Middle East Banking Forum

Jumeirah Beach Hotel, Dubai

26 November 2013

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Emirates NBD

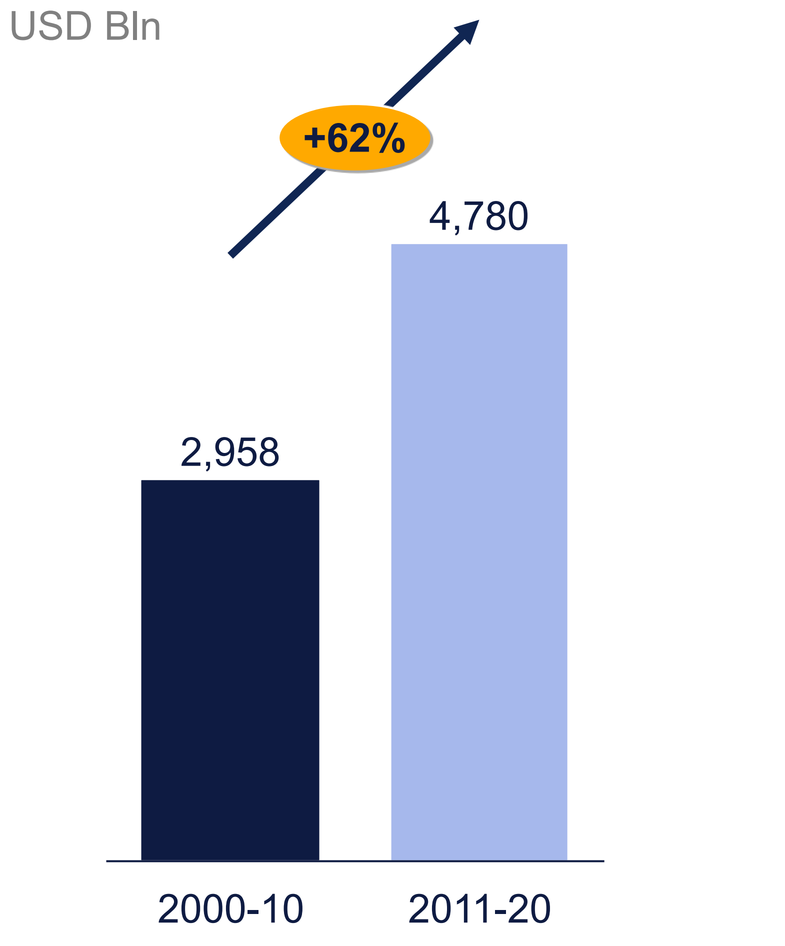
Agenda

- **GCC macro trends**
- **UAE overview**
- **Capital market developments**
- **Future outlook**

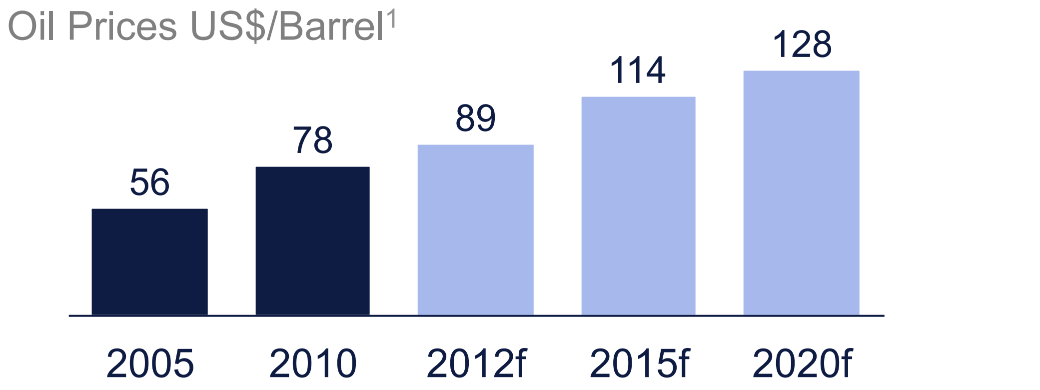
Governments in the GCC continue to enjoy unprecedented levels of oil-driven revenues…

ESTIMATES

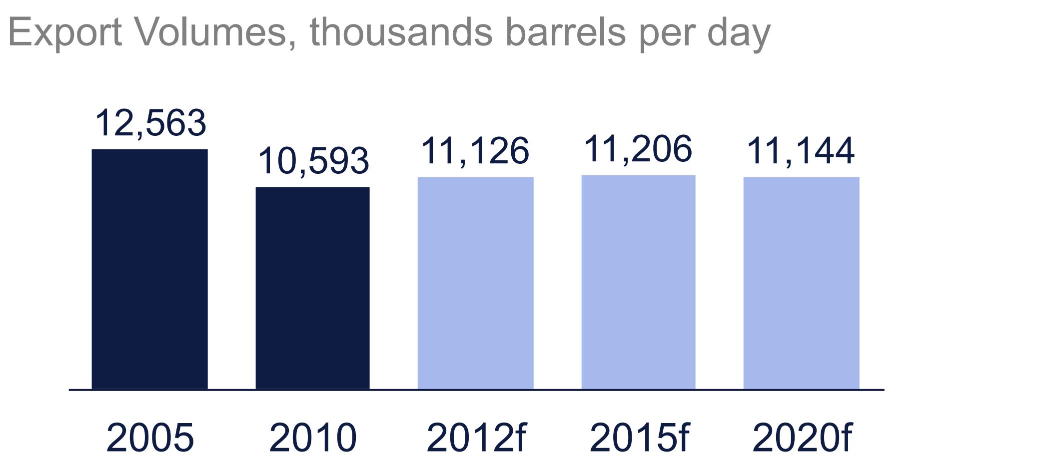
Oil revenues in the GCC are expected to be very strong in this decade …



… mainly driven by rising oil prices …



… as volumes stabilize



1 Average international oil prices

Source: FACT ME Hand Book

…resulting in large oil-driven fiscal surpluses

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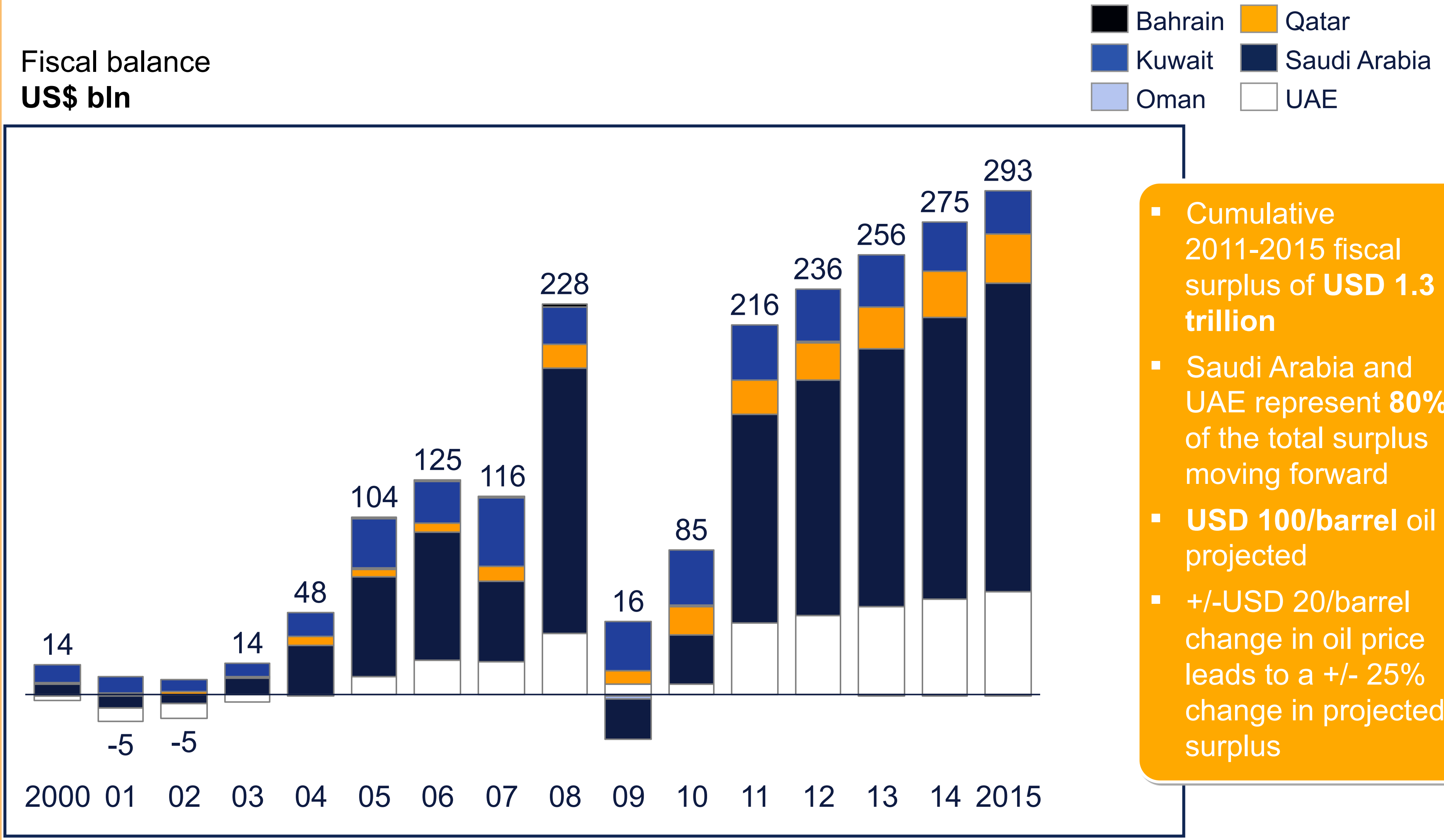
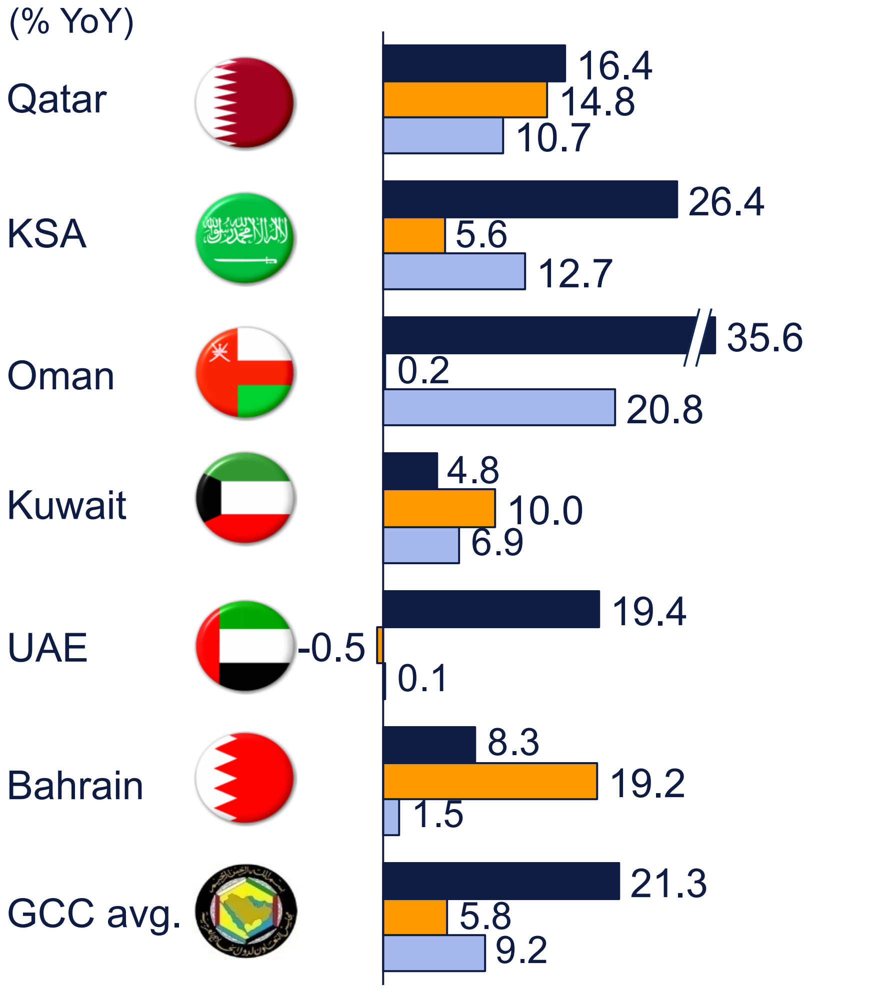


- Cumulative 2011-2015 fiscal surplus of **USD 1.3 trillion**
- Saudi Arabia and UAE represent **80%** of the total surplus moving forward
- **USD 100/barrel** oil projected
- +/-USD 20/barrel change in oil price leads to a +/- 25% change in projected surplus

Note: Bahrain, Kuwait, and Oman data based directly on EIU projections; Qatar, Saudi Arabia, and UAE based on McKinsey regression analysis
SOURCE: EIU; WMM; team analysis

