EMIRATES NBD BANK PJSC

(incorporated with limited liability in The United Arab Emirates)

EMIRATES NBD GLOBAL FUNDING LIMITED

(incorporated as an exempted company with limited liability in the Cayman Islands)

U.S.$12,500,000,000
Euro Medium Term Note Programme

On 20 June 2002, Emirates Bank International PJSC ("**EBI**") entered into a U.S.$1,000,000,000 Euro Medium Term Note Programme (the "**Programme**"). On 19 January 2005, the maximum aggregate nominal amount of Notes which may be outstanding under the Programme was increased from U.S.$1,000,000,000 to U.S.$3,500,000,000 and on 19 April 2007 such maximum aggregate nominal amount was further increased to U.S.$7,500,000,000. On 21 November 2009, EBI was legally amalgamated with Emirates NBD Bank PJSC ("**ENBD**" or the "**Bank**"). As a result of the amalgamation, all of the assets and liabilities of EBI were transferred to ENBD, EBI was dissolved and ENBD is now considered to be the issuer of the Notes issued by EBI prior to the date hereof. Any Notes (as defined below) issued under the Programme are issued subject to the provisions set out herein. This does not affect any Notes issued prior to the date hereof.

Under the Programme, ENBD and Emirates NBD Global Funding Limited ("**EGF**" and, together with ENBD in its capacity as issuer, the "**Issuers**" and each an "**Issuer**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes issued by EGF will be unconditionally and irrevocably guaranteed (the "**Guarantee**") by ENBD (in such capacity, the "**Guarantor**").

References to "**the relevant Obligor(s)**" shall, in the case of any issue of Notes, mean the relevant Issuer and, if the relevant Issuer is EGF, the Guarantor.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$12,500,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*General Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes. **An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".**

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 on prospectuses for securities (the "**Luxembourg Law**") to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the Programme or in respect of the quality or solvency of ENBD or EGF pursuant to Article 7(7) of the Luxembourg Law. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Regulated Market**") and to be listed on the official list (the "**Official List**") of the Luxembourg Stock Exchange, during the period of 12 months from the date of this Base Prospectus.

This Base Prospectus has been approved by the Dubai Financial Services Authority (the "**DFSA**") under the DFSA's Markets Rule 2.6 and is therefore an Approved Prospectus for the purposes of Article 14 of the DFSA's Markets Law 2012. Application has also been made to the DFSA for certain Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of securities (the "**DFSA Official List**") maintained by the DFSA and to Nasdaq Dubai for such Notes to be admitted to trading on Nasdaq Dubai.

References in this Base Prospectus to Notes being "**listed**"(and all related references) shall mean that: (i) such Notes have been admitted to listing on the Official List and admitted to trading on the Regulated Market which is a regulated market for the purposes of Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**"); and/or (ii) such Notes have been admitted to trading on Nasdaq Dubai and have been admitted to the Official List of securities maintained by the DFSA.

The DFSA does not accept any responsibility for the content of the information included in this Base Prospectus, including the accuracy or completeness of such information. The liability for the content of this Base Prospectus lies with each of ENBD and EGF. The DFSA has also not assessed the suitability of the Notes to which this Base Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Base Prospectus or are unsure whether the Notes to which this Base Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial advisor.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in a final terms (the "**Final Terms**") which, with respect to Notes to be listed on the Luxembourg Stock Exchange, will be filed with the CSSF and which, with respect to Notes to be listed on Nasdaq Dubai, will be delivered to the DFSA and Nasdaq Dubai.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between each relevant Obligor and the relevant Dealer. The Issuers may also issue unlisted Notes and/or Notes not admitted to trading on any market.

The rating of certain Tranches of Notes to be issued under the Programme and the credit rating agency issuing such rating may be specified in the applicable Final Terms. ENBD has been assigned a long term rating of A+ and a short term rating of F1 by Fitch Ratings Ltd. ("**Fitch**") and a long term rating of A3 by Moody's Investors Service Ltd. ("**Moody's**"). The United Arab Emirates has been assigned a credit rating of Aa2 by Moody's Investors Service Singapore Pte. Ltd. ("**Moody's Singapore**"). The rating has been endorsed by Moody's in accordance with Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**").

Moody's Singapore is not established in the European Union and has not applied for registration under the CRA Regulation. Each of Fitch and Moody's is established in the European Union and is registered under the CRA Regulation. Each of Fitch and Moody's appears on the latest update of the list of registered credit rating agencies on the European Securities and Markets Authority ("**ESMA**") website at http://www.esma.europa.eu/page/List-registered-and-certified-CRAs.

A security 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.

Arranger
Deutsche Bank

Dealers

Barclays | **BNP PARIBAS**
BofA Merrill Lynch | **Citigroup**
Commerzbank | **Crédit Agricole CIB**
Credit Suisse | **Deutsche Bank**
Emirates NBD Capital | **HSBC**
ING | **Morgan Stanley**
Nomura | **Société Générale Corporate & Investment Banking**
Standard Chartered Bank

The date of this Base Prospectus is 30 May 2017

IMPORTANT NOTICES

This Base Prospectus complies with the requirements in Part 2 of the Markets Law (DIFC Law No. 1 of 2012) and Chapter 2 of the Markets Rules and comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (which includes the amendments made by Directive 2010/73/EU) and including any relevant implementing measure in a relevant Member State of the European Economic Area (the "**Prospectus Directive**").

Each of ENBD and EGF accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of each of ENBD and EGF (each having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as completed by the applicable Final Terms. This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the applicable Final Terms.

Copies of the applicable Final Terms will be available from the registered office of ENBD and the specified offices of the Paying Agent (as defined below).

Certain information contained in "*Risk Factors*", "*Description of Emirates NBD Bank PJSC – ENBD's Competition*", "*Overview of the UAE and the Emirate of Dubai*" and "*The United Arab Emirates Banking and Financial Services System*" (as indicated therein) has been extracted from independent, third party sources. Each of ENBD and EGF confirms that all third party information contained in this Base 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 any third party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

The Dealers have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by any of ENBD or EGF in connection with the Programme. No Dealer accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by any of ENBD or EGF in connection with the Programme.

No person is or has been authorised by ENBD or EGF to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by ENBD or EGF or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation by ENBD or EGF or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Obligor(s). Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of ENBD or EGF or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning ENBD or EGF is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of any of ENBD or EGF during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and Notes in bearer form are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (see "*Subscription and Sale*").

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes 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 Issuers, the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base 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 Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom, the Republic of Italy and France), Japan, the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the United Arab Emirates (excluding the Dubai International Financial Centre) and the Cayman Islands (see "*Subscription and Sale*").

This Base Prospectus has not been submitted for clearance to the *Autorité des marchés financiers* in France.

Certain figures and percentages included in this Base 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.

Summary of alternative performance measures

The list below presents "Alternative Performance Measures" as defined in the European Securities and Markets Authority Guidel Performance Measures. These financial measures presented by ENBD in this Base Prospectus provide useful supplementary i management, as they facilitate the evaluation of company performance and should be read in conjunction with ENBD's financia this Base Prospectus. The basis of calculating these performance measures along with the rationale for including them is explaine all companies calculate financial measurements in the same manner, these are not always comparable to measurements used by oth

Metric	Calculation	Rationale for inclusion
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.
Non-performing/impaired loan ratio	Calculated as non-performing/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.
Impairment coverage ratio	Allowances for impairment divided by total of impaired loans and receivables and impaired Islamic financing 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.
Net interest margin	Calculated as yield minus cost of funds. 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.	Measures the spread a 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.
Loans to deposit ratio	Calculated as the sum of loans and receivables and	This is a measure of a bank's ability to fund its

	Islamic financing receivables divided by the sum of customer deposits and Islamic deposits.	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.
Net loan growth	This is the percentage increase in the sum of loans and receivables and Islamic financing receivables over the period.	This is a measure of a bank's ability to grow its loan book.

All references in this document to "**U.S. dollars**", "**U.S.$** "and "**$**" refer to United States dollars, to "**Dirham**" and "**AED**" refer to United Arab Emirates Dirham, 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 establishing the European Community, as amended and all references to "**CNY**", "**Renminbi**" and "**RMB**" are to the lawful currency of the People's Republic of China (the "**PRC**") which, for the purposes of this Base Prospectus, excludes the Hong Kong Special Administrative Region of the PRC, the Macao Special Administrative Region of the PRC and Taiwan. In addition, all references in this document to "**UAE**" are to the United Arab Emirates.

All references in this document to "**ISDA Definitions**" refer to the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes. Investors should consult the Issuer in case they require a copy of the 2006 ISDA Definitions.

This Base Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus 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 EGF and ENBD believe 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.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. 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 Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes 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) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing, and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

STABILISATION

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, ONE OR MORE DEALERS (THE "STABILISATION MANAGER(S)") (OR ANY PERSON ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY OVER-ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES 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 RELEVANT TRANCHE OF NOTES 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 RELEVANT TRANCHE AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations 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 Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of Notes issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS OF JAPAN

The Notes 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 "**Financial Instruments and Exchange Act**"). The Notes will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

CAYMAN ISLANDS NOTICE

No invitation, whether directly or indirectly, may be made to any member of the public of the Cayman Islands to subscribe for any Notes and this Base Prospectus shall not be construed as an invitation to any member of the public of the Cayman Islands to subscribe for any Notes.

IMPORTANT – EEA RETAIL INVESTORS

If the applicable Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes, from the date of application of Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**"), are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**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 Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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RISK FACTORS

Each of the Obligors believes that the following factors may affect its ability to fulfil its obligations in respect of the Notes issued under the Programme or under the Guarantee, as the case may be. All of these factors are contingencies which may or may not occur and neither Obligor is 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 Notes issued under the Programme are also described below.

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

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

Factors that may affect EGF's ability to fulfil its obligations in respect of Notes issued under the Programme

EGF has no material assets

At the date of this Base Prospectus, EGF is an exempted company with limited liability, incorporated under the laws of the Cayman Islands on 3 July 2009. EGF will not engage in any business activity other than the issuance of Notes under this Programme and other borrowing programmes established from time to time by ENBD, the issuance of shares in its capital and other activities incidental or related to the foregoing. EGF is not expected to have any income except payments received from ENBD, which will be the only material sources of funds available to meet the claims of the Noteholders. As a result, EGF is subject to all of the risks to which ENBD is subject, to the extent that such risk could limit ENBD's ability to satisfy in full and on a timely basis its obligations to EGF under the Programme.

As EGF is a Cayman Islands company, it may not be possible for Noteholders to effect service of process outside of the Cayman Islands.

Factors that may affect ENBD's ability to, in its capacity as Issuer, fulfil its obligations in respect of Notes issued under the Programme and to, in its capacity as Guarantor, fulfil its obligations under the Guarantee

Risks relating to the business of ENBD

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 macro-economic 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 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.

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 3 biggest sectors are trading (27 per cent.), transport and storage (15 per cent.) and constructions and real estate of (13 per cent.), with the numbers mentioned as a percentage of Dubai's constant GDP in the third quarter of 2016 (according to preliminary estimates by the 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 Base Prospectus, the global macroeconomic climate remains volatile. Investor confidence in international debt and equity markets (and, in turn, the performance of those markets) could be adversely impacted by recent political events. In particular, the United Kingdom's "leave" vote in the June 2016 referendum on its membership of the European Union ("**EU**") and elections in the United States and Europe may result in increased volatility across international financial markets and impact on the general political and macro-economic conditions in the United Kingdom, the EU, the United States and globally, until the precise terms of the United Kingdom's exit from the EU and the impact of the fiscal-stimulus policies within the US and Europe become clearer.

Movements in global interest rates have also continued to be unpredictable. The U.S. Federal Reserve's decision to further increase interest rates in December 2016 by 0.25 per cent. and in March 2017 by a further 0.25 per cent. (having also raised rates in December 2015 for the first time since 2006) has contributed to the prevailing mood of economic uncertainty. Any slowdown in the global economic environment, together with any reduction in Governmental spending and the likely impact on the level of economic activity in Dubai and the UAE, may have an adverse effect on ENBD's credit risk profile.

At a regional level, and notwithstanding the partial correction in global crude oil prices through 2016 (according to the OPEC website, the average price of the OPEC Reference Basket was approximately U.S.$51.67 per barrel for the year ended 31 December 2016), the oil-producing economies of the Gulf Co-operation Council ("**GCC**") states, including the UAE, have continued to be affected by budget deficits, a decrease in fiscal revenues and consequent lower public spending seen in 2016 and expected to continue through 2017.

In the UAE, the prevailing low oil price environment has stimulated a federal government led policy of rationalisation of fiscal spending which, in turn, has led to an ongoing transformation within the UAE economy. The federal government has scaled back capital transfers to government-related entities, cut government investment, raised electricity and water tariffs and removed fuel subsidies. These significant fiscal reforms have become an integral part of a broader federal government strategy aimed at reducing fiscal dependency on hydrocarbon related revenues. When combined with federal government plans to introduce a value added tax regime on 1 January 2018, ongoing oil price volatility, the diversion of significant fiscal revenues to the Saudi Arabian led military intervention in the Republic of Yemen since 2015 and domestic job losses in both the private and public sectors across the UAE (and particularly within Abu Dhabi), the impact on the UAE economy in totality since early 2015 has been significant. 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 volatility through 2015 and 2016, 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 Central Bank of the UAE (the "**UAE Central Bank**") has, as recently as June 2016, re-iterated its intention to retain the UAE dirham peg against the U.S. dollar), 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 de-valuation 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.

Volatile market conditions during 2015 and 2016 have resulted in periods of reduced liquidity, widening of credit spreads and lack of price transparency in credit and capital markets. For instance, economic growth in the UAE is estimated to have slowed to 3 per cent. in 2016 from 3.8 per cent. in 2015 (Source: Bloomberg, ENBD own research). Non-oil growth in the UAE slowed as external demand softened and lower oil prices led to a slowdown in government spending. The adverse market conditions have impacted investment markets both globally and in the UAE, with increased volatility in interest rates and exchange rates. The decision of the U.S. Federal Reserve to raise interest rates could adversely impact ENBD's net profit margins and borrowing costs. The business, results of operations, financial condition and prospects of ENBD may be materially adversely affected by a continuation of the general unfavourable economic conditions in the other countries of the GCC and emerging markets generally as well as by United States, European and international trading market conditions and/or related factors.

Whilst ENBD believes that it has implemented the appropriate policies, systems and processes to minimise these risks (please see "*Description of ENBD – Risk Management*'), investors should note that a worsening of current financial market conditions could lead to further decreases in investor and consumer confidence, further market volatility, further economic disruption and, as a result, could have an adverse effect on the business, results of operations, financial condition and prospects of ENBD irrespective of steps currently taken to adequately control these risks.

The business, results of operations, financial condition and prospects of ENBD has been materially adversely affected by these trends and may be further materially adversely affected by a continuation of the general unfavourable economic conditions in the markets in the other countries of the GCC and emerging markets generally as well as by United States, European and international trading market conditions and/or related factors.

Liquidity risks

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.

In the second half of 2008, a liquidity crisis arose in the global credit markets due to a large number of borrower defaults in the sub-prime mortgage loan market in the United States of America. The crises expanded to affect all levels of the international economy.

In particular, and in part reflecting the effects of the global economic crisis, the UAE financial markets experienced comparatively reduced levels of liquidity from the third quarter of 2008 and throughout 2009. 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).

While the liquidity situation in the UAE improved from 2010 to 2014, it did deteriorate in 2015 and 2016 as the system experienced a decrease in the level of government deposits and increased competition for liquidity from regional banks, which resulted in an increase in the loan to deposit ratio across the UAE banking system before improving again in early 2017. Whilst 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. Any future shortage of liquidity in the UAE and Dubai financial markets could have an adverse effect on the businesses, financial condition, results of operations and prospects of ENBD.

Credit risks

Credit risk is defined as risk of financial loss arising from the failure of the customer or counterparty, to meet its contractual obligations to ENBD. It can arise from both funded and non-funded transactions that are contingent in nature.

As mentioned above under "*– Risks relating to the business of ENBD – Market risks*", the UAE economy was negatively impacted by the global economic downturn, which affected some of the UAE's key economic sectors including trade, tourism, real estate and commerce. As a result of these adverse market conditions, certain of the customers to which ENBD directly extends credit, as well as counterparties of ENBD, experienced 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 became due. Although ENBD did experience improving credit quality ratios in recent years, the current liquidity conditions in the UAE and uncertainty in the global markets could have a material adverse effect on its financial condition, prospects and results of operations.

Operational risks

Operational risk at the Bank is defined as 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. Although ENBD has implemented risk controls and loss mitigation strategies and substantial resources are devoted to developing efficient procedures, it is not possible to eliminate any of the operational risks entirely, which could have a material adverse effect on its financial condition and results of operations.

This risk factor should not be taken as implying that ENBD will be unable to comply with its obligations as a company with securities: (i) admitted to the Official List and its obligations as a supervised firm regulated by the CSSF; and/or (ii) admitted to the DFSA's Official List.

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.

ENBD's loan portfolio is concentrated, geographically, in the UAE. The ten 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 ENBD and its subsidiaries (together with ENBD, the "Group") represented 5.17 per cent. of its total gross loans and receivables as at 31 December 2016. As at 31 December 2016, ENBD's largest funded exposure to a private sector borrower was AED 2.9 billion, which constitutes 1.1 per cent. of its total gross loans and receivables (as at 31 December 2016) and 5.3 per cent. of its total regulatory capital (total regulatory capital being AED 54.4 billion as at 31 December 2016).

In terms of the industry concentration of the Group's total credit risk portfolio, pertaining to conventional loans and advances as at 31 December 2016, banks and financial institutions accounted for 8.7 per cent., construction and real estate combined accounted for 15.2 per cent., trade and manufacturing accounted for 8.3 per cent., government accounted for 49.8 per cent., personal finance accounted for 14.8 per cent. and other sectors accounted for 3.2 per cent.

As at 31 December 2016, the Group's wholesale banking customers represented 36.1 per cent. of the sum of customer deposits and Islamic customer deposits. 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 financial condition or results of operations as well as its ability to meet the UAE Central Bank target stable resources ratio of 100 per cent. A downturn in the fortunes of any of ENBD's depositors, or in the sectors in which they operate, could have a material adverse effect on the financial condition, results of operations and prospects of ENBD.

Real estate exposure

As at 31 December 2016, exposures to real estate and construction constituted 10.9 per cent. and 2.6 per cent., respectively, of the Group's total credit risk portfolio. The Group's total funded real estate and Construction exposure stood at AED 52.6 billion.

Although Dubai has witnessed increased activity across all segments of the real estate market since 2013 due to favourable rebalancing of the underlying demand/supply dynamics and improved investor interest, more restrictive mortgage regulations and higher transaction taxes introduced during 2014 contributed to a reduction of activity in the real estate market. Slower price growth in the real estate market became evident from April 2014, as the stronger U.S. dollar contributed to weaker demand from foreign investors, and the number of sales transactions in 2014 was lower than that in 2013. Residential property prices, as measured by Phidar Advisory's Dubai 9/5 House Price Index shows that in October 2016 apartment prices were down 8.4 per cent. year on year and villa prices declined 1.1 per cent. year on year. The challenging economic situation since mid-2014, coupled with the strength of the U.S. dollar, may have affected demand from investors. Although, it is anticipated that Dubai's successful Expo 2020 bid will encourage an upwards trend in real estate prices, nevertheless, a further real estate correction or default of ENBD's main real estate-related clients in the future could have a material adverse effect on the financial condition, results of operation and prospects of ENBD.

Changes in accounting policies

Potential future changes to accounting policies or reclassifications could have a material adverse effect on the financial condition or results of operation of ENBD.

Principal shareholder and governmental support

As at the date of this Base Prospectus, the Government of Dubai indirectly holds 55.8 per cent. of the share capital of ENBD. Investment Corporation of Dubai ("**ICD**"), which is wholly-owned by the Government of Dubai, holds shares in ENBD directly. However, the Government of Dubai does not explicitly or implicitly guarantee the financial obligations of ENBD (including in respect of the Notes to be issued under the Programme and the Guarantee) 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 are under any obligation to invest in, make deposits with, do business with or otherwise support ENBD. The Government of Dubai and 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 at 31 December 2016, there were a total of 49 banks registered in the UAE (source: the UAE Central Bank). ENBD's main domestic competitors in terms of size of banking franchise and product and customer segments are Abu Dhabi Commercial Bank P.J.S.C., National Bank of Abu Dhabi P.J.S.C., First Gulf Bank P.J.S.C., Dubai Islamic Bank P.J.S.C., Mashreqbank psc, Union National Bank P.J.S.C., Abu Dhabi Islamic Bank P.J.S.C. and HSBC Bank plc. Amongst banks in the UAE market, as at 31 December 2016, ENBD ranked first by operating income, net profit, loans and deposits (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 cooperate 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 49 different banks (comprising 23 locally incorporated banks and 26 foreign banks) licensed to operate inside the UAE as at 31 December 2016, serving a population estimated to be in the region of 9.3 million in 2016 (*source*: Statistical Yearbook 2016 edition, United Nations Department of Economic and Social Affairs, Statistics Division), serving a population estimated to be in the region of approximately 9.1 million people at the end of 2015 (source: the World Bank). There has traditionally been little impetus for consolidation. However, the recently consummated merger between National Bank of Abu Dhabi and First Gulf Bank is anticipated to stimulate further moves towards greater consolidation amongst UAE banks. 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 United Arab Emirates Banking and Financial Services System – Principal Banks in Dubai – 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 "**WTO**"), 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.

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 relating to the business of ENBD – Market risks*").

Majority of business in the UAE

ENBD has the majority of its operations and assets in the UAE and accordingly its business may be affected by the financial, political and general economic conditions prevailing from time to time in the UAE and/or the Middle East generally.

These markets are subject to greater risks than more developed markets, including in some cases significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in the light of those risks, their investment is appropriate. Generally, investment is only suitable for sophisticated investors who fully appreciate the significance of the risk involved (see also "*– Risk factors relating to the UAE and the Middle East – Political, economic and related considerations*").

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

ENBD currently has a long-term foreign currency issuer default rating of A+ with stable outlook from Fitch and a long-term foreign currency issuer default rating of A3 with stable 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.

On 14 May 2016, Moody's Investors Service Singapore Pte. Ltd. affirmed the UAE's long-term credit rating of Aa2 (with a negative outlook). The principal reason cited for this high investment grade rating is the assumption that the obligations of the UAE Federal Government will be fully supported by Abu Dhabi. The UAE is not rated by any other rating agency. An announcement of a negative ratings outlook of ENBD's credit rating may also limit its ability to raise capital. Moreover, actual or anticipated changes in ENBD's credit rating may affect the market value of the Notes.

Importance of key personnel

ENBD's ability to maintain and grow its business will depend, in part, on its ability to continue to recruit and retain 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, will need to continue to increase its employee numbers.

Additionally, the UAE Federal Government has a recommended policy that companies operating in the UAE recruit UAE nationals representing at least 4 per cent. of their total employees each year (see "*The UAE Banking and Financial Services System – Expatriate Workforce*"). 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.

While ENBD currently meets (and exceeds) the UAE Federal Government's "Emiratisation" requirements (in particular, see "*Management of Emirates NBD Bank PJSC – 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 under performing 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 GCC 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.

Risk factors relating to the UAE and the Middle East

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 Middle East. This is particularly so in light of significant adverse financial and economic conditions experienced worldwide commencing in early 2008. Since that time, there has been a slowdown or reversal of the high rates of growth that had been experienced by many countries within the GCC and the UAE, especially in Dubai. Consequently, certain sectors of the GCC economy such as financial institutions that had benefitted from such high growth rates, could be adversely affected by any future slowdown.

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 Programme, or which could adversely affect the market price and liquidity of the Notes.

While the UAE is seen as a relatively stable political environment, certain other jurisdictions in the Middle East and North Africa ("**MENA**") region are not and there is a risk that regional geopolitical instability could impact the UAE. Instability in the MENA region may result from a number of factors, including government or military regime change, civil unrest or terrorism. In particular, since early 2011 there has been political unrest in a range of countries in the MENA region, including Egypt, Algeria, the Hashemite Kingdom of Jordan, Libya, the Kingdom of Bahrain, the Kingdom of Saudi Arabia, the Republic of Yemen, the Republic of Iraq (Kurdistan), Syria, Palestine, Tunisia and the Sultanate of Oman.

This unrest has ranged from public demonstrations to, in extreme cases, armed conflict (including the multinational conflict with Islamic State (also known as Daesh, ISIS or ISIL)) and the overthrow of existing leadership and has given rise to increased political uncertainty across the region. Further, the UAE, along with other Arab states, is currently participating in the Saudi Arabian led military intervention in the Republic of Yemen which began in 2015 in response to requests for assistance from the Yemeni government. The UAE is also a member of another Saudi Arabian led military coalition formed in December 2015 to combat Islamic extremism and, in particular, Islamic State. These situations have caused significant disruption to the economies of affected countries and may have had a destabilizing effect on international oil and gas prices. For instance, between July 2014 and January 2016, international crude oil prices declined dramatically (falling by approximately 75 per cent. from a high monthly average OPEC Reference Basket price per barrel of U.S.$107.9 in July 2014, to a monthly average price of U.S.$26.50 in January 2016).

Notwithstanding the partial correction in global crude oil prices through 2016 (according to the OPEC website, the average price of the OPEC Reference Basket was approximately U.S.$51.67 per barrel for the year ended 31 December 2016), the economies of the oil-revenue dependent GCC states have continued to be adversely affected with budget deficits, a decrease in fiscal revenues and consequent lower public spending seen in 2016 and expected to continue through 2017 – in the UAE, the IMF expects the federal budget deficit for 2016 to widen to approximately 7.2 per cent. of GDP when figures are ultimately released. Additionally, in the UAE, the significant fiscal reforms implemented by the federal government in response to the low oil price environment since 2015 has had, and continues to have, a transformative affect on the UAE economy. The federal government has scaled back capital transfers to government-related entities, cut government investment, raised electricity and water tariffs and removed fuel subsidies. These have become an integral part of a broader federal government strategy aimed at rationalising fiscal expenditure generally and reducing fiscal dependency on hydrocarbon related revenues. When taken in totality with federal government plans to introduce a value added tax regime, the ongoing oil price volatility, the diversion of significant fiscal revenues to the Saudi Arabian led military intervention in the Republic of Yemen since 2015 and domestic job losses in both the private and public sectors across the UAE (and particularly within Abu Dhabi), the impact on the UAE economy since early 2015 has been significant.

Though the effects of the uncertainty have been varied, 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 affecting the countries in the MENA region could adversely impact the UAE although to date there has been no significant impact on Dubai or 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 MENA region could negatively impact the number of foreign businesses seeking to invest in the UAE, whilst 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

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 their 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 United Arab Emirates Banking and Financial Services System – Recent Trends in Banking – Large Exposures*"). Such regulations may limit ENBD's ability to increase its loan/financing receivable portfolios or raise capital or may increase its cost of doing business.

Any changes in the laws and regulations and/or the manner in which they are interpreted or enforced may 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. For example, in accordance with 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 with effect from 1 July 2015, replacing Central Bank Notice No. 30/2012) (the "**Liquidity Notice**"), ENBD must now comply with certain qualitative and quantitative liquidity requirements (see "*The United Arab Emirates Banking and Financial Services System*"). On 23 February 2017, the UAE Central Bank issued Circular No. 52/2017 on Regulations re Capital Adequacy. This will affect the capital requirements of UAE banks, including ENBD, in future.

Furthermore, non-compliance with regulatory guidelines could expose ENBD to potential liabilities and fines. Although ENBD works closely with its regulators and continually monitors the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond its control.

The GCC may enter into a monetary union and potential removal of the peg to the U.S. dollar

There is the possibility that some countries in the GCC may abandon their respective national currencies in favour of a single GCC currency. If a single GCC currency is adopted, the necessary convergence of laws, policies and procedure will bring significant changes to the economic and political infrastructure in each of the GCC states. As yet there has been no announcement of any monetary union and there are currently no details of new legislation or policies. There is also the possibility that some countries in the GCC could remove or devalue their currency peg to the U.S. dollar. Investors should, however, 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 Programme.

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 Notes issued by it and, in the case of Notes issued by EGF, ENBD's obligations under the Guarantee. There is little precedent to predict how a claim on behalf of Noteholders 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).

Enforcing foreign arbitration awards and foreign judgments in Dubai

The payments under the Notes are dependent upon the relevant Issuer (failing which, in the case of Notes issued by EGF, ENBD) making payments to investors in the manner contemplated under the Notes or the Guarantee, as the case may be. If the relevant Issuer and subsequently, in the case of Notes issued by EGF, the Guarantor, fails to do so, it may be necessary to bring an action against the relevant Issuer or the Guarantor, as appropriate, to enforce its obligations and/ or to claim damages which could be both time-consuming and costly.

ENBD has irrevocably agreed to the Notes, the Agency Agreement (as defined in the terms and conditions (the "**Conditions**")), the Programme Agreement (as defined in "*Subscription and Sale*") and/or the Guarantee (as applicable) being governed by English law. Unresolved disputes in relation to the Notes, the Agency Agreement, the Programme Agreement, and/or the Guarantee (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, ENBD has irrevocably agreed to the courts of England having exclusive jurisdiction to settle disputes. Notwithstanding 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 United Kingdom against which such a 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 perception 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.

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. Any arbitration award rendered in Paris should therefore 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 Dubai courts will interpret and apply the New York Convention remains uncertain and 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 have 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 under the UAE Federal Law No. 1 of 1992 as amended, or ignoring the provisions of Article 238 of the Civil Procedure Law. Article 238 provides that Articles 235 to 237 (which deal with enforcement of foreign judgments, orders and instruments and which contain onerous requirements which must be satisfied before enforcement will be considered by the Dubai courts) apply only in the absence of multilateral or bilateral conventions such as the New York Convention. Therefore, there remains a risk that when faced with an action for enforcement of a foreign arbitration award under the New York Convention the Dubai courts might continue to ignore Article 238 of the Civil Procedure Law and instead apply Articles 235 to 237. If Article 238 is ignored, there is a risk that a foreign arbitration award will be refused enforcement by the Dubai courts.

Claims for specific enforcement

In the event that ENBD fails to perform its obligations under the Notes and/or the Guarantee (as applicable) to which it is a party, the potential remedies available to the Noteholders include obtaining an order for specific enforcement of the relevant obligations or a claim for damages. An order for specific enforcement is at the discretion of the court and there is no assurance that a court will provide such an order.

The amount of damages which a court may award in respect of a breach will depend upon a number of possible factors including an obligation on the Noteholders to mitigate any loss arising as a result of the breach. No assurance is provided on the level of damages which a court may award in the event of a failure by ENBD to perform its obligations as set out in the Notes and/or the Guarantee (as applicable).

Enforceability of ENBD's obligations under the Guarantee

Under UAE law, the obligations of a guarantor are incidental to the obligations of the principal debtor, and the obligations of the guarantor will only be valid to the extent of the continuing obligations of the principal debtor. In addition, in order to enforce a guarantee under UAE law, the underlying debt obligation for which such guarantee has been granted may need to be proved before the UAE courts.

The obligations of ENBD under the Guarantee in respect of the Notes issued by EGF are, therefore, incidental obligations and dependent on the validity and the enforceability of EGF's obligations under the Notes issued by it. Accordingly EGF's obligations under Notes issued by it may, therefore, need to be proved before the courts of the UAE in order for the obligations of ENBD under the Guarantee to be enforceable.

Sovereign immunity

Under the Notes and/or the Guarantee (as applicable) 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 Notes and/or the Guarantee (as applicable) are valid and binding under the laws of the UAE and applicable in Dubai.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuers

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes subject to early redemption for tax reasons

If the relevant Issuer or the Guarantor becomes obliged to pay any additional amounts in respect of the Notes or under the Guarantee (as applicable) as set out in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, the relevant Issuer may redeem all but not some only of the outstanding Notes of such Tranche in accordance with Condition 6(b).

Partly-paid Notes

Each Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since that Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Fixed Rate Notes

An investment in Fixed Rate Notes involves the risk that subsequent changes in market rates may materially and adversely affect the value of such Fixed Rate Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The relevant Issuer's obligations under Subordinated Notes are subordinated and the Guarantor's obligations under the Guarantee in respect of the Subordinated Notes issued by EGF are subordinated and, in each case, in the event that the relevant Issuer or the Guarantor, as the case may be, is not solvent at the time of payment, the entitlement of holders of Subordinated Notes to receive any amounts under the Subordinated Notes or the Guarantee in respect of the Subordinated Notes issued by EGF, as the case may be, could be affected

Each Issuer's obligations under the Subordinated Notes issued by it will be unsecured and will be subordinated to all unsubordinated payment obligations of that Issuer as set out in Condition 2.1(b).

The Guarantor's obligations under the Guarantee in respect of Subordinated Notes issued by EGF will be unsecured and will be subordinated to all unsubordinated payment obligations of the Guarantor as set out in Condition 2.2(b).

Payments in respect of the Subordinated Notes or the Guarantee in respect of the Subordinated Notes issued by EGF (in each case, whether on account of principal, interest or otherwise) by the relevant Issuer or the Guarantor, as the case may be, are conditional upon:

(a) the relevant Issuer or the Guarantor, as the case may be, being solvent (as defined in Condition 2.1(b), in the case of the Issuer, and as defined in Condition 2.2(b), in the case of the Guarantor) at the time of such payment; and

(b) the relevant Issuer or the Guarantor, as the case may be, being capable of making such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Subordinated Notes or the payment obligations of the Guarantor under the Guarantee of the Subordinated Notes issued by EGF, as the case may be, and still being solvent immediately thereafter.

If the relevant Issuer or the Guarantor, as the case may be, was wound up, liquidated or dissolved (or any other analogous action was taken), the relevant liquidator (or analogous insolvency official appointed in relation to the relevant Issuer or the Guarantor), may apply the assets of the relevant Issuer or the Guarantor, as the case may be, to satisfy all claims of the Senior Creditors (as defined in Condition 2.1(b), in the case of the Issuer, and as defined in Condition 2.2(b), in the case of the Guarantor). In such a situation, and if the condition as to solvency set out above is not satisfied, the holders of the Subordinated Notes may not be entitled to receive any amounts under the Subordinated Notes or the Guarantee in respect of the Subordinated Notes issued by EGF, as the case may be.

Changes to the Basel regulatory framework as implemented in the UAE may have an effect on the Subordinated Notes

The Basel Committee on Banking Supervision (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 guidance (the "**Basel III Reforms**") 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 ("**Basel III**"). The international implementation of the Basel III reforms began on 1 January 2013, however, the requirements are subject to a series of transitional arrangements that 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 qualification requirement for Tier 1 and Tier 2 capital instruments under Basel III.

This requirement (the "**Non-Viability Requirement**") requires contractual or legislative terms providing for, at the option of the relevant authority, the writing-off of the principal amount of Tier 2 instruments or the conversion of such Tier 2 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 (a "**Non-Viability Event**"). This definition is for illustrative purposes only and may not necessarily reflect the meaning ascribed to the term "**Non-Viability Event**" (or any term equivalent thereto) pursuant to any law or regulation implementing Basel III in the UAE.

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. As at the date of this Base Prospectus, the Basel III implementation text has not been published in the UAE and there has been no official proposal for a legislative implementation of the Non-Viability Requirement in the UAE. Investors should note that the Conditions of the Subordinated Notes do not include contractual provisions reflecting such Non-Viability Requirement.

Although it is expected that the UAE Central Bank will issue specific guidelines regarding the full implementation of Basel III, it is not possible to predict the timing or substance of the legislative and rulemaking process. If the implementation by the UAE of Basel III or any other relevant laws, rules or guidelines gives rise to a Regulatory Redemption Event (as defined and more particularly described in Condition 6(c) (*Redemption for regulatory reasons (Regulatory Call)*), in respect of the Subordinated Notes, the Subordinated Notes may be redeemed pursuant to Condition 6(c) (*Redemption for regulatory reasons (Regulatory Call)*) without the consent of the Noteholders at any time after the applicable notice period to the Noteholders. See "*– The Subordinated Notes may be redeemed prior to their final maturity date due to the occurrence of a Regulatory Redemption Event*".

In addition, 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 applicable legislation has been implemented domestically. 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, the UAE Central Bank published the "Regulations re Capital Adequacy" (the "**February 2017 Regulations**") in the Official Gazette issue 612, which are 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 February 2017 Regulations are supported by accompanying standards (the "**Accompanying Standards**") which are yet to be issued as at the date of this Base Prospectus. The Accompanying Standards will 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 "Domestic Systematically Important Banks" (and informed as such 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. As at the date of this Base Prospectus, whilst ENBD has not yet been publically designated a "Domestic Systematically Important Bank" by the UAE Central Bank, it may be in the future.

As at the date of this Base Prospectus, the UAE has not fully implemented the Basel III Reforms. In advance of the enactment of the Accompanying Standards to fully implement Basel III in the UAE, it is not possible to accurately predict the precise form in which Basel III will be introduced and whether or not such implementation will be in accordance with the provisions set out in the February 2017 Regulations. Accordingly, the UAE Central Bank's ultimate implementation of Basel III may further increase the regulatory burden on UAE financial institutions such as ENBD which could adversely impact ENBD's business. For example, if counter-cyclical or systemically important buffers are implemented by the UAE Central Bank as part of the wider introduction of the Basel III Reforms, it is possible that UAE financial institutions, including ENBD, will see an increase in the minimum levels of Regulatory Capital. Additionally, financial institutions, such as ENBD, which hold existing Tier 1 or Tier 2 capital instruments (as so classified under Basel II principles) may also be adversely affected if the UAE Central Bank's implementation of Basel III does not provide for grandfathering treatment of these pre-existing instruments.

To the extent that the UAE introduces a statutory resolution regime to implement loss absorbency upon the occurrence of a Non-Viability Event, either through the writing off of the principal amount of the instruments or the conversion of such instruments into ordinary shares, it is unclear how such a regime will apply to banks in the UAE or how it may be interpreted within the UAE and whether and to what extent it will affect any Subordinated Notes issued from time to time under the Programme.

The Subordinated Notes may be redeemed prior to their final maturity date due to the occurrence of a Regulatory Redemption Event

Upon the occurrence and continuation of a Regulatory Redemption Event, the Subordinated Notes may be redeemed, together with any accrued but unpaid interest, in accordance with the Conditions but without the consent of the Noteholders (as more particularly described in Condition 6(c) (*Redemption for regulatory reasons (Regulatory Call)*). In such circumstances, an investor may not be able to reinvest the redemption proceeds in a comparable security with a similar rate of return, which may have an adverse effect on the position of such investor. During any period when the relevant Issuer may elect to redeem the Subordinated Notes, the market value of the Subordinated Notes generally will not rise substantially above the Early Redemption Amount. Potential investors should consider re-investment risk in light of other investments available at that time.

Risks relating to Notes denominated in Renminbi

A description of risks which may be relevant to an investor in Notes denominated in Renminbi ("**Renminbi Notes**") are set out below.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi by foreign investors into the PRC for the settlement of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are being developed.

Although, starting from 1 October 2016, the Renminbi will be added to the Special Drawing Rights basket created by the IMF, there is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the People's Bank of China ("**PBoC**") has entered into agreements on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**Renminbi Clearing Banks**"), including but not limited to Hong Kong and are in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions (the "**Settlement Arrangements**"), the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. In August 2015, the PBoC implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to the Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

An investment in Renminbi Notes is subject to interest rate risks

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. The Renminbi Notes may carry a fixed interest rate. Consequently, the trading price of such Renminbi Notes will vary with fluctuations in Renminbi interest rates. If a holder of Renminbi Notes tries to sell such Renminbi Notes before their maturity, they may receive an offer that is less than the amount invested.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely: (i) for so long as the Renminbi Notes are represented by global certificates held with the common depositary for Clearsteam Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong; (ii) for so long as the Renminbi Notes are represented by global certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures; or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and regulations. The relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

Gains on the transfer of the Renminbi Notes may become subject to income taxes under PRC tax laws

Under the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The *PRC Enterprise Income Tax Law* levies EIT at the rate of 20 per cent. of the gains derived by such non-PRC resident enterprise or individual Holder from the transfer of Renminbi Notes but its implementation rules have reduced the enterprise income tax rate to 10 per cent. The *PRC Individual Income Tax Law* levies IIT at a rate of 20 per cent. of the gains derived by such non-PRC resident or individual Holder from the transfer of Renminbi Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Renminbi Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and become subject to the EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the *PRC Enterprise Income Tax Law*, the *PRC Individual Income Tax Law* and the relevant implementing rules. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Noteholders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if non-PRC enterprise or individual resident Holders are required to pay PRC income tax on gains derived from the transfer of Renminbi Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual resident holders of Renminbi Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Renminbi Notes may be materially and adversely affected.

Conflicts of interest – Calculation Agent

Potential conflicts of interest may exist between the Calculation Agent (if any) and Noteholders (including where a Dealer acts as a calculation agent), including with respect to certain determinations and judgements that such Calculation Agent may make pursuant to the Conditions that may influence amounts receivable by the Noteholders during the term of the Notes and upon their redemption.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification and substitution

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

The Conditions also provide that the Agent and the relevant Issuer may agree, without the consent of Noteholders, to any modification of any Notes, in the circumstances specified in Condition 14.

The Conditions also provide that ENBD (in its capacity as Issuer and as Guarantor in the case of Notes issued by EGF) may at any time, without the consent of Noteholders, agree to the substitution of a member of the Group, as defined in Condition 3, as principal debtor or guarantor, as the case may be, under any Notes in place of itself, in the circumstances described in Condition 17 subject, in particular, to ENBD obtaining appropriate confirmation that the substitution will not (or would not) result in a downgrade of the then current credit ratings afforded to the Notes (the "**ratings test**").

Accordingly, investors should be aware that ENBD's substitution (in its capacity as Issuer and as Guarantor in the case of Notes issued by EGF) may be effected without the consent of Noteholders and will only be subject to the ratings test being satisfied. Such investors should also be aware that: (i) any rating agency which has rated (or may be asked to rate) any Notes as part of the ratings test will not take the interests of such investors into account when so doing; (ii) any such rating will be focussed solely on a credit analysis of the Notes and may not address any other particular areas of concern for such investors; and (iii) any such rating may subsequently be downgraded or withdrawn within a very short time period without investors having any rights as a result.

No third-party guarantees

Investors should be aware that no guarantee is given in relation to the Notes by the Government of Dubai (see also "*– Principal shareholder and governmental support*" above) or any other third parties other than, where EGF is the relevant Issuer, ENBD.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of this Base 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 Base 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

Notes to be issued under the Programme or of the Guarantor, as the case may be, to comply with its obligations under the Guarantee.

Trading in the clearing systems

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

If a Noteholder holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time, such Noteholder may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to at least a Specified Denomination in order to be eligible to receive a definitive Note.

Reliance on Euroclear and Clearstream, Luxembourg procedures

Each Tranche of Notes will be represented on issue by one or more Global Notes that will be deposited with a Common Depositary for Euroclear and Clearsteam, Luxembourg (each as defined in "*Form of the Notes*" below). Except in the circumstances described in the Global Note, investors will not be entitled to receive Notes in definitive form. Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Note. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants. While Notes are represented by a Global Note, the relevant Issuer will discharge its payment obligation under such Note by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the relevant Notes. The Issuers have no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the relevant Notes. 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.

Risks related to the market generally

Absence of secondary market/limited liquidity

There is no assurance that a market for the Notes of any Series will develop or, if it does develop, that it will continue for the life of such Notes. Accordingly, a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. The market value of the Notes may fluctuate and a lack of liquidity, in particular, can have a severe adverse effect on the market value of the Notes. Accordingly, the purchase of the Notes is suitable only for investors who can bear the risks associated with a lack of liquidity in the Notes and the financial and other risks associated with an investment in the Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and the Guarantor will make any payments under the Guarantee in the Specified Currency. 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 the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 the Specified Currency would decrease (a) the Investor's Currency-equivalent yield on the Notes, (b) the Investor's Currency-equivalent value of the principal payable on the Notes and (c) the Investor's Currency-equivalent market value of the Notes.

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.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to each relevant Issuer or to the Notes. The ratings 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 Notes. 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 CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the 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 non-EU credit rating agencies, unless the relevant credit ratings are endorsed by a EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the 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 CRA Regulation is not conclusive evidence of the status of the relevant rating agency being 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. Certain information with respect to the credit rating agencies and ratings will be disclosed in the relevant Final Terms.

Emerging markets

Investors in emerging markets should be aware that these markets are subject to greater risks than more developed markets, including, in some cases, significant legal, economic and political risks. Accordingly, investors should exercise particular care in evaluating the risks involved and must decide for themselves whether, in light of those risks, their investment is appropriate. Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risk involved.

Taxation risks on payments

Payments made by the relevant Obligor in respect of the Notes and the Guarantee could become subject to taxation. The Conditions require the relevant Obligor to pay additional amounts in the event that any withholding or deduction is required by UAE law to be made in respect of payments made by it under the Notes and the Guarantee, as the case may be. Condition 7 provides that the relevant Obligor is required to pay additional amounts in respect of any such withholdings or deductions imposed by the Cayman Islands and/or the UAE (see Condition 7 and the definitions of "*Tax Jurisdiction*") in certain circumstances. In the event that the relevant Obligor fails to gross-up for any such withholding or deduction on payments due in respect of the Notes to Noteholders, each relevant Obligor has unconditionally and irrevocably undertaken (irrespective of the payment of any fee), as a continuing obligation, to pay to the Noteholders an amount equal to the liabilities of the relevant Obligor in respect of any and all additional amounts required to be paid in respect of the Notes pursuant to Condition 7 in respect of any withholding or deduction in respect of any tax as set out in that Condition.

DOCUMENTS INCORPORATED BY REFERENCE

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

(a) the unaudited condensed consolidated interim financial statements of ENBD as at and for the three months ended 31 March 2017, including:

(i) consolidated interim statement of financial position (page 2);

(ii) consolidated interim income statement (page 3);

(iii) consolidated interim statement of comprehensive income (page 4);

(iv) consolidated interim statement of cash flows (pages 5-6);

(v) consolidated interim statement of changes in equity (page 7);

(vi) notes to the consolidated interim financial statements (pages 8-34); and

(vii) independent auditors' report (page 1); and

(b) the audited consolidated financial statements of ENBD as at and for the year ended 31 December 2016, including:

(i) consolidated statement of financial position (page 9);

(ii) consolidated income statement (page 10);

(iii) consolidated statement of comprehensive income (page 11);

(iv) consolidated statement of cash flows (page 12);

(v) consolidated statement of changes in equity (pages 13-14);

(vi) notes to the consolidated financial statements (pages 15-121); and

(vii) independent auditors' report (page 4-8);

(c) the audited consolidated financial statements of ENBD as at and for the year ended 31 December 2015, including:

(i) consolidated statement of financial position (page 3);

(ii) consolidated income statement (page 4);

(iii) consolidated statement of comprehensive income (page 5);

(iv) consolidated statement of cash flows (page 6-7);

(v) consolidated statement of changes in equity (pages 8-9);

(vi) notes to the consolidated financial statements (pages 10-121); and

(vii) independent auditors' report (page 1-2);

(d) the Terms and Conditions of the Notes contained in the Base Prospectus dated 22 December 2011, pages 39 to 70 (inclusive);

(e) the Terms and Conditions of the Notes contained in the Base Prospectus dated 14 March 2013, pages 33 to 68 (inclusive);

(f) the Terms and Conditions of the Notes contained in the Base Prospectus dated 17 April 2014, pages 34 to 69 (inclusive);

(g) the Terms and Conditions of the Notes contained in the Base Prospectus dated 27 April 2015, pages 41 to 76 (inclusive); and

(h) the Terms and Conditions of the Notes contained in the Base Prospectus dated 3 May 2016, pages 40 to 79 (inclusive).

Each of ENBD and EGF will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

Following the publication of this Base Prospectus a supplement may be prepared by ENBD and EGF and approved by the CSSF and the DFSA in accordance with Article 16 of the Prospectus Directive. 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 Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the Luxembourg Stock Exchange's website at *www.bourse.lu* 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 and Luxembourg.

The information incorporated by reference in this Base Prospectus that is not included in (a)-(h) above is to be considered as additional information and is not required by the relevant schedules of Regulation (EC) No. 809/2004 of 29 April 2004 implementing the Prospectus Directive.

GENERAL DESCRIPTION OF THE PROGRAMME

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the Conditions of any particular Tranche of Notes, is completed by the applicable Final Terms.

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

Issuers:	Emirates NBD Bank PJSC and Emirates NBD Global Funding Limited.
Guarantor in respect of Notes issued by Emirates NBD Global Funding Limited:	Emirates NBD Bank PJSC.
Description:	Euro Medium Term Note Programme
Arranger:	Deutsche Bank AG, London Branch
Dealers:	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Emirates NBD Bank PJSC HSBC Bank plc ING Bank N.V. Merrill Lynch International Morgan Stanley & Co. International plc Nomura International plc Société Générale Standard Chartered Bank and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the restrictions applicable at the date of this Base Prospectus.
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch.

Programme Size:	Up to U.S.$12,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.
Maturities:	Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued at any price and either on a fully-paid or a partly-paid basis.
Form of Notes:	The Notes will be issued in bearer or registered form, as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Floating Rate Notes:	Floating Rate Notes will bear interest on their outstanding face amount at such floating rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.); or (ii) by reference to the relevant Reference Rate (as may be specified in the applicable Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the applicable Final Terms. Floating Rate Notes may have a maximum interest rate, a minimum interest rate, or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.
Reset Notes:	Reset Notes will bear interest: (i) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Interest Commencement Date), at the rate per annum equal to the Initial Rate of Interest; and (ii) in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter), at such rate per annum as is equal to the relevant Subsequent Reset Rate, as determined by the Principal Paying Agent on the relevant Reset

	Determination Date in accordance with Condition 4(c)(i),
	payable, in each case, in arrears on the Interest Payment Dates(s) (as specified in the applicable Final Terms).
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	Notes may be redeemable at par or at such other redemption amount as may be specified in the applicable Final Terms. The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons, regulatory reasons, following an Event of Default or following the occurrence of a Change of Control Event) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.
Denomination of Notes:	Notes will be issued in such denominations as may be agreed between the Bank and the relevant Dealer save that the minimum denomination of each Note admitted to trading on a EEA Exchange or offered to the public in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or its equivalent in a relevant Specified Currency), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements relating to a Specified Currency; however, for so long as any Series of Notes is represented by a Global Note and Euroclear and Clearstream, Luxembourg so permit, such Series of Notes shall be tradeable in minimum denominations of €100,000 and integral multiples of €1,000 thereafter. If a Global Note is exchanged for a Definitive Note at the option of the Noteholders, the Notes shall be tradeable only in principal amounts of at least €100,000.
Payments:	All payments in respect of the Notes will be made subject to any withholding or deduction required pursuant to fiscal and other laws, as provided in Condition 5(a) (*Method of Payment*).
Taxation:	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by the Tax Jurisdiction, subject as provided in Condition 7. In the event that any such deduction is made, the relevant Obligor(s) will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.
Negative Pledge:	The terms of the Senior Notes will contain a negative pledge provision as further described in Condition 3.
Cross Default:	The terms of the Senior Notes will contain a cross default provision as further described in Condition 9(a).
Status of the Notes:	The Senior Notes issued on an unsubordinated basis will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank *pari passu* amongst themselves and at least *pari passu* with the claims of the relevant Issuer's other unsecured and unsubordinated creditors save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.
	The Subordinated Notes will constitute direct, conditional (as described

in Condition 2.1(b)) and unsecured obligations of the relevant Issuer and rank *pari passu* amongst themselves. The payment obligations of the relevant Issuer in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) will be subordinated to all unsubordinated payment obligations of the relevant Issuer in the manner described below but will rank *pari passu* with all other subordinated payment obligations of the relevant Issuer which do not rank or are not expressed by their terms to rank junior to the payment obligations under the Subordinated Notes and in priority to all claims of shareholders of the relevant Issuer. The rights of the holders of Subordinated Notes against the relevant Issuer are subordinated in right of payment to the claims of all Senior Creditors (as defined in Condition 2.1(b)) of the relevant Issuer and accordingly payments in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) by the relevant Issuer are conditional upon the relevant Issuer being solvent (as defined in Condition 2.1(b)) at the time of such payment and no payment shall be payable by the relevant Issuer in respect of the Subordinated Notes except to the extent that the relevant Issuer could make such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Subordinated Notes and still be solvent immediately thereafter.

Status of the Guarantee of Senior Notes issued by EGF: Senior Notes issued by EGF will be unconditionally and irrevocably guaranteed by the Guarantor. The payment obligations of the Guarantor under the Guarantee in respect of Senior Notes issued by EGF will be direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and will rank *pari passu* and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.

Status of the Guarantee of Subordinated Notes issued by EGF: Subordinated Notes issued by EGF will be unconditionally and irrevocably guaranteed by the Guarantor. The payment obligations of the Guarantor under the Guarantee in respect of Subordinated Notes issued by EGF will constitute direct, conditional and unsecured obligations of the Guarantor and rank *pari passu* amongst themselves. The payment obligations of the Guarantor under the guarantee of Subordinated Notes issued by EGF (whether on account of principal, interest or otherwise) will be subordinated to all unsubordinated payment obligations of the Guarantor in the manner described below but will rank *pari passu* with all other subordinated payment obligations of the Guarantor which do not rank or are not expressed by their terms to rank junior to the payment obligations of the Guarantor under the Guarantee of Subordinated Notes issued by EGF and in priority to all claims of shareholders of the Guarantor. The rights of the holders of Subordinated Notes issued by EGF against the Guarantor are subordinated in right of payment to the claims of all Senior Creditors (as defined in Condition 2.2(b)) of the Guarantor and accordingly payments under the Guarantee in respect of Subordinated Notes issued by EGF by the Guarantor are conditional upon the Guarantor being solvent (as defined in Condition 2.2(b)) at the time of such payment and no payment shall be payable by the Guarantor in respect of the Subordinated Notes except to the extent that the Guarantor could make such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the payment obligations of the Guarantor under the Guarantee of the Subordinated Notes and still be solvent immediately thereafter.

Substitution: The Conditions of the Notes also provide that ENBD (in its capacity as Issuer and as Guarantor in the case of Notes issued by EGF) may at any time, without the consent of Noteholders, agree to the substitution of a member of the Group, as defined in Condition 3, as principal debtor or guarantor, as the case may be, under any Notes in place of itself, in the circumstances described in Condition 17 of the Conditions.

Ratings:	The ratings assigned to each Tranche of Notes to be issued under the Programme will be specified in the applicable Final Terms. The Programme has been assigned a long term rating of A+ and a short term rating of F1 by Fitch Ratings Ltd. and a long term rating of A3 by Moody's Investors Service Limited. 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. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued or endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation).
Approval, listing and admission to trading:	Application has been made to the CSSF to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the Programme or in respect of the quality or solvency of ENBD or EGF pursuant to Article 7(7) of the Luxembourg Law. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. Application has also been made to the DFSA for the Notes issued under the Programme to be admitted to the DFSA Official List. An application may be made for any Series to be admitted to trading on Nasdaq Dubai. Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the relevant Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Governing Law and jurisdiction:	The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law. The Programme Agreement, the Agency Agreement, the Deed of Covenant, the Guarantee and any non-contractual obligations arising out of, relating to or having any connection with the Programme Agreement, the Agency Agreement, the Deed of Covenant and the Guarantee will be governed by, and shall be construed in accordance with, English law. In respect of any dispute, claim, difference or controversy under any such Programme Agreement, Agency Agreement, Deed of Covenant and Guarantee to which it is a party, the Issuers and the Guarantor have each consented to arbitration in accordance with the LCIA Arbitration Rules unless any Issuer or Dealer (in the case of the Programme 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.

Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area, the United Kingdom, Japan, France, the Republic of Italy, Hong Kong, the UAE (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Kingdom of Saudi Arabia, the Cayman Islands and the PRC and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes (see "*Subscription and Sale*").
United States Selling Restrictions:	Regulation S, Category 2. TEFRA C or TEFRA D or TEFRA not applicable, as specified in the applicable Final Terms.

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons and talons attached, or registered form, without interest coupons attached. Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**").

Bearer Notes

Each Tranche of Bearer Notes will initially be issued in the form of a temporary global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent Global Note (a "**Permanent Bearer Global Note**") which, in either case, will be delivered on or prior to the original issue date of the Tranche (as defined under "*Terms and Conditions of the Notes*") to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Bearer Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/ or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for: (a) interests in a Permanent Bearer Global Note of the same Series; or (b) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender specified in the applicable Final Terms.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either: (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Principal Paying Agent as described therein; or (b) only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that: (i) an Event of Default (as defined in Condition 9) has occurred and is continuing; (ii) the relevant 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 holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available; or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Bearer Notes represented by the Permanent Bearer Global Note in definitive form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The option for a Temporary Bearer Global Note to be exchangeable for definitive Bearer Notes by giving notice should not be expressed to be applicable under applicable Final Terms if the relevant Notes have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount. Furthermore, Notes should not be issued which have such denominations if such Notes are to be represented on issue by a Temporary Bearer Global Note exchangeable for definitive Bearer Notes. For the avoidance of doubt, if Notes are to be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof as specified in the applicable Final Terms, the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

In the event that a Permanent Bearer Global Note is exchanged for definitive Bearer Notes, such definitive Bearer Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Bearer Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations. For the avoidance of doubt, Notes will only be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof if the applicable Final Terms specifies in the limited circumstances described in the Permanent Global Note. For the avoidance of doubt, if Notes are to be issued with a minimum Specified Denomination and in integral multiples of another smaller amount in excess thereof as specified in the applicable Final Terms, the Notes cannot be represented on issue by a Permanent Bearer Global Note exchangeable for Definitive Notes.

The following legend will appear on all Permanent Bearer Global Notes and definitive Bearer Notes where TEFRA D is specified in the applicable Final Terms receipts and interest coupons and talons relating to such Bearer Notes:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Bearer Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

Each Tranche of Registered Notes will initially be represented by a global note in registered form (a "**Registered Global Note**"). Registered Global Notes will be deposited with the Common Depositary and registered in the name of its nominee. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d)) as the registered holder of the Registered Global Notes. None of the relevant Obligors, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Payments of principal, interest or any other amount in respect of the Registered Global Note will be made to the persons shown on 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 (the "**Record Date**") where

"**Clearing System Business Day**" means a day on which each clearing system for which the Registered Global Note is being held is open for business.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes only upon the occurrence of an Exchange Event. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Principal Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point in time after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein 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 may be approved by the relevant Issuer and the Principal Paying Agent.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then the Global Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the relevant Issuer(s) on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 30 May 2017 and executed by ENBD and EGF.

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes, **[**from the date of application of Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**"),**]** are not intended to be offered, sold or otherwise made available to and**[**, with effect from such date,**]** should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**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 Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information document required by **[**Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**")/the PRIIPs Regulation**]** for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.**]**

APPLICABLE FINAL TERMS

Final Terms dated [●]

[EMIRATES NBD BANK PJSC]
[EMIRATES NBD GLOBAL FUNDING LIMITED]

(the "Issuer")

Issue of [●] [●]
[Guaranteed by Emirates NBD Bank PJSC (the "Guarantor")]
under the U.S.$12,500,000,000

EURO MEDIUM TERM NOTE PROGRAMME

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated 30 May 2017 [and the supplement[s] to the base prospectus dated [●] [and [●]]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated [22 December 2011][14 March 2013][17 April 2014][27 April 2015][3 May 2016], which are incorporated by reference into the Base Prospectus dated [●] 2016. These Final Terms contain the final terms of the Notes and must be read in conjunction with the base prospectus dated 30 May 2017 [and the supplement[s] to the base prospectus dated [●] [and [●]]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Directive, save in respect of the Conditions which are set forth in the base prospectus dated [22 December 2011][14 March 2013][17 April 2014][27 April 2015][3 May 2016] and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of Article 5.4 of the Prospectus Directive.]

Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange at *http://www.bourse.lu,* the website of Nasdaq Dubai at *http://www.nasdaqdubai.com* and during normal business hours from the registered office of the [Issuer/Guarantor] at Baniyas Road, Deira, P.O. Box 777, Dubai, UAE and the specified office of the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

1.	(a)	Series Number:	[●]
	(b)	[Tranche Number:	[●]]
	(c)	[Date on which the Notes become fungible:	[●]]
2.	Specified Currency:		[●]
3.	Aggregate Nominal Amount:		[●]
	(a)	[Series:	[●]]
	(b)	[Tranche:	[●]]
4.	Issue Price:		[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [●]]
5.	(a)	Specified Denominations:	[●]
	(b)	Calculation Amount:	[●]
6.	(a)	Issue Date:	[●]
	(b)	Interest Commencement Date:	[[●]/Issue Date/Not Applicable]
7.	Maturity Date:		[●] [*Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]*] (*Note that for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates and the amount of interest to be paid on such Interest Payment Dates are subject to modification in accordance with a Business Day Convention, it will be necessary to use the following wording:* "*Interest Payment Date falling in or nearest to[specify month]*")
8.	Interest Basis:		[[●] per cent. Fixed Rate] [●] +/- [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
9.	Put/Call Options:		[Investor Put] [Issuer Call] [Regulatory Call] [Change of Control Put]
10.	(a)	Status of the Notes:	[Senior/Subordinated]
	(b)	[Status of the Guarantee]:	[Senior/Subordinated]
	(c)	[Date of [Board/Shareholder]	[●]]

	approval for issuance of Notes obtained:	

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11.	Fixed Rate Note Provisions	[Applicable/Not Applicable]
(a)	Rate(s) of Interest:	[●] per cent. per annum [payable [annually/semiannually/quarterly/monthly] in arrear]
(b)	Interest Payment Date(s):	[[●] in each year [up to and including the Maturity Date] (*For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates and the amount of interest to be paid on such Interest Payment Dates are subject to modification, specify a Business Day Convention in paragraph 11(g) below (which is expected to be the Modified Following Business Day Convention) and add the words", subject to adjustment in accordance with the Business Day Convention. For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and [●]" after "Maturity Date" in this subparagraph (b)*)
(c)	Fixed Coupon Amount(s): (*Applicable to Notes in definitive form.*)	[●] per Calculation Amount (*For Renminbi denominated Fixed Rate Notes where the Interest Payment Dates and the amount of interest to be paid on such Interest Payment Dates are subject to modification in accordance with a Business Day Convention, the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 being rounded upwards*.)
(d)	Broken Amount(s):	[[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]
(e)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) (*Applicable for Renminbi denominated Fixed Rate Notes*) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Actual/Actual (ICMA)]
(f)	Determination Date(s):	[[●] in each year]/[Not Applicable]
(g)	Business Day Convention:	[Not Applicable] [Floating Rate Convention/ Following Business Day Convention/Modified Following Business

		Day Convention/Preceding Business Day Convention/[*specify other*]]
12.	Floating Rate Note Provisions	[Applicable/Not Applicable]
(a)	Specified Period(s)/Specified Interest Payment Dates:	[●] in each year, subject to adjustment in accordance with (c) below
(b)	First Interest Payment Date:	[●]
(c)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(d)	Additional Business Centre(s):	[[●]/Not Applicable]
(e)	Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination]
(f)	Party responsible for calculating the Rate of Interest and/or Interest Amount (if not the Principal Paying Agent):	[●]
(g)	Screen Rate Determination:	
	• Reference Rate:	[LIBOR/LIBID/LIMEAN/EURIBOR/SHIBOR/HIBOR/CNH HIBOR/TRLIBOR or TRYLIBOR/SIBOR/EIBOR/TIBOR/SAIBOR/BBSW/AUD LIBOR/JPY LIBOR/PRIBOR]
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	[●]
	• Relevant Financial Centre	[●]
	• Relevant Time	[●]
(h)	ISDA Determination:	
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
	• ISDA Definitions:	[●]
(i)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long*

		interest period)]
(j)	Margin(s):	[+/-][●] per cent. per annum
(k)	Minimum Rate of Interest:	[●] per cent. per annum
(l)	Maximum Rate of Interest:	[●] per cent. per annum
(m)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360 30E/360 (ISDA) Actual/Actual (ICMA)]]
13.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
(a)	Accrual Yield:	[●] per cent. per annum
(b)	Reference Price:	[●]
(c)	Day Count Fraction in relation to Early Redemption Amounts:	[●] [30/360] [Actual/360] [Actual 365]
14.	Details relating to Partly Paid Notes:	[Applicable/Not Applicable]
(a)	Instalment Amounts:	[[●],[●],[●]]
(b)	Instalment Dates:	[[●],[●],[●]]
15.	Reset Note Provisions:	[Applicable/Not Applicable]
(a)	Initial Rate of Interest:	[●] per cent. per annum [payable [annually/semiannually/quarterly/monthly] in arrear]
(b)	Interest Payment Date(s):	[[●] in each year [up to and including the Maturity Date]
(c)	Day Count Fraction:	[Actual/Actual (ISDA) Actual/365 (Fixed) Actual/365 (Sterling) Actual/360 30/360 30E/360

			30E/360 (ISDA)
			Actual/Actual (ICMA)]
	(d)	Determination Date(s):	[[●] in each year/Not Applicable]
	(e)	Reset Date(s):	[●]
	(f)	Subsequent Reset Reference Rate(s)	Subsequent Reset Reference Rate: [Mid Swaps Reference Bond]
	(g)	Relevant Financial Centre:	[●]
	(h)	Reset Margin:	[●]
	(i)	Subsequent Reset Rate Screen Page:	[●]
	(j)	Mid Swap Maturity:	[●]
	(k)	Reset Determination Date:	[●]
	(l)	Subsequent Reset Rate Time:	[●]
16.	Issuer Call:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount:	[●] per Calculation Amount
	(c)	If redeemable in part:	
		(i) Minimum Redemption Amount:	[●] per Calculation Amount
		(ii) Maximum Redemption Amount:	[●] per Calculation Amount
17.	Investor Put:		[Applicable/Not Applicable]
	(a)	Optional Redemption Date(s):	[●]
	(b)	Optional Redemption Amount:	[●] per Calculation Amount
18.	Regulatory Call:		[Applicable/Not Applicable]
19.	Change of Control Put:		[Applicable/Not Applicable]
	(a) Change of Control Redemption Amount:		[●] per Calculation Amount
20.	Final Redemption Amount:		100 per cent. of nominal amount
21.	Early Redemption Amount payable on redemption for taxation reasons, regulatory reasons or on event of		[Not Applicable/Final Redemption Amount/[●] per Calculation Amount]

default:

22.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event]]] [Registered Notes: Registered Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg] [Reg. S Compliance Category 2; TEFRA C/ TEFRA D/TEFRA not applicable]
23.	Additional Financial Centre(s) or other special provisions relating to Payment Dates:	[Not Applicable/[●]/[London]/[Dubai]]
24.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

Signed on behalf of [name of Issuer]

By: ....
Duly authorised

[Signed on behalf of Emirates NBD Bank PJSC as Guarantor]:

By: ....
Duly authorised

PART B – OTHER INFORMATION

1.	**ADMISSION TO TRADING**		
	(a)	Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example, the Regulated Market of the Luxembourg Stock Exchange or Nasdaq Dubai) and, if relevant, listing on an official list (for example the Official List of the Luxembourg Stock Exchange or the Official List maintained by the Dubai Financial Services Authority)*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example, the Regulated Market of the Luxembourg Stock Exchange or Nasdaq Dubai) and, if relevant, listing on an official list (for example the Official List of the Luxembourg Stock Exchange or the Official List maintained by the Dubai Financial Services Authority)*] with effect from [●].]
	(b)	Estimate of total expenses related to admission to trading:	[●]
2.	**RATINGS**		[[The Notes to be issued [have been/are expected to be] rated]/[are unrated][The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [Fitch: [●]] [Moody's: [●]]
3.	**INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE** [Save for any fees payable to the [Managers/Dealer], so far as [each of] the Issuer [and the Guarantor] is aware, no person involved in the issue of the Notes has an interest material to the offer.] [The [Managers/Dealers and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their respective] affiliates in the ordinary course of business for which they may receive fees.]		
4.	**YIELD (Fixed Rate Notes only)**		[●] per cent. per annum or a [quarterly/[semi- annual] basis/[Not Applicable]

5. **OPERATIONAL INFORMATION**

(a)	ISIN:	[●]
(b)	Common Code:	[●]
(c)	Delivery:	[Delivery[against/free of] payment]
(d)	Names and addresses of additional Paying Agent(s) (if any):	[●]

6. **THIRD PARTY INFORMATION**

[[*relevant third party information*] has been extracted from [*specify source*]. [Each of/The] Issuer [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]/[Not applicable]

7. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, names of Managers:	[Not Applicable/●]
(iii)	Date of [Subscription] Agreement:	[●]
(iv)	Stabilisation Manager(s) (if any):	[Not Applicable/●]
(v)	If non-syndicated, name of relevant Dealer:	[Not Applicable/●]
(vi)	U.S. Selling Restrictions:	[Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
(vii)	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable]

TERMS AND CONDITIONS OF THE NOTES

The following are the terms and conditions (the "**Conditions**") of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "*Form of the Notes*" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Emirates NBD Bank PJSC ("**ENBD**") or Emirates NBD Global Funding Limited ("**EGF**" and together with ENBD in its capacity as Issuer, the "**Issuers**" and each an "**Issuer**") pursuant to the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of each Specified Denomination in the Specified Currency;

(ii) any Global Note;

(iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and

(iv) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

References herein to the "**relevant Issuer**" shall be to the Issuer of the Notes named as such in the applicable Final Terms.

The payment of all amounts in respect of the Notes, Receipts (as defined below) and Coupons (as defined below) issued by EGF have been guaranteed by ENBD (in such capacity the "**Guarantor**") pursuant to a guarantee (the "**Guarantee**") dated 30 May 2017 and executed by the Guarantor. The original Guarantee is held by the Agent on behalf of the Noteholders, the Receiptholders and the Couponholders at its specified office. References to the "**relevant Obligor(s)**"shall, in the case of any issue of Notes, mean the relevant Issuer and, if the relevant Issuer is EGF, the Guarantor.

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 30 May 2017 and made between ENBD, EGF, Deutsche Bank AG, London Branch in its capacity as issuing and principal paying agent and agent bank (the "**Principal Paying Agent**", which expression shall include any successor such agent) and the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and Deutsche Bank Luxembourg S.A. in its capacity as registrar (the "**Registrar**", which expression shall include any successor registrar) and a transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents). The Issuer may appoint a calculation agent pursuant to the provisions of a calculation agency agreement (substantially in the form scheduled to the Agency Agreement) (the "**Calculation Agent**", which expression shall include any additional or successor calculation agent).

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which complete these Conditions.

References to the "**applicable Final Terms**" are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are: (i) expressed to be consolidated and form a single series; and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

As used herein, "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 30 May 2017 and made by ENBD and EGF. The original Deed of Covenant is held by the common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Guarantee and the Deed of Covenant are obtainable during normal business hours at the specified office of the Principal Paying Agent, the Registrar and each of the other Paying Agents and Transfer Agent (such Agents and the Registrar being together referred to as the "**Agents**"). Copies of the applicable Final Terms may be obtained, upon request, free of charge, from the registered office of ENBD and the specified offices of the Paying Agents save that, if this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the relevant Issuer and the relevant Paying Agent as to its holding of such Notes and identity. If this Note is admitted to trading on the Luxembourg Stock Exchange's regulated market, the applicable Final Terms will also be available for viewing on the website of the Luxembourg Stock Exchange at *www.bourse.lu.* If this Note is admitted to trading on Nasdaq Dubai, the applicable Final Terms will also be available for viewing on the website of Nasdaq Dubai at *http://www.nasdaqdubai.com*. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Guarantee and the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement (excluding Schedule 2 thereto) or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. FORM, DENOMINATION, TITLE AND TRANSFER OF REGISTERED NOTES

(a) *Form and denomination*

The Notes are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Reset Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note, a Partly Paid Note or a combination of any of the foregoing, depending upon the Redemption/Payment Basis shown in the applicable Final Terms.

This Note is a Senior Note or a Subordinated Note depending upon the Status specified in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

(b) ***Title***

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. Each relevant Obligor and the Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**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 Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes 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 relevant Obligor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note, as the case may be, shall be treated by each relevant Obligor and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

(c) ***Transfer of interests in Global Notes***

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be.

(d) ***Transfer of Registered Notes in definitive form***

Subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer: (i) the holder or holders must: (A) surrender the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) 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 (B) complete and deposit such other certifications as may be required by the relevant Transfer Agent; and (ii) 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 relevant Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 7 to the Agency Agreement). Subject as provided above, the relevant

Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of 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 Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(e) ***Registration of transfer upon partial redemption***

In the event of a partial redemption of Notes under Condition 6, the relevant Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(f) ***Costs of registration***

Noteholders 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 relevant 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.

(g) ***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 may be approved by the relevant Issuer and the Principal Paying Agent.

2. STATUS OF THE NOTES AND THE GUARANTEE

2.1 Status of the Notes

(a) ***Status of the Senior Notes***

The Senior Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and rank *pari passu* amongst themselves and at least *pari passu* with the claims of the relevant Issuer's other unsecured and unsubordinated creditors save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

(b) ***Status of the Subordinated Notes***

The Subordinated Notes and any relative Receipts and Coupons are direct, conditional as described below and unsecured obligations of the relevant Issuer and rank *pari passu* amongst themselves.

The payment obligations of the relevant Issuer in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) will be subordinated to all unsubordinated payment obligations of the relevant Issuer in the manner described below but will rank *pari passu* with all other subordinated payment obligations of the relevant Issuer which do not rank or are not expressed by their terms to rank junior to the payment obligations under the Subordinated Notes and in priority to all claims of shareholders of the relevant Issuer. The rights of the holders of Subordinated Notes against the relevant Issuer are subordinated in right of payment to the claims of all Senior Creditors of the relevant Issuer and accordingly payments in respect of the Subordinated Notes (whether on account of principal, interest or otherwise) by the relevant Issuer are conditional upon the relevant Issuer being solvent at the time of such payment and no payment shall be payable by the relevant Issuer in respect of the Subordinated Notes except to the extent that the relevant Issuer could make such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the Subordinated Notes and still be solvent immediately thereafter. For this purpose the relevant Issuer shall be solvent if: (i) it is able to pay its debts as they fall due; and (ii) its Assets exceed its Liabilities, and, in this Condition 2.1(b) the following expressions shall have the following meanings:

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

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

"**Senior Creditors**" shall mean creditors of the relevant Issuer (including depositors) other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank *pari passu* with, or junior to, the claims of the holders of Subordinated Notes issued by the relevant Issuer.

Each holder of a Subordinated Note 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 such Note. No collateral is or will be given for the payment obligations under the Subordinated Notes and any collateral that may have been or may in the future be given in connection with other indebtedness of an Issuer shall not secure the payment obligations under any Subordinated Notes issued by that Issuer.

2.2 **Status of the Guarantee**

(a) ***Status of the Guarantee in respect of Senior Notes***

The payment of principal and interest in respect of the Senior Notes issued by EGF and all other moneys payable by EGF in relation to the issue by it of Senior Notes under or pursuant to the these Conditions has been unconditionally and irrevocably guaranteed by the Guarantor under the Guarantee. The obligations of the Guarantor under the Guarantee in respect of the Senior Notes issued by EGF are direct, unconditional, unsubordinated and (subject to the provisions of Clause 5 of the Guarantee) unsecured obligations of the Guarantor and rank *pari passu* amongst themselves and at least *pari passu* with the claims of the Guarantor's other unsecured and unsubordinated creditors save those whose claims are preferred solely by any bankruptcy, insolvency, liquidation or other similar laws of general application.

(b) ***Status of the Guarantee in respect of Subordinated Notes***

The payment of principal and interest in respect of the Subordinated Notes issued by EGF and all other moneys payable by EGF in relation to the issue of Subordinated Notes under or pursuant to these Conditions has been guaranteed by the Guarantor under the Guarantee. The obligations of the Guarantor under the Guarantee in respect of the Subordinated Notes issued by EGF are direct, conditional as described below and unsecured obligations of the Guarantor and rank *pari passu* amongst themselves.

The payment obligations of the Guarantor under the Guarantee in respect of Subordinated Notes issued by EGF will be subordinated to all unsubordinated payment obligations of the Guarantor in the manner described below but will rank *pari passu* with all other subordinated payment obligations of the Guarantor which do not rank or are not expressed by their terms to rank junior to the payment obligations of the Guarantor under the Guarantee in respect of Subordinated Notes issued by EGF and in priority to all claims of shareholders of the Guarantor. The rights of the holders of Subordinated Notes issued by EGF against the Guarantor under the Guarantee in respect of Subordinated Notes issued by EGF are subordinated in right of payment to the claims of all Senior Creditors of the Guarantor and accordingly payments under the Guarantee in respect of Subordinated Notes issued by EGF by the Guarantor are conditional upon the Guarantor being solvent at the time of such payment and no payment shall be payable by the Guarantor in respect of the Guarantee of Subordinated Notes issued by EGF except to the extent that the Guarantor could make such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the payment obligations of the Guarantor under the Guarantee of the Subordinated Notes and still be solvent immediately thereafter. For this purpose the Guarantor shall be solvent if: (i) it is able to pay its debts as they fall due; and (ii) its Assets exceed its Liabilities, and, in this Condition 2.2(b) the following expressions shall have the following meanings:

"**Assets**" means the unconsolidated gross assets of the Guarantor as shown in the latest published audited balance sheet of the Guarantor, but adjusted for subsequent events in such manner as the directors of the Guarantor, the auditors of the Guarantor or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of the Guarantor) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

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

"**Senior Creditors**" shall mean creditors of the Guarantor (including depositors) other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank *pari passu* with, or junior to, the claims of the holders of Subordinated Notes issued by EGF under the Guarantee.

Each holder of a Subordinated Note 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 Guarantee of such Note. No collateral is or will be given for the payment obligations under the Guarantee of the Subordinated Notes and any collateral that may have been or may in the future be given in connection with other indebtedness of the Guarantor shall not secure the payment obligations of the Guarantor under the Guarantee of Subordinated Notes issued by EGF.

3. NEGATIVE PLEDGE

This Condition 3 only applies to Senior Notes.

The relevant Issuer undertakes that, so long as any Note is outstanding it shall not and will ensure that none of its Relevant Subsidiaries will create, or have outstanding, any Security Interest upon the whole or any part of its or their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto creating and according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Noteholders.

For the purposes of these Conditions:

"**Auditors**" means a firm of independent auditors of good repute appointed by ENBD;

"**Indebtedness**" means any present or future indebtedness of any person for or in respect of any money borrowed or raised including (without limitation) any liability arising under bonds, sukuk or other securities or any moneys raised under any transaction having the commercial effect of borrowing or raising money including any Shari'a compliant alternative of the foregoing;

"**Non-recourse Project Financing Indebtedness**" means any Indebtedness incurred in connection with any financing of all or part of the costs of the acquisition, construction or development of any project, **provided that**: (i) any Security Interest given by the relevant Issuer is limited solely to assets of the project, (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the monies advanced; and (iii) there is no other recourse to the relevant Issuer in respect of any default by any person under the financing;

"**Permitted Indebtedness**" means Non-recourse Project Financing Indebtedness and Securitisation Indebtedness;

"**Relevant Indebtedness**" means any Indebtedness other than Permitted Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, sukuk certificates or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Relevant Subsidiary**" shall mean a company or corporation:

(i) 75 per cent. or more of the issued capital of which is beneficially owned, directly or indirectly, by the relevant Issuer; and

(ii) the book value of the assets of which exceeds 15 per cent. of the book value of the assets of the Group taken as a whole or the revenues of which exceed 15 per cent. of the revenues of the Group taken as a whole and, for these purposes:

    (A) the book value of the assets and revenues of such company or corporation shall be determined by reference to its then most recent audited annual financial statements (or, if none, its then most recent management accounts); and

    (B) the book value of the assets and revenues of the Group shall be determined by reference to its then most recent audited annual consolidated financial statements,

    in each case adjusted, as the Auditors may consider appropriate, to take account of any changes in circumstances since the date as of which such financial statements (or management accounts) were prepared.

A report of the Auditors that in their opinion a company or corporation is or is not or was or was not at any particular time or throughout any specified period a Relevant Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Securitisation Indebtedness**" means any Indebtedness incurred in connection with any securitisation of existing or future assets and/or revenues, **provided that**: (i) any Security Interest given by the relevant Issuer or any of its Relevant Subsidiaries in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each party participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised; and (iii) there is no other recourse to the relevant Issuer or any of its Relevant Subsidiaries in respect of any default by any person under the securitisation; and

"**Security Interest**" means any mortgage, charge, lien or other security securing any obligation of any party.

4. INTEREST

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

In the case of a Fixed Rate Note where the Specified Currency is Renminbi and the applicable Final Terms specifies a Business Day Convention to be applicable (an "**Adjusted Renminbi Fixed Rate Note**"), each Interest Payment Date (and, accordingly, the relevant Fixed Rate Period) will be adjusted (if required) in accordance with the relevant Business Day Convention. For this purpose, the provisions relating to the application of a Business Day Convention set out in Condition 4(b)(i) below shall apply to this Condition 4(a), *mutatis mutandis*, save that, for the purposes of the Conditions relating to an Adjusted Renminbi Fixed Rate Note, the term "**Business Day**" shall mean a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Hong Kong.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction,

and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of: (1)

the number of days in such Determination Period; and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; and

(iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period is divided by 365.

In the Conditions:

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) ***Interest on Floating Rate Notes***

(i) *Insert Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, "**Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, "**Business Day**" means a day which is both:

(A) 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 the principal financial centre of the country of the relevant Specified Currency and any Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro or Renminbi, 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 the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively), (2) in relation to any sum payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the "**TARGET2 System**") is open or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period specified in the applicable Final Terms; and

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR or on the Euro-zone inter-bank offered rate EURIBOR, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) at the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

In the Conditions, "**Reference Rate**" means one of the following benchmark rates (as specified in the applicable Final Terms) in respect of the currency and period specified in the applicable Final Terms:

(a) Euro-Zone interbank offered rate ("**EURIBOR**");

(b) London interbank bid rate ("**LIBID**");

(c) London interbank offered rate ("**LIBOR**");

(d) London interbank mean rate ("**LIMEAN**");

(e) Shanghai interbank offered rate ("**SHIBOR**");

(f) Hong Kong interbank offered rate ("**HIBOR**");

(g) Singapore interbank offered rate ("**SIBOR**");

(h) Emirates interbank offered rate ("**EIBOR**");

(i) Saudi Arabia interbank offered rate ("**SAIBOR**");

(j) Australia Bank Bill Swap ("**BBSW**");

(k) Australian dollar LIBOR ("**AUD LIBOR**")

(l) Japanese Yen LIBOR ("**JPY LIBOR**");

(m) Prague interbank offered rate ("**PRIBOR**");

(n) CNH Hong Kong interbank offered rate ("**CNH HIBOR**");

(o) Turkish Lira interbank offered rate ("**TRLIBOR**" or "**TRYLIBOR**"); and

(p) Tokyo interbank offered rate ("**TIBOR**"); and

"**Relevant Time**" means the time specified as such in the applicable Final Terms.

(c) ***Interest on Reset Notes***

(i) *Rates of Interest*

Each Reset Note bears interest:

(a) in respect of the period from (and including) the Interest Commencement Date to (but excluding) the Reset Date (or, if there is more than one Reset Period, the first Reset Date occurring after the Interest Commencement Date), at the rate per annum equal to the Initial Rate of Interest; and

(b) in respect of the Reset Period (or, if there is more than one Reset Period, each successive Reset Period thereafter), at such rate per annum as is equal to the relevant Subsequent Reset Rate, as determined by the Principal Paying Agent on the relevant Reset Determination Date in accordance with this Condition 4(c)(i), payable, in each case, in arrear on the Interest Payment Dates(s) (as specified in the applicable Final Terms).

As used in this Condition 4(c)(i):

"**Day Count Fraction**" and related definitions have the meanings given in Condition 4(a);

"**Initial Rate of Interest**" has the meaning specified in the applicable Final Terms;

"**Mid Swap Benchmark Rate**" means EURIBOR if the Specified Currency is euro or LIBOR if the Specified Currency is not euro;

"**Mid Swap Maturity**" has the meaning specified in the applicable Final Terms;

"**Mid Swap Rate**" means for any Reset Period the arithmetic mean of the bid and offered rates for the fixed leg, payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency as determined by the Principal Paying Agent), of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (a) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (b) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (c) has a floating leg based on the Mid Swap Benchmark Rate for the Mid Swap Maturity as specified in the applicable Final Terms (calculated on the day count basis customary for floating rate payments in the Specified Currency as determined by the Principal Paying Agent);

"**Reference Bond**" means for any Reset Period a government security or securities issued by the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) selected by the Issuer on the advice of an investment bank of international repute as having an actual or interpolated maturity comparable with the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

"**Reference Bond Price**" means, with respect to any Reset Determination Date, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such Reset Determination Date, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Principal Paying Agent obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations;

"**Reference Government Bond Dealer**" means each of five banks (selected by the Issuer on the advice of an investment bank of international repute), or their affiliates, which are (A) primary government securities dealers, and their respective successors or (B) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and the relevant Reset Determination Date, the arithmetic average, as determined by the Principal Paying Agent, of the bid and offered prices for the relevant Reference Bond (expressed in each case as a percentage of its nominal amount) at or around the Subsequent Reset Rate Time on the relevant Reset Determination Date quoted in writing to the Principal Paying Agent by such Reference Government Bond Dealer;

"**Reset Date(s)**" means the date(s) specified in the applicable Final Terms;

"**Reset Determination Date**" means for each Reset Period the date as specified in the applicable Final Terms falling on or before the commencement of such Reset Period on which the rate of interest applying during such Reset Period will be determined;

"**Reset Margin**" means the margin specified in the applicable Final Terms;

"**Reset Period**" means the period from (and including) the first Reset Date to (but excluding) the Maturity Date if there is only one Reset Period or, if there is more than one Reset Period, each period from (and including) one Reset Date (or the first Reset Date) to (but excluding) the next Reset Date up to (but excluding) the Maturity Date;

"**Subsequent Reset Rate**" for any Reset Period means the sum of (i) the applicable Subsequent Reset Reference Rate and (ii) the applicable Reset Margin (rounded down to four decimal places, with 0.00005 being rounded down);

"**Subsequent Reset Rate Screen Page**" has the meaning specified in the applicable Final Terms;

"**Subsequent Reset Rate Time**" has the meaning specified in the applicable Final Terms; and

"**Subsequent Reset Reference Rate**" means either:

(A) if "**Mid Swaps**" is specified in the applicable Final Terms, the Mid Swap Rate displayed on the Subsequent Reset Rate Screen Page at or around the Subsequent Reset Rate Time on the relevant Reset Determination Date for such Reset Period; or

(B) if "**Reference Bond**" is specified in the applicable Final Terms, the annual yield to maturity or interpolated yield to maturity (on the relevant day count basis) of the relevant Reference Bond, assuming a price for such Reference Bond (expressed as a percentage of its nominal amount) equal to the relevant Reference Bond Price.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Reset Notes for the relevant period by applying the Initial Rate of Interest or the applicable Subsequent Reset Rate (as the case may be) to:

(A) in the case of Reset Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Reset Notes represented by such Global Note; or

(B) in the case of Reset Notes in definitive form, the Calculation Amount; and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

Where the Specified Denomination of a Reset Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Reset Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

(ii) *Subsequent Reset Rate Screen Page*

If the Subsequent Reset Rate Screen Page is not available, the Principal Paying Agent shall request each of the Reference Banks (as defined below) to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Subsequent Reset Reference Rate at approximately the Subsequent Reset Rate Time on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Principal Paying Agent with such offered quotations, the Subsequent Reset Rate for the relevant Reset Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the applicable Reset Margin (if any), all as determined by the Principal Paying Agent. If on any Reset Determination Date only one or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the foregoing provisions of this paragraph, the Subsequent Reset Rate shall be determined as at the last preceding Reset Determination Date or, in the case of the first Reset Determination Date, the Subsequent Reset Rate shall be the Initial Rate of Interest.

For the purposes of this Condition 4(c)(ii):

"**Reference Banks**" means the principal office in the Relevant Financial Centre of four major banks in the swap, money, securities or other market most closely connected with the Subsequent Reset Reference Rate as selected by the Issuer on the advice of an investment bank of international repute; and

"**Relevant Financial Centre**" means the financial centre specified as such in the applicable Final Terms or if none is so specified: (i) the case of a determination of LIBOR, LIBID or LIMEAN, London, (ii) in the case of a determination of EURIBOR, Brussels, (iii) in the case of a determination of SIBOR, Singapore, (iv) in the case of a determination of TIBOR, Tokyo or (v) in the case of a determination of HIBOR, Hong Kong.

(iii) *Notification of Subsequent Reset Rate and Interest Amounts*

The Principal Paying Agent will cause the Subsequent Reset Rate and each Interest Amount for each Reset Period to be notified to the Issuer and any stock exchange on which the relevant Reset Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount as notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment). Any such amendment will be promptly notified to any stock exchange on which the relevant Reset Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(iv) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(c)(iv) by the Principal Paying Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, the other Paying Agents and all Noteholders and (in the absence of wilful default and bad faith) no liability to the Issuer or the Noteholders or any other person shall attach to the Principal Paying Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(e) ***Determination of Rate of Interest and calculation of Interest Amounts***

The Principal Paying Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or

(B) in the case of Floating Rate Notes in definitive form, the Calculation Amount, and, in each case, multiplying such sum by the applicable Day Count Fraction,

and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such subunit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(d):

(i) if "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

"$\mathbf{Y^1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y^2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M^1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M^2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D^1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D^1 will be 30; and

"$\mathbf{D^2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D^1 is greater than 29, in which case D^2 will be 30;

(vi) if "**30E/360**"or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

"$\mathbf{Y^1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y^2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M^1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M^2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{D^1}$" is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D^1 will be 30; and

"$\mathbf{D^2}$" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D^2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y^2 - Y^1)] + [30 \times (M^2 - M^1)] + (D^2 - D^1)}{360}$$

where:

"**Y^1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y^2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M^1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M^2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D^1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D^1 will be 30; and

"**D^2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D^2 will be 30.

(f) ***Linear Interpolation***

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Designated Maturity**" means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(g) ***Notification of Rate of Interest and Interest Amounts***

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to each relevant Obligor and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(h) ***Certificates to be final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Principal Paying Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on each relevant Obligor, the Principal Paying Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to each relevant Obligor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or, if applicable, the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes.

(j) ***Accrual of interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid; and

(ii) (ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5. **PAYMENTS**

(a) ***Method of payment***:

Subject as provided below:

(i) payments in a Specified Currency other than euro or Renminbi will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively);

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(iii) payments in Renminbi will be made by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

(b) ***Presentation of definitive Bearer Notes, Receipts and Coupons***

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in Condition 5(a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in Condition 5(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the relevant Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Reset Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon **provided that** such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) ***Payments in respect of Bearer Global Notes***

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note in bearer form ("**Bearer Global Notes**") will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Bearer Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Bearer Global Note, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global

Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) ***Payments in respect of Registered Notes***

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note 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 Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if: (i) a holder does not have a Designated Account; or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment (in the case of a Specified Currency other than Renminbi) will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account and, in the case of a payment in Renminbi, means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment) maintained by a holder with a "**Designated Bank**" and identified as such in the Register and Designated Bank means (in the case of payment in a Specified Currency other than euro or Renminbi) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively) and (in the case of a payment in euro) any bank which processes payments in euro and (in the case of payment in Renminbi) a bank in Hong Kong.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note will be made by a cheque in the Specified Currency 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 Registered Note appearing in the Register at the close of business on the fifth day (in the case of Renminbi) and the fifteenth day (in the case of a Specified Currency other than Renminbi, whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Payments of interest and payments of principal (other than the final instalment) in Renminbi shall be made by transfer to the registered account of the Noteholder. 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 Registered Note, 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) and instalments of principal (other than the final instalment) in respect of the Registered Notes 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. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition 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 Registered Notes.

Neither the relevant Obligors nor the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) ***General provisions applicable to payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and each relevant Obligor will be discharged by payment to, or to the order of, the holder of such Global Note 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 Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by each relevant Obligor, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the relevant Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of each relevant Obligor, adverse tax consequences to each relevant Obligor.

(f) ***Payments Subject to Laws***

All payments are subject in all cases to: (i) any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 7; and (ii) 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 (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(g) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon 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 8) is:

(i) 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:

(A) the principal financial centre of the country of the relevant Specified Currency; and

(B) any Additional Financial Centre specified in the applicable Final Terms;

(ii) either (A) in relation to any sum payable in a Specified Currency other than euro or Renminbi, 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 the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (C) in relation to any sum payable in Renminbi, a day on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

(h) ***Interpretation of principal and interest***

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

(i) any additional amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in instalments, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(g)); and

(vii) any premium and any other amounts (other than interest) which may be payable by any relevant Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

(i) ***RMB account***

All payments in respect of any Note, Receipt or Coupon in RMB will be made solely by credit to a registered RMB account maintained by or on behalf of the payee at a bank in Hong Kong in accordance with applicable laws, rules, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of RMB in Hong Kong).

(j) ***RMB Currency Event***

If the Specified Currency of the Notes is RMB and an RMB Currency Event, as determined by the relevant Issuer acting in good faith, exists on a date for payment of any principal or interest (in whole or in part) in respect of any Note, Receipt or Coupon, the relevant Issuer's obligation to make a payment in RMB under the terms of the Notes may be replaced by an obligation to pay such amount (in whole or in part) in the

Relevant Currency and converted using the Spot Rate for the relevant Determination Date as promptly notified to the Issuer and the Paying Agents.

Upon the occurrence of an RMB Currency Event, the relevant Issuer shall give notice as soon as practicable to the Noteholders in accordance with Condition 13 stating the occurrence of the RMB Currency Event, giving details thereof and the action proposed to be taken in relation thereto.

In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City; and the definition of "**Payment Day**" in Condition 5(g) shall mean any day which (subject to Condition 8) 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: (A) in the case of Notes in definitive form only, the relevant place of presentation; and (B) London and New York City.

For the purpose of this Condition 5:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the principal financial centre of the country of the relevant Specified Currency;

"**Determination Date**" means the day which is two Determination Business Days before the due date of the relevant payment under the Notes, other than where the relevant Issuer properly determines that a RMB Currency Event has occurred at any time during the period from and including 10:01 a.m. (Hong Kong time) on the second Determination Business Day preceding the original due date to and including 11:59 p.m. (Hong Kong time) on the original due date, in which case the "**Determination Date**" will be the Determination Business Day immediately following the date on which the determination of the occurrence of a RMB Currency Event has been made;

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Relevant Currency**" means United States dollars;

"**RMB Currency Events**" means any one of RMB Illiquidity, RMB Non-Transferability and RMB Inconvertibility;

"**RMB Illiquidity**" means the general RMB exchange market in Hong Kong becomes illiquid as a result of which the relevant Issuer cannot obtain sufficient RMB in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes, as determined by the relevant Issuer acting in good faith and in a commercially reasonable manner following consultation with two independent foreign exchange dealers of international repute active in the RMB exchange market in Hong Kong;

"**RMB Inconvertibility**" means the occurrence of any event that makes it impossible for the relevant Issuer to convert any amount due in respect of the Notes into RMB on any payment date in the general RMB exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the relevant Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

"**RMB Non-Transferability**" means the occurrence of any event that makes it impossible for the relevant Issuer to deliver RMB between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the RMB clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the relevant Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the relevant Issuer, due to an event beyond its control, to comply with such law, rule or regulation); and

"**Spot Rate**" means the spot CNY/U.S.$ exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent shall determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by the State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(j) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the relevant Issuer, the Agents and all CNY Noteholders.

6. REDEMPTION AND PURCHASE

(a) ***Redemption at maturity***

(i) Unless previously redeemed or purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the relevant Instalment Amount specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date (as defined in Condition 7) relating to such Instalment Amount.

(ii) Unless previously redeemed or purchased and cancelled as provided in this Condition 6, each Note shall be finally redeemed on the Maturity Date specified in the applicable Final Terms at its Final Redemption Amount (which is its nominal amount) or, in the case of a Note falling within sub-paragraph (i) above, its final Instalment Amount.

(b) ***Redemption for tax reasons***

The Notes may (subject, in the case of Subordinated Notes issued by ENBD, to the prior approval of the UAE Central Bank (the "**Regulator**", which expression shall include any successor thereto as the relevant regulator of banks in the UAE) where required) be redeemed at the option of the relevant Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if:

(i) on the occasion of the next payment due under the Notes, the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or, in the case of Notes issued by EGF, the Guarantor would be unable for reasons outside its control to procure payment by EGF and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to or interpretation of, the laws, published practice or regulations of a Tax Jurisdiction (as defined in Condition 7), or any change in the application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by any relevant Obligor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which any relevant Obligor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the relevant Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the relevant Issuer stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that any relevant Obligor has or will become obliged to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption for regulatory reasons (Regulatory Call)***

This Condition 6(c) is only applicable to Subordinated Notes. The Notes may (subject to the prior approval of the Regulator where required) be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Principal Paying Agent and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if a Regulatory Redemption Event has occurred and is continuing and if the circumstance that entitles the Issuer to exercise such redemption was not reasonably foreseeable at the Issue Date.

Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Principal Paying Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the change to the applicable regulatory rules or to the application or official interpretation thereof as described in the definition of "**Regulatory Redemption Event**" has occurred and is continuing.

Notes redeemed pursuant to this Condition 6(c) will be redeemed at their Early Redemption Amount referred to in Condition 6(g) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In this Condition 6(c):

"**Regulatory Redemption Event**" shall be deemed to have occurred if, as a result of any change to any applicable regulatory rules or to the application or official interpretation thereof at any relevant time which has been previously announced in an official publication of the Regulator or of any other relevant governmental, regulatory or judicial body in the United Arab Emirates, the Notes are fully excluded from Tier II (supplementary) Capital of Emirates NBD Bank PJSC and its subsidiaries (save where such exclusion is only as a result of any applicable limitation on the amount of such capital), **provided that** the Notes have qualified as Tier II (supplementary) Capital at any time following the date on which they were issued; and

"**Tier II (supplementary) Capital**" means: (a) for so long as Circular 13/93 relating to Capital Adequacy published on 14 April 1993 by the Regulator and Circular 27/2009, together with the associated guidance, each published by the Regulator (as each may be supplemented or amended from time to time) (the "**Circulars**") are applicable in the United Arab Emirates, Tier 2 (supplementary) Capital (as described in the Circulars); and (b) if the Circulars are no longer applicable in the United Arab Emirates, or if Tier 2 (supplementary) Capital is no longer the applicable regulatory categorisation, such successor regulatory capital categorisation resulting from any change to any applicable regulatory rules or to the application or official interpretation thereof which has been announced in an official publication of the Regulator or of any other relevant governmental, regulatory or judicial body in the United Arab Emirates.

(d) ***Redemption at the option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms, the relevant Issuer may (subject, in the case of Subordinated Notes issued by ENBD, to the prior approval of the Regulator where required), having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and

(ii) not less than 15 days before the giving of the notice referred to in (a), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem: (i) in the case of Subordinated Notes, all of the Subordinated Notes; and (ii) in the case of Senior Notes, all or some only of the Senior Notes, in each case then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lots not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"), and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, **provided that** such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes.

(e) ***Redemption at the option of the Noteholders (Investor Put)***

This Condition 6(e) is only applicable to Senior Notes. If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the relevant Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the relevant Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 6(e) in any multiple of their lowest Specified Denomination.

(f) ***Redemption on a Change of Control***

If Change of Control Put is specified in the applicable Final Terms and if a Change of Control Event occurs, the relevant Issuer will, upon the holder of any Notes giving notice within the Change of Control Put Period to the relevant Issuer in accordance with Condition 13 (unless prior to the giving of the relevant Change of Control Notice (as defined below) the relevant Issuer has given notice of redemption under Conditions 6(b) to (d)), redeem such Notes on the Change of Control Put Date at the Change of Control Redemption Amount together with accrued interest (if any) to (but excluding) the Change of Control Put Date.

Promptly upon the relevant Issuer becoming aware that a Change of Control Event has occurred, the relevant Issuer shall give notice (a "**Change of Control Notice**") to the Noteholders in accordance with Condition 13 specifying the nature of Change of Control and the circumstances giving rise to it and the period for exercising the option.

If 75 per cent. or more in nominal amount of the Notes of a Series then outstanding have been redeemed or, as the case may be, purchased, pursuant to this Condition 6(f), the relevant Issuer may, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (such notice to be given within 30 days of the Purchase Date), redeem or, at the relevant Issuer's option, purchase (or procure the purchase of) all but not some only of the remaining outstanding Notes of that Series at the Change of Control Redemption Amount together (if applicable) with interest accrued to (but excluding) the date fixed for redemption or purchase, as the case may be.

For the purpose of these Conditions:

a "**Change of Control Event**" will occur if at any time the Government of Dubai ceases to own, directly or indirectly, more than 33 per cent. of the issued share capital of ENBD or otherwise ceases to control, ENBD. For the purposes of this Condition, the Government of Dubai will be deemed to control ENBD if (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract, trust or otherwise) it has the power to appoint and/or remove all or the majority of the members of the board of directors of ENBD or otherwise controls, or has the power to control, the affairs and policies of ENBD;

"**Change of Control Redemption Amount**" shall mean, in relation to each Note to be redeemed or purchased pursuant to the Change of Control Put Option, an amount equal to the nominal amount of such Note or such other amount as may be specified in the applicable Final Terms;

"**Change of Control Put Date**" means the first Business Day following the expiration of the Change of Control Put Period provided that the Change of Control Notice is given within 30 days of the Change of Control Event occurring, otherwise it means the date falling 14 days after the date on which the relevant Noteholder exercises its right to require the redemption of the relevant Notes in accordance with this Condition 6(f);

"**Change of Control Put Period**" means, in relation to any Change of Control Event, the period from and including the date on which that Change of Control Event occurs (whether or not the relevant Issuer has given a Change of Control Notice in respect of such event) to and including the date falling 60 days after the date on which the Change of Control Notice is given, provided that if no Change of Control Notice is given, the Change of Control Put Period shall not terminate; and

"**Purchase Date**" shall be the Business Day following the date on which at least 75 per cent. of the nominal amount of the Notes of a Series then outstanding have been redeemed or, as the case may be, purchased pursuant to this Condition 6(f).

To exercise the right to require redemption of this Note under Conditions 6(e) and 6(f) the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with Condition 1(d), in each case accompanied by this Note or evidence satisfactory to the Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Principal Paying Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Principal Paying Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Principal Paying Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Note pursuant to Conditions 6(e) and 6(f) shall be irrevocable except where, prior to the due date of redemption, an Event of Default shall have occurred and is continuing, in which event such holder, at its option, may elect by notice to the relevant Issuer to withdraw the notice given pursuant to Conditions 6(e) and 6(f) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(g) ***Early Redemption Amounts***

For the purpose of Condition 6(b) and Condition 6(c) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Note (other than a Zero Coupon Note), at the Early Redemption Amount specified in the applicable Final Terms;

(ii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**") calculated in accordance with the following formula:

Early Redemption Amount = RP v (1 + AY)y where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

unless otherwise specified in the applicable Final Terms.

(h) ***Purchases***

The relevant Obligors or any of their respective Subsidiaries may (subject, in the case of respective Subordinated Notes, to the prior approval of the Regulator where required), at any time purchase Notes (**provided that**, in the case of definitive Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of any relevant Obligor or, as the case may be their respective Subsidiaries or surrendered to any Agent for cancellation.

(i) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 6(g) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent and cannot be reissued or resold.

(j) ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), 6(b), 6(c), 6(d) or 6(e) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 6(g)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the relevant Issuer and all payments under the Guarantee by the Guarantor will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Tax Jurisdiction unless such withholding or deduction is required by law. In such event, each relevant Obligor will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) presented for payment in a Tax Jurisdiction;

(b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Tax Jurisdiction other than the mere holding of such Note, Receipt or Coupon; or

(c) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(g)).

As used in these Conditions:

(i) "**Tax Jurisdiction**" means: (i) in the case of Notes issued by ENBD, the UAE or any political subdivision or any authority thereof or therein having power to tax or (ii) in the case of Notes issued by EGF, the Cayman Islands and the UAE or any political subdivision 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, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. PRESCRIPTION

Claims for payment in respect of the Notes, Receipts and Coupons 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 (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. EVENTS OF DEFAULT

(a) ***Events of Default for Senior Notes***

This Condition 9(a) only applies to Senior Notes.

If any one or more of the following events (each an "**Event of Default**") shall occur and be continuing:

(i) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven Business Days in the case of principal and 14 days in the case of interest; or

(ii) if any relevant Obligor fails to perform or observe any of its other obligations under the Conditions or the Guarantee and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on each relevant Obligor of notice requiring the same to be remedied; or

(iii) any indebtedness of any relevant Obligor or any Material Subsidiary is not paid when due or within any applicable grace period or becomes due and payable prior to its specified maturity (and, in the case of a guarantee or indemnity, is called), **provided that** it shall not constitute an Event of Default unless the aggregate amount (or its equivalent in U.S. dollars) of all such indebtedness either alone or when aggregated with all other such indebtedness which shall remain unpaid or unsatisfied, as the case may be, shall be more than U.S.$50,000,000; or

(iv) any relevant Obligor or any Material Subsidiary takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, nationalisation, dissolution, administration or re-organisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any substantial part or all of its revenues and assets and such proceedings are not frivolous or vexatious or are not being actively contested in good faith by such relevant Obligor or, as the case may be, such Material Subsidiary save: (i) in the case of any relevant Obligor for the purposes of reorganisation on terms approved by an Extraordinary Resolution or (ii) in the case of a Material Subsidiary (A) for the purposes of a solvent consolidation, amalgamation or restructuring, pursuant to which some or all the assets of such Material Subsidiary are transferred to any one or more members of the Group or (B) for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution **provided that** a *bona fide* disposal for full value on an arm's length basis of the whole or substantially all of the business of any relevant Obligor or a Material Subsidiary shall not be deemed in any event to be an Event of Default for the purposes of this sub-paragraph; or

(v) if any relevant Obligor ceases to carry on the whole or substantially all of its business, or any Material Subsidiary ceases to carry on the whole or substantially all of its business save: (i) in the case of a relevant Obligor for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution or (ii) in the case of a Material Subsidiary (A) for the purposes of a solvent consolidation, amalgamation or restructuring, pursuant to which some or all the assets of such Material Subsidiary are transferred to any one or more members of the Group or (B) for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution **provided that** a *bona fide* disposal for full value on an arm's length basis of (1), in the case of any relevant Obligor, the whole or substantially all of the business of that relevant Obligor or (2), in the case of a Material Subsidiary, the whole or substantially all of the business of that Material Subsidiary shall not be deemed in any event to be an Event of Default for the purposes of this sub-paragraph; or

(vi) any relevant Obligor or any Material Subsidiary is unable to pay its debts as they fall due, commences negotiations with its creditors as a whole or any one or more classes of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or

(vii) any execution or distress is levied against, or an encumbrancer takes possession of, (A) the whole or substantially all of the property, undertaking or assets of any relevant Obligor or (B) the whole or substantially all of the property, undertaking or assets of any Material Subsidiary or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, unless such enforcement proceedings are frivolous or vexatious or are being actively contested in good faith by the relevant Obligor or such Material Subsidiary, as the case may be; or

(viii) any relevant Obligor or any Material Subsidiary fails to comply with or pay any sum which amount shall not be less than U.S.$50,000,000 due from it under any final non-appealable judgment or any final non-appealable order made or given by any court of competent jurisdiction and such failure continues for period of 30 days next following the service by any Noteholder on such relevant Obligor of notice requiring the same to be paid/remedied; or

(ix) if at any time it is or becomes unlawful for any relevant Obligor to perform or comply with any or all of its obligations under or in respect of the Notes or any of the material obligations of any relevant Obligor thereunder are not or cease to be legal, valid, binding and enforceable; or

(x) if, in the case of Notes issued by EGF, the Guarantee ceases to be, or is claimed by any Issuer or the Guarantor not to be, in full force or effect; or

(xi) if, in the case of Notes issued by EGF, EGF ceases to be wholly-owned by ENBD; or

(xii) the UAE ceases to be a member in good standing or becomes ineligible to use the resources of the International Monetary Fund,

then any holder of a Note may, by written notice to the relevant Obligor at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, declare any Note held by it to be forthwith due and payable whereupon the same shall become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

(b) ***Events of Default for Subordinated Notes***

This Condition 9(b) only applies to Subordinated Notes.

(i) If default is made in the payment of any principal or interest due under the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest, any Noteholder may, if the Issuer is ENBD, institute proceedings in the UAE or any Emirate therein (but not elsewhere) for the dissolution and liquidation of ENBD or, if the Issuer is EGF, the Cayman Islands (but not elsewhere) for the dissolution and liquidation of EGF and in the UAE or any Emirate therein (but not elsewhere) for the dissolution and liquidation of the Guarantor.

(ii) If any one or more of the following events shall occur and be continuing:

(1) any relevant Obligor takes any corporate action or other steps are taken or legal proceedings are started for its winding-up, nationalisation, dissolution, administration or re-organisation (whether by way of voluntary arrangement, scheme of arrangement or otherwise) or for the appointment of a liquidator, receiver, administrator, administrative receiver, conservator, custodian, trustee or similar officer of it or of any substantial part or all of its revenues and assets and such proceedings are not frivolous or vexatious or are not being actively contested in good faith by such relevant Obligor save for the purposes of reorganisation on terms approved by an Extraordinary Resolution, **provided that** a *bona fide* disposal for full value on an arm's length basis of the whole or substantially all of the business of such relevant Obligor shall not be deemed in any event to be an Event of Default for the purposes of this sub-paragraph; or

(2) any relevant Obligor ceases to carry on the whole or substantially all of its business save for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution, **provided that** a *bona fide* disposal for full value on an arm's length basis of the whole or substantially all of the business of such relevant Obligor shall not be deemed in any event to be an Event of Default for the purposes of this sub-paragraph; or

(3) any execution or distress is levied against, or an encumbrancer takes possession of, the whole or any substantial part of the property, undertaking or assets of any relevant Obligor or any event occurs which under the laws of any jurisdiction has a similar or analogous effect, unless such enforcement proceedings are frivolous or vexatious or are being actively contested in good faith by such relevant Obligor; or

(4) any event occurs which under the laws of the UAE, any Emirate therein, the Cayman Islands or any other jurisdiction has an analogous effect to any of the events referred to in paragraphs (1) to (3) above; or

(5) if, in the case of Notes issued by EGF, the Guarantee ceases to be or is claimed by any Issuer or the Guarantor not to be in full force and effect,

then the holder of any Note may give written notice to the relevant Obligor at the specified office of the Principal Paying Agent, effective upon the date of receipt thereof by the Principal Paying Agent, that such Note is due and payable, whereupon the same shall, subject to Condition 2, become forthwith due and payable at its Early Redemption Amount, together with accrued interest (if any) to the date of repayment without presentation, demand, protest or other notice of any kind.

(iii) To the extent permitted by applicable law and by these Conditions, a Noteholder may at its discretion institute such proceedings against any relevant Obligor as it may think fit to enforce any obligation, condition, undertaking or provision binding on that relevant Obligor under the Notes, the Receipts or the Coupons, but the institution of such proceedings shall not have the effect that relevant Obligor shall be obliged to pay any sum or sums sooner than would otherwise have been payable by it.

(iv) No remedy against any relevant Obligor, other than the institution of the proceedings referred to in paragraph (i) or (iii) above and the proving or claiming in any dissolution and liquidation of any relevant Obligor, shall be available to the Noteholders, the Receiptholders or the Couponholders whether for the recovering of amounts owing in respect of the Notes, the Receipts or the Coupons or in respect of any breach by any relevant Obligor of any other obligation, condition or provision binding on it under the Notes, the Receipts or the Coupons.

(c) ***Definitions***

For the purposes of these Conditions:

a "**holding company**" of a company or corporation shall be construed as a reference to any company or corporation of which the first-mentioned company or corporation is a Subsidiary;

"**indebtedness**" shall be construed so as to include any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent;

"**Material Subsidiary**" shall mean a Subsidiary from time to time of any relevant Obligor, the book value of the assets of which exceeds 15 per cent. of the book value of the assets of the Group taken as a whole or the revenues of which exceed 15 per cent. of the revenues of the Group taken as a whole and, for these purposes:

(i) the book value of the assets and revenues of such Subsidiary shall be determined by reference to its then most recent audited annual financial statements (or, if none, its then most recent management accounts); and

(ii) the book value of the assets and revenues of the Group shall be determined by reference to its then most recent audited annual consolidated financial statements,

in each case adjusted, as the Auditors may consider appropriate, to take account of any changes in circumstances since the date as of which such financial statements (or management accounts) were prepared. A report of the Auditors that in their opinion a Subsidiary of any relevant Obligor is or is not or was or was not at any particular time or throughout any specified period a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

a "**Subsidiary**" of a company or corporation shall be construed as a reference to any company or corporation:

(i) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or

(ii) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first-mentioned company or corporation; or

(iii) which is a subsidiary of another subsidiary of the first-mentioned company or corporation,

and, for these purposes, a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body;

and the "winding-up", "dissolution" or "administration" of a company or corporation shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief of debtors.

10. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes, Receipts or Coupons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the relevant Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The relevant Issuer and (as the case may be) the Guarantor 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 an Principal Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange or admitted to listing 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

(c) there will at all times be a Paying Agent and a Transfer Agent with a specified office in Europe.

In addition, the relevant Issuer and (as the case may be) the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). 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 Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Agents act solely as agents of the relevant Issuer and (as the case may be) any other relevant Obligor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. 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.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding the Bearer Notes shall be published (a) in a leading English language daily newspaper of general circulation in London, and (b) if and for so long as the Notes are listed on the Luxembourg Stock Exchange, either in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. It is expected that such publication will be made (i) in the Financial Times in London or any other daily newspaper in London and (ii) either in the Luxemburger Wort or the Tageblatt in Luxembourg or on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. The relevant Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or other relevant authority) on which the Bearer Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in each such newspaper or where published in such newspapers on different dates, the last date of such first publication.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing. The relevant Issuer shall also ensure that, if and for so long as the Notes are listed on the Luxembourg Stock Exchange, such notice will be published either in a daily newspaper of general circulation in Luxembourg or on the website of the Luxembourg Stock Exchange, *www.bourse.lu*.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or the Registrar, as the case may be, and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. MEETINGS OF NOTEHOLDERS AND MODIFICATION

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the relevant Issuer and shall be convened by the relevant Issuer if required in writing by Noteholders holding not less than five per cent. in nominal amount of the Notes 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 not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes 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 Notes for the time being outstanding. An Extraordinary Resolution passed by the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution, and on all Receiptholders and Couponholders.

The Principal Paying Agent and the relevant Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement 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.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15. FURTHER ISSUES

The relevant Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which the interest starts to accrue so that the same shall be consolidated and form a single Series with the outstanding Notes.

16. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17. SUBSTITUTION

ENBD (in its capacity as Issuer and as Guarantor in the case of Notes issued by EGF), or any previously substituted company, may, subject, to the extent so required, to the approval of the Regulator, at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as principal debtor or Guarantor, as the case may be, under the Notes, the Receipts and the Coupons any member of the Group (the "**Substitute**") **provided that** no Event of Default is subsisting at the relevant time. The substitution shall be made by a substitution deed (the "**Substitution Deed**"), to be executed by ENBD and the Substitute and shall be effective on and from the time or event specified in the Substitution Deed (the "**Time of Substitution**"), and may take place only if:

(a) where the Substitute is incorporated, domiciled or resident for taxation purposes in a territory other than the UAE or any political subdivision or any authority thereof or therein having power to tax, the Substitution Deed contains a covenant by the Substitute and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant by the Substitute in terms corresponding to the provisions of Condition 7 with the substitution for the reference to "the UAE" in the definition of "**Tax Jurisdiction**"of a reference to the territory in which the Substitute is incorporated, domiciled and/or resident for taxation purposes. The Substitute shall also, by means of the Substitution Deed, agree to indemnify each Noteholder, Receiptholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/or, if different, of its incorporation with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(b) the substitution does not result in a downgrade in any then current credit rating of the Notes, the Receipts or the Coupons, or if the Notes, Receipts or Coupons are not rated at such time, would not result in a downgrade if they were rated and in either case this has been confirmed in writing either by each rating agency which has assigned such a credit rating or (if the Notes, Receipts or Coupons are unrated) by an internationally recognised rating agency;

(c) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Deed, the Notes, the Receipts and the Coupons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Substitution Deed, of ENBD have been taken, fulfilled and done and are in full force and effect;

(d) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(e) each stock exchange or listing authority which has the Notes listed on such stock exchange shall have confirmed that following the proposed substitution of ENBD the Notes would continue to be listed on such stock exchange;

(f) legal opinions addressed to the Principal Paying Agent (for the benefit of the Noteholders) shall have been delivered to the Principal Paying Agent from a lawyer or firm of lawyers with a leading securities practice (i) in each jurisdiction referred to in (a) above as to the fulfilment of condition (c) of this Condition and (ii) in England confirming that the Substitution Deed constitutes legal, valid and binding obligations of ENBD and the Substitute; and

(g) ENBD shall have given at least 30 days' prior notice of such substitution to the Noteholders, stating that copies, or, pending execution, the agreed text, of all relevant documents in relation to the substitution which are referred to above will be available for inspection at the specified office of each of the Paying Agents.

Immediately on and from the Time of Substitution any reference in the Conditions to (as the case may be) the "**Issuer**", the "**relevant Issuer**" or the "**Guarantor**" shall be construed as a reference to the Substitute.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) ***Governing law***

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

(b) ***Arbitration***

Subject to Condition 18(c), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Notes, the Receipts and/or the Coupons (including any dispute, claim, difference or controversy regarding the existence, validity, interpretation, performance, breach or termination of the Notes, the Receipts and/or the Coupons 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 Notes, the Receipts and/or the Coupons) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 18(b). For these purposes:

(i) the seat, or legal place, of arbitration will be London;

(ii) the governing law of the arbitration agreement shall be English law;

(iii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and

(iv) the language of the arbitration shall be English.

(c) ***Court of law***

Notwithstanding Condition 18(b) above, any Noteholder, Receiptholder or Couponholder may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

(i) within 28 days of service of a Request for Arbitration (as defined in the "**Rules**"); or

(ii) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If any Noteholder, Receiptholder or Couponholder gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 18(d) and, subject as provided below, any arbitration commenced under Condition 18(b) 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 the terminated arbitration.

If any notice to terminate the arbitration in accordance with this Condition 18(c) is given after service of any Request for Arbitration in respect of any Dispute, the Noteholder, Receiptholder or Couponholder, as the case may be, 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:

(a) 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;

(b) his entitlement to be paid his proper fees and disbursements; and

(c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(d) ***Submission to jurisdiction***

In the event that a notice pursuant to Condition 18(c) is issued, the following provisions shall apply:

(i) subject to paragraph (iii) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;

(ii) 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

(iii) this Condition 18(d) is for the benefit of the Noteholders, the Receiptholders and the Couponholders only. As a result, and notwithstanding paragraph (i) above, any Noteholder, Receiptholder or Couponholder may start proceedings relating to a Dispute ("**Proceedings**") in any other court with jurisdiction. To the extent allowed by law, any Noteholder, Receiptholder or Couponholder may start concurrent Proceedings in any number of jurisdictions.

(e) ***Appointment of Process Agent***

Each of ENBD and EGF appoints Emirates NBD Bank PJSC, London Branch (attention of: Country Head UK and Jersey) at its registered office at 3rd Floor, 2 Basil Street, Knightsbridge, London, SW3 1AA, 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.

(f) ***Waiver of immunity***

The Issuers and the Guarantor hereby irrevocably and unconditionally waives with respect to the Notes, the Receipts and the Coupons 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.

(g) ***Other documents***

The Issuers and, where applicable the Guarantor, has in the Agency Agreement, the Deed of Covenant and the Guarantee submitted to the jurisdiction of the English courts and to arbitration and appointed an agent for service of process in terms substantially similar to those set out above.

THE GUARANTEE

U.S.$12,500,000,000 Euro Medium Term Note Programme

Deed Poll Guarantee of Emirates NBD Bank PJSC

THIS GUARANTEE (the "**Guarantee**") is made by way of deed on 30 May 2017

BY

EMIRATES NBD BANK PJSC (the "**Guarantor**").

WHEREAS:

(A) Emirates NBD Bank PJSC (in its capacity as an issuer) and Emirates NBD Global Funding Limited (together, the "**Issuers**") have established a U.S.$12,500,000,000 Euro Medium Term Note Programme (the "**Programme**") and, in this connection have entered into an amended and restated agency agreement (the "**Agency Agreement**", which expression includes the same as it may be amended, supplemented, novated or restated from time to time) dated 30 May 2017 between, *inter alios*, the Issuers, the Guarantor and Deutsche Bank AG, London Branch (the "**Principal Paying Agent**").

(B) Under the Programme, Emirates NBD Bank PJSC and Emirates NBD Global Funding Limited may from time to time issue Notes (the "**Notes**").

(C) The Guarantor wishes to guarantee the obligations of Emirates NBD Global Funding Limited ("**EGF**") in respect of Notes issued by EGF under the Programme.

(D) Terms defined in the terms and conditions of the Notes (the "**Conditions**") and in the Agency Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.

NOW THIS DEED WITNESSES as follows:

1. The Guarantor as primary obligor unconditionally and irrevocably:

    (a) guarantees to the holder from time to time of each Note, Coupon or Receipt by way of continuing guarantee the due and punctual payment of all amounts payable by EGF on or in respect of the Note, Coupon or Receipt (including any premium or any other amounts of whatever nature or additional amounts which may become payable under Condition 7 (*Taxation*)) as and when the same shall become due according to the Conditions; and

    (b) agrees that, in the case of Clause 1(a) above, if and each time that EGF shall fail to make any payments as and when the same become due, the Guarantor will on demand (without requiring the relevant Noteholder, Couponholder, Receiptholder or Relevant Account Holder first to take steps against EGF or any other person) pay to the relevant Noteholder, Couponholder, Receiptholder or Relevant Account Holder the amounts (as to which the certificate of the relevant Noteholder, Couponholder, Receiptholder or Relevant Account Holder shall in the absence of manifest error be conclusive) in the currency in which the amounts are payable by EGF.

2. The Guarantor covenants in favour of each Noteholder that it will duly perform and comply with the obligations expressed to be undertaken by it in Condition 7 (*Taxation*).

3. The obligations of the Guarantor under this Guarantee shall not be affected by any matter or thing which but for this provision might operate to affect the obligations including, without limitation:

    (a) any time or indulgence granted to, or composition with, EGF or any other person;

    (b) the taking, variation, renewal or release of remedies or securities against EGF or any other person; or

(c) any unenforceability, invalidity or irregularity.

4. Where any discharge (whether in respect of the obligations of EGF or any security for the obligations of EGF or otherwise) is made in whole or in part or any arrangement is made on the faith of any payment, security or other disposition which is avoided or must be repaid on bankruptcy, liquidation or otherwise without limitation, the liability of the Guarantor under this Guarantee shall continue as if there had been no discharge or arrangement. The holder of any Note, Coupon or Receipt, acting in good faith, shall be entitled to concede or compromise any claim that any payment, security or other disposition is liable to avoidance or repayment.

5. The Guarantor undertakes that, so long as any Note is outstanding it shall not and will ensure that none of its Relevant Subsidiaries will create, or have outstanding, any Security Interest upon the whole or any part of its or their respective present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto creating and according to the Notes the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution of the Noteholders.

For the purposes of this Clause 5:

"**Auditors**" means a firm of independent auditors of good repute appointed by ENBD;

"**Indebtedness**" means any present or future indebtedness of any person for or in respect of any money borrowed or raised including (without limitation) any liability arising under bonds, sukuk or other securities or any moneys raised under any transaction having the commercial effect of borrowing or raising money including any Shari'a compliant alternative of the foregoing;

"**Non-recourse Project Financing Indebtedness**" means any Indebtedness incurred in connection with any financing of all or part of the costs of the acquisition, construction or development of any project, **provided that**: (i) any Security Interest given by the Guarantor is limited solely to assets of the project; (ii) the person providing such financing expressly agrees to limit its recourse to the project financed and the revenues derived from such project as the principal source of repayment for the monies advanced; and (iii) there is no other recourse to the Guarantor in respect of any default by any person under the financing;

"**Permitted Indebtedness**" means Non-recourse Project Financing Indebtedness and Securitisation Indebtedness;

"**Relevant Indebtedness**" means any Indebtedness other than Permitted Indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock, sukuk certificates or other securities which for the time being are, or are intended to be or capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Relevant Subsidiary**" shall mean a company or corporation:

(a) 75 per cent. or more of the issued capital of which is beneficially owned, directly or indirectly, by the Guarantor; and

(b) the book value of the assets of which exceeds 15 per cent. of the book value of the assets of the Group taken as a whole or the revenues of which exceed 15 per cent. of the revenues of the Group taken as a whole and, for these purposes:

    (i) the book value of the assets and revenues of such company or corporation shall be determined by reference to its then most recent audited annual financial statements (or, if none, its then most recent management accounts); and

    (ii) the book value of the assets and revenues of the Group shall be determined by reference to its then most recent audited annual consolidated financial statements, in each case adjusted, as the Auditors may consider appropriate, to take account of any changes in circumstances since the date as of which such financial statements (or management accounts) were prepared.

A report of the Auditors that in their opinion a company or corporation is or is not or was or was not at any particular time or throughout any specified period a Relevant Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"**Securitisation Indebtedness**" means any Indebtedness incurred in connection with any securitisation of existing or future asset and/or revenues, **provided that**: (i) any Security Interest given by the Guarantor or any of its Relevant Subsidiaries in connection therewith is limited solely to the assets and/or revenues which are the subject of the securitisation; (ii) each party participating in such securitisation expressly agrees to limit its recourse to the assets and/or revenues so securitised; and (iii) there is no other recourse to the Guarantor or any of its Relevant Subsidiaries in respect of any default by any person under the securitisation; and

"**Security Interest**" means any mortgage, charge, lien or other security securing any obligation of any party.

6. **Status**:

(i) ***In respect of Senior Notes***

In respect of Senior Notes and any relative Receipts and Coupons issued by EGF, the obligations of the Guarantor under this Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Clause 5) unsecured obligations of the Guarantor and rank and will rank *pari passu* amongst themselves and at least *pari passu* with the claims of the Guarantor's other unsecured and unsubordinated creditors save those whose claims are preferred solely by bankruptcy, insolvency, liquidation or other similar laws of general application.

(ii) ***In respect of Subordinated Notes***

In respect of Subordinated Notes and any relative Receipts and Coupons issued by EGF, the obligations of the Guarantor under this Guarantee are direct, conditional as described below and unsecured obligations of the Guarantor, and rank and will rank *pari passu* amongst themselves.

The payment obligations of the Guarantor in respect of the Subordinated Notes issued by EGF (whether on account of principal, interest or otherwise) will be subordinated to all unsubordinated payment obligations of the Guarantor in the manner described below but will rank *pari passu* with all other subordinated payment obligations of the Guarantor which do not rank or are not expressed by their terms to rank junior to the payment obligations under the guarantee of Subordinated Notes issued by EGF and in priority to all claims of shareholders of the Guarantor. The rights of the holders of Subordinated Notes issued by EGF against the Guarantor under the guarantee of Subordinated Notes issued by EGF are subordinated in right of payment to the claims of all Senior Creditors of the Guarantor and accordingly payments in respect of the guarantee of Subordinated Notes issued by EGF (whether on account of principal, interest or otherwise) by the Guarantor are conditional upon the Guarantor being solvent at the time of such payment and no payment shall be payable by the Guarantor in respect of the guarantee of Subordinated Notes issued by EGF except to the extent that the Guarantor could make such payment and any other payment required to be made to a creditor in respect of indebtedness which ranks or is expressed to rank *pari passu* with the payment obligations of the Guarantor under the guarantee of Subordinated Notes issued by EGF and still be solvent immediately thereafter. For this purpose the Guarantor shall be solvent if: (i) it is able to pay its debts as they fall due; and (ii) its Assets exceed its Liabilities, and the following expressions shall have the following meanings:

"**Assets**" means the unconsolidated gross assets of the Guarantor as shown in the latest published audited balance sheet of the Guarantor, but adjusted for subsequent events in such manner as the directors of the Guarantor, the auditors of the Guarantor or (if a bankruptcy trustee (or any equivalent insolvency practitioner) has been appointed in respect of the Guarantor) a bankruptcy trustee (or such equivalent insolvency practitioner) may determine;

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

"**Senior Creditors**" shall mean creditors of the Guarantor (including depositors) other than creditors in respect of indebtedness where, by the terms of such indebtedness, the claims of the holders of that indebtedness rank or are expressed to rank *pari passu* with, or junior to, the claims of the holders of Subordinated Notes issued by EGF under the Guarantee.

Each holder of a Subordinated Note 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 guarantee of such Subordinated Note. No collateral is or will be given for the payment obligations under the guarantee of the Subordinated Notes issued by EGF and any collateral that may have been or may in the future be given in connection with other indebtedness of the Guarantor shall not secure the payment obligations of the Guarantor under the guarantee of Subordinated Notes issued by EGF.

7. The Guarantor represents and warrants that, as at the date of the first issue of Notes by EGF, all necessary governmental and regulatory consents and authorisations for the giving and implementation of this Guarantee will have been obtained.

8. Until all amounts which may be or become payable under the Notes and the Coupons have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any holder of any Note or Coupon or claim in competition with the holders against EGF.

9. This Guarantee shall enure for the benefit of the Noteholders, Couponholders, Receiptholders and Relevant Account Holders in accordance with its terms and shall be deposited with and held by the Principal Paying Agent.

10. The Guarantor, or any previously substituted company, may, subject, to the extent so required, to the approval of the Regulator, at any time, without the consent of the Noteholders, Receiptholders or the Couponholders, substitute for itself as guarantor under the Notes, the Receipts and the Coupons any member of the Group (the "**Substitute**"), **provided that** no Event of Default is subsisting at the relevant time. The substitution shall be made by a substitution deed (the "**Substitution Deed**"), to be executed by Guarantor and the Substitute and shall be effective on and from the time or event specified in the Substitution Deed (the "**Time of Substitution**"), and may take place only if:

    (a) where the Substitute is incorporated, domiciled or resident for taxation purposes in a territory other than the United Arab Emirates or any political subdivision or any authority thereof or therein having power to tax, the Substitution Deed contains a covenant by the Substitute and/or such other provisions as may be necessary to ensure that each Noteholder has the benefit of a covenant by the Substitute in terms corresponding to the provisions of Condition 7 (*Taxation*) with the substitution of the reference to "**the United Arab Emirates**" in the definition of "**Tax Jurisdiction**" for a reference to the territory in which the Substitute is incorporated, domiciled and/or resident for taxation purposes. The Substitute shall also, by means of the Substitution Deed, agree to indemnify each Noteholder, Receiptholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) the jurisdiction of the country of the Substitute's residence for tax purposes and/ or, if different, of its incorporation with respect to any Note, Receipt or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;

(b) the substitution does not result in a downgrade in any then current credit rating of the Notes, the Receipts or the Coupons, or if the Notes, Receipts or Coupons are not rated at such time, would not result in a downgrade if they were rated and in either case this has been confirmed in writing either by each rating agency which has assigned such a credit rating or (if the Notes, Receipts or Coupons are unrated) by an internationally recognised rating agency;

(c) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Deed, the Notes, the Receipts and the Coupons represent valid, legally binding and enforceable obligations of the Substitute and, in the case of the Substitution Deed, of the Guarantor have been taken, fulfilled and done and are in full force and effect;

(d) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;

(e) each stock exchange or listing authority which has the Notes listed on such stock exchange shall have confirmed that following the proposed substitution of the Guarantor the Notes would continue to be listed on such stock exchange;

(f) legal opinions addressed to the Principal Paying Agent (for the benefit of the Noteholders) shall have been delivered to the Principal Paying Agent from a lawyer or firm of lawyers with a leading securities practice: (i) in each jurisdiction referred to in Clause 10(a) above as to the fulfillment of condition (c) of this Clause 10; and (ii) in England confirming that the Substitution Deed constitutes legal, valid and binding obligations of the Guarantor and the Substitute; and

(g) the Guarantor shall have given at least 30 days' prior notice of such substitution to the Noteholders, stating that copies, or, pending execution, the agreed text, of all relevant documents in relation to the substitution which are referred to above will be available for inspection at the specified office of each of the Paying Agents.

Immediately on and from the Time of Substitution any reference in the Conditions to the "**Guarantor**" shall be construed as a reference to the Substitute.

11. If any provision in or obligation under this Deed is or becomes invalid, illegal or unenforceable in any respect under the law of any jurisdiction, that will not affect or impair: (i) the validity, legality or enforceability under the law of that jurisdiction of any other provision in or obligation under this Deed; and (ii) the validity, legality or enforceability under the law of any other jurisdiction of that or any other provision in or obligation under this Deed.

12. This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee are governed by, and shall be construed in accordance with, English law.

13. Subject to Clause 15, any dispute, claim, difference or controversy arising out of, relating to or having any connection with this Guarantee (including any dispute, claim, difference or controversy regarding the existence, validity, interpretation, performance, breach or termination of this Guarantee or the consequences of its nullity and any dispute, claim, difference or controversy relating to any non-contractual obligations arising out of or in connection with this Guarantee) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the LCIA Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Clause 14. For these purposes:

(a) the seat, or legal place, of arbitration will be London;

(b) the governing law of the arbitration agreement shall be English law;

(c) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and

(d) the language of the arbitration shall be English.

14.

(A) Notwithstanding Clause 14 above, any Noteholder, Couponholder, Receiptholder or Relevant Account Holder may, in the alternative, and at its sole discretion, by notice in writing to the Guarantor:

(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 Noteholder, Couponholder, Receiptholder or Relevant Account Holder gives such notice, the Dispute to which such notice refers shall be determined in accordance with Clause 16 and, subject as provided below, any arbitration commenced under Clause 14 in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation to this terminated arbitration.

(B) If any notice to terminate the arbitration in accordance with Clause 15(A) is given after service of any Request for Arbitration in respect of any Dispute, the party 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:

(a) 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;

(b) his entitlement to be paid his proper fees and disbursements; and

(c) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

15. In the event that a notice pursuant to Clause 15 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 Guarantor submits to the exclusive jurisdiction of such courts;

(b) the Guarantor waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute; and

(c) this Clause 15 is for the benefit of the Noteholders, Couponholders, Receiptholders and Relevant Account Holders only. As a result, and notwithstanding paragraph (a) above, any Noteholder, Couponholder, Receiptholder or Relevant Account Holder may take proceedings relating to a Dispute ("**Proceedings**") in any other court with jurisdiction. To the extent allowed by law, any Noteholder, Couponholder, Receiptholder or Relevant Account Holder may start concurrent Proceedings in any number of jurisdictions.

16. The Guarantor appoints Emirates NBD Bank PJSC, London Branch (attention of; Country Head UK and Jersey) at its registered office at 3rd Floor, 2 Basil Street, Knightsbridge, London, SW3 1AA, 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 in this Clause 17 shall affect the right to serve process in any other manner permitted by law.

17. The Guarantor acknowledges that the transactions contemplated by this Guarantee are commercial transactions. To the extent that the Guarantor may claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to the Guarantor or its assets or revenues, the Guarantor agrees not to claim and irrevocably and unconditionally waives such immunity in relation to any Proceedings or Dispute. Further, the Guarantor 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 award, order or judgment made or given in connection with any Proceedings or Dispute.

18. The Guarantor agrees that, without limiting Clauses 12 to 17, to the extent that the provisions of the United Arab Emirates Civil Code may apply in respect of this Guarantee, then to the maximum extent permitted by law the provisions of Article 1092 of the United Arab Emirates Civil Code shall not apply to this Guarantee.

IN WITNESS WHEREOF the Guarantor has caused this Guarantee to be duly executed the day and year first above mentioned.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes, which include making a profit.

DESCRIPTION OF EMIRATES NBD BANK PJSC

Overview

ENBD was registered 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"). As at 31 December 2016, ENBD had 5,557,774,724 shares outstanding held by 1,470 shareholders of record, with a total issued and paid-up capital (equal to that authorised) of AED 5,557,774,724. No shareholder, other than ICD, which is wholly-owned by the Government of Dubai and holds 55.8 per cent. of shares of ENBD, held more than 10 per cent. of the shares of ENBD as at 31 December 2016.

ENBD is one of the largest banking entities in the UAE across a range of metrics, including by shareholders equity and by loans as at 31 December 2016. ENBD is also one of the largest banking entities in the GCC by assets, with total equity of AED 53.9 billion, total assets of AED 448.0 billion as at 31 December 2016 and total operating income of AED 14.7 billion for the year ended 31 December 2016. Originally incorporated to serve as the holding company of EBI and 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 (including EBI's obligations under the Programme) were transferred to ENBD and EBI and NBD were dissolved.

ENBD (including through the operation of its operating subsidiaries) is one of the leading full-service banks in the UAE and has branches or representative offices in the Kingdom of Saudi Arabia, Iran, India, Singapore, Indonesia, Egypt, the PRC and the United Kingdom. During 2016, ENBD won the following awards:

- *Smart Financial Services Excellence Award* at the ME Excellence Awards 2016;
- *Banking and Finance Company of the Year 2016* at the Arabian Business Achievement Awards 2016;
- *Outstanding Private Bank Middle East and Outstanding NRI/Global Indians Offering* at the Private Banker International awards 2016;
- *Strongest Bank in the UAE in 2016* at the Asian Banker awards 2016;
- *Advertiser of the Year* at the Dubai Lynx awards 2016;
- *Bank of the Year* at The Banker awards 2016;
- *Fixed Income Manager of the Year* at the Global Investor Events awards 2016;
- *Best Bank in the Middle East*, *Best Digital Bank in the Middle East* and *Best Bank in the UAE* at the Euromoney Awards for Excellence 2016; and
- *Best Prepaid Program – Emirates Islamic* at the Smart Card & Payments Awards Middle East 2016.

ENBD was also recognised as being amongst the "Top 25 Global Banks on Social Media" at the Financial Brand Power awards 2016 and ENBD's fitness account was recognised for its innovation in digital banking at the Efma awards 2016.

ENBD has a significant presence in the UAE retail, corporate and commercial banking market. In addition, through its subsidiaries (including Emirates Islamic Bank PJSC ("**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.

As at 31 December 2016, ENBD had total assets of AED 448.0 billion and total equity worth AED 53.9 billion while as at 31 December 2015, ENBD had total assets and total equity of AED 406.6 billion and AED 50.7 billion, respectively. As at 31 December 2016, ENBD had liquid assets (defined as cash and deposits with the UAE Central Bank) of AED 57.2 billion, while as at 31 December 2015, ENBD had liquid assets of AED 55.0 billion.

For the purposes of reporting its risk-weighted assets in accordance with Basel II, ENBD had, as at 31 December 2016, Tier 1 capital of AED 47.8 billion and eligible Tier 2 capital of AED 6.5 billion. ENBD's net profit for the years ended 31 December 2016 and 31 December 2015 was AED 7.2 billion and AED 7.1 billion, respectively. As at 31 December 2016, ENBD had total deposits of AED 310.8 billion.

General

As at the date of this Base Prospectus, ENBD has a long term rating of A+ and a short term rating of F1 from Fitch; and a long term rating of A3 and a short term rating of P-2 by 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

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 only entity mandated to directly own and manage the Government of Dubai's corporate assets.

The aim of ICD is to assist in establishing the vision for Dubai through devising and implementing the Government of Dubai's investment strategy and managing 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 PJSC, Commercial Bank of Dubai PJSC, Union National Bank PJSC, HSBC Middle East Finance Company Limited, The Emirates Group (including dnata), Dubai Aerospace Enterprise (DAE) Limited, Dubai Aluminium, 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 five directors, who include the Chairman of ENBD.

Strategy

ENBD continues to operate with a clear vision of being globally recognised as the most valued financial services provider in the Middle East. This is demonstrated by its strong financial performance over the past year and increased recognition through numerous awards and accolades at various forums. ENBD is well positioned to capitalise on key opportunities, both domestically and internationally, in a controlled and sustainable manner whilst putting customers first and continuing to focus on delivering an excellent customer experience. In 2017 and thereafter, ENBD will continue to focus on the following key strategic areas:

1. delivering an excellent customer experience (with a digital banking focus);
2. driving core business;
3. running an efficient organisation;
4. driving geographic expansion; and
5. building a high performing organisation.

With customer experience at the core of the strategic decision-making process, in 2017 ENBD seeks to further enhance its position as a digital innovator and leader in multi-channel banking in the UAE through best-in-class online and mobile banking services. ENBD will continue to work on multichannel integration in order to deliver a superior customer experience and will also extend servicing of products through online, mobile and social channels, whilst prudently investing in new digital products and capabilities.

ENBD continues to grow its balance sheet in a controlled manner through diversification of income sources and expansion of its product and client base. In 2017, the focus will continue to be on increasing asset growth and cross-selling in the growing retail business, and on market share expansion. Within Wholesale Banking, ENBD will continue to strengthen last year's efforts to diversify the loans portfolio to include a broader representation of multiple sectors and segments, and increase fee and commission income by making improvements in transaction banking, treasury and online offerings.

ENBD's dedication towards running an efficient organisation has led to a number of planned initiatives focusing on streamlining the organisational set-up and eliminating overlaps. In 2017, information technology will be a major focus area in order to enable digital banking. Other projects will focus on streamlining and automating key processes to minimise duplication of effort and reduce turnaround times. In addition, a re-alignment of key performance indicators and optimisation of governance structures is aimed at enhancing cross-functional collaboration throughout ENBD. From a Group risk and compliance standpoint, there will be enhanced decision making, portfolio management and risk management processes through an increased usage of smart risk decision systems that incorporate business rules, predictive models and best practices. The focus is also to enhance risk governance and risk culture by focusing on attitudes and behaviours related to risk awareness, risk taking and integrated risk management, ultimately aligning risk appetite and portfolio management framework to ENBD's overall corporate and capital allocation strategy.

ENBD has continuously invested in streamlining its operations and platforms, which has led to diversification of income streams and an improvement in the Group's capital and liquidity position. Capital adequacy was a healthy 21.2 per cent. as at 31 December 2016, well above the UAE Central Bank's requirement of 12 per cent. The cost-to-income ratio increased from 31.0 per cent. for the year ended 31 December 2015 to 33.1 per cent. for the year ended 31 December 2016. The Group intends to pursue opportunities to further streamline its organisational set-up and to eliminate overlaps.

Internationally, ENBD will continue to grow its footprint in Egypt and develop other offshore locations. Furthermore, ENBD will pursue growth in new markets and catalyse growth in its current international markets by focusing on cross-border trade and other opportunities. ENBD has been granted a branch licence in India and plans to open its first Indian branch in 2017. ENBD has also received approval to set up three additional branches in the Kingdom of Saudi Arabia to expand its reach and coverage. As before, ENBD continues to evaluate potential organic and inorganic opportunities in selected markets.

ENBD remains committed to the professional development of its staff and continues to focus on improved performance management through a greater engagement of high performers, leadership and rewards management programs. ENBD is also driving nationalisation efforts with a focus on developing local leadership talent, and plans to maintain increases in employee engagement in order to reach the upper quartile of engagement scores of global organisations. In 2016, ENBD's National Leadership program was launched and implemented to identify and develop national leaders of the future.

Activities of ENBD

For financial reporting purposes, ENBD divides its operations into the following business segments.

1. ***Wholesale Banking*** represents structured financing, current and savings accounts, customer deposits, overdrafts, trade finance and term loans for government, corporate, commercial customers, investment banking and Islamic products through Al Watani Al Islami, ENBD's Islamic banking window;

2. ***Consumer Banking*** represents retail loans and deposits, private banking and wealth management, equity broking services, asset management and consumer financing;

3. ***Treasury*** comprises of managing the Group's portfolio of investments, funds management, and interbank treasury operations;

4. ***Islamic Banking*** activities represent the income and fees earned and expenses paid by the Islamic banking subsidiaries; and

5. ***Other Operations*** of the Group include Emirates NBD Egypt S.A.E. ("**Emirates NBD Egypt**"), Tanfeeth, property management, operations and support functions.

Wholesale Banking

ENBD's largest business segment in terms of assets is that of Wholesale Banking. Wholesale Banking offers a broad suite of products and services to medium and large-sized enterprises, including multinationals, local corporate entities, banks and other financial institutions, as well as governmental and quasi-governmental organisations and entities, servicing clients throughout MENA.

Wholesale Banking is organised by customer segment and product groups. The customer segmentation, which is based on customers' needs, is as follows: (i) Large Corporate; (ii) Corporate Banking; (iii) Strategic Growth Sectors; (iv) Government; (v) Institutional Banking; and (vi) International Banking. The Wholesale Banking product groups are: (a) Transaction Banking; (b) Investment Banking; (c) ENBD's Islamic banking window (Al Watani Al Islami); (d) Treasury sales & Structuring; (e) Treasury Trading; (f) Global Funding & Principal Investments; and (g) Assets & Liabilities Management. Through these various product groups, ENBD aims to meet the full range of its Wholesale Banking customers' needs in addition to managing its own treasury requirements.

Within the UAE, Wholesale Banking has offices in Dubai, Abu Dhabi, Al Ain and Sharjah. Furthermore, Wholesale Banking operates through branches in the Kingdom of Saudi Arabia, the United Kingdom, Singapore, and functional representative offices in India, the PRC and Indonesia. Wholesale Banking also operates through Emirates NBD Egypt.

Customer Segments

The Corporate Banking Group

With offices in Dubai, Sharjah, Abu Dhabi and Al Ain, the Corporate Banking Group serves commercial entities that have their primary operations located in the UAE. The Corporate Banking Group provides customers with the following services:

- ***Corporate Banking*****:** *Large Corporate*

  The Large Corporate department caters to clients with an annual turnover of AED 600 million and above. The team provides a range of banking products and services designed to meet the specific needs of this segment, including corporate account services, working capital and project finance, cash management, trade finance, risk participation, syndications, debt and equity capital market solutions and treasury services;

- ***Corporate Banking*****:** *Local Corporate*

  The Corporate Banking unit caters to clients with an annual turnover of between AED 150 and AED 600 million. The team provides a range of banking products and services similar to those provided by the Large Corporate department, but focuses on meeting the specific needs of this segment;

- ***Corporate Banking*****:** *Real Estate*

  This unit was established to provide project finance, corporate finance and comprehensive financial solutions to UAE-based commercial and residential real estate companies;

- ***Corporate Banking*****:** *Contracting*

  The Contracting unit supports the construction business. The team works to support and help UAE-based companies or companies with their primary operations located in the UAE.

- ***Corporate Banking*****:** *Public Sector*

  This unit works with the Government and quasi-Governmental entities in providing transaction, structured finance and extensive cash-management solutions.

The Specialised Industries Group

The Specialised Industries Group focuses on bringing together ENBD's relationship management expertise in transaction, trade and treasury services, to provide holistic solutions. Its areas of coverage include:

- ***Specialised Industries**: Commodities*

  The Commodities unit focuses on global trade by providing solutions for commodities trading firms that are engaged in the manufacturing or trading of hard and soft commodities.

- ***Specialised Industries**: Multinational Corporate*

  The Multinational Corporate unit caters to all multinational companies and/or their local subsidiaries and regional companies. It aims at finding the right structure to mitigate cross-border risks and creating funding opportunities by utilising its experience in the region. The professionals design bespoke solutions in partnership with ENBD's Global Markets and Treasury and Transaction Banking team.

- ***Specialised Industries**: Global Contracting*

  The Global Contracting unit brings together expertise in understanding the complexities of large scale specialised projects within the UAE region, finding solutions that meet customers' needs and the requirements of primarily Government and quasi-Government sponsors.

- ***Specialised Industries**: Wholesalers & Retailers*

  The Wholesalers & Retailers unit focuses on working with customers that have a large distribution network or are primarily main distributors of product in the UAE region. The solutions include, but are not limited to, liquidity management, foreign exchange solutions and trade and supply chain finance.

The Financial Institutions Group

The Financial Institution Group manages ENBD's relationships with global banks and non-bank financial institutions.

International Banking

The International Banking team manages corporate customers in ENBD's international presence locations and in strategic non-presence countries. The team refers opportunities (sourced from international corporates) to the teams in the core presence markets of the UAE, Kingdom of Saudi Arabia and Egypt.

Product Groups

Transaction Banking

The Transaction Banking department offers a range of transaction banking services, including factoring, liquidity management, escrow services, trade finance and cash management. This team also offers a dedicated e-banking platform through "smartBUSINESS".

Investment Banking

ENBD provides investment banking services through its subsidiary, Emirates NBD Capital Limited ("**ENBD Capital**"). ENBD Capital provides conventional and Islamic investment banking services, advising on and arranging a wide variety of transactions including securitisations, debt, Islamic finance and equity capital markets transactions and leveraged finance transactions, as well as providing corporate finance and advisory services.

Al Watani AI Islami (Islamic Banking window)

Al Watani Al Islami is ENBD's Islamic window, established to offer Islamic banking products and services to ENBD customers in the UAE.

Treasury Sales & Structuring

The Sales & Structuring team has coverage across the various customer segments in the Group and is responsible for providing appropriate solutions, whether for hedging exposures or investment structures for yield enhancement. The team also offers an electronic foreign exchange platform through an application known as "SmartDeal".

Treasury Trading

The Trading team supports the Sales & Structuring team with price discovery, best execution and trade strategies across all currencies and is now a market maker in the MENA region across a range of asset classes including foreign exchange, rates and credit covering GCC currencies. The team also provides financial institutions with the ability to trade automatically using various electronic channels.

Global Funding & Principal Investments

The Global Funding team raises funding for ENBD through the Programme 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, which involves maintenance of overnight balances in various accounts at optimum levels.

Asset Composition of Conventional Loan Portfolio

A breakdown of ENBD's conventional loan portfolio by industry, as at 31 December 2016, is set out below:

Economic Activity	**Amount**	**Percentage**
	(AED billions)	*(%)*
Sovereign	130.7	49.8
Personal	38.8	14.8
Real Estate	32.3	12.3
Financial Institutions & Investment Companies	22.7	8.7
Trade	14.0	5.3
Manufacturing	7.7	2.9
Construction	7.6	2.9
Transport and Communications	3.4	1.3
Services	3.8	1.4
Others (rounding)	1.2	0.5
Total Customer Advances	**262.2**	**100**

Asset Composition of Islamic Loan Portfolio

A breakdown of ENBD's Islamic loan portfolio by industry, as at 31 December 2016, is set out below:

Economic Activity	**Amount**	**Percentage**
	(AED billions)	*(%)*
Sovereign	0.3	0.5
Personal	28.9	52.4
Real Estate	10.2	18.5
Financial Institutions & Investment Companies	1.9	3.4
Trade	3.2	5.8
Manufacturing	1.0	1.8
Construction	2.1	3.8
Transport and Communications	1.3	2.4
Services	3.6	6.5

Economic Activity	Amount	Percentage
	(AED billions)	*(%)*
Others (rounding)	2.7	4.9
Total Customer Advances	**55.2**	**100**

Wholesale Banking Transformation Programme

Wholesale Banking has embarked on an extensive reorganisation of its business model intended to deliver to its wholesale banking customers a more tailored product suite supported by enhanced credit processes, efficient and reliable operations and a high performance culture.

Following this reorganisation, ENBD's new customer segmentation structure is more industry-focused, in order to bring best-in-class, bespoke financial solutions to its customers. A number of initiatives are underway, aimed at broadening ENBD's product capability, generally improving cross-selling and the streamlining of operational processes. A range of projects have already been successfully delivered and Wholesale Banking continues to identify opportunities to further enhance its business model. The focus for 2017 continues to be on deepening customer relationships through cross-selling the full range of the ENBD's products and services, whilst diversifying the business by customer, industry and geography.

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

ENBD is the largest retail bank in the UAE, providing conventional retail banking products and services through a domestic network of 94 branches as at 31 December 2016. ENBD also has one of the largest networks of ATMs (inclusive of cash deposit machines) in the UAE, with approximately 565 ATMs, spread across the seven Emirates, as at 31 December 2016.

Retail Banking provides a wide range of products and services, ranging from liability accounts, credit cards, personal loans, auto loans, mortgages, foreign exchange and remittance as well as investment and insurance products. ENBD continued to gain market share across most products in 2016, thereby extending its market leadership position in the UAE. As at 31 December 2016, ENBD's market share in terms of assets, loans and deposits was 17.2 per cent., 20 per cent. and 20 per cent., respectively.

"Beyond" offers a comprehensive proposition and convenient banking experience for the emerging affluent customer segment. Priority Banking is a premium banking service designed to provide wealth management solutions to the affluent customer base. ENBD's continued focus on higher value customers resulted in a 33 per cent. increase in the sourcing of Priority Banking customers and a 26 per cent. increase in "Personal Banking Beyond" over the previous year. Over 50 per cent. of new credit cards business belonged to the premium segment. The division's Business Banking segment addresses the needs of small and medium-sized enterprises ("**SMEs**"), providing them with a suite of liabilities, lending, FX, trade and wealth offerings. ENBD's consumer finance business, Emirates Money was merged with Business Banking in 2016 to leverage enhanced cross-sell opportunities and revenue synergies between both customer segments.

In 2016, the division launched Flexi Loans, an innovative variable rate personal loan linked to EIBOR. Flexi Loans now contributes to about one-third of new business. DirectRemit, the 60-second money transfer service was expanded to Sri Lanka and Egypt and continued to grow rapidly with a 60 per cent. increase in transactions during 2016. The Emirates NBD One Card was also introduced, targeting the high net worth customer segment, with a metal-based design and offering premium rewards on lifestyle, travel and member privileges. Dnata credit cards were relaunched, offering instant earning, together with the redemption of loyalty points at point of sale. In addition, the GlobalCash multi-currency prepaid card was launched, offering customers an efficient and secure way to manage their transactions when travelling or shopping online or abroad.

The Retail Banking division has been recognised with the receipt of a number of awards recently, including the *Best Retail Bank – UAE* and *Best SME Card* at the Banker Middle East Industry Awards

2016, *Best Customer Experience – Banking* at the 2016 Customer Experience in Financial Services Asia (CXFS) Awards, *Best Digital Bank in the Middle East* at the Euromoney Awards for Excellence 2016, *Best Consumer Digital Bank in Middle East & Africa* and *Best Mobile Banking App Middle East & Africa*, for the second year running at Global Finance's Best Digital Bank Awards, *Mobile Payment Product of the Year* at the Asian Banker International Excellence in Retail Financial Services Awards 2016 and *Best Mobile Banking Experience* at Smart Cards & Payments Middle East Awards 2016.

ENBD is the leading retail banking franchise in the UAE, with the largest distribution network, complemented by a best-in-class mobile and online banking platform.

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. A breakdown of Retail Banking's conventional retail loan portfolio by type of customer advance, as at 31 December 2016, is set out below.

Product Type	**Amount**	**Percentage**
	(AED billion)	*(%)*
Personal Loans	12.1	37.0
Mortgages	5.1	15.6
Credit Cards	5.3	16.2
Car Loans	4.0	12.2
Overdrafts - Retail	2.7	8.3
Staff loans	0.8	2.4
Time Loans - Retail	1.2	3.7
Others - Retail	1.5	4.6
Total Customer Advances	**32.7**	**100.0**

Distribution Channels & Digitisation

ENBD provides access to one of the widest branch, ATM and cash/cheque deposit machine networks in the UAE. In line with the ongoing migration of transactions to digital channels and with nearly 90 per cent. of transactions now taking place outside of the traditional branch, ENBD continued to optimise its branch network. ENBD also opened the "Branch of the Future" at Emirates Towers in Dubai, inaugurated by H.H. Sheikh Mohammed Bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. The concept branch showcases emerging ideas and innovations in banking and payment technology and features "Pepper", an artificial intelligence robot that greets customers and presents products in an engaging manner. ENBD continues to see the benefits of its branch transformation with routine branch transactions declining by a further 11 per cent. year-on-year in 2016 (in addition to a 17 per cent. decline in 2015).

ENBD remained committed to improving customer experience and also launched the innovative "TimeSavers" solution, allowing customers to be seen to instantly using tablets, thus reducing branch wait times. ENBD continues to invest in digital initiatives and has launched a series of first-to-market product and service innovations aimed at enhancing customer experience and engagement across all its channels. Almost 50 per cent. of ENBD's customers now use digital channels while digital transactions have grown 30 per cent. year-on-year.

The ENBD "Future Lab" was set up as part of ENBD's digital strategy to foster innovation and accelerate development of next-generation digital services. ENBD also supported global Fin Tech events and, early last year, held its first "hackathon" in London.

ENBD continued to lead the mobile application space with 25 new features added to its popular award-winning mobile application, including investment portfolio widgets, enhancements to the "mePay" platform, which offers local funds transfer via ATM or mobile application to any recipient in the UAE including non-customers, in addition to cardless ATM cash withdrawal services via the application. The "Smart Pass" soft token was also introduced, enabling customers to authorise digital banking transactions securely through the mobile application without the hassle of waiting for an SMS authorisation code.

The Bank launched "Emirates NBD Pay", a contactless payment service allowing customers to make in-store purchases instantly via their mobile banking application, a first in the region. ENBD's flagship remittance service, DirectRemit was expanded to the Sri Lanka and Egypt markets and continued to grow fast, garnering a 3 per cent. share in the exchange house dominated market.

ENBD expanded its network of interactive teller machines, allowing customers to conduct banking transactions with the help of a centrally based teller in a real time video interaction, enabling customers to transact without limitations on timings or queuing. ENBD also announced the debut of Emirates NBD Virtual Assistant ("**EVA**"), the first intelligent voice-based and virtual assistant for banking in the MENA region. EVA will offer services using natural or conversational English, offering a more intuitive and personalised customer experience, based on artificial intelligence algorithms.

In early 2017, ENBD also unveiled "Liv.", the UAE's first digital bank targeted at millennials, providing a differentiated digital experience for a new generation of customers, and built based on the principle of the "mobile and social first".

Brand and Social Media

ENBD has a strong social media presence, and can count its Facebook fans in excess of 700 thousand, Twitter followers in excess of 108,000 and LinkedIn followers in excess of 162,000. "Together Limitless", ENBD's advocacy platform for people with special needs, gained momentum with the opening of five disability-friendly bank branches in the UAE. ENBD launched "Worthy", a platform that extends financial literacy and well-being content into the social media space.

The ENBD brand was ranked as the top banking brand in the UAE with a valuation of U.S.$3.4 billion in *The Banker's* annual brand-valuation league table in 2017. ENBD has been ranked 17th globally amongst banks by Financial Brand for Social Media in 2016.

Wealth Management

ENBD's Private Bank, Asset Management and Brokerage business form an integrated wealth management platform, enabling all individual businesses to improve their market positioning, and generated strong financial results in 2016.

Private Banking

ENBD Private Banking was established in 2008 to meet the needs of high net-worth individuals, to whom it provides the full range of premium banking, wealth management, trust & estate planning and investment services through approximately 65 Relationship Managers across the UAE, the Kingdom of Saudi Arabia, the United Kingdom and Singapore. The Relationship Managers are supported by a Chief Investment Office covering a vast range of investment solutions across asset classes and geographies.

The Private Banking business saw steady growth in 2016 from its core GCC and South Asian client segments, including profitable growth in all its international locations in Riyadh, London and Singapore. Incremental revenue has been generated across all products, mainly by increasing deposits from existing clients and hence further improving the overall efficiency of the platform.

The focus in 2016 remained on improving ENBD's client proposition and service levels. An enhanced investment advisory model to deliver ongoing strategic and tactical asset allocation and active portfolio management, combined with a deepened solutions offering and an enhanced funds platform, has enabled Private Banking to maintain its market-leading position and navigate clients through a volatile regional and global market environment.

ENBD's progress in delivering unmatched client solutions and excellent customer service has been recognised by various industry awards, including *Outstanding Global Private Bank Middle East* and *Outstanding NRI/Global Indians Offering* at the 2016 Annual Private Banker International Global Wealth Awards; *Best Private Bank in the UAE* and *Best Private Bank in the Middle East* from Global Finance Magazine; *Best Local Private Bank in the Middle East* at the 2016 Private Banker International (PBI) Middle East Awards, *Best Investment Bank* and *Best Wealth Management Service* at the Banker Middle East Awards 2016.

Asset Management

ENBD Asset Management ("**ENBD AM**") is 100 per cent. owned Dubai International Financial Centre ("**DIFC**") subsidiary of ENBD, providing a full range of investment solutions, from in-house managed public funds to tailor-made discretionary solutions; offering exposure to the regional MENA markets as well as global markets. ENBD AM covers all of the main asset classes, structured on either a *Shari'a* compliant 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).

ENBD AM continued its positive growth trajectory in 2016, with assets under management rising to over AED 14 billion during the year. The main drivers for this growth have 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 one of the largest and most diverse teams in the region with a strong track record, helped the Group to grow its asset management business, supported by its consistent track record and investment performance.

ENBD AM was recognised through a series of investor awards such as *Best Investment Management Company, UAE* for the third consecutive year at the World Finance Investment Management Award 2016 and *Emerging Markets Fixed Income Manager for the year* at the Global Investor/ISF 2016 Awards. ENBD's Emirates Real Estate Fund won *Real Estate Fund of the Year* at the 2016 MENA Fund Manager Performance Awards and *Sector Fund of the year* at the 2017 MENA Fund Manager Performance Awards.

Brokerage

ENBD offers brokerage services through its subsidiary, Emirates NBD Securities LLC ("**Emirates NBD Securities**"). As a pioneering brokerage house in the UAE, Emirates NBD Securities has a long history of providing brokerage services in the Middle East and is amongst the top brokerage and financial services companies in the UAE.

Emirates NBD Securities offers secure and convenient access to the major exchanges in UAE such as Dubai Financial Market, the Abu Dhabi Stock Exchange, Nasdaq Dubai, the Dubai Gold and Commodities Exchange, and the Saudi Stock Exchange (TADAWUL). It also provides a complete trading solution for individual, corporate and institutional clients, built around powerful technology, providing access to major markets in the MENA region.

Emirates NBD Securities has been awarded prestigious industry awards, including Nasdaq Dubai's *Retail Broker of the Month Award* for nine months in a row, and *Outstanding Risk Management Excellence Award 2016* at the Middle East Financial Markets Excellence Awards. In addition, the company has been lauded for the transformation of its brand presence in the UAE and the Kingdom of Saudi Arabia, and praised for its international-standard systems and platforms.

Islamic Finance

Islamic banking is one of ENBD's fastest growing business sectors and contributes to an increasing proportion of the revenue of ENBD. Apart from offering Islamic banking products through Al Watani Al Islami (ENBD's Islamic window), ENBD also offers a range of Shari'a compliant financial services, through its subsidiary Emirates Islamic (including Dubai Bank PJSC ("**Dubai Bank**"), which operates under a unified management structure with Emirates Islamic), to retail and corporate customers with the objective of conforming to the strictest standards of Islamic finance.

All the activities of Emirates Islamic are conducted in full compliance with Islamic Shari'a and under the supervision of its Shari'a Supervisory Board (the "**Shari'a Board**") comprising several prominent Shari'a scholars.

Emirates Islamic's Corporate Banking division provides a comprehensive range of financial products and services to its customers through Shari'a compliant structures, including murabaha, ijara, istisna'a, musharaka and mudaraba contracts. Emirates Islamic's Corporate Banking customers consist of private sector customers, public sector customers and government bodies/agencies and are served through seven sectorial Corporate Banking divisions for Dubai and two regional units for Sharjah and Abu Dhabi and Al

Ain as at 31 December 2016. The industries covered by Corporate Banking, comprise, *inter alia*, real estate, financial institutions, contracting, trading, manufacturing and services. Whilst customers are primarily in the UAE, facilities are also offered in other GCC countries.

Emirates Islamic's Retail Banking division offers a comprehensive range of Shari'a compliant banking products and services through its network of 61 branches located throughout the UAE as at 31 December 2016. As at 31 December 2016, Emirates Islamic had an ATM and CDM network of 196.

Additionally, Emirates Islamic's Business Banking division provides banking solutions to SMEs across the UAE.

Other Operations

ENBD has a number of other operations, which include Emirates NBD Egypt, Tanfeeth, property management, operations and support functions.

Overseas Operations

ENBD has overseas branches in the United Kingdom, the Kingdom of Saudi Arabia and Singapore. ENBD also has a subsidiary in Egypt in which it has a 100 per cent, shareholding. It now has 65 branches spread across Egypt as at 31 December 2016. ENBD also has a network of representative offices in India, the PRC, Iran and Indonesia. During 2016, ENBD obtained a full branch licence from the Reserve Bank of India and will be upgrading its representative office to a full service bank branch which it intends to launch in 2017. In addition, ENBD has received approval to open three additional branches in the Kingdom of Saudi Arabia. By the end of 2017 or early 2018, ENBD will have a total of four branches in the Kingdom of Saudi Arabia.

As at the date of this Base Prospectus, ENBD is in full compliance with all global sanctions laws and requirements. ENBD's representative office in Iran does not currently undertake any banking business and, since the implementation day under the U.S. Department of State's Joint Comprehensive Plan of Action relating to Iran, ENBD has retained the strategy of not undertaking any banking business within Iran or with Iranian entities, until there is further clarity as to what business may be lawfully entertained.

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:

(a) ***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. Through its 61 branches across the UAE (as at 31 December 2016), Emirates Islamic provides full 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. Emirates Islamic's authorised share capital, as at 31 December 2016, was AED 10.0 billion, consisting of 10 billion shares of AED 1 each. Emirates Islamic's paid-up capital, as at 31 December 2016, was AED 5.4 billion. As at 31 December 2016, Emirates Islamic was 99.9 per cent owned by ENBD.

As at 31 December 2016, Emirates Islamic had total assets of AED 59.2 billion, including total equity worth AED 6.7 billion, Tier 1 capital of AED 6.7 billion and eligible Tier 2 capital of AED 533.1 million. Emirates Islamic's net profit for the year ended 31 December 2016 was AED 105.6 million.

Whilst Emirates Islamic does have a strong degree of independence in the operation of its business, it enjoys a high level of 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. Further, all of Emirates Islamic's activities are overseen by its Shari'a Board comprising Scholars of Islamic *Shari'a*.

Dubai Bank PJSC

Pursuant to the decree issued on 11 October 2011 by H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE, in his capacity as the Ruler of Dubai, ENBD acquired the entire outstanding share capital of Dubai Bank, a provider of Shari'a compliant banking services in the UAE. This follows a consistent strategy of the Government of Dubai in carefully monitoring the banking sector in the Emirate and taking measures necessary to ensure the continued viability of financial institutions operating in Dubai.

The acquisition of Dubai Bank was completed in the last quarter of 2011 (the effective date being 11 October 2011), the cash consideration for which represented fair value for Dubai Bank. As on the effective date of the acquisition, the acquisition had no impact on ENBD's net profit or its non-performing loans ratio. On 30 November 2012, the migration of Dubai Bank's portfolio and branches to Emirates Islamic was completed.

(b) ***Listed associates***

National General Insurance Company PSC

National General Insurance PJSC ("**NGI**") was established in 1980 as a limited liability company, and became a public joint stock company in 2001. NGI is listed on the DFM and, as at 31 December 2016, ENBD held 36.7 per cent. of its issued share capital. NGI is rated A- by A.M. Best, and approved by the Dubai Health Authority as a participating insurer.

NGI is licensed by the UAE Insurance Authority and offers a range of general and specialist insurance products, including healthcare and life insurance. NGI underwrites large and medium-sized risks in property, casualty, marine, construction, motor, manufacturing, banking and other industries, and is very active across the medical life insurance product lines. As at the date of the Base Prospectus, NGI has 9 branches within the UAE.

NGI has a suite of bancassurance products that are exclusively tailored for banks. In addition, NGI has established a credit insurance venture with Coface, a Paris-based credit insurance provider, which offers protection for receivables to potential buyers of goods and services.

(c) ***Unlisted subsidiaries***

Emirates NBD Egypt S.A.E.

During 2013, ENBD acquired 100 per cent. of the issued shares of BNP Paribas Egypt S.A.E. for a consideration of U.S.$500 million (AED 1,838 million), which has since been rebranded as Emirates NBD Egypt S.A.E.

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.

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 Securities and Commodities Authority (the "**SCA**") in 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, Emirates NBD Securities began international expansion during 2015 by offering clients access to the Saudi Stock Exchange (TADAWUL), with more regional and global markets in the roadmap.

The company 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.

Emirates NBD Capital Limited

ENBD Capital is a wholly-owned subsidiary of ENBD. ENBD Capital was incorporated in the DIFC in 2006 (see also "– *Investment Banking*" above).

Tanfeeth LLC

Tanfeeth LLC ("**Tanfeeth**") was incorporated in September 2011 as the GCC's first Business Services Partner. Tanfeeth delivers significant operational efficiency and service quality improvements to its clients. During 2015, Tanfeeth continued to deliver cost-effective solutions and consistent service excellence. In addition to delivering a lean operational performance, Tanfeeth has initiated and supported several end-to-end strategic projects across different ENBD units and subsidiaries, including ENBD's international operations. These include several sustainable cost-savings programs and transformation consultations focusing on enhanced efficiency and improving customer service experience.

As at the date of this Base Prospectus, Tanfeeth's operational scope includes all ENBD back office operations including 14 separate units, as well as Emirates Islamic's Call Center Operations and Retail Asset back office units.

Further information on the above mentioned subsidiaries can be found in the audited annual consolidated financial statements of ENBD as at the year ended 31 December 2016 and the unaudited condensed consolidated interim financial statements of ENBD as at the three months ended 31 March 2017, which are incorporated by reference into this Base Prospectus.

(d) ***Joint ventures***

Network International LLC

Established in 1994, Network International LLC ("**Network International**") is the largest acquirer in the UAE, and a leading payment solutions provider in the MENA region, servicing more than 70,000 merchants and 200 financial institutions across 70+ countries. ENBD owns a 51 per cent stake in Network International, while the remaining 49 per cent stake is held by global investment firms Warburg Pincus and General Atlantic.

The company's service offering comprises a comprehensive range of payment products and services for both the issuing and acquiring segments of banks, financial institutions and retail merchants. This includes credit, debit and prepaid card processing, ATM management and monitoring, merchant acquiring and processing, fraud management, e-commerce services and mobile solutions for the payments industry, with the objective of enabling speedy, secure and convenient payment transactions for customers. In addition, the company offers several value-add products, including data analytics, scoring and loyalty solutions. Network International has operation centres in the UAE, Egypt and India, with its corporate head office in Dubai. The company recently acquired Emerging Markets Payments Holdings Limited, and continues to invest in strategic partnerships that will increasingly see its influence spread across the region.

Network International is a Principal Member of Visa International and MasterCard International in the UAE and enjoys an extension of its MasterCard Licence in other key countries. It is also a member of the JCB and Union Pay card schemes, and it owns and manages the Diners Club International Franchise in the UAE, Egypt, Lebanon and Jordan. In 2013, the company launched a GCC based domestic scheme, "Mercury", and partnered with Discover Financial Services to allow global acceptance of Mercury cards on the Discover, Diners Club International and PULSE networks. Network International, a payment card industry data security standard certified company, is also a major player in the international remittance industry and owns a 100 per cent. stake in TimesofMoney Ltd., a leading global online remittance and digital payments company facilitating cross-border remittances and domestic payments in emerging economies.

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 31 December 2016 there were 49 banks holding full commercial banking licenses in the UAE, of which 23 were locally incorporated. The following table shows rankings for banks operating in the UAE by total assets and equity as at 31 December 2016 and by net profits for the year ended 31 December 2016 (source: Bank Financial Statements and Press Releases for FY 2016, Bloomberg).

Ranking by Total Assets

Ranking	Bank	Amount
		(AED billion)
1	ENBD	448.0
2	National Bank of Abu Dhabi	420.7
3	Abu Dhabi Commercial Bank	258.3
4	First Gulf Bank	245.1

Ranking by Net Profits

Ranking	Bank	Amount
		(AED million)
1	ENBD	7,239
2	First Gulf Bank	6,026
3	National Bank of Abu Dhabi	5,296
4	Abu Dhabi Commercial Bank	4,149

Ranking by Equity

Ranking	Bank	Amount
		(AED billion)
1	ENBD	53.9
2	National Bank of Abu Dhabi	46.5
3	First Gulf Bank	37.7
4	Abu Dhabi Commercial Bank	30.4

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 Executive Committee (the "**EXCO**") 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. 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.

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 defined as risk of financial loss arising from the failure of the customer or counterparty, to meet its contractual obligations to ENBD. It can arise from both funded and non-funded transactions that are contingent in nature.

ENBD manages credit risk by setting limits for individual borrowers, groups of borrowers, and geographical and industry segments. 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 and the Management Credit Committee ("**MCC**") provide 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 re-payment, prevailing and potential macro-economic factors, industry trends, and customers' credit worthiness and standing within the industry. ENBD has established sector underwriting standards and caps to manage concentration risks and prudential regulatory exposure ceilings.

ENBD is an active participant in the inter-bank 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 keep a check on the 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 mitigant 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 strictly adheres to and observes the individual and aggregate percentage limits regulating large exposures stipulated by the UAE Central Bank.

This policy details the types of business and sectors that ENBD is willing to participate in, its policy on security, details of its credit facility application processes, guidelines on credit authorities, borrower risk grading, identification of impaired credits and provisioning.

The corporate credit policy consists of specific business guidelines and rules 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 formal application process for corporate credit approvals. Individual business units have the primary responsibility for credit facilities resting with the executives recommending the facility. All 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 Group Head – Wholesale Banking, the Chief Executive Officer, the Chief Credit Officer and the GCD have delegated authority limits to approve credit facilities. Credit facilities above this delegated authority limit are recommended for approval to the MCC or the Board Credit and Investment Committee (the "**BCIC**").

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. Whilst excesses are monitored daily by business units and reported to the GCD regularly, any cases of non-conformance with the terms of the facility are also monitored by the GCD and escalated to the General Manager, Wholesale Banking.

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 is completed before any facilities are drawn. The post-approval processes and documentation are handled by the Credit Administration Unit (the "**CRAD**") which reports to the GCD. All documents are reviewed by the individual business units before and after they are executed by customers. They are then passed on to the CRAD for final verification, after which they are stored in a fire-proof environment.

The security required for a particular facility held by ENBD is confirmed independently by the CRAD once a year or upon request.

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 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 loan 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 agreed by the General Manager-Retail Banking and Wealth Management and the CRO, and further approved 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 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 size 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. 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 collections and recoveries team to follow up on overdue customers for payments. The team is ably assisted by score cards that allow the team to prioritise collections and recoveries by likelihood of collection or default.

Rating Models and scorecards: 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 assist in its underwriting decisions. ENBD has developed a suite of risk scorecards for all retail products including personal loans, credit cards, home loans and auto loans. In addition to providing critical inputs for Basel II capital adequacy and economic capital computations, these scorecards are used for all underwriting-related activities. Customer level behaviour scorecards are extensively used in 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 performance of all scorecards is regularly monitored by a team that is independent of the model's development team.

Development of a robust internal rating model for ENBD's wholesale portfolios has remained a challenge for a number of reasons, namely the traditionally low number of defaults in the UAE, 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 using the "Shadow Ratings" approach which aims to mimic the external rating of the financial institutions assigned by top tier external rating agencies. A robust early-warning framework complements the rating model and ensures efficient monitoring and updating of the internal ratings on an ongoing basis. ENBD has also developed and implemented an internal probability of default model for SMEs. A shadow ratings model has also been developed for rating unrated sovereigns.

All internal models and scorecards are regularly monitored by an independent model validation team in ENBD.

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. FX risk: losses in value due to exposure to changes in spot prices, forward prices and volatilities of currency rates; and

3. 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, Global Markets & Treasury ("**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
- Continuous 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 is 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.
- 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), FX 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). These structural risks are hedged at the macro level through the use of assets and liabilities in the Balance Sheet.

Value-at-Risk

To better capture the multi-dimensional 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 specific asset classes listed below, plus a total VaR figure for the whole trading book:

- interest rate VaR;

- FX VaR; and

- total VaR.

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 be 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 before), 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 behavioral assumptions regarding the economic duration of liabilities which are contractually repayable on demand, such as current accounts. The ALCO reviews 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 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 timing 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 coordinated 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.

As at 31 December 2016 and 31 December 2015, ENBD's loans to deposit ratio stood at 93.4 per cent. and 94.2 per cent., respectively. Liquidity for ENBD is managed actively by GM&T and is overseen by ENBD's ALCO on a monthly basis or more frequently when needed.

Operational Risk

Operational risk at the Bank is defined as 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 on-going 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

IFRS sets forth strict principles for the recognition and provisioning of impaired loans and advances. ENBD has therefore established and maintained regular procedures for the recognition of actual and potential bad debts, identification of non-serviced, unearned or overdue interest and for methodical assessment of potential loan losses.

The primary responsibility for recognising and reporting adverse credit features on any borrowing account lies with the business unit responsible for recommending the lending and for day-to-day management and monitoring of that account. When potential problem credit facilities are identified, they are transferred to a "watch list" and are monitored closely. The credit facilities may be transferred to the "watch list" for a number of reasons, such as any security given not adhering to approval terms or being overdue for review by 90 days.

In line with UAE Central Bank requirements, ENBD classifies those accounts where recovery is considered doubtful and ensures provisions are made accordingly. Delinquent accounts are broadly classified as Substandard, Doubtful or Loss.

Those accounts where agreed payments of principal and/or interest are more than 90 consecutive days in arrears are classified as "substandard accounts". The accrued interest remains suspended while a minimum provision of 25 per cent. of the net exposure amount is made.

Those accounts where partial loss of principal is expected and full recovery of interest and fees is not expected are classified as "doubtful accounts". The accrued interest is suspended from the date that accounts are so classified and a minimum provision of 50 per cent. of the net exposures is made.

Those accounts where a full loss of principal and interest is expected and where ENBD has exhausted all recourse to recovery are classified as "loss accounts". 100 per cent. of the net exposure amount is provided in such cases.

All accounts classified as "doubtful accounts" and "loss accounts" constitute a "bad and doubtful debt" and, unless it is believed that the debt can be recovered by the business units, the debt is then transferred to the Special Loans Group (the "**SLG**"), a unit that specialises in remedial management. The remedial management of accounts and the booking of provisions for accounts not transferred to the SLG continue to be the responsibility of the individual business unit.

ENBD generally waits until all legal and other remedies are exhausted before writing-off fully provisioned loans.

Group operating profit before impairment was AED 9.9 billion for the year ended 31 December 2016, which was AED 0.6 billion (5.7 per cent.) lower as compared to the year ended 31 December 2015. The impaired loan ratio, excluding impaired investment securities, decreased to 6.4 per cent. by 31 December 2016 from 7.0 per cent reported as at 31 December 2015. The impairment allowance on loans and receivables and Islamic financing receivables was AED 24.4 billion as at 31 December 2016 and AED 23.3 billion as at 31 December 2015. For the year ended 31 December 2016, the Group's net profit was AED 7.2 billion and consequently AED 0.1 billion (1.4 per cent.) higher as compared to the year ended 31 December 2015. For the year ended 31 December 2016, ENBD had net impairment loss on financial assets of AED 2,607.9 million, a decrease of 23.40 per cent. year-on-year.

As at 31 December 2016, ENBD's impaired loans amounted to AED 20.3 billion (or 6.4 per cent. of gross loans and receivables), have been provisioned for by impairment allowances of AED 24.4 billion, bringing the impairment coverage ratio to 120.2 per cent. The net impairment charge for the year ended 31 December 2016 amounted to AED 2.6 billion compared with AED 3.4 billion for the year ended 31 December 2015. Total portfolio impairment allowances amounted to AED 7.0 billion, equating to 3.11 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 2016 and 31 December 2015.

	2016	**2015**
	(AED millions)	
Movement in allowances for specific impairment		
Balance as at 1 January	17,169.1	16,829.3
Allowances for impairment made during the year	4,620.2	3,264.7
Write back /recoveries made during the year	(3,071.5)	(2,004.9)
Amounts written off during the year	(1,384.8)	(912.6)
Exchange and other adjustments	(5.4)	(7.4)
Balance as at 31 December	**17,327.6**	**17,169.1**
Movement in allowances for collective impairment		
Balance as at 1 January	6,070.3	4,194.1
Allowances for impairment made during the year	955.0	1,876.8
Exchange and other adjustments	(5.7)	(0.7)
Balance as at 31 December	**7,019.6**	**6,070.2**
Total	**24,347.2**	**23,239.3**

Selected Ratios

The table below shows selected consolidated ratios of ENBD as at and for the years ended 31 December 2015 and 2016, 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	
	2016	2015
	(%)	
Selected ratios:		
Impairment coverage ratio	120.2	112.0
Non-performing/impaired loans ratio	6.4	7.1
Tier 1 ratio	18.7	18.0
Capital adequacy ratio	21.2	20.7
Cost income ratio	33.1	31.0
Net interest margin	2.51	2.85
Loans to deposit ratio	93.4	94.2
Net loan growth	7.3	10.0

Legal 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 is 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 Saudi Arabia; the Monetary Authority of Singapore in Singapore; the Central Bank of Qatar and the Qatar Financial Centre Regulatory Authority in Qatar; 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 United Kingdom; 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 General Manager, Group Internal Audit has access to the Chairman of the BAC and the Chief Executive Officer as required.

The primary objective of Group Internal Audit is to independently 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. Group Internal Audit 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.

Real Property

The net book value of freehold land and property owned by ENBD as at 31 December 2016 was AED 1,641.5 million.

Capital Expenditure

ENBD does not expect to incur capital expenditure outside its ordinary course of business. For the year ended 31 December 2016, ENBD incurred AED 805.8 million of capital expenditure, compared to AED 718.8 million for the year ended 31 December 2015. The increase in capital expenditure is primarily due to new property acquired and developed for the purpose of expanding business operations during the year.

Capital Adequacy

As per current capital requirements, the UAE Central Bank requires banks operating in the UAE to maintain a prescribed minimum ratio of total capital to total risk-weighted assets of 12 per cent. (of which Tier 1 has to be 8 per cent.).

The tiered components of a UAE bank's regulatory capital comprise of:

- Tier 1 capital, which includes share capital, share premium, legal, statutory and other 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; and

- Tier 2 capital, which includes qualifying subordinated debt, undisclosed reserve, and fair value reserve.

While the calculation of capital adequacy ratios in the UAE broadly follows the BIS guidelines, claims on; or guaranteed by; GCC central governments and central banks are risk weighted at zero per cent. and claims on GCC government non-commercial public sector entities are risk-weighted at 20 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 of 31 December 2016, the Group is above the UAE Central Bank imposed requirement, with a total capital adequacy ratio of 21.22 per cent. and a Tier 1 capital adequacy ratio of 18.67 per cent.

Under Union Law No. (10) of 1980 Concerning the Central Bank, the Monetary System and Organisation of Banking, banks are required to transfer 10 per cent. of profit each year into a statutory reserve until this reserve makes up 50 per cent. of capital. Distributions cannot be made from this reserve, except in special legally defined circumstances. All dividends have to be authorised by the UAE Central Bank.

Distributions of Profit

Distributions of profit to shareholders are subject to a comprehensive risk management system that is reviewed at the management level and ENBD's ALCO level to ensure the appropriate distribution levels taking into account ENBD's performance, competitor profit distributions and market conditions. ENBD has historically pursued a conservative dividend policy, preferring to build its capital and use such capital to preserve shareholder value.

Basel II

ENBD has implemented the standardised approaches for credit risk under Basel II, and complies with the corresponding requirements as set out by Circular 27/2009 of the UAE Central Bank ("**Circular 27/2009**").

Under Circular 27/2009, the main UAE banks are expected to migrate to the foundation internal ratings based approach in due course.

The UAE Central Bank has published draft guidelines and reporting standards (as of October 2010) on its website; final guidelines and reporting standards are yet to be published but it has committed to implement Basel III by 2018.

Basel III

On 23 February 2017 the UAE Central Bank issued Circular No. 52/2017 on Regulations re Capital Adequacy. This will affect the capital requirements of UAE banks, including ENBD, in the future.

UAE Banks still report based on a Basel II framework but are expected to transition to a Basel III framework until between 2017 and 2019.

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 which 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 FATCA.

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 requirements 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 on-boarding, as well as subsequently as a trigger based event and potential (annual or otherwise) review, pending 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 ensuring 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 keep the compliance programme working.

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, United Kingdom (including Her 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, KYC and sanctions policies and procedures, which are available to all staff members through ENBD's intranet. In addition, ENBD considers 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(s) unfairly and therefore reduce the associated reputational risk.

The Conflicts of Interest Policy sets 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") Policy

ENBD as a Group is exposed to the FATCA broad extraterritorial reach which requires all non-U.S. Foreign Financial Institutions to register with the U.S. Internal Revenue Service, identify, document and report on accounts maintained by U.S. persons to the Inland Revenue Service or local regulatory bodies.

The Group FATCA 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.

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 inter-bank 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 operational companies also raise money through the international capital markets. All capital markets debt raising activity by ENBD and its operational companies is controlled 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**") under which the equivalent of U.S.$10 million was outstanding as at 31 December 2016, as compared to U.S.$115 million as at 31 December 2015. 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 does from time to time buy back its own debt (senior and subordinated) in the open market.

In June 2009, EBI raised AED 4 billion of Tier 1 debt securities. The sole investor was ICD (which is wholly-owned by the Government of Dubai), the majority shareholder of ENBD. These securities are perpetual, subordinated and unsecured and for the first five years have an annual 6.45 per cent. fixed rate coupon, after which they carry a floating rate coupon linked to EIBOR plus a margin of 4 per cent. The UAE Central Bank has approved the qualification of these securities for Tier 1 Regulatory Capital purposes. Further, as mentioned above, ENBD's capital was increased in March 2009 by the conversion of AED 12.6 billion of deposits from the UAE Federal Government into longer-term subordinated debt. ENBD has since fully repaid the deposits from the UAE Federal Government.

In March 2013, ENBD issued regulatory Tier 2 Capital notes amounting to U.S.$750 million. The notes have a 10-year maturity and are callable after five years, are subordinated, unsecured and have been issued at a fixed interest rate of 4.875 per cent.

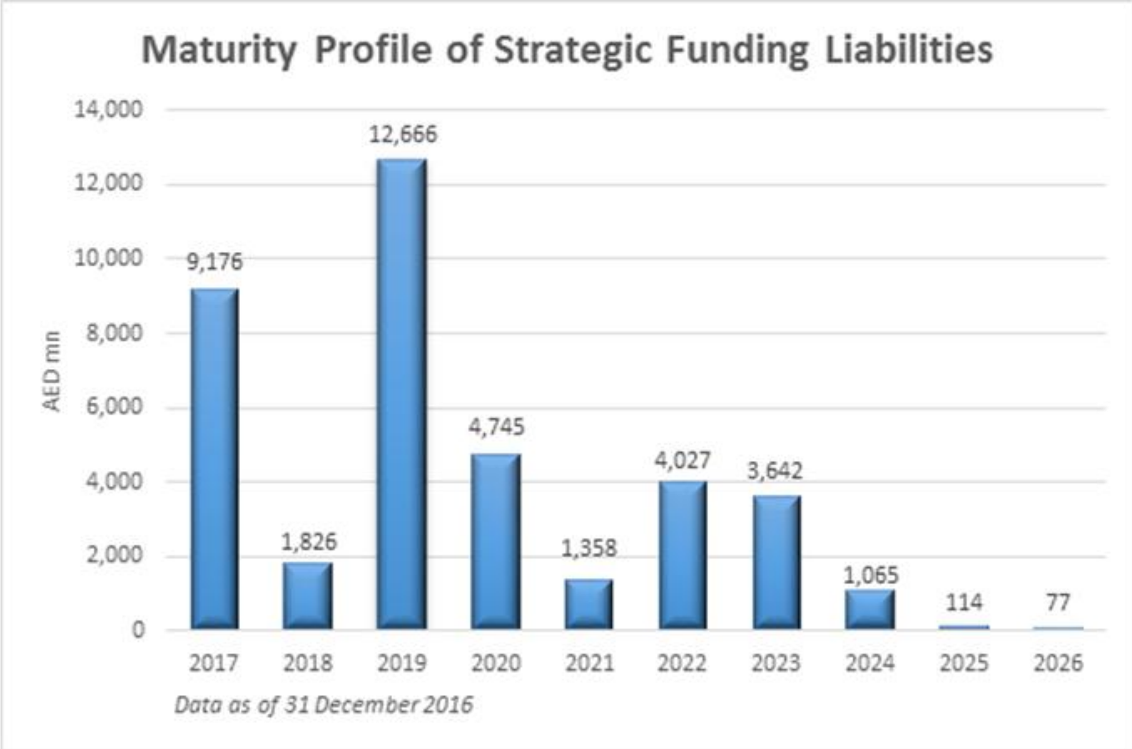
In May 2013, ENBD issued regulatory Tier 1 Capital notes amounting to U.S.$1 billion. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate of 5.75 per cent. with a reset after six years.

In September 2014, ENBD issued regulatory Tier 1 Capital notes amounting to U.S.$500 million. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate of 6.375 per cent. with a reset after six years.

In June 2016, ENBD refinanced its U.S.$800 million club deal, raising a total of U.S.$1,700 million through a new three -year club deal paying a coupon of U.S.$3-month LIBOR plus a margin of 125 bps.

As at 31 March 2017, ENBD and its main operational companies had, since July 2002, launched 427 bond issues with a total value of U.S.$23,845 million on seven exchanges: Luxembourg, London, Dublin, Nasdaq Dubai, Singapore, Sydney and Bangkok. As at 31 March 2017 outstanding issuance for ENBD and its main operational companies totalled U.S.$9,545 million (excluding Additional Tier 1 securities) with U.S.$4,540 million in new issuance for 2016 and U.S.$889 million issued during January, February and March 2017. ENBD's objective has always been to diversify and deepen its investor base, reduce the maturity mismatch between assets and liabilities and to manage maturities, thereby reducing the quantum of refinancing risk.

The following table shows the maturity profile of the Group's Strategic Funding Liabilities outstanding as at 31 December 2016:



Information Technology

ENBD's Information Technology ("**IT**") division is focused on utilising the most advanced IT systems to secure ENBD's customers and ensure that customers' data is well protected and secured against unauthorised entry. ENBD envisages the role of information 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 it is resourced in line with modern banking requirements.

IT's emphasis is on having a "defence in depth" approach to information security, with a 24/7 cyber security centre to monitor and respond to security threats. IT has entered a partnership with an external brand protection provider to remediate fake profiles of senior executives on social media such as Facebook and LinkedIn.

ENBD has initiated a strategic digitisation project to design and implement digital end-to-end service to significantly improve customer experience and reduce costs. The Group also launched its innovation programme fostering talent internally and driving an external innovation programme targeting financial technology collaboration. A global innovation challenge was launched with roadshows in Berlin, Paris, New York, Singapore and Dubai culminating with a three-day programme in London during April 2016.

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 legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, ENBD makes adjustments to account for any adverse effects which the claims 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 the 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 2016 regarding any outstanding legal proceedings against ENBD.

Fiscal Year

The fiscal year of ENBD is the calendar year ending on 31 December.

Recent Developments

Financial Performance for the three months ended 31 March 2017

The following information has been extracted from the unaudited condensed consolidated interim financial statements of ENBD as at and for the three months ended 31 March 2017, that includes the comparative financial information for the three months ended 31 March 2016:

	31 March 2017 (Unaudited)	**31 March 2016 (Unaudited)**
	(AED million)	
Net interest income and income from Islamic financing and investment products net of distribution to depositors	2,486.0	2,554.9
Non-interest income*	1,131.5	1,350.4
Total operating income	**3,617.5**	**3,905.3**
General and administrative expenses	(1,116.3)	(1,250.0)
Operating profit before impairment	**2,501.2**	**2,655.3**
Net impairment loss on financial assets	(639.1)	(829.5)
Operating profit after impairment	**1,862.1**	**1,825.8**
Share of profit of associates and joint ventures	38.6	26.8
Taxation charge	(27.2)	(44.7)
Group profit for the period after taxation	**1,873.5**	**1,807.9**

* *Non-interest income includes: Net fee and commission income, Net gain / (loss) on trading securities and other operating income*

For the three months ended 31 March 2017, net profits increased by 3.6 per cent. to AED 1,873.5 million, as compared to the same period in prior year, due to decreases in net interest income as well as a lower impairment charge.

For the three months ended 31 March 2017, total operating income decreased by 7.4 per cent. year-on-year to AED 3,617.5 million. During the same period, net interest income and income from Islamic financing and investment products net of distribution to depositors decreased by 2.7 per cent. to AED 2,486.0 million due to a contraction in margins. During the same period, non-interest income decreased by 16.2 per cent. to AED 1,131.5 million as significant gains from the sale of investments in the first quarter of 2016 were not repeated.

The impaired loan ratio decreased during this period from 6.4 per cent. as at 31 December 2016 to 6.3 per cent. as at 31 March 2017. ENBD's impaired loan coverage ratio increased to 122.5 per cent. as at 31 March 2017. Capital adequacy ratios reduced slightly in the three months ended 31 March 2017 as the annual dividend payment more than offset the retained profit in this period.

MANAGEMENT OF EMIRATES NBD BANK PJSC

Board of Directors

ENBD is managed by the Board, which is comprised of 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 Base Prospectus, the Board is comprised of the nine directors listed below.

Name	Position
H.H. Sheikh Ahmed bin Saeed Al Maktoum	Chairman
Mr. Hesham Abdulla Al Qassim	Vice Chairman
H.E. Khalid Juma Al Majid	Director
Mr. Hussain Hassan Mirza Al Sayegh	Director
Mr. Buti Obaid Buti Al Mulla	Director
Mr. Shoaib Mir Hashem Khoory	Director
Mr. Mohamed Hamad Obaid Khamis Al Shehi	Director
Mr. Mohamed Hadi Ahmad Abdulla Al Hussaini	Director
Mr. Ali Humaid Ali Al Owais	Director

H.H. Sheikh Ahmed bin Saeed Al Maktoum was appointed as the Chairman of ENBD in June 2011. His Highness holds a Bachelor degree 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 Legion d'Honneur (the Legion of Honour) of France and a recipient of the Verfassungsportugaleser 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**"), Supreme Council of Energy, British University of Dubai, Noor Investment Group LLC, Noor Takaful PJSC and Dubai World, President of the Dubai Civil Aviation Authority (since 1985) and a director of ICD.

Mr. Hesham Abdulla Al Qassim was appointed as the Vice Chairman of ENBD in June 2011. Mr. Al Qassim is currently the Vice Chairman and CEO of Dubai Real Estate Corporation/Wasl. In addition, he is the Chairman of Emirates Islamic, Emirates NBD Capital KSA and Emirates NBD Egypt and a member of the boards of directors of Amlak Finance PJSC, International Humanitarian City, NGI, DIFC Authority, DIFC Investments LLC and the Federal Authority for Government Human Resources.

H.E. Khalid Juma Al Majid was appointed as a director of ENBD in November 2009. He is also the Vice Chairman of Juma Al Majid Group of Companies and the UAE Central Bank, a director of the Dubai Chamber of Commerce and Industry and a member of the Board of Trustees of Emirates Nationals Development Programme.

Mr. Hussain Hassan Mirza Al Sayegh was appointed as a director of ENBD in July 2007. He is currently the Chairman of Jotun UAE Ltd and Jotun Powder Coatings UAE LLC, the Deputy Chairman of Oilfields Supply Centre Ltd and Al Nasr Leisureland, and a member of the boards of directors of Emirates National Oil Company Limited (ENOC) LLC, Emirates Petroleum Products Company (EPPCO) LLC, Al Maktoum Foundation, the National Bank of Fujairah, Marsh Insco and Mawarid Finance PJSC.

Mr. Buti Obaid Buti Al Mulla was appointed as a director of ENBD in July 2007. He is currently the Chairman of Dubai Insurance Co., Vice Chairman of Emirates Islamic and Emirates Investment Bank PJSC and a director of Dubai Bank.

Mr. Shoaib Mir Hashem Khoory was appointed as a director of ENBD in June 2011. Mr. Khoory is the Managing Director of Mir Hashim Khoory LLC. He is the Chairman of Dubai Bank, MAHY Khoory, Group International Institute Management (GIIM) French School in Dubai, International Concept Education LLC FZ, Meydan MHK Education LLC FZ, Meydan MHK Healthcare LLC FZ, and a director of Emirates Islamic, Dubai Real Estate Corporation/WASL, Jebel Ali Cement Factory, Emirates Telecommunications Corporation (Etisalat), and Mir Hashim Khoory LLC.

Mr. Mohamed Hamad Obaid Khamis Al Shehi was appointed as a director of ENBD in June 2011. Mr. Al Shehi is also the Secretary of the SFC and a member of the Economic Development Committee, Sectoral Committees of the Executive Council. In addition, he is the Chairman of Emirates Financial

Services and a director of Emirates Islamic, Dubai Bank, Emirates NBD Asset Management Ltd, ENBD Capital, Dubai Real Estate Corporation and Galadari Brothers Co. LLC.

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, Emirates Telecommunications Corporation (Etisalat), Dubai Refreshments Company, Dubai Real Estate Corporation, Emaar Malls PJSC and Emirates NBD Egypt.

Mr. Ali Humaid Ali Al Owais was appointed as a director of ENBD in March 2013. Mr. Ali 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.

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 duties to ENBD and his 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
Abdullah Qassem	Group Chief Operating Officer
Surya Subramanian	Group Chief Financial Officer
Manoj Chawla	Group Chief Risk Officer
Jonathan Morris	Senior Executive Vice President & Group Head, Wholesale Banking
Suvo Sarkar	Senior Executive Vice President and Group Head, Retail Banking and Wealth Management
Aazar Ali Khwaja	Senior Executive Vice President Global Markets & Treasury
Kevin Flannery	General Manager, International
Husam Al Sayed	Group Chief Human Resource Officers
Lubna Qassim	Group Chief General Counsel and Company Secretary

Shayne Nelson, Group Chief Executive Officer

Shayne Nelson has served as Chief Executive Officer of ENBD since November 2013. Shayne has more than 25 years experience in the banking industry and has extensive and diverse experience in various roles. Prior to joining ENBD, he served as the Chief Executive Officer of Standard Chartered Private Bank in Singapore. He was also the Chairman of Standard Chartered Saadiq Islamic Advisory Board and a board member of Standard Chartered Bank (China) Ltd.

Shayne was also appointed as the Regional Chief Executive Officer for Standard Chartered Bank Middle East and North Africa, 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.

Shayne's strong background within banking also includes previous positions as Standard Chartered's Chief Risk Officer for Wholesale Banking, Regional Head of Corporate and Institutional Banking Audit in the Asia Pacific Region and India, as well as Regional Head of Credit in Hong Kong, the PRC and North East Asia. He was also the Head of Corporate and Institutional Banking for Westpac Banking Corporation in Western Australia.

Shayne is also a member of the board of directors of ENBD Capital and Emirates Financial Services, a Founding Member of the Higher Colleges of Technology Industry Advisory Council, a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Managers.

Abdulla Qassem, Group Chief Operating Officer

Abdulla Qassem has served as Group Chief Operating Officer of ENBD since September 2009. Abdulla studied Computer Science & Business Administration at St. Edwards University, Austin, Texas. His professional career began at EBI in 1988 where he rose from the position of Programmer to General Manager, IT Operations & Administration.

Abdulla's responsibilities in respect of the Group encompass the provision of IT services, including the introduction of innovative technologies to the Group as well as oversight over administration and banking operations.

Abdulla is also a director of D-Clear Europe Ltd and Smart Stream Technology Group plc, Chairman of Network International and Tanfeeth, Vice-Chairman of SINNAD (Bahrain) and Vice-Chairman of the ENBD EXCO and the Chairman of Emirates NBD Properties LLC.

Surya Subramanian, Group Chief Financial Officer

Surya Subramanian has served as Chief Financial Officer of ENBD since September 2010. He is a Chartered Accountant with more than 30 years' experience in banking and finance in the UAE, India, Pakistan and Singapore. He has experience in business roles in finance across country, regional and group structures with some of the world's leading financial institutions. More recently, prior to his appointment as Chief Financial Officer of ENBD, Surya was working with the Ministry of Finance and the Accounting and Corporate Regulatory Authority in Singapore to support the promulgation of accounting standards as well as financial reporting oversight for all companies registered in Singapore. He is a member of the IFRS Advisory Council that supports the IASB and the IFRS Committee Foundation.

Manoj Chawla, Group Chief Risk Officer

Manoj Chawla has served as General Manager, Risk of ENBD since September 2013. 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 25 years of experience in risk management across various risk disciplines with key expertise in building risk infrastructure, portfolio restructuring and management and managing merger and acquisition risk. Manoj is a qualified Chartered Accountant, lawyer, Company Secretary and a certified Islamic finance executive.

Jonathan Morris, Senior Executive Vice President & Group Head, Wholesale Banking

Jonathan Morris is the Group's Senior Executive Vice President & Group Head, Wholesale Banking and member of the Group's Executive Committee. Jonathan Morris has assumed overall responsibilities for Corporate and Institutional Banking and Investment Bank for ENBD. He joins the Group from Standard Chartered Bank ("**SCB**") where he held the position of Chief Executive Officer for the UAE. His previous roles at SCB include Chief Executive Officer, Bahrain, Regional Head of Origination & Client Coverage, Africa, Regional Head of Corporate & Institutional Banking, Europe and Head of Corporate & Institutional Banking UAE & Oman.

Suvo Sarkar, Senior Executive Vice President and Group Head, Retail Banking and Wealth Management

Suvo is the Group's Senior Executive Vice President and Group Head, Retail Banking and Wealth Management businesses. He is also the executive chairman of three of the Bank's subsidiaries: Emirates Money, ENBD Asset Management, and Emirates NBD Securities. Additionally, he serves on the boards of Emirates NBD Egypt, ENBD Capital KSA and Tanfeeth, the Bank's operations processing subsidiary. Suvo is an experienced retail banking professional with over 29 years of multi-functional experience in multiple geographies in the Middle East and Africa with three multinational banks – SCB, ANZ Grindlays and Citibank N.A., and two regional banks – National Bank of Dubai P.J.S.C. and National Bank of Abu Dhabi P.J.S.C.

Aazar Khwaja, Senior Executive Vice President Global Markets & Treasury

Aazar Khwaja is the Group's Senior Executive Vice President Global Markets & Treasury, and has served ENBD since joining in September 2012. He has more than 20 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, during which he also served as Chairman of Barclays' regional Asset and Liability Management Committee. His previous roles included Managing Director and Head of Fixed Income, Currency and Commodities in Citigroup's Central and Eastern European division, Group Treasurer for Saudi Hollandi (ABN AMRO) Bank in 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.

Kevin Flannery, General Manager, International

Kevin Flannery, General Manager, International, has been with the Group for 30 years and is a member of the EXCO for the Group. He has held a variety of executive and general management roles (corporate, credit, treasury, special loans, regional controller) including Country Chief Executive. He has worked in ENBD's commercial banking operations overseas including Kenya, Nigeria, Pakistan and most recently Egypt as acting Chief Executive Officer during ENBD's acquisition of BNP Paribas' Egyptian operations in 2013. He has overall responsibility for ENBD's activities in the nine countries outside the UAE where ENBD is represented and has been instrumental in developing and implementing the Group's international strategy and footprint over the last few years.

Husam Al Sayed, Group Chief Human Resource Officer

Husam Al Sayed is the Group Chief Human Resource Officer, and has served ENBD since joining in September 2011. Previously, he served as the General Manager of Human Resources at NBD prior to the merger and continued as General Manager of Group Human Resources of ENBD until 2009. Prior to this, he worked for Emirates National Oil Company (ENOC), as the Group Manager, Human Resources. He has 30 years of experience and knowledge in the field of people management and has a Master's in Public Administration (MPA) from the University of Toledo, USA.

Lubna Qassim, Group Chief General Counsel and Company Secretary

Lubna Qassim is the Group Chief General Counsel and Company Secretary of ENBD. She is also, at present, the first female EXCO member of ENBD. Previously, Ms Qassim has held positions as director of the Department of Economic Legislations at the UAE Ministry of Economy and the Executive Director of the Legal and Regulatory Affairs Department at Dubai Economic Council. She was solely responsible for establishing the Legal and Regulatory Affairs Department at both these institutions. Prior to that, Ms Qassim spent considerable time in the corporate practice of Clifford Chance LLP both in Dubai and London. Ms Qassim has a total of 17 years' experience in the legal profession.

The business address for each of the 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 duties to ENBD and his private interests or other duties.

Committees

ENBD has established a number of 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 business and affairs of ENBD.

Board Audit Committee

The Board Audit Committee ("**BAC**") is responsible for reviewing all internal audit and management compliance reports that are produced by ENBD and providing direction to management on rectifying weaknesses or shortcomings highlighted in such reports. The BAC is also responsible for receiving and reviewing management letters issued by external auditors and reports of regulatory bodies. 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 the quality and performance of the credit and investment portfolio of ENBD. The BCIC reviews and oversees the effectiveness of ENBD's credit and investment risk strategy whilst taking into consideration the risk appetite of ENBD. Amongst other things, the BCIC approves lending strategy and policies, establishes delegated lending authorities and evaluates credit and investment proposals. The members of the BCIC comprise the Chairman of the Board and at least two other directors as well as the Chief Executive Officer and other members of management.

Board Risk Committee

This committee is responsible for the corporate and risk governance framework of the Group. This includes the review, oversight and monitoring of the Group's risk management procedures, the Group's risk appetite and its overall risk profile. The committee also oversees ENBD's Basel II and III implementation. The committee convenes on a quarterly basis.

Board Nomination and Remuneration 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 efficient manner.

Executive Committee

The EXCO is headed by the Chief Executive Officer. The role of the EXCO is to collectively monitor the performance of ENBD and make decisions within the authority limits delegated to it by the Board. The EXCO makes specific recommendations to the Board on decisions that fall outside its delegated authority limits. The EXCO comprises the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer, the Chief Legal Officer, the General Manager Wholesale Banking, the General Manager Retail Banking, the General Manager GM&T, the General Manager Human Resources, the General Manager International, the CEO Emirates Islamic and the Head of ENBD Egypt. The EXCO meets once every two weeks.

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 investment portfolio, structural interest rates, exchange rate positions and maturity gaps, as well as its capital adequacy position. ENBD's ALCO comprises the Chief Executive Officer, the Chief Financial Officer, the General Manager, Risk, the Head of Wholesale Banking, the Head of Consumer Banking and Wealth Management, the General Manager, GM&T 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 and provides guidance to the management on the strategic objectives of ENBD. It assesses, approves and recommends facilities, renewal of existing facilities, debt settlement and write-offs, provisioning and amendments to pricing and ratings, within predetermined parameters. The MCC also monitors and reviews and recommends policies for the credit portfolio performance of ENBD's Wholesale Banking unit.

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 monthly.

Employees

As at 31 December 2016, ENBD employed 10,391 staff (excluding the Egyptian business), the majority of whom were full-time employees and 355 of whom were employed in ENBD's overseas operations. As at 31 December 2015, ENBD employed 11,879 staff (excluding the Egyptian business), the majority of whom were full-time employees and 391 of whom were employed in ENBD's overseas operations. ENBD has no history of industrial disputes and considers its relationship with its employees to be good.

Training

Training is an integral part of staff learning and development at ENBD. ENBD's Learning and Development Centre (the "**LDC**") provides role based specific training to various categories of staff within ENBD, such as branch managers, branch operations officers, head tellers, tellers, personal banking assistants, sales associates and management. The training is provided in a blend of classroom and e-learning based workshops. To enhance ENBD's digitisation strategy, ENBD has recently innovated by introducing mobile learning "meLearn" for ENBD's front line sales team. The LDC's financial services training programs are geared towards helping staff attain international certifications such as Chartered Institute for Securities & Investment, Institute of Chartered Accountants in England and Wales – Certificate in Finance, Accounting and Business, and Associate Chartered Accountant Certificate. The LDC's Leadership and Management Development programs are aimed at leadership development at varying levels. Such training programs are often run in collaboration with world renowned providers such as Harvard Business Publishing and the IESE Business School. The LDC also facilitates participation of ENBD staff members in relevant external courses, seminars and workshops to enhance their knowledge and skillsets. In addition, there is a special emphasis on training young UAE nationals to assume roles of responsibility within ENBD. The LDC works with ENBD's various businesses and support units to achieve business results and implement projects successfully by executing targeted training modules based on business and staff requirements.

Remuneration Policy

The success of ENBD is dependent upon the competence of employees at all levels of its business. ENBD provides a range of reward and recognition schemes to attract, motivate and retain high calibre individuals to drive the performance of the business and drive new growth streams.

ENBD has a variable pay scheme for middle and senior management under which performance bonuses are awarded based on annual performance appraisals. The bonus awarded is dependent on individual performance, the performance of the respective business unit and the performance of ENBD.

ENBD also pays sales staff incentives for achieving sales and revenue targets to its frontline sales and operations staff in retail sales and in the branches. These sales incentives are administered by Retail Finance with oversight by HR. The incentive plan is flexible and changes in the plan are initiated based on business trends and requirements.

Emiratisation

As part of a policy of "Emiratisation", UAE banks were instructed in 1999 to increase the number of UAE nationals on their payroll by at least 4 per cent. per annum until they reached 40 per cent. of the payroll.

ENBD's UAE nationalisation committee is charged with the responsibility of developing existing UAE staff, attracting talent and working to the needs of the community.

In 1999, UAE nationals comprised 20 per cent. of the staff of EBI and as at the date of this Base Prospectus, this proportion is approximately 25 per cent. ENBD plans to continue to increase the percentage of employees who are UAE nationals in line with the "Emiratisation" policy. Training and recruitment of nationals for managerial positions is a major objective of ENBD. ENBD continues to support the training and sponsorship of students in local universities and colleges.

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 2016, ENBD had made loans and receivables to related parties totalling AED 132.2 billion and had received customer and Islamic deposits from related parties totalling AED 6.6 billion.

DESCRIPTION OF EMIRATES NBD GLOBAL FUNDING LIMITED

General

Emirates NBD Global Funding Limited ("**EGF**") was incorporated in the Cayman Islands as an exempted limited liability company on 3 July 2009 under the Companies Law (as revised) of the Cayman Islands, registered in the Cayman Islands with registration number TU-227990. Its registered office is c/o Deutsche Bank (Cayman) Limited, Boundary Hall, Cricket Square, 171 Elgin Avenue, P.O. Box 1984, Grand Cayman, KY1-1104, Cayman Islands and the telephone number of the registered office is +001 345 949 8244.

The authorised share capital of EGF as at 31 December 2016 is U.S.$50,000 divided into 50,000 ordinary shares with a par value of U.S.$1.00 each. The issued share capital of EGF is 1 share, which is fully paid and held by ENBD. EGF has no subsidiaries.

Business of EGF

EGF has no significant prior operating history or significant prior business.

The objects of EGF, as referred to in its Memorandum of Association (as registered or adopted on 3 July 2009), are unrestricted. EGF will not engage in any business activity other than the issuance of Notes under this Programme and other borrowing programmes established from time to time by ENBD, the issuance of shares in its capital and other activities incidental or related to the foregoing. EGF established a U.S.$1,000,000,000 Structured Note Programme (the "**Structured Note Programme**") on 19 December 2011; whereby it may issue, from time to time, structured notes in different currencies and denominations. The Structured Note Programme is admitted to trading on the Luxembourg Stock Exchange's regulated market and is listed on the official list of the Luxembourg Stock Exchange. As at the date of this Base Prospectus, no notes have been issued by EGF under the Programme, the Structured Note Programme or any other borrowing programme established by ENBD.

Financial Statements

Since the date of its incorporation, no financial statements of EGF have been prepared.

Directors of EGF

The board of directors of EGF and their principal occupations are as follows:

Director	Principal Occupation
Aazar Ali Khwaja	Group Treasurer of ENBD
Patrick Clerkin	Head of Investor Relations & Managing Director, Group Funding & Principal Investments of ENBD
Lee Sims	Managing Director, Head of ALM of ENBD
Ammar Al Haj	Head of Treasury and Markets, Emirates Islamic

The business address of each member of the board of directors is Emirates NBD Bank PJSC, Baniyas Road, Deira, P.O. Box 777, Dubai, United Arab Emirates.

No member of the board of directors has any actual or potential conflict of interest between his duties to EGF and his private interests and/or other duties.

EGF has no employees and is not expected to have any employees in the future.

OVERVIEW OF THE UAE AND THE EMIRATE OF DUBAI

The information set forth in this section is based on publically available information. ENBD accepts responsibility for accurately reproducing such information and, as far as ENBD is aware, no facts have been omitted which would render such information inaccurate or misleading. ENBD accepts no responsibility for the accuracy of such information, which may also be approximate or use rounded numbers.

History of the United Arab Emirates and the Emirate of Dubai

The United Arab Emirates

The UAE is a federation of seven Emirates. Formerly known as the Trucial States, the seven Emirates were British protectorates until they achieved independence on 2 December 1971 and merged to form the UAE. The UAE is situated along the south-eastern tip of the Arabian Peninsula. The State of Qatar lies to the north-west, the Kingdom of Saudi Arabia to the west, south and south-east and Oman lies to the south-east and north-east of the UAE. The UAE occupies a total area of approximately 83,600 square kilometres, with 600 kilometres of its coastline along the Arabian Gulf and 100 kilometres bordering the Gulf of Oman.

Each Emirate has a local government headed by the Ruler of the Emirate. The UAE also has a federal government which is headed by the President of the UAE. The federation is governed by the Supreme Council of the Rulers which consists of the Rulers of the seven Emirates. The Supreme Council elects from its own membership the President and the Vice President (for renewable five-year terms). H.H. Sheikh Zayed bin Sultan Al Nahyan, the late Ruler of the Emirate of Abu Dhabi, held the position of President from 1971 until his death in November 2004. During his long presidency, H.H. Sheikh Zayed bin Sultan Al Nahyan oversaw massive investment in the infrastructure of the UAE, which transformed the country. Following his death, his son H.H. Sheikh Khalifa bin Zayed Al Nahyan took over as Ruler of the Emirate of Abu Dhabi and has been elected as the President of the UAE. The federal budget is principally funded by the Emirate of Abu Dhabi.

The Emirate of Dubai

The Emirate of Dubai is the second largest Emirate in the UAE after the Emirate of Abu Dhabi, and is situated to the north-east of the UAE in the south-eastern coast of the Arabian Gulf. It covers an area of approximately 4,357 square kilometres and, except for an enclave in the Hajar Mountains at Hatta, the Emirate of Dubai comprises one contiguous block of territory.

In the early part of the nineteenth century the members of the Bani Yas tribe, led by H.H. Sheikh Maktoum Bin Butti, left the Emirate of Abu Dhabi and migrated north to establish an independent sheikhdom in the area now known as Dubai. The ruler of the Emirate is now Sheikh Mohammed bin Rashid Al Maktoum who is also the Vice President and Prime Minister of the UAE.

Before the discovery of oil, the Emirate of Dubai started as a pearl diving and fishing village in the first half of the eighteenth century. However, an important period of economic activity occurred in the nineteenth century when the Emirate of Dubai, split by a 14 kilometre creek that leads into a natural harbour, established itself as a centre for the import and re-export of merchandise, along with its pearling industry.

In the early part of the twentieth century, to counter the loss of economic activity from the decline in the pearling industry following the First World War, Dubai sought to attract traders through its liberal business policies and low taxes, enabling the Emirate to establish itself as a centre for trade in gold bullion, textiles and consumer durables.

In the 1930s and 1940s, oil was discovered in Kuwait, Qatar and Saudi Arabia, adding to that already found in Iran, Iraq and Bahrain. In 1958, oil was found off the shore of Abu Dhabi and, in 1966, oil was first discovered by the Dubai Petroleum Company at Fateh, which lies 92 kilometres off the coast of Dubai. Over the years, oil revenues have been used to create and develop the economic and social infrastructure of the Emirate. In addition, as a regional trading hub, Dubai was well-placed to capitalise on the increase in Middle East business activity that came with oil exports.

Population

The population of the UAE

The population of the UAE, based on a census carried out in 2010 and according to the UAE Federal Competitiveness and Statistics Authority (formerly the National Bureau of Statistics) (the "**FCSA**") was approximately 8.3 million in 2010.

The population of the UAE has grown significantly since 1985, reflecting an influx of foreign labour, principally from Asia, as each of the Emirates have developed. The table below illustrates this growth using official census data since 1985 for the UAE:

	1985	**1995**	**2005**	**2010**
Total population	1,379,303	2,411,041	4,106,427	8,264,070[(1)]
Dubai population	370,788	689,420	1,321,453	1,905,476

Source: Official UAE Census Data.
Notes:
(1) FCSA estimate.

A national census was carried out in 2015 but, as at the date of this Base Prospectus, the results of the census have not been published. According to the United Nations' mid-year estimates, the UAE had a population of approximately 9.3 million in 2016 (*source*: Statistical Yearbook 2016 edition, United Nationals Department of Economic and Social Affairs, Statistics Division).

Population of Dubai

The table below sets out the estimated population of Dubai at the end of each of the years indicated:

	2012	**2013**	**2014**	**2015**
Total population, Dubai	2,105,875	2,213,845	2,327,350	2,446,675

Source: Dubai Statistics Centre.

The Dubai Statistics Centre has estimated the population of Dubai to be approximately 2,446,675 at the end of 2015. The number of 'active individuals' present during the day in Dubai is estimated at considerably more (approximately 3.5 million at year-end 2015), many of whom work within Dubai yet reside outside of it.

The majority of the population of Dubai is estimated to be non-UAE nationals, mainly drawn from the Indian subcontinent, Europe and other Arab countries. As at 31 December 2015, approximately 69.6 per cent. of the population was estimated to be male and 30.4 per cent. female, reflecting the large male expatriate workforce unaccompanied by family members.

According to the Dubai Statistics Centre, as at 31 December 2015, it was estimated that approximately 19.0 per cent. of the population of Dubai was 19 years of age or under, 24.2 per cent. of the population was between 20 and 29 years of age, 30.8 per cent. of the population was between 30 and 39 years of age, 17.3 per cent. of the population was between 40 and 49 years of age and 8.7 per cent. of the population was 50 years of age or older.

Education and training are an important strategic focus for Dubai and the literacy rate in Dubai for persons at or above the age of 10 was estimated at 97.4 per cent. in 2015.

Governance, Legislation and Judiciary

The UAE

UAE Constitution

The original constitution of the UAE (the "**Constitution**") established the legal framework for the UAE. The major principle adopted by the Constitution was that jurisdiction for enacting substantive legislation was confined to the federal government, but the local governments of each of the seven Emirates were authorised to regulate those matters that were not the subject of legislation by the federal government.

The Constitution was initially provisional but was made permanent pursuant to a constitutional amendment in May 1996.

Pursuant to Articles 120 and 121 of the Constitution, the federal government is responsible for foreign affairs; security and defence; nationality and immigration; education; public health; the currency; postal, telephone and other communications services; air traffic control and the licensing of aircraft; banking; the delimitation of territorial waters; the extradition of criminals and a number of other matters. Federal matters are regulated through a number of specially created federal ministries which include the Ministries of Defence, Economy, Finance, Foreign Affairs and Justice. Although most of the federal government ministries are based in the Emirate of Abu Dhabi, many also maintain offices in the Emirate of Dubai. The UAE's monetary and exchange rate policy is managed on a federal basis by the UAE Central Bank. Article 122 of the Constitution states that the Emirates shall have jurisdiction in all matters not assigned to the exclusive jurisdiction of the federation, in accordance with the provision of the preceding two Articles.

The local governments of each of the seven Emirates are given flexibility in the governance and management of their own Emirates. The Constitution permits individual Emirates to elect to maintain their own competencies in certain sectors. Based on this flexibility, the Emirate of Dubai has elected to assume responsibility for its own education, judicial and public health systems. The natural resources and wealth in each Emirate are considered to be the public property of that Emirate.

Each Emirate manages its own budget on an independent basis and no Emirate has any obligation to contribute to the budget of any other Emirate. Each Emirate makes contributions to the federal budget in agreed amounts.

The following are the key entities in the structure of the federal government of the UAE.

Federal Supreme Council

The UAE is governed by the Supreme Council of the Rulers which consists of the rulers of each of the seven Emirates (the "**Supreme Council**") and is the highest federal governing body. The Supreme Council elects from its own membership the President and the Vice President (for renewable five-year terms).

In 1971, the Ruler of the Emirate of Abu Dhabi, H.H. Sheikh Zayed bin Sultan Al Nahyan, was elected as the first President of the UAE and was re-elected as President for successive five-year terms until his death in November 2004. H.H. Sheikh Zayed bin Sultan Al Nahyan was succeeded by his son H.H. Sheikh Khalifa bin Zayed Al Nahyan as Ruler of Abu Dhabi who was elected as President of the UAE in November 2004 by the members of the Supreme Council.

The Ruler of the Emirate of Dubai, H.H. Sheikh Rashid bin Saeed Al Maktoum, was also elected as the first Vice-President of the UAE in 1971 and continued as Vice-President until his death in 1990. H.H. Sheikh Mohammed bin Rashid Al Maktoum became the Ruler of Dubai in January 2006 upon the death of his elder brother H.H. Sheikh Maktoum bin Rashid Al Maktoum who had ruled Dubai since 1990. He was also nominated by the President of the UAE, H.H. Sheikh Khalifa bin Zayed Al Nahayan, to be the next Prime Minister and Vice-President of the UAE in January 2006. The members of the Supreme Council accepted the President's nomination shortly thereafter.

Decisions relating to substantive matters are decided by a majority vote of five Emirates, **provided that** the votes of both the Emirate of Abu Dhabi and the Emirate of Dubai are included in that majority, but matters that are purely procedural are decided by a simple majority vote.

The Supreme Council is vested with legislative as well as executive powers. It ratifies federal laws and decrees, plans general policy and approves the nomination of the Prime Minister and accepts his resignation. It also relieves him from his post upon the recommendation of the President.

Federal Council of Ministers

The Federal Council of Ministers (the "**Cabinet**") is the principal executive body of the federation and is described in the Constitution as the executive authority for the federation. The Constitution defines the responsibilities of the Cabinet, which include implementing policy decisions of the Supreme Council, issuing regulations, preparing draft laws and drawing up the annual federal budget.

The Cabinet is based in the Emirate of Abu Dhabi, is headed by the Prime Minister and consists of the Deputy Prime Minister and a number of other Ministers. These Ministers are normally selected (for no fixed term) by the approval of the Supreme Council on the recommendation of the Prime Minister.

Federal National Council

The Federal National Council (the "**FNC**") is a parliamentary body which comprises 40 members who are UAE nationals. Half of the members are appointed by their respective rulers and the other half is elected under an electoral process. Each Emirate appoints members for a particular number of seats based on such Emirate's population and size. The Emirates of Abu Dhabi and Dubai have eight members each, the Emirates of Ras Al Khaimah and Sharjah have six members each and the other Emirates have four members each. The nomination of representative members is left to the discretion of each Emirate, and the members' legislative term is four calendar years. The members represent the UAE as a whole rather than their individual Emirates.

Presided over by a speaker, or either of two deputy speakers elected from amongst its members, the FNC has both a legislative and supervisory role under the Constitution. This means that it is responsible for examining and, if required, amending, all proposed federal legislation, and is empowered to summon and to question any federal minister regarding ministry performance. One of the main duties of the Federal FNC is to discuss the annual budget of the UAE. Although the FNC can monitor and debate government policy, it has no veto or amendment power and cannot initiate any legislation by itself.

During 2006, reforms were made with a view to enhancing public participation in the electoral process. Under these reforms, the Ruler of each Emirate selects an electoral college whose members are at least 100 times the number of FNC members for the relevant emirate. The members of each electoral college then elects half of the FNC members for their Emirate, with the remainder being appointed by the ruler of Dubai.

In May 2011, the National Election Commission issued new electoral guidelines addressing the methods of selection of representatives to the FNC, the role of the National Election Commission and its sub-committees and general rules on the elections, nominations, campaign, filing of appeals and timeline for the electoral process.

The most recent FNC elections were held on 24 September 2015, where 329 candidates stood for election to the 20 elected positions on the Federal National Council, with a voter turnout across the UAE of 69,157, an increase of 35.3 per cent. on the last elect held in September 2011.

Legal and Court System

There are three primary sources of law in the UAE, namely: (i) federal laws and decrees (applicable in all seven Emirates); (ii) local laws and decrees (i.e. laws and regulations enacted by an individual Emirate); and (iii) the *Shari'a* (Islamic law). 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 Dubai or local government of each Emirate can apply his or its own rules, regulations and practices.

The federal judiciary, whose independence is guaranteed under the Constitution, includes the Federal Supreme Court and Courts of First Instance. The Federal Supreme Court consists of five judges appointed by the Supreme Council. The judges decide on the constitutionality of federal laws and arbitrate on inter-Emirate disputes and disputes between the federal government and the Emirates.

In accordance with the Constitution, three of the seven Emirates (the Emirates of Abu Dhabi, Dubai and Ras Al Khaimah) have elected to maintain their own court system, separate from that of the UAE, and these courts have sole jurisdiction to hear cases brought in the respective Emirates. The judicial system in Dubai is comprised of: (i) a Court of First Instance; (ii) a Court of Appeal; and (iii) a Court of Cassation.

Emirate of Dubai

The laws of Dubai are passed by Decree of the Ruler of Dubai, Sheikh Mohammed bin Rashid Al Maktoum, who is also the Vice-President and Prime Minster of UAE. The Crown Prince of Dubai is Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum. The Deputy Rulers are Sheikh Hamdan bin Rashid Al Maktoum and Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum.

The key entities in the structure of the Government of Dubai are: (i) the Ruler's Court; (ii) the Supreme Fiscal Committee (the "**SFC**"); and (iii) the Executive Council (the "**Executive Council**"). The Dubai Department of Economic Development (the "**DED**") and the Dubai Department of Finance (the "**DOF**") are administrative bodies. All five of these entities have distinct roles:

The Ruler's Court: Except in relation to applicable federal laws, H.H. the Ruler of Dubai is the sole legislator for the Emirate and all Dubai laws are passed by H.H. after drafts of the laws have been approved by the Ruler's Court in consultation with the Executive Council. All other matters that require the involvement of H.H. the Ruler of Dubai are channelled through the Ruler's Court.

Supreme Fiscal Committee: The SFC was established in November 2007 to formulate the fiscal policies of the Government of Dubai and to regulate Government borrowings. The SFC is authorised to approve borrowings by the Government of Dubai and Government of Dubai-owned entities on behalf of the Government of Dubai. The SFC also aims to improve coordination between various Government entities, and to enable government entities to meet their respective development targets in a cost efficient manner.

Executive Council: The Executive Council seeks to ensure coordination amongst Government departments such as the courts, the police, the Health Authority, the Land Department, the Department of Civil Aviation, the DED and the Department of Tourism and Commerce Marketing. The Executive Council works with these departments to implement an overall strategy for the Government of Dubai, while considering the requirements and strategies of each particular department. In addition, the Executive Council works with the DOF to prepare an overall budget to fund the requirements of the various government departments. In addition to this broad coordination role, the Executive Council also recommends new laws and regulations, and is involved in the implementation of laws promulgated at both the Emirate and federal levels.

Department of Economic Development: The DED is a regulatory and administrative body responsible for licensing and regulation of the business sector. All businesses operating in Dubai are required to be registered with and licensed by the DED. The DED also helps formulate Government policy in relation to economic planning and the promotion of Dubai as a business centre. The DED works closely with relevant government bodies such as the Ministry of Labour and the Real Estate Regulatory Authority.

Department of Finance: The DOF is the local ministry of finance and treasury for the Government of Dubai. All revenues of the Government of Dubai are collected within the DOF and all Government authorities are funded through the DOF. In addition, the DOF also functions as an administrative office of the SFC for executing and monitoring compliance with the SFC's decisions.

Strategy of Dubai

Since the establishment of the UAE in 1971, Dubai has developed its status as a major city, enhancing the well-being of its people and creating an environment that attracts businesses and individuals.

Dubai Plan 2021

Following the end of the Dubai Strategic Plan 2015 the Government of Dubai launched the Dubai Plan 2021 (the "**DP 2021**"). The key principles for the development of the DP 2021 were to develop a plan that would drive Dubai to be amongst the best cities in the world; identify and adopt best practices in national strategic planning; develop a plan that can be measured and assessed by all constituents; and adopt a development approach that engaged the various constituents and stakeholders involved in or affected by the DP 2021. Amongst other things, the DP 2021 addresses Dubai's urban environment including both natural and built assets, and looks at the living experience of the people of Dubai and its visitors as a result of their interaction with this environment and the economic and social services provided.

International Relations

Pursuant to Articles 120 and 121 of the UAE Constitution, foreign policy and international relations are a federal matter and, accordingly, Dubai does not enter into bilateral agreements with foreign governments.

The foreign policy of the UAE is based upon a set of guiding principles, laid down by the country's first President, Sheikh Zayed bin Sultan Al Nahyan. He derived these principles from his belief in the need for justice in international dealings between states, including the necessity of adhering to the principle of non interference in the internal affairs of others and the pursuit, wherever possible, of peaceful resolution of disputes, together with support for international institutions, such as the United Nations (the "**UN**").

Within the Arabian Gulf region, and in the broader Arab world, the UAE has sought to enhance cooperation and to resolve disagreement through the pursuit of dialogue. Thus, one of the central features of the UAE's foreign policy has been the development of closer ties with its neighbours in the Arabian Gulf region. The GCC, which comprises the UAE, Kuwait, Saudi Arabia, Bahrain, Qatar and Oman, was founded at a summit conference held in Abu Dhabi in May 1981.

At the broader level of the Arab world as a whole, the UAE is committed to rebuilding a sense of common purpose amongst both its people and its governments and, to this end, has supported the strengthening of common institutions, such as the League of Arab States. Beyond the Arab world, the UAE has pursued a policy of seeking, wherever possible, to build friendly relations with other nations, both in the developing and in the industrialised world. The UAE also maintains cordial relations with other regional states and has established good relations with the United States of America and the European Union as well as with developing nations in Africa and many of the countries of the former Soviet Union. The UAE has also entered into a number of bilateral agreements with other countries (such as the UAE's nuclear cooperation agreement with the United States of America that provides the foundation for the UAE's civilian nuclear energy programme and provides a legal framework for commerce in civilian nuclear energy between the two countries).

Since its establishment, the UAE has played an active role in the provision of financial aid to developing countries and has been a contributor of emergency relief to countries and areas affected by conflict and natural disasters. The philosophy behind the aid policy is two-fold: first, the provision of help for the needy is a duty incumbent on all Muslims and, second, the country's policy on utilisation of the revenues from its oil and gas production has always included a component that they should be devoted, in part, to helping other countries which have fewer natural resources.

The UAE is an active participant in a number of multi-lateral developmental institutions, including the International Bank for Reconstruction and Development (the "**World Bank**"), the IMF, the International Development Agency and regional bodies like the OPEC Fund for International Development, the Arab Gulf Fund for the UN, the Arab Bank for Economic Development in Africa, the Abu Dhabi-based Arab Monetary Fund and the Islamic Development Bank. In addition, the UAE is a member of various international organisations including, amongst others, the GCC, the UN, the League of Arab States, the Organisation of Islamic Countries, the Organisation of Arab Petroleum Exporting Countries, the Organisation of the Petroleum Exporting Countries (OPEC), the World Health Organisation, the International Organisation for Industrial Development, the World Trade Organisation and the Asia-Pacific Economic Cooperation.

The UAE enjoys good relations with the other states in the GCC. However, the UAE has an ongoing dispute with Iran and is in continuing discussions with Saudi Arabia over border issues. Since 1971, the three Gulf islands of Abu Musa and Greater and Lesser Tunb have been occupied by Iran. The UAE believes that these islands should be returned to the Emirate of Sharjah, which claims sovereignty over them, and is seeking to resolve the dispute through bilateral negotiations or a reference to international arbitration.

The UAE is also seeking, through negotiation, to resolve issues related to the 1974 provisional and, as yet, unratified, agreement with Saudi Arabia on the border between the two countries, which the UAE believes should be substantially amended. In addition, the UAE is involved in discussions with the governments of Saudi Arabia and Qatar over a maritime corridor which Qatar has purported to grant to Saudi Arabia, from within Qatar's own maritime waters, but which crosses part of the route of the gas pipeline between Qatar and the UAE. Further, the UAE, along with other Arab states, is currently participating in the Saudi Arabian led military intervention in the Republic of Yemen which began in 2015 in response to requests for assistance from the Yemeni government. The UAE is also a member of another Saudi Arabian led military coalition formed in December 2015 to combat Islamic extremism and, in particular, Islamic State.

Economy of the UAE

Based on IMF data (extracted from the World Economic Outlook (October 2016)), real GDP growth in the UAE increased by 7.1 per cent. in 2012, 4.7 per cent. in 2013, 3.1 per cent. in 2014 and 4.0 per cent.

in 2015. Based on the same source, the IMF estimated that real GDP in the UAE would increase by 2.3 per cent. in 2016.

Although it has one of the most diversified economies in the GCC, the UAE's wealth remains largely based on oil and gas. According to OPEC data, at 31 December 2015, the UAE had approximately 8.1 per cent. of the world's proven crude oil reserves (giving it the sixth largest oil reserves in the world). According to preliminary data produced by the FCSA and the UAE Central Bank, crude oil and natural gas accounted for 23.5 per cent. of the UAE's GDP and 19.1 per cent. of the total value of the UAE's exports (including re-exports) in 2015.

Whilst fluctuations in energy prices do have a bearing on economic growth, the UAE is generally viewed as being less vulnerable than some of its GCC neighbours, primarily due to the growth in the services sector (with real estate, tourism, trade, transportation and government services being the main growth drivers of the sector).

On 14 May 2016, Moody's Investors Service Singapore Pte. Ltd. affirmed the UAE's long-term credit rating of Aa2 (with a negative outlook). The principal reason cited for this high investment grade rating is the assumption that the obligations of the UAE federal government will be fully supported by the Emirate of Abu Dhabi. The UAE is not rated by any other rating agency.

The MSCI Emerging Markets Index classifies the UAE as an "emerging market" economy (compared to the previous classification of "frontier market") with nine UAE companies (including the Dubai Financial Market and the ADX) included on the benchmark index.

Economy of Dubai

Dubai has a diversified economy which has demonstrated renewed growth, with real GDP increasing by approximately 4.1 per cent in 2015. Since the UAE was established, when approximately 50 per cent. of Dubai's GDP was oil related, the Emirate's reliance on oil has decreased, with the crude oil and natural gas sector accounting for 23.5 per cent. of GDP in 2015.

Reflecting Dubai's strategic geographic location, rising levels of international trade and the Government of Dubai's long-standing strategy of positioning the Emirate as a trading centre, the wholesale and retail trade (which includes automotive repair) is the principal contributor to GDP, accounting for 27.9 per cent. of Dubai's GDP in 2015 at constant prices. The wholesale and retail trade and repairing services sector grew by 4.9 per cent. in 2015 in real terms. Other significant growth sectors for Dubai in recent years have been manufacturing, transport and storage, information and communications and electricity, gas, steam and air conditioning supply. The manufacturing sector grew by 3.4 per cent. in 2015 in real terms. The transport and storage sector grew by 5.1 per cent. in real terms in 2015 in real terms as a result of improved foreign trade and port-related activities, in addition to increased demand for shipping and related services. The electricity, gas, steam and air conditioning supply sector grew by 5.7 per cent. in real terms in 2015 as a result of increased generation and consumption of electricity and water. In addition, each of these sectors has benefitted from the Government of Dubai's policies aimed at improving the business and investment environment and positioning Dubai as a regional hub, including specific high-profile developments initiated by the Government of Dubai and the establishment of a range of specialised free zones designed to attract new companies and investment.

The Government of Dubai continues to focus on economic diversification and in this respect is targeting the travel and tourism, financial services, professional services, transport and logistics, trade and storage and construction sectors in particular as areas for future growth.

Passenger traffic at the Dubai International Airport rose to 83.7 million in 2016, up by 7.2 per cent. from 2015. Passenger traffic rose by 9.7 per cent. year-on-year to 8.0 million in January 2017 and is expected to exceed 89 million at DXB by the end of 2017, according to Dubai Airports. In addition, Dubai's hotel occupancy rate averaged 76.8 per cent. between January and November 2016, down from 77.2 per cent. in the same period the previous year. The supply of hotel rooms in Dubai increased by 5.7 per cent. year-on-year between January and November 2016, to 87,170 rooms. The Dubai Department of Tourism and Commerce Marketing is targeting a total of 140,000 to 160,000 hotel rooms by 2020.

Dubai residential real estate prices declined in December 2016. Average rents declined year-on-year in December 2016, at a faster rate than sales prices. Lower-priced segments of the market have fared better than the luxury segment. Low-and mid-range villas' prices were up 15.0 per cent. and 2.8 per cent. year-on-year respectively, while standard apartment' prices declined 1.3 per cent. year-on-year in the fourth quarter of 2016.

The table below shows Dubai's nominal and real GDP and nominal and real GDP growth rates for each of the years indicated.

	2012	2013	2014	2015
Dubai Nominal GDP (AED millions)	338,914	364,282	376,444	386,476
Dubai Nominal GDP growth rates (%)	5.9	7.5	3.3	2.7
Dubai Real GDP (AED millions)	322,923	337,902	351,268	365,707
Dubai Real GDP growth rates (%)	3.6	4.6	4.0	4.1

Source: Dubai Statistics Centre.

Foreign Direct Investment and Free Zones

There are many incentives for foreign corporate entities to establish a business presence in one of the free zones in Dubai. Foreign corporate entities can freely operate in the free zones and free zone entities can be 100 per cent. foreign-owned, unlike entities registered elsewhere in the UAE which require various degrees of local participation. Free zone entities are exempt from paying corporate tax for 15 years, renewable for an additional 15 years, and individuals are exempt from paying income tax. There are no currency restrictions levied on the capital or the profits of free zone entities, and 100 per cent. of their capital and/or profit can be repatriated. The ability to import into the free zones and to export abroad without any import duties, taxes or currency restrictions being levied on the free zone entity is a strong incentive for foreign corporate entities wishing to carry on such activities from and into the Middle East region to set up in one of the free zones.

The incentives to set up in a free zone include a readily available workforce, no restrictions on the issuance of work permits and residence visas, availability of plots of land, prebuilt warehouses and offices on an annual lease basis, affordable workers' accommodation and minimal legal and administrative procedures to commence operations.

Each free zone in Dubai is governed both by federal law as well as the laws of Dubai. In addition, each free zone is authorised to adopt and administer regulations which pertain to entities operating and licensed in that individual free zone. The Dubai Free Zones Council was established in 2011 in order to increase coordination amongst the various Dubai free zones and to assist them in unifying the rules and regulations governing free zone companies, in particular the rules related to registration and licensing. In addition, Law No. 13 of 2011, introduced by the Government of Dubai in September 2011, provides an additional incentive to establish free zone companies in Dubai by clarifying the ability of free zone companies to conduct business onshore in the Emirate. The law includes provisions which formalise a licensing regime which will enable such free zone companies to operate onshore after registering with the DED.

Dubai has a number of free zones, of which the most important are the Jebel Ali Free Zone, the Dubai Technology and Media Free Zone, the Dubai International Financial Centre and the Dubai Airport Free Zone. In addition, a number of sector-specific free zones for services and industry have been established, including Dubai Creative Clusters, Dubai Gold and Diamond Park, Dubai Healthcare City, Dubai Outsource Zone and Dubai Textile City.

According to the DED, between 2011 and 2015 the net number of business licences issued increased by 8.5 per cent. year on year, indicating an improvement in the business environment. By the end of 2015, 149,755 licenses had been issued in Dubai. Out of this figure, wholesale and retail trade licences accounted for 75.2 per cent., followed by services (21 per cent.), manufacturing (2.1 per cent.) and tourism licences (1.7 per cent.).

The Government's Support of Strategic Government-Related Entities

The Government owns, or has significant investments in, strategic Government-related entities ("**GREs**") which have played a significant role in supporting and facilitating the Government of Dubai's strategic development plan. Certain GREs have incurred indebtedness, including indebtedness from international financial institutions and in the international capital markets. As a result of the global financial crisis, sharp falls in international oil and gas prices, financial sector instability, limited access to credit and the significant decline in real estate values, both globally and in the Emirate of Dubai and the UAE, certain GREs have suffered from asset value deterioration, limited cash flow and have also experienced liquidity issues. Whilst not legally obliged to do so (under any guarantee or otherwise), the Government of Dubai announced its intention to support certain entities in order to maintain stability in the UAE economy, the banking system and investor confidence and to protect stakeholders.

Expo 2020

Dubai will host the World Expo in 2020. Hosting Expo 2020 is anticipated to provide a boost to medium-term growth and to help promote one of the Government of Dubai's broader economic strategies of growing its tourism and hospitality sector over the next few years.

The official impact assessment report indicates that nearly U.S.$24 billion (AED 88 billion) could be added to Dubai's economy over 2014-2021. Using official Government spending estimates, Expo 2020 is expected to add 0.5 per cent. per year to real GDP growth during the period from 2015-2017, rising to 1.0 per cent. per year over 2018-2020. Amongst other things, Expo 2020 is intended to help maintain Dubai's growth momentum by providing a firm timetable for infrastructure delivery and a platform to market Dubai as a regional tourism, trade and business hub in the mid- to long-term.

Dubai World Restructuring

In 2015, Dubai World announced that it had reached a formal agreement with all of its creditor banks on its proposal to amend and extend the terms of its outstanding debt totalling U.S.$14.6 billion.

The plan included early repayment of the 2015 tranche (which was repaid on 31 March 2015), the extension of 2018 maturities to 2022, enhanced economics through increased pricing, the introduction of amortisation targets, and the provision of additional collateral.

Refinancing of U.S.$20 Billion Debt

In 2009, the Government of Dubai was granted certain facilities amounting to U.S.$20 billion by the Abu Dhabi Department of Finance and the UAE Central Bank. In March 2014, the Abu Dhabi Department of Finance and the UAE Central Bank announced the signing of an agreement between the Government of Abu Dhabi and the Government of Dubai for the refinancing of a U.S.$10 billion loan, and the UAE Central Bank also signed an agreement for the re-discounting of bonds with a value of U.S.$10 billion, issued by the Government of Dubai. In both cases, the renewable tenure was set for five years, with a fixed interest rate of 1 per cent. for the entire tenure.

THE UNITED ARAB EMIRATES BANKING AND FINANCIAL SERVICES SYSTEM

As Dubai does not have a separate monetary or financial system, this section describes the UAE's monetary and financial system generally, although certain sections focus specifically on Dubai where information is available.

Monetary and Exchange Rate Policy

The UAE's monetary and exchange