the Issuer since 31 December 2024.

## **Litigation**

None of the Issuer or any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have, or have in such period had, a significant effect on the financial position or profitability of the Issuer or the Group.

## **Indication of Yield**

6.250 per cent. per annum up to the First Reset Date. The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## **Independent Auditors**

Deloitte & Touche (M.E.) ("Deloitte") have audited, in accordance with International Standards on Auditing, ENBD's Financial Statements as stated in their report incorporated by reference herein. The address of Deloitte & Touche (M.E.) is Building 3, Level 6, Emaar Square, Downtown Dubai, P.O. Box 4254, Dubai, United Arab Emirates.

Deloitte is regulated in the UAE by the UAE Ministry of Economy which has issued Deloitte with a license to practice as auditors. There is no professional institute of auditors in the UAE and, accordingly, Deloitte is not a member of a professional body in the UAE. All of Deloitte's audit partners are members of the institutes from where they received their professional qualification.

## **Joint Lead Managers transacting with the Issuer**

Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in the ordinary course of their business activities, in lending, advisory, corporate finance services, investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its respective affiliates in the ordinary course of business and/or for companies involved directly or indirectly in the sector in which the Issuer and/or its affiliates operate. They Such Joint Lead Managers have received, or may in the future receive, customary fees, and commissions, reimbursement of expenses and indemnification for these transactions. The Joint Lead Managers and their affiliates may have positions, deal or make markets in the Capital Securities, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, other members of the group and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates including, without limitation, the Capital Securities. The Joint Lead Managers and/or their affiliates may receive allocations of Capital Securities (subject to customary closing conditions), which may affect the future trading of the Capital Securities. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Capital Securities. Any such short positions could adversely affect future trading prices of

the Capital Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

***ENBD's website***

ENBD's website is <http://www.emiratesnbd.com/>. Unless specifically incorporated by reference into this Prospectus, the information contained on this website is not incorporated by reference into, or otherwise included in, this Prospectus.

**ISSUER**  
**Emirates NBD Bank PJSC**  
P.O. Box 777  
Dubai  
United Arab Emirates

**FISCAL AGENT AND CALCULATION  
AGENT**

**Deutsche Bank AG, London Branch**  
21 Moorfields  
London EC2Y 9DB  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**Deutsche Bank Luxembourg S.A.**  
2 Boulevard Konrad Adenauer  
L-1115 Luxembourg

**SOLE STRUCTURING AGENT**

**Emirates NBD Bank PJSC**  
c/o Emirates NBD Capital Limited  
Level 7, ICD Brookfield Place  
Dubai International Financial Centre  
P.O. Box 506710  
Dubai  
United Arab Emirates

**JOINT LEAD MANAGERS**

**Abu Dhabi Commercial Bank PJSC**  
Abu Dhabi Commercial Bank Building  
Sheikh Zayed Bin Sultan Street  
P.O. Box 939  
Abu Dhabi  
United Arab Emirates

**Citigroup Global Markets Limited**  
Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

**Emirates NBD Bank PJSC**  
c/o Emirates NBD Capital Limited  
Level 7, ICD Brookfield Place  
Dubai International Financial Centre  
P.O. Box 506710  
Dubai  
United Arab Emirates

**First Abu Dhabi Bank PJSC**  
FAB Building  
Khalifa Business Park – Al Qurm District  
P.O. Box 6316  
Abu Dhabi  
United Arab Emirates

**Merrill Lynch International**  
2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Standard Chartered Bank**  
7th Floor Building One, Gate Precinct  
Dubai International Financial Centre  
P.O. Box 999  
Dubai  
United Arab Emirates

**LEGAL ADVISERS**

*To the Issuer as to English law and Dubai law*

**Clifford Chance LLP**  
Level 32, ICD Brookfield Place  
Dubai International Financial Centre  
P.O. Box 9380  
Dubai  
United Arab Emirates

*To the Joint Lead Managers as to English law and  
Dubai law*

**Linklaters LLP**  
Level 12, ICD Brookfield Place  
Dubai International Financial Centre  
P.O. Box 506516  
Dubai  
United Arab Emirates

**AUDITORS**

**Deloitte & Touche (M.E.)**  
Building 3, Level 6  
Emaar Square, Downtown Dubai  
P.O. Box 4254  
Dubai  
United Arab Emirates

**LISTING AGENT**  
**Walkers Listing Services Limited**  
5th Floor, The Exchange  
George's Dock, IFSC  
Dublin 1, D01 W3P9  
Ireland