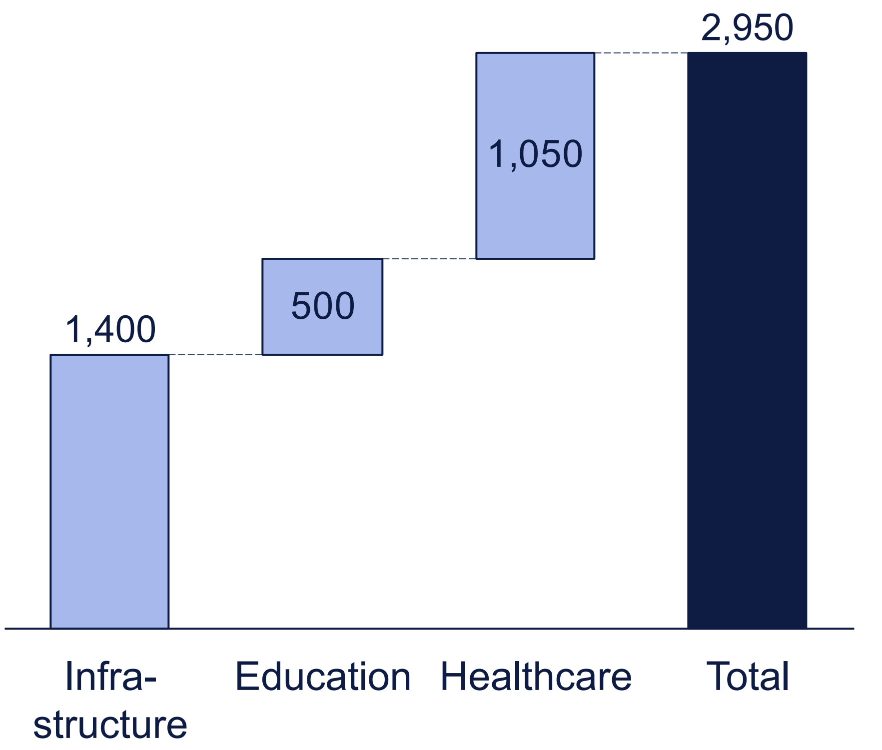
Which allows (most) governments to continue higher spending

Continuous GCC Government Spending…



… would lead to enhanced appetite to improve both hard and soft infrastructure

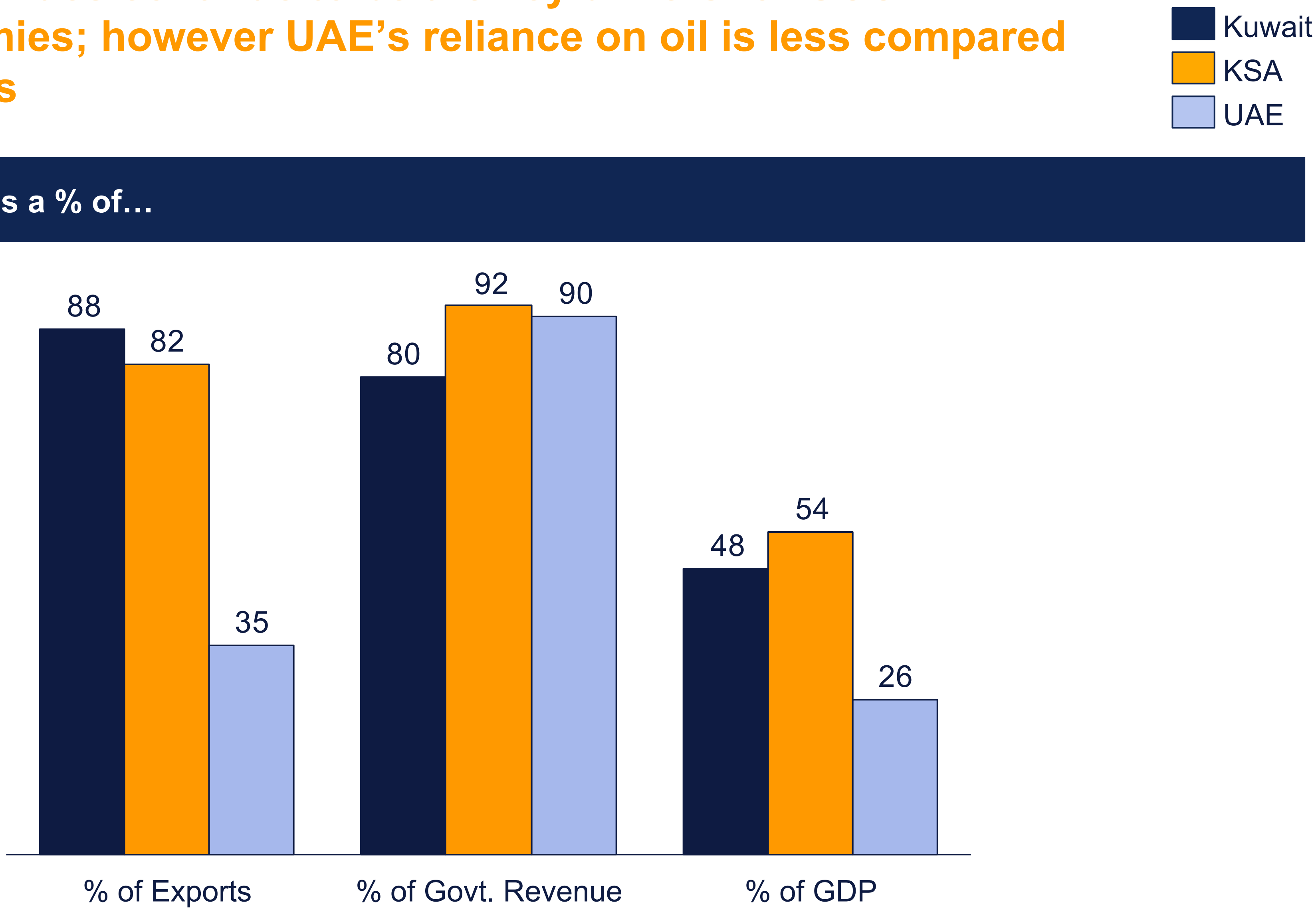
Announced investment for 2010 - 2015
US$ bln



Source: Bloomberg, ENBD Research, McKinsey Study 2012 : Changing Banking Landscapes in the Gulf

Oil revenues continue to be the key drivers for GCC economies; however UAE's reliance on oil is less compared to peers

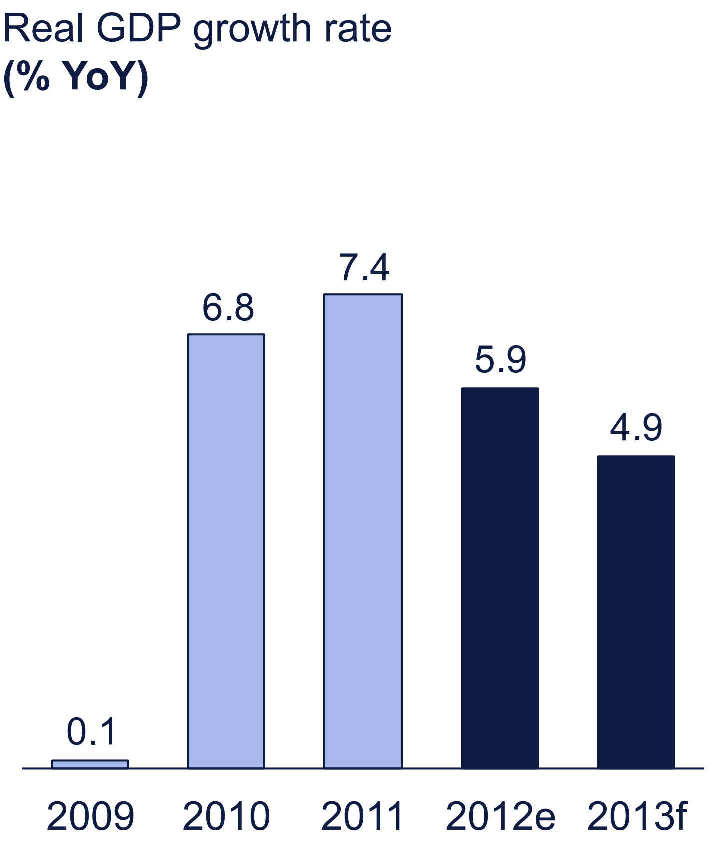
Oil as a % of…



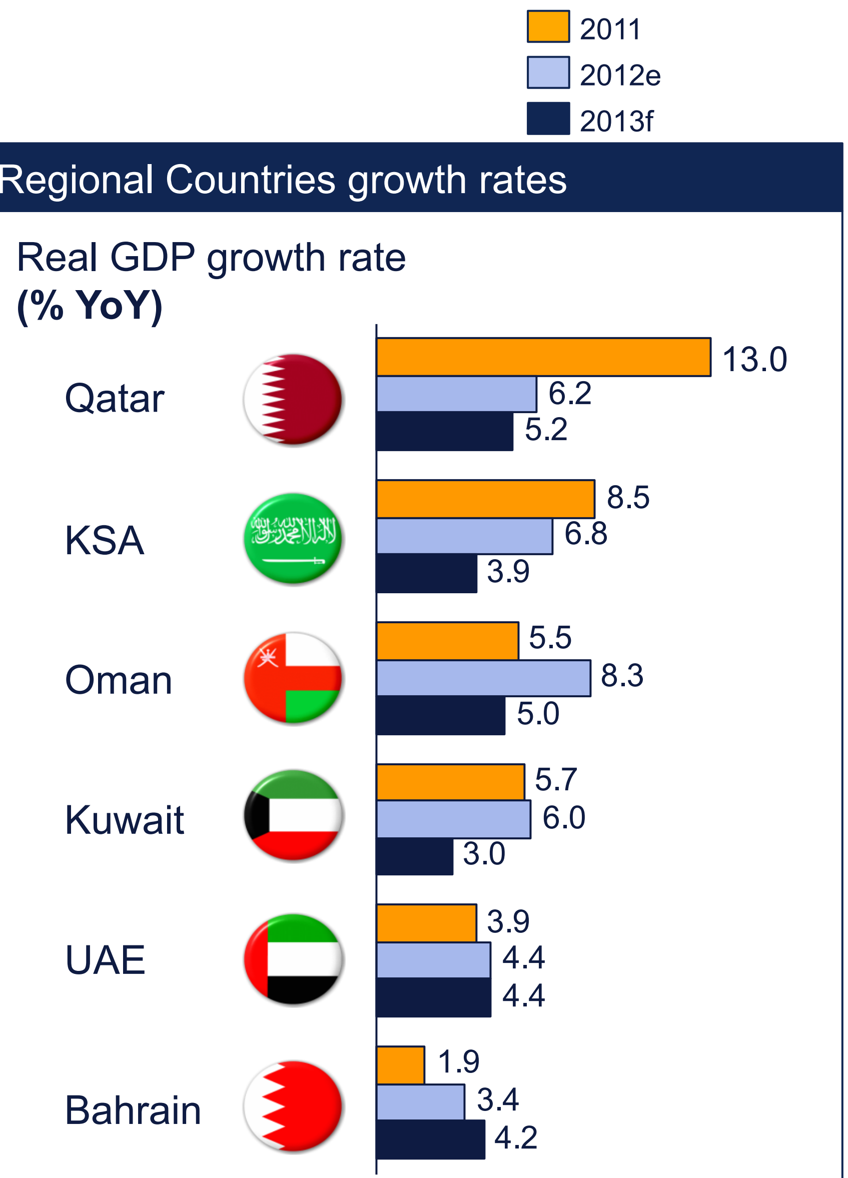
Source: Bloomberg, IMF REO April 2012

Overall solid GDP growth is projected to continue in the GCC

GCC growth rate



Regional Countries growth rates



* Excluding Oman and Bahrain

Source: ENBD Research, ENBD Global Markets and Treasury

Agenda

- GCC macro trends
- **UAE overview**
- Capital market developments
- Future outlook

UAE's GDP grew by 4.4% last year and is expected to grow going forward primarily driven by the oil sector

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Highlights

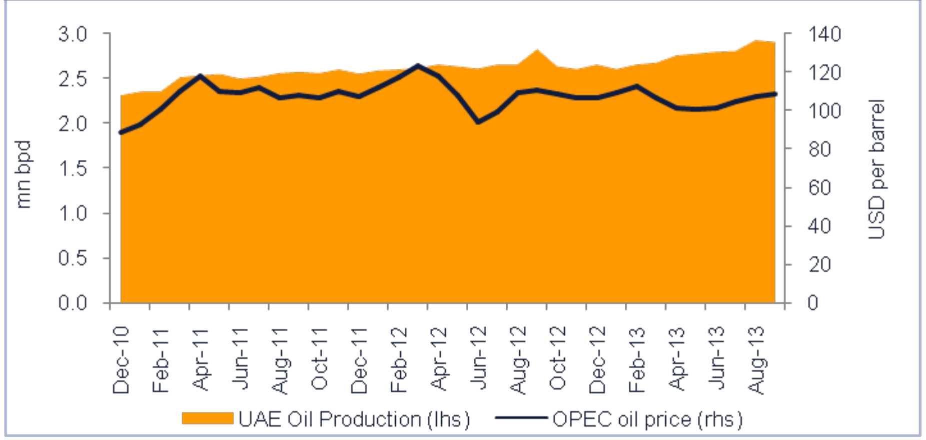
- **The UAE's real GDP growth reached 4.4% in 2012** according to latest data from the National Bureau of Statistics
- **The main driver of growth last year was the oil sector**, which expanded 6.3%; non-oil GDP grew 3.5%, up from 2.6% in 2011, driven mainly by service sector growth
- **The non-oil private sector continued to expand at a steady pace in Q3 2013,** with the PMI reading for September coming in at 56.6; employment, staff costs and input prices continue to rise, but a competitive environment has meant output costs have been contained
- **4.4% growth is forecasted for 2013**, on the back of higher than expected oil production year-to-date; Growth is also expected to be driven by the services sectors as real estate continues to recover, and tourism growth supports trade and associated sectors
- **Inflation** has **averaged under 1%** in the year to August. The **2013 forecast** for average CPI is **1.5%** before rising to 3% in 2014

Real GDP Growth Forecasts

	2008	2009	2010	2011	2012	2013 F	2014 F
UAE	**3.2%**	**(2.4%)**	**1.7%**	**3.9%**	**4.4%**	**4.4%**	**4.1%**
UK	(1.1%)	(4.9%)	1.7%	1.1%	0.2%	1.0%	1.5%
Eurozone	0.4%	(4.1%)	2.0%	1.6%	(0.7%)	(0.5%)	0.5%
India	8.2%	6.4%	4.0%	3.0%	0.7%	0.5%	1.8%
US	(0.3%)	(3.5%)	2.5%	1.8%	2.8%	2.0%	3.0%
China	9.6%	9.2%	10.4%	9.3%	7.8%	7.5%	7.0%
Japan	(1.1%)	(6.3%)	4.7%	(0.6%)	2.0%	2.0%	2.5%
Singapore	1.8%	(0.9%)	14.9%	5.3%	1.3%	2.6%	3.6%
Hong Kong	2.1%	(2.5%)	6.8%	4.9%	1.5%	3.0%	3.5%

Source: Global Insight, Emirates NBD forecasts, Bloomberg

Oil production trends



Source: Bloomberg, Emirates NBD Research

UAE PMI – Private Sector Expansion Trends

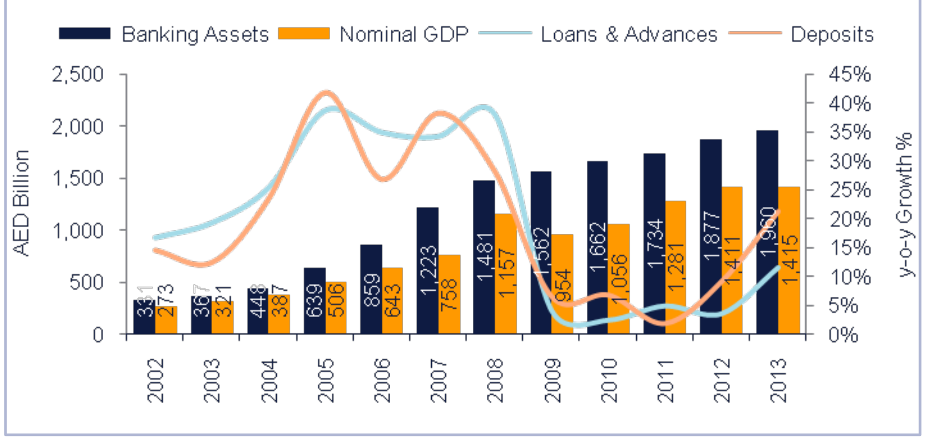
Source: HSBC, Markit

UAE's banking sector is the largest by assets in the GCC

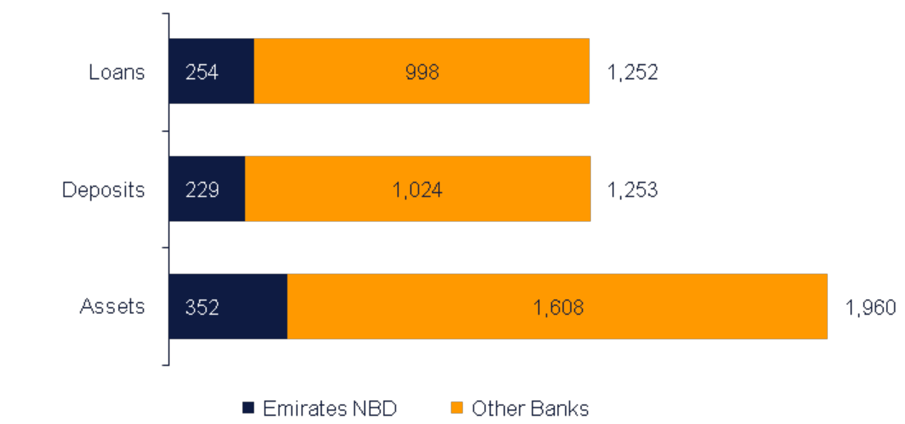
Highlights

- **UAE Banking sector is the largest by assets in the GCC**; sector is dominated by 23 local banks which account for more than 75% of banking assets; 28 foreign banks account for the remainder
- In the past couple of years the Central Bank of the UAE has sought to play a stronger role in the oversight and governance of the Banking Sector in the UAE
- This has resulted in a new regulatory regime with various regulations being considered covering areas such as liquidity risk, large exposures and mortgage caps (amongst others)

UAE Banking Sector Growth (AED billion)

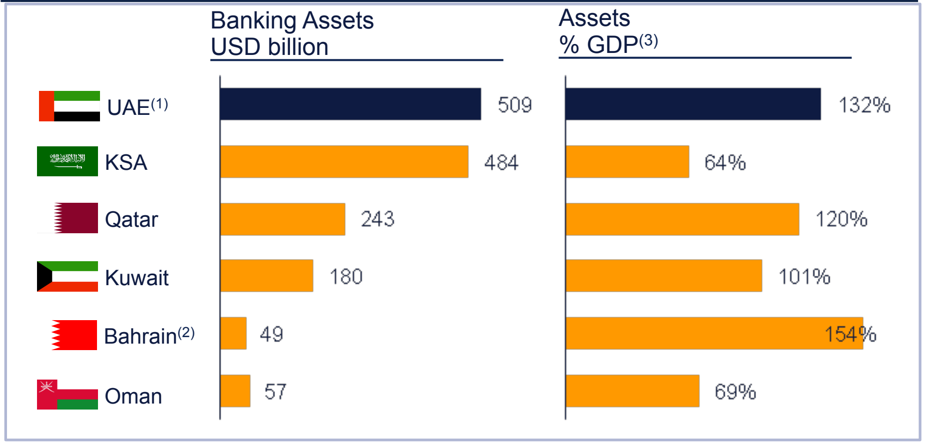


Composition of UAE Banking Market (AED billion)



Source: UAE Central Bank Statistics as at Jul 2013, ENBD data as of Q3 2013. Loans and Assets presented gross of impairment allowances

GCC Banking Market



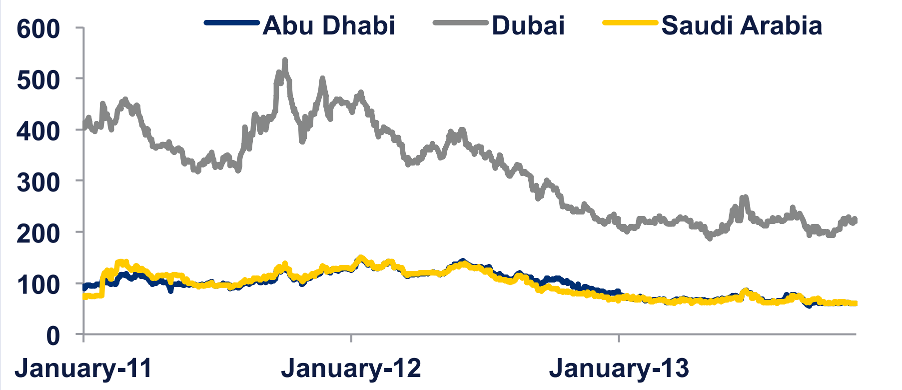
1) Includes Foreign Banks; 2) Excludes Foreign Banks; 3) GDP data is for FY 2013 forecasted. Oman, Bahrain, KSA as at Aug 2013, Kuwait, Qatar as at Sep 2013 and UAE as at Jul 2013
Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts

Bank loans and deposits have also grown; deposits have grown faster than loans; EIBOR has steadily declined

Highlights

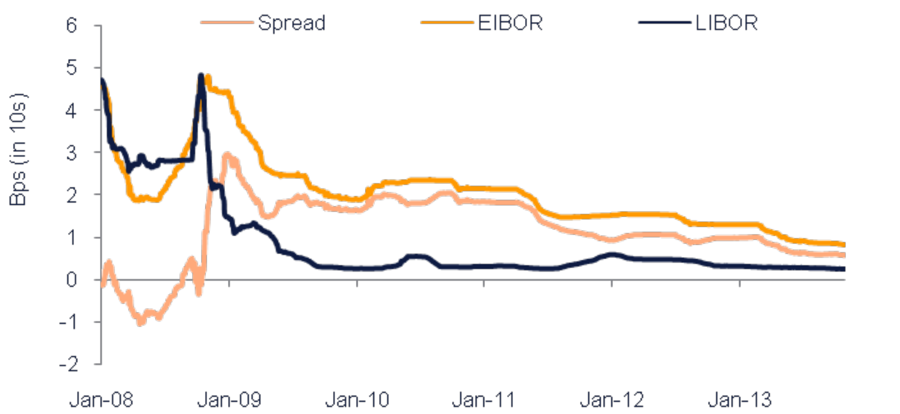
- **Total bank loan growth (net of provisions) reached 6.4% y-o-y in July;** while this is still well below regional peers, the data shows a steady improvement, particularly in the retail and personal loan segment
- **Deposit growth in the UAE still outpaces loan growth**; bank deposits grew 12.4% y-o-y in July, and the cumulative increase in bank deposits year-to-July was AED85.3bn, compared with an AED45.2bn increase in deposits over the same period last year; consequently, the loans-to-deposit ratio was at 92.6%, near the lowest level in at least five years
- **3M EIBOR** rate **continued to ease** as liquidity in the banking system improved. Dubai CDS remained near multi-year lows, reflecting confidence in the economic recovery and prospects for growth going forward

Trends in CDS spreads



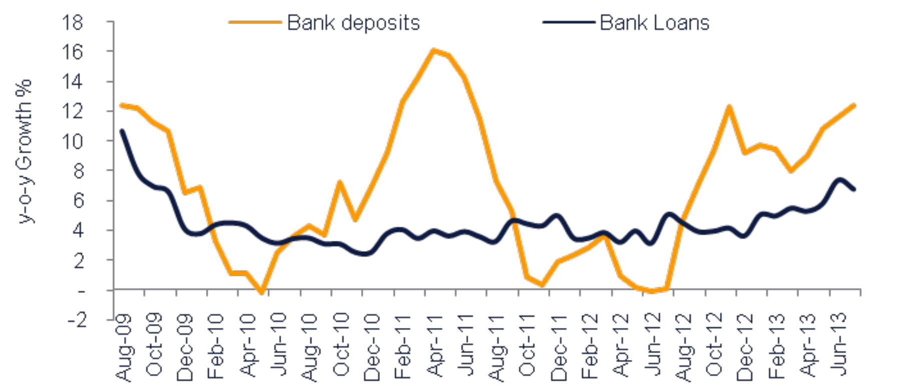
Source: Emirates NBD Research, Bloomberg

EIBOR – LIBOR spreads



Source : Bloomberg

Bank deposit and loan growth



Source : UAE Central Bank

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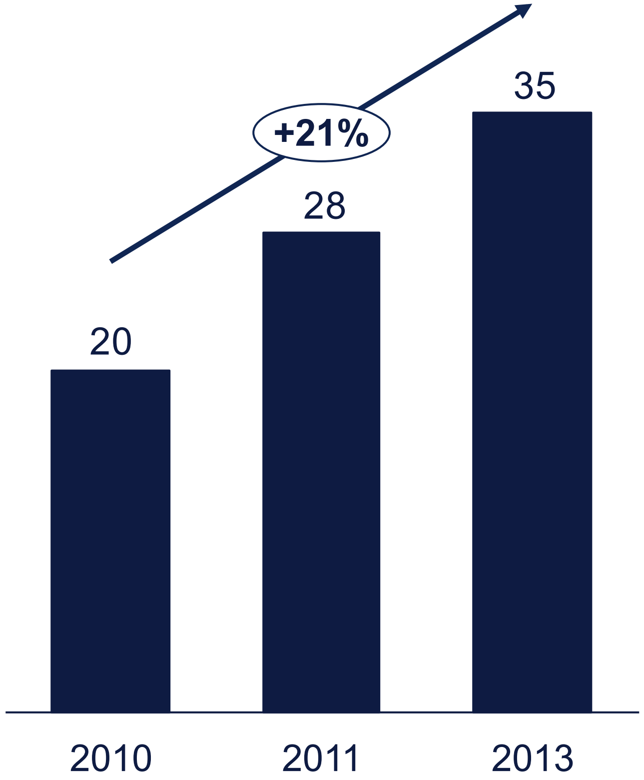
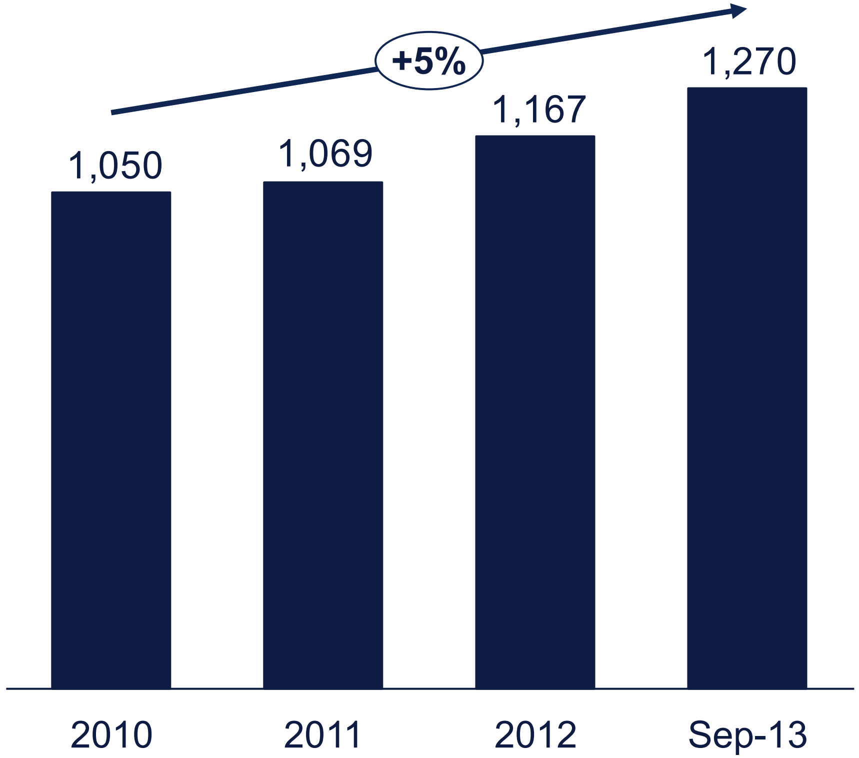
UAE's banking sector has benefited from the liquidity flowing in due to FDI and capital flow from the Arab spring

Foreign Direct Investment
AED billion



UAE Bank Deposits
AED billion

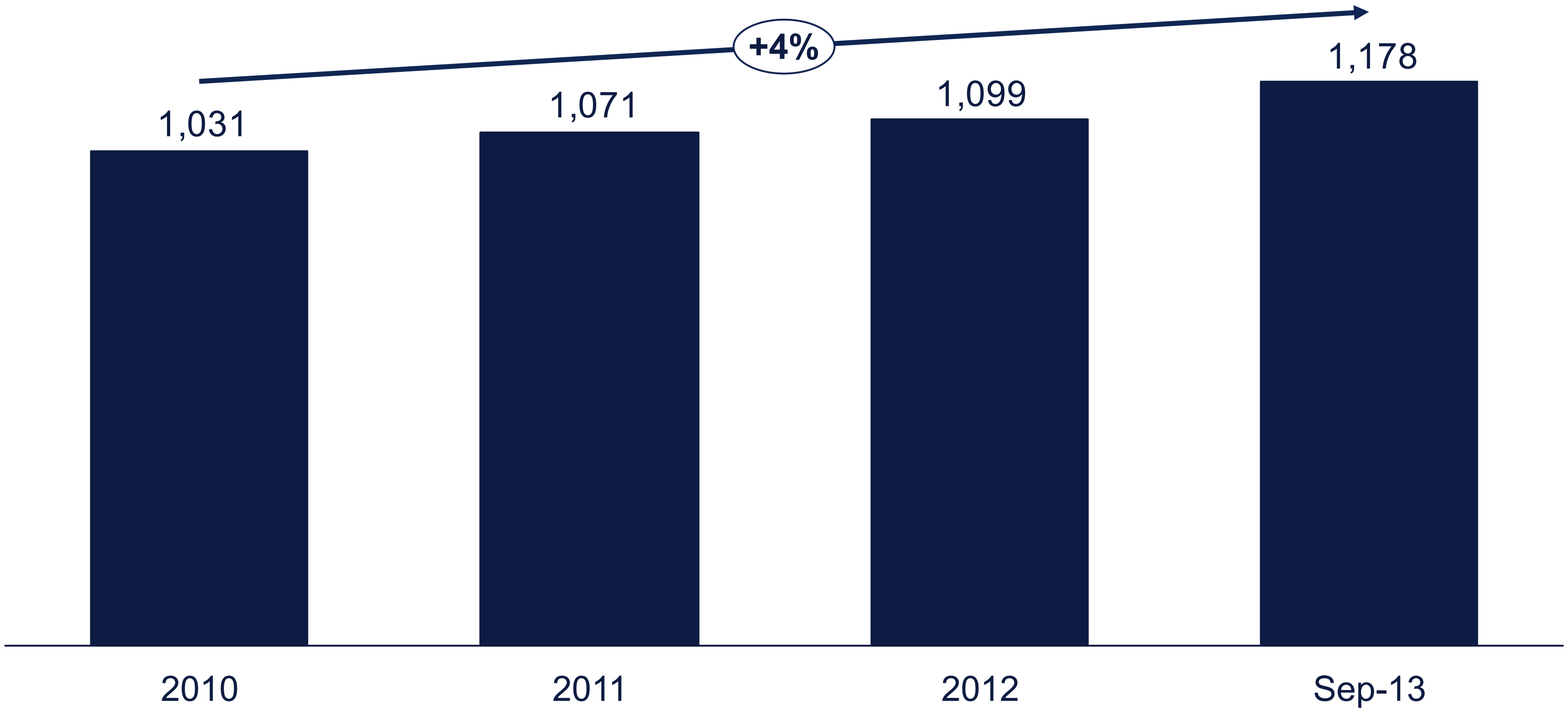


- Estimate suggests ~ USD 40 billion of deposits and short-term investments, moved to the Gulf from elsewhere in the Middle East in 2011
- According to a report by Invesco ~ 35% of the FDI to UAE is from MENA

Source: UAE Central bank; Web search

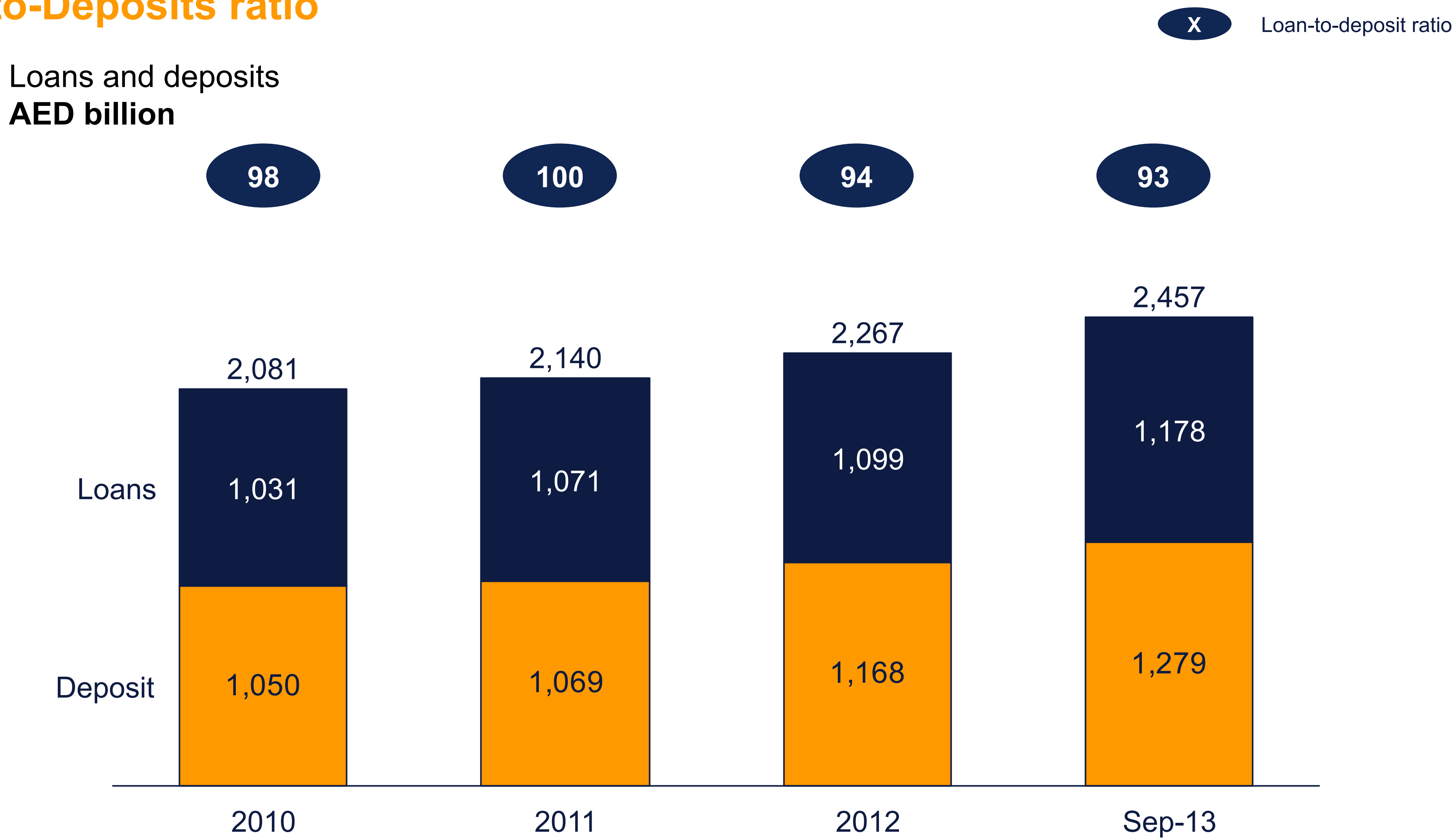
As a result lending activities in UAE have picked up pace…

UAE Bank Loans & Advances
AED billion



Source: UAE Central bank

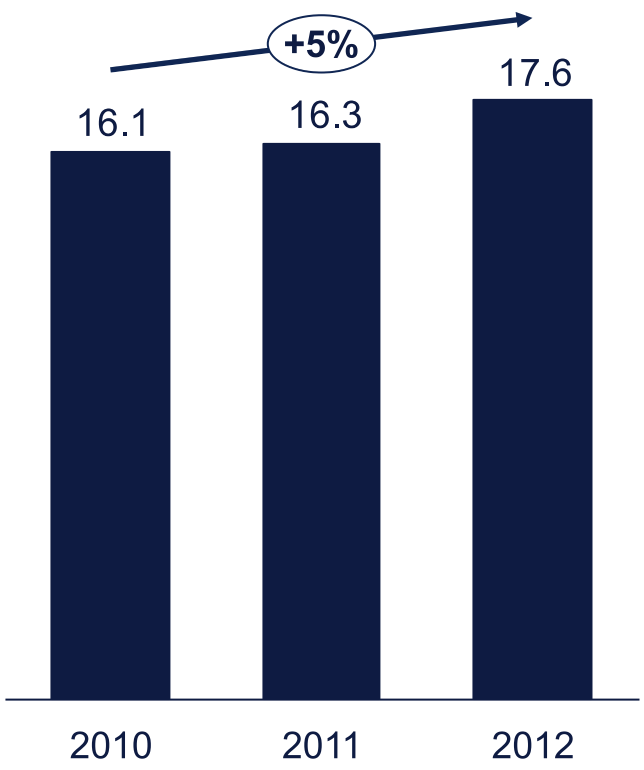
…but in a controlled manner, being reflected in the Loans-to-Deposits ratio



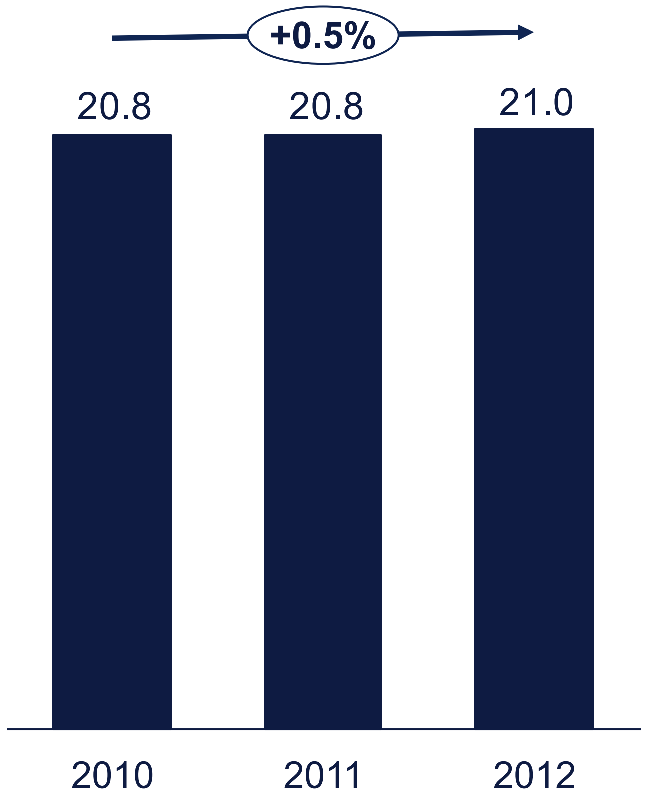
Source: UAE Central bank; Analysis

In addition, capital strength of UAE banks has also grown stronger over the last few years

Tier 1 Capital Ratio
%



Capital Adequacy Ratio
%



Source: UAE Central bank

Agenda

- Macro trends
- UAE Overview
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- Future outlook

Middle East Capital Market Summary

Summary

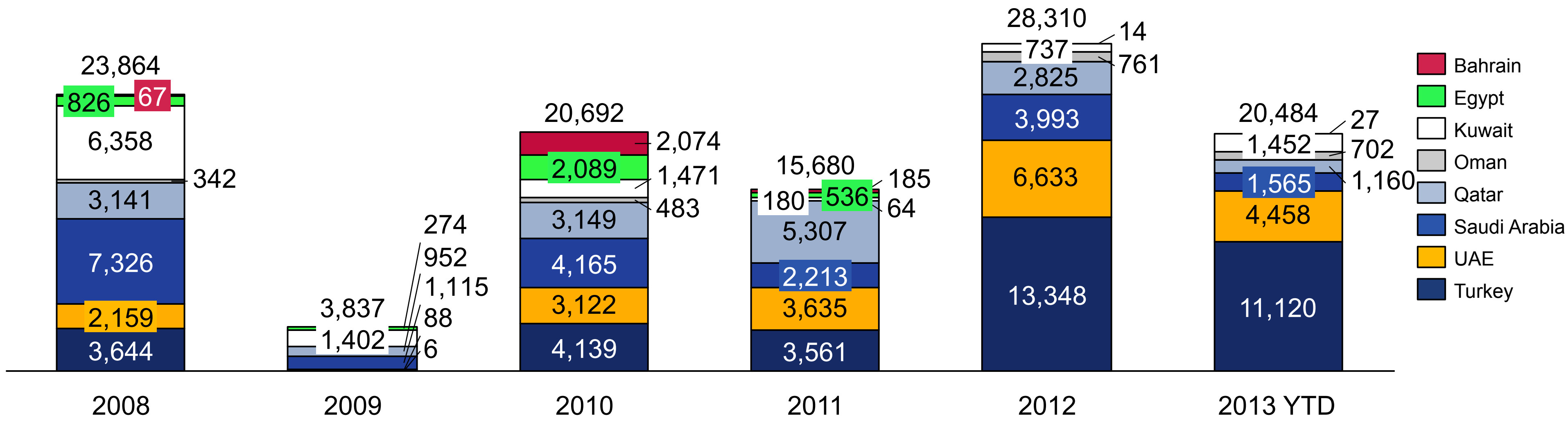
Equity Market

- Equity capital market in the Middle East region is still in the developing stage
- Lot of growth opportunities exist to provide funds for the development of infrastructure, banking & consumer sectors
- Relaxation of foreign investor investment limits in the regional companies to attract foreign institutional investment is a key catalyst for the strong equity performance
- Moreover, the inclusion of markets such as Qatar and UAE into the 'emerging markets' category indicates that the regional markets are gradually gaining maturity and consequently becoming more attractive to investors

Source: Zawya Middle East here includes GCC countries, Turkey and Jordan

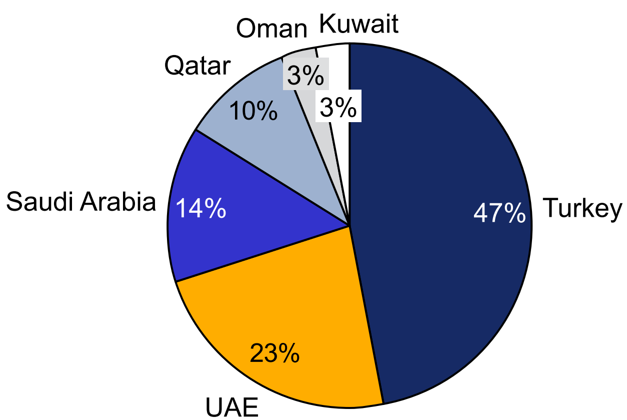
Capital Market Issues for equity have picked up since 2011 and are primarily concentrated in Turkey, UAE and KSA

Equity Fund Raising in Middle East: IPO Funds Raised

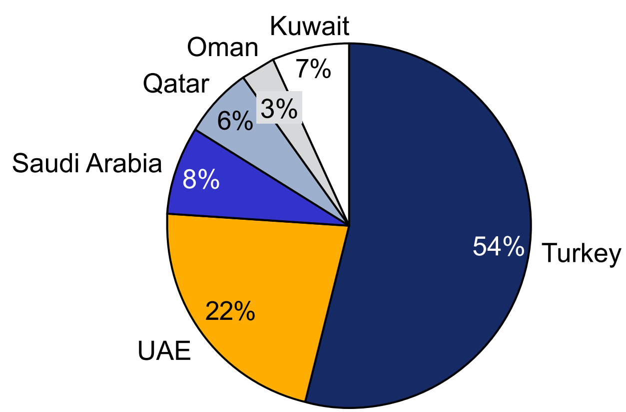


Split of Equity IPO Fund Raising – By Key Middle East Countries

2012 Issues - USD 28.3 bn



2013 YTD Issues - USD 20.5 bn



Source: Zawya, CapitalIQ

Similarly demand drivers for the equity market present a positive picture

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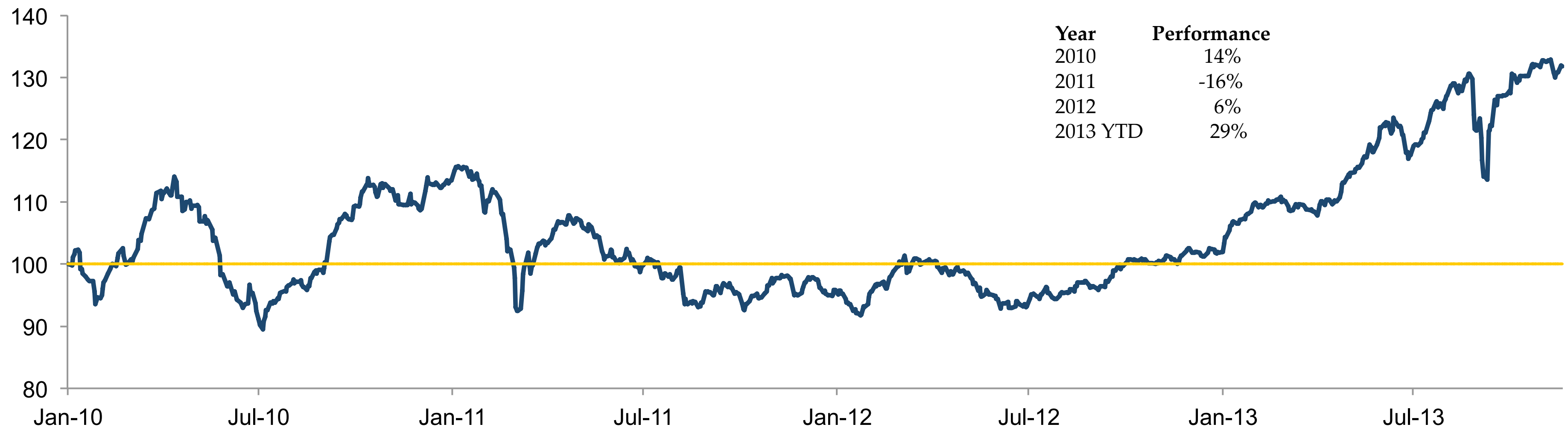
S&P GCC 40 Index (Rebased since 2010)



Demand Drivers:

- Growth in infrastructure, real estate, retail and telecom sector driven by increase in consumer and government spending
- Relaxation of foreign ownership limits in regional firms to boost equity markets
- Inclusion of key regional indices in MSCI
- Stringent & conservative lending by banks

Key Challenges:

- Mismatch of valuation expectation during IPO process
- Difficulty in conforming to listing requirements
- Lack of awareness & resource constraints from issuer's perspective

Outlook:

- **Upgrade of UAE and Qatar exchanges to emerging market status, effective in May 2014, will likely have a positive impact on the equity markets**
- According to a report by Deloitte, increasing foreign institutional investments, rising volumes to drive IPO's in GCC countries going forward

Source:Bloomberg S&P, DB research

Middle East Capital Market Summary

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Summary

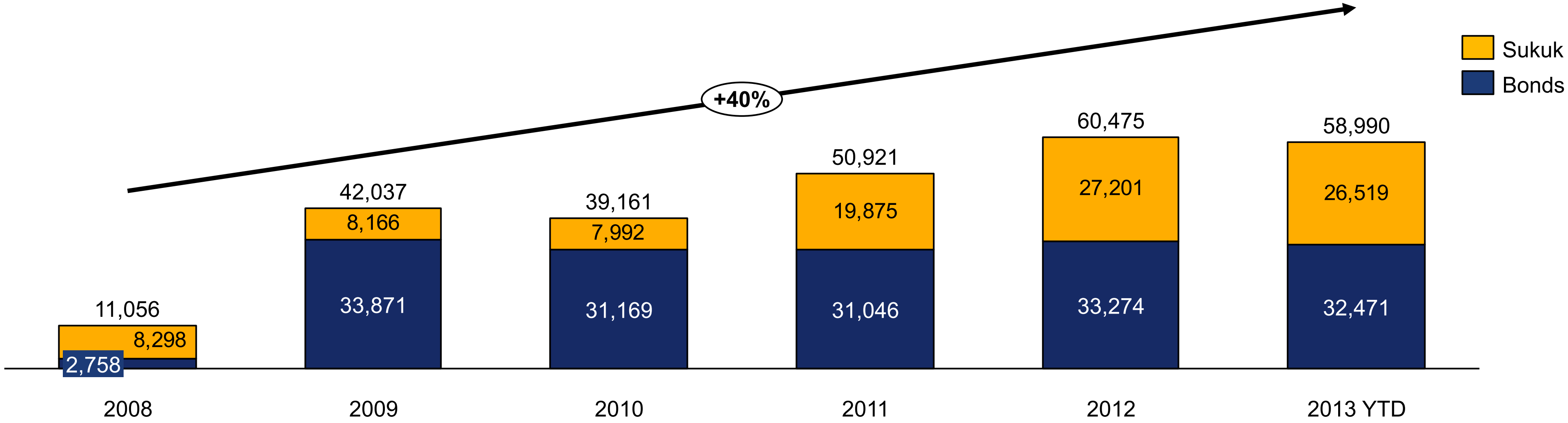
Debt Market

- Several factors are driving the growth for the debt capital market in the region
  - Rising requirement of infrastructure financing
  - Newer sovereign issues for creating and extending benchmark curve
  - Growing number of countries with enabling Sukuk issuances environment
  - Constraints on bank lending
  - Investors' appetite for emerging market bonds amid a hunt for yields
  - With the prospects of a US Fed monetary stimulus tapering, issuers are taking the small window of opportunity (before the actual tapering begins) to issue new Sukuk and bonds, and lock in lower cost of borrowing
- On a longer term basis, the Sukuk market's prospects are bright as investor awareness rises and newer corporations and governments come up with issuances, in the process creating a more liquid and deep market

Source: Zawya Middle East here includes GCC countries, Turkey and Jordan

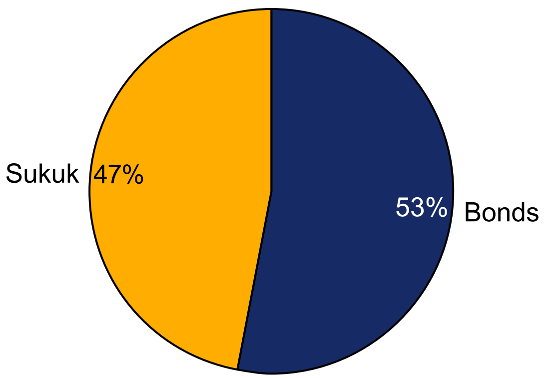
Total Debt issuances have grown at a CAGR of 40% over the last few years; on average sukuk issuances have increased as a % of total issuances since 2010

Trend in – Sukuk and Bond Fund Raised in Middle East

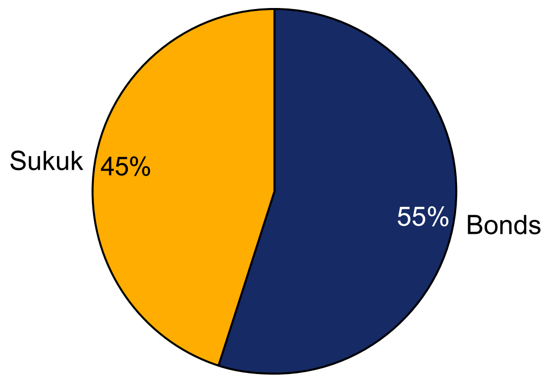


Split of – Sukuk and Bond Fund Raised in Middle East

2012 Issues - USD 60.5 bln



2013 YTD Issues - USD 59 bln



Source: Zawya, CapitalIQ Note: 2013 figures are YTD till November 2013, Middle East here includes GCC countries, Turkey and Jordan

League Tables (Bloomberg Q3 2013 ytd)

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ENBD is the leading UAE Bank on Bloomberg's International Sukuk and GCC Sukuk League Tables:

# 5 for Globally for USD Sukuk			#5 for GCC Sukuk		
International Sukuk			**GCC Islamic Bonds**		
Q3 2013	**Rank**	**Mkt Share**	**Q3 2013**	**Rank**	**Mkt Share**
HSBC Bank	1	17.0%	HSBC Bank	1	30.6%
Standard Chartered Bank	2	14.9%	NCB Capital	2	15.5%
Deutsche Bank	3	14.7%	Deutsche Bank	3	10.5%
Citi	4	10.6%	Standard Chartered Bank	4	6.3%
Emirates NBD	**5**	**8.2%**	**Emirates NBD**	**5**	**5.2%**
Dubai Islamic Bank	6	6.2%	Dubai Islamic Bank	6	4.5%
National Bank of Abu Dhabi	7	4.9%	Albilad Investment	7	3.3%
Abu Dhabi Islamic Bank	8	3.0%	Alinma Bank	7	3.3%
RBS	9	2.7%	Riyad Bank	7	3.3%
Maybank	10	1.8%	Banque Saudi Fransi	10	3.0%

Several Demand & Supply drivers would play a role in debt issues & Corporate Fund raising going forward

Infrastructure Funding

- **Diversification:** Infrastructure building a key to diversify the oil dominant economy
- **Increasing GCC Infra Funds Requirement :** $2 Tn over the next 20 years – QFCA, Qatar
- **Long term funds:** Bonds offer long term funding alternatives
- **Project Bonds to Grow:** In Aug '13 Ruwais Power issued $825m project bonds to refinance a utility in Abu Dhabi

Building a Benchmark Curve – Sovereign Issues

- **Development of regional bond market:** For capital markets to develop and provide a strong financing alternate to firms, developing a deep and liquid bond market is crucial
- **Corporate issues faced pricing uncertainty:** Lack of well defined benchmark curve was a constraint
- **Government issues:** Sovereign issues creating/extending the curve

Regulations to support Sukuk

- **Large Muslim Population:** MENA region has a large Muslim population, creating potential for Islamic finance
- **Developing Sukuk market is important:** Sukuk, being shariah compliant, is an important alternate source of funds
- **Govts across MENA developing Sukuk laws:** Egypt, Morocco, Oman among the countries creating new Sukuk laws

Bank Lending Constraints

- **Implementation of Basel III framework:** New regulations requiring higher capital will restrict bank's lending pushing corporations to seek finance via bonds/ Sukuk
- **Tighter lending norms/conservative lending:** Central banks' risk reduction measures entail raising reserve requirement; banks may resort to conservative lending; limitations on single name/sector exposure

Hunt for Yields Attracting Foreign Investors

- **Low interest rate environment:** With relatively lower rates in the US and Europe, investors pored in funds in emerging market bonds for higher yields
- **USD bonds opened up diversification avenues for issuers:** Dollar denominated bonds helped regional issuers tap foreign investors and diversify funding base

Alternative & Cheaper source of Funds

- **Cost of Credit:** With Basel III and stringent bank lending norms, cost of bank credit could rise for borrowers
- **Sukuk yields have been low:** Since 2009, Sukuk yields have been low. Despite the recent rise, average Sukuk yields in 2013 remain at same levels as 2012
- **Bond funding to complement bank loans:** They can be combined together as seen in the case of Ruwais Power

Agenda

GCC macro trends

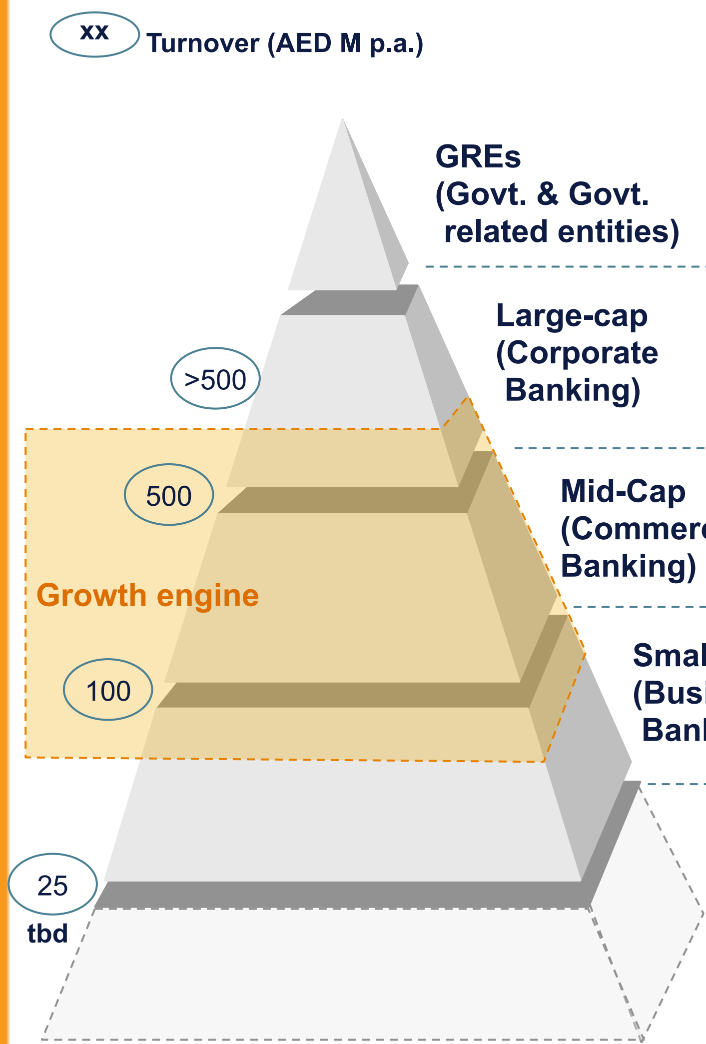
UAE overview

Capital market developments

Future outlook

- Interesting Segment / Sectors
  - Contracting
  - Real Estate
  - Commodities
  - MNCs
- Going forward

Lower large corporate, mid-cap, and upper SME likely to be Corporate Banking sweet spot



Segment	Criteria	Key characteristics
GREs (Govt. & Govt. related entities)	• Govt department, ministries and govt related entities	• Price oriented, mostly limited usage of bank products
Large-cap (Corporate Banking)	• Turnover >500M AED (with some differentiation by industry - e.g., trade versus mfg) • Sophisticated product needs (CM, TF, IB, TRY, …) • CFO & TRY function (drive relationship location) • Multiple geographic locations	• 5-10 banks • Need range of (sophisticated) products • International presence • Professionally managed • Price sensitive
Mid-Cap (Commercial Banking)		
Small-Cap (Business Banking)	• Turnover >100M AED • Increased requirements of more sophisticated trade products (e.g. Treasury) • Finance manager rather than CFO	• Growth mode • 3-5 banks • Increasing usage of credit, T/F and FX • Less sensitive to price; • Relationship oriented
Micro (Retail Banking)	• Turnover > 20–25M AED • Clearly identified credit and trade needs • Higher facility needs than traditional retail credit	• 1-2 banks • Start usage of credit and Trade Finance products • Need proximity to bank

Note: Financial Institution and International not shown in above segmentation

GCC contracting industry: expected to grow robustly over the next few years

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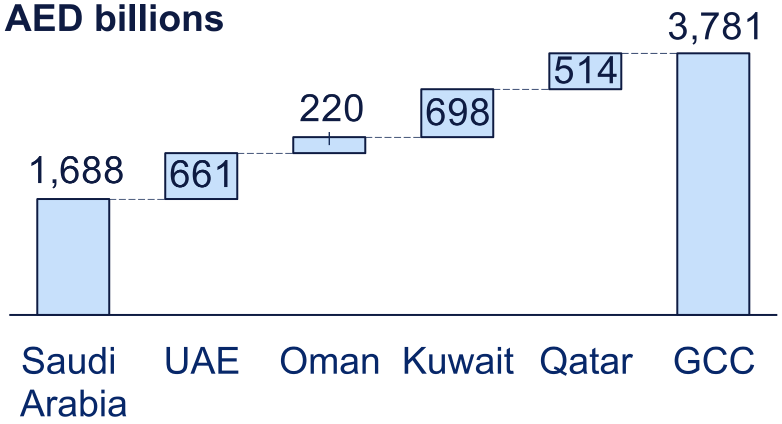
Projects Country Wise
AED billions



- Overall GCC project market size is AED 3.78 trillion (US$1.03 trillion)
- KSA has the biggest pipeline of projects at AED 1,688 bn followed by Kuwait at 698 bn and UAE at 661bn
- During 2012 approx. AED 103 bn worth of new contracts were awarded in the MENA region

Growth factors contributing to GCC construction industry:

UAE

- The expected CAGR of 9.5% for construction industry between 2012-2016*
- Favourable government policies such as visa extension for real estate investors from 6 months to 3 years
- Thriving leisure and tourism industries
- Growing UAE population which is expected to reach 7m by 2015 from 5.4m in 2010**

KSA

- Consistent budget surpluses are leading to strong government spending on infrastructure industry
- The recently passed mortgage law is expected to become the main driver for the residential sector in 2013

Qatar

- Government spending on infrastructure is expected to exceed AED 734bn over the next 10 years as a result of the country's 2030 vision and 2022 FIFA World Cup preparations

Source: *GulfNews; **International Monetary Fund

Contracting industry will benefit from increased projects that have been started or announced

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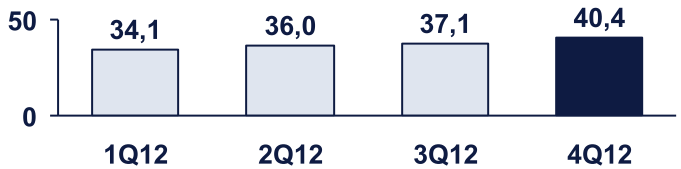
Order Receipts (Aggregate)
AED billion

Backlog (Aggregate)
AED billion



- New order receipts (aggregate) by contracting companies in 4Q'2012 have doubled since 1Q'2012
- The aggregate backlog order has increased by 18% since 1Q'2012. That demonstrates a robust growth in the contracting industry
- Currently, Arabtec, Drake & Scull International and GECP have 87% market share in the aggregate contracting backlog.

Examples of large contracting projects awarded in 4Q'2012:

AED 25 bn worth project on expansion of Abu-Dhabi International Airport - Drake & Scull International

Baniyas Residential Development (construction of villas) in UAE worth AED 422 mn – ARABTEC Holding

Jabal Omar pipeline installation in KSA worth AED 2.1 bn – Drake & Scull International

Target engineering projects in UAE/Qatar worth AED 272 mn – ARABTEC Holding

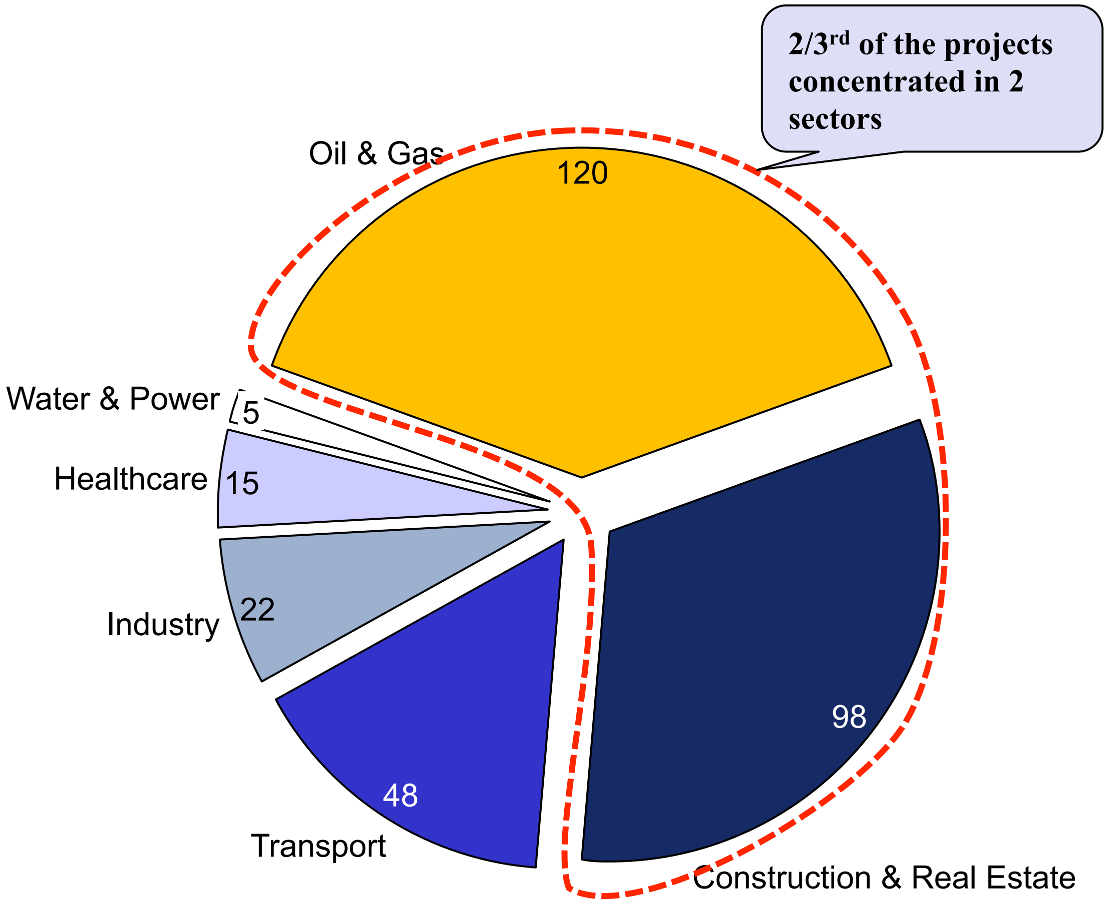
Msheireb Downtown Doha worth AED 2.3 bn - ARABTEC Holding

3 construction projects for Ministry of municipal & Rural Affairs of KSA worth AED 327 mn – Al-Khodari

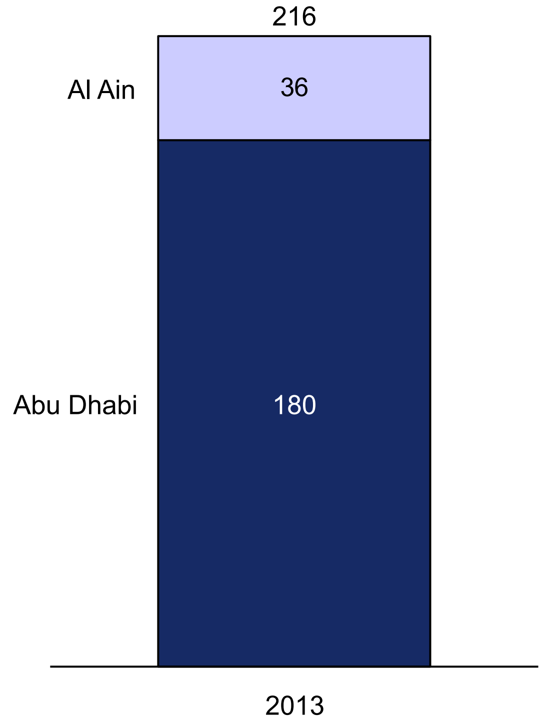
Source: *GulfNews; **International Monetary Fund

As part of Abu Dhabi Vision 2030, ~AED 300 bln worth of projects were started in 2012; additional AED 216 bln worth of projects are to be awarded in 2013 for Abu Dhabi and Al Ain respectively

Abu Dhabi projects breakdown 2012
(AED billion)



Abu Dhabi & Al Ain projects 2013
(AED billion)



Source: Middle East Economic Digest (MEED)

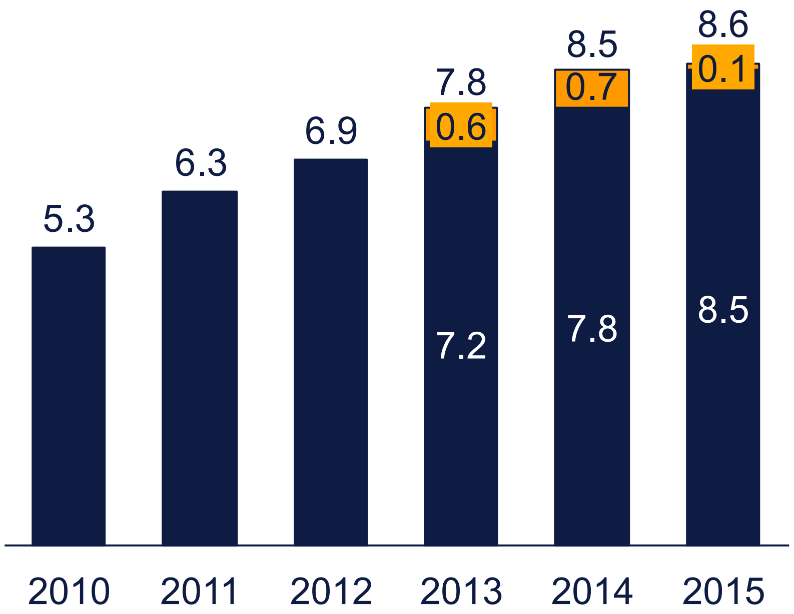
Dubai Expo offers significant upside opportunities, especially in tourism and logistics industries

Impact of Dubai Expo 2020	Opportunities for Banks
• Contribution of **EUR 17.6 Billion to GNP** of which 68% will likely be contributed from visitors and a **further 2/3rd** will come from post event production and re-consumption • **Dubai government** aiming to **spend AED 70 billion** to prepare for the event • The event is likely to create ~275K jobs that will increase **disposable income by EUR 5 billion** (between 2013-2021) • Industries that will benefit from job creation would be **hotels and restaurants, construction and transportation/logistics** • Increase in **Foreign Business Investment** and **Business Transactions** will further drive the economy	• Selective financing of government spend and real estate/construction industry for the event • Customized solutions for the travel and tourism industry including employers and employees • Provide banking services to businesses investing in UAE and capture the transaction banking revenues • Develop insurance products targeted at Expo participants and tourists • Invest in integrating financial products with logistics solutions to support expansion of the industry (e.g. financial supply chain, supply chain lending, payments etc.)

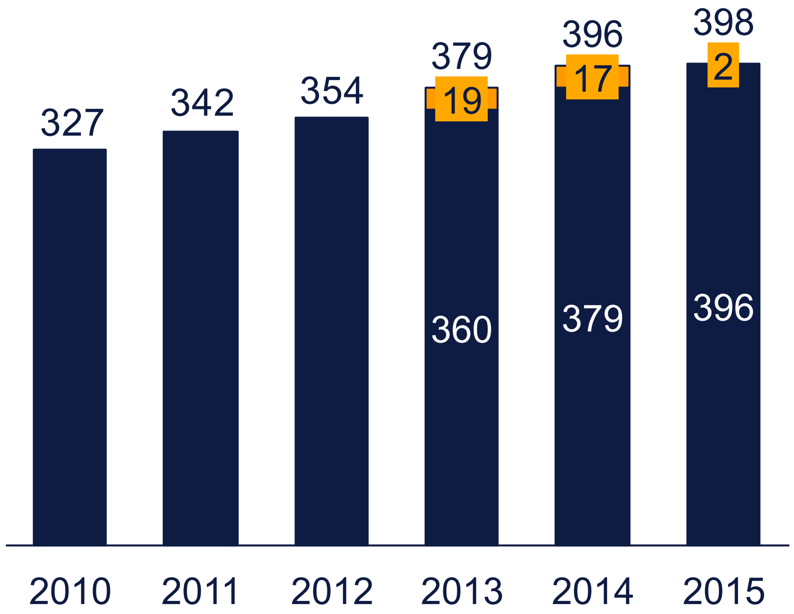
Source: Emirates NBD Research

Supply of office and residential units projected to grow over the next few years

Dubai Office Stock
Total stock (millions sq m)

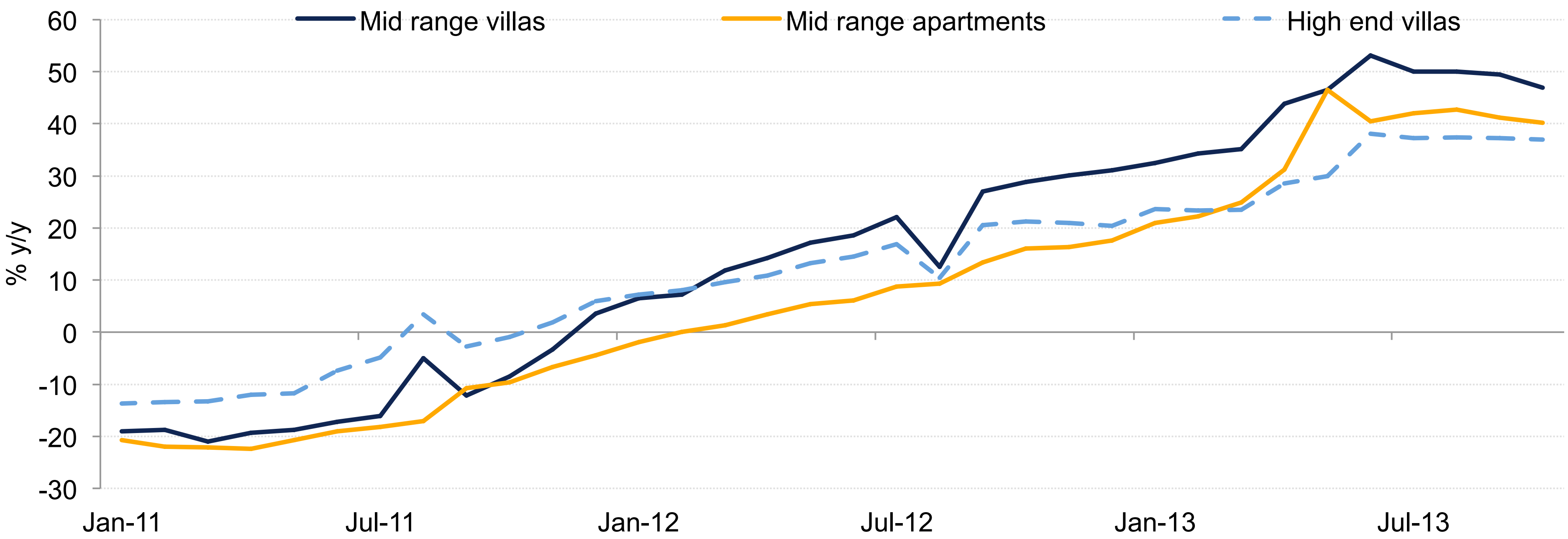


Dubai Residential Stock
# of units (in 000's)



Source: Jones Lang LaSalle, Q2 2013

Dubai's residential real-estate prices have picked-up since 2011…

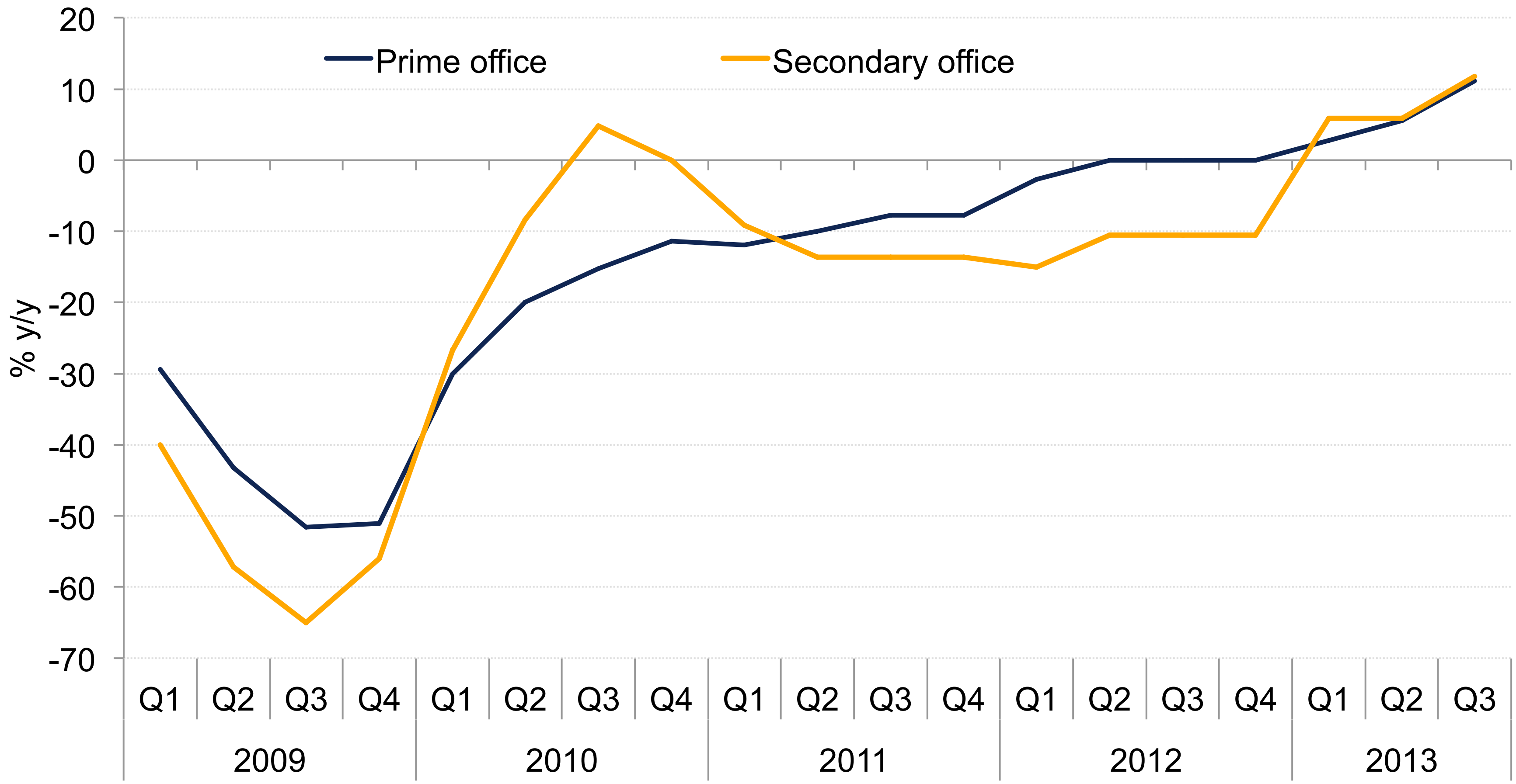


Upside scenarios
• Given that UAE has been considered a "safe haven", political instability in ME and Africa can drive capital flow in UAE and likely into the real-estate market • Anecdotal evidence from real estate agents suggests cash buyers account for about 75% of sales of which high proportion are non-resident

Downside scenarios
• Overheating of the real-estate market, • Oversupply of properties, due to higher prices, will likely impact price and investments

Source: Cluttons (via Bloomberg), Emirates NBD Research

… and so have prime and secondary office prices



Source: CLTSPRCL Index; CLTSSECL Index

Real Estate growth sustainable or another bubble?

Emirates NBD

Growth in real estate appears to be based more on fundamentals vs. speculation

– The sharp increases in property prices in 2008 were driven by excessive short-term speculative activity, especially on off-plan properties. For these properties, buyers only had to put down 10 per cent deposits (rather than the full price), so the market became highly leveraged

– **Growing Economy** – Dubai's economy has experienced solid and sustainable rates of growth over the past three years

– **Demographics –** Population has grown from 1.97 million to 2.17 million in the last 1 year

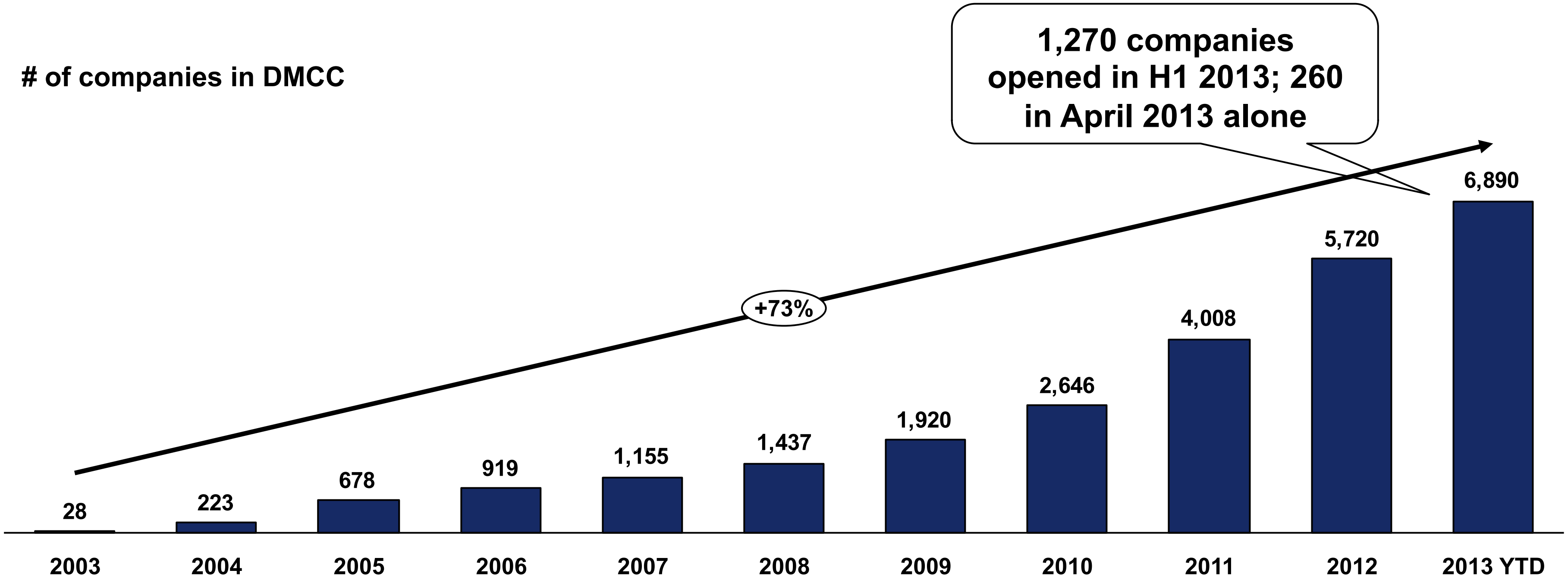
– **Return of confidence –** According to Business Confidence Survey (Q1-2013), led by the Department of Economic Development (DED more than half (55 per cent) of businesses surveyed were expecting higher sale revenues in the second quarter of 2013, and 30 per cent were expecting stable sales thanks to rising activity and volume; 98 per cent of businesses planned to either increase (23 per cent) or maintain (75 per cent) their employment count for the second quarter

– **Improving regulations –** New real estate laws are being implemented to increase investor confidence (two new laws aiming at increased transparency and better regulation were introduced recently aiming at increased transparency and better regulation)

– **Expo 2020 –** If Dubai gets to host Expo 2020 close to 300,000 more jobs could be created with 25 million people visiting Dubai. 90 per cent of the job opportunities would occur from 2018 to 2021, which in turn creates further demand for real estate

Source: Web Research

Commodity companies have opened up in the UAE over the past few years at a very high rate



Key facts

- AED 30 billion i.e. 2.1 % of UAE GDP was contributed by DMCC
- On average 200 companies open a month
- Over 85 per cent of these businesses are new to Dubai

Source: Web search; Dubai Multi Commodities Centre (DMCC)

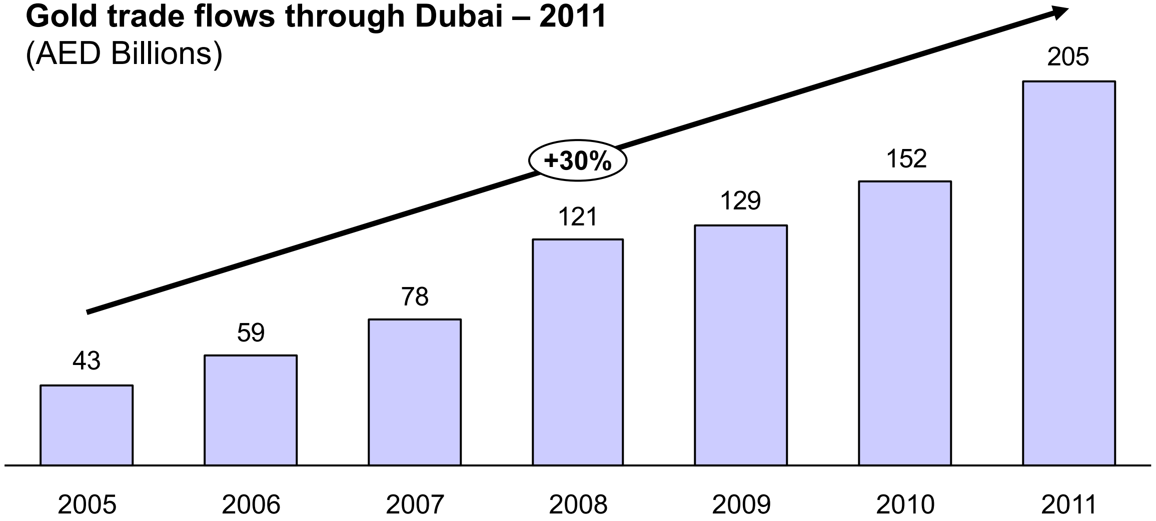
Gold and Diamond comprise 95 % of the commodity trade flows through Dubai

Commodity Imports, exports and total trade flows through Dubai – 2011
(AED Billions)

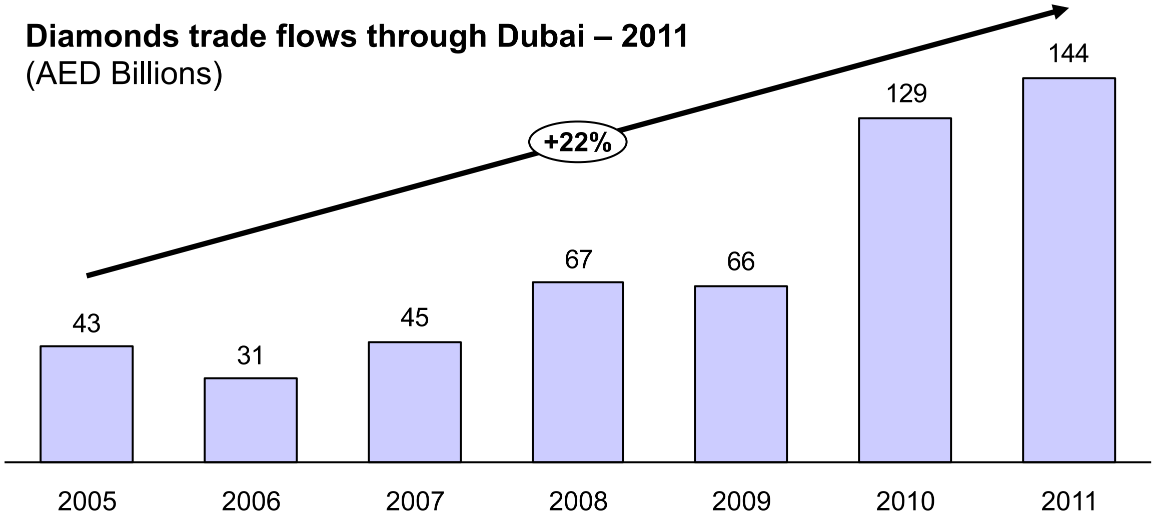
Source: Dubai Multi Commodities Centre (DMCC)

Trade volumes of Gold and Diamond have been growing phenomenally over the last few years

Gold trade flows through Dubai – 2011
(AED Billions)



Diamonds trade flows through Dubai – 2011
(AED Billions)



Source: Dubai Multi Commodities Centre (DMCC)

Key facts

- Gold trade increased to AED 256 bn in 2012 i.e. 25% of world's physical gold passing through the emirate
- In 2011 India imported 25% of its gold consumption from Dubai i.e. 365 tones (Exports – 225; Import – 140)
- Trade volume of rough diamonds increased by 23% from 2011 to 2012 to 121 million carats, and the value increased by 22% to US$ 11.5 billion
- Rough and polished diamond trade are 25% and 75% of total diamond trade respectively
- India (32%), South Africa and Switzerland accounted for 45% of diamond trade through Dubai

UAE's attractiveness to MNCs has improved significantly thereby necessitating the need for greater focus on Global Banking / MNC

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Global Indices	Rank (2012-13)	Rank (2013-14)	Change
Global Competitiveness Overall Ranking	24th position	19th position	↑
High Infrastructure Quality	8th position	5th position	↑
Highly Efficient Goods Market	5th position	4th position	↑
Happiest Country in the world	17th position	14th position	↑
Strong Macroeconomic Stability	7th position	7th position	↔
Strong Public Trust in Politicians	3rd position	3rd position	↔

In addition, several other factors also contribute to the overall package

- **Easy access to financing:** (Loans – ranked 5th for 2012-13 and 3rd for 2013-14); (Financing through local equity market - ranked 28th (2012-13) and 21st for (2013-14)
- **Quality of the educational system** – ranked 17th last year and 15th this year
- **Free Zones offering fiscally benign environment**

Source: Global Competitiveness report 2012-13 & 2013-14; UN world happiness report

Agenda

Macro trends

UAE Overview

Capital market developments

Future outlook

Interesting Segment / Sectors

Going forward

"Name lending" that prevailed pre-crises, has subsided; Banking would indeed go "back to the basics"

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Pre-crisis

- Pre-crisis, economy grew at a rapid pace, with real estate prices enjoying double digit growth
- Company funds generated by core business sometimes being diverted into real estate; positions leveraged beyond debt servicing capacity
- Banks at times lent based on name and/or collateral, but after the bubble burst, some banks facing loan losses/ provisions and liquidity challenges

Going forward

- With Implementation of Basel III framework i.e. new regulations requiring higher capital will restrict bank's lending (pushing certain corporations to seek finance via bonds/Sukuk)
- Tighter lending norms/conservative lending: Central banks' risk reduction measures entail raising reserve requirements; banks may adopt more conservative lending; limitations on large exposures/sector exposure
- Interest spreads/margins have come down due to competitive pressures, leading to inadequate returns for the banks; banks seek to increase ancilliary business in order to maintain mutually beneficial and sustainable long term client relationships

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Thank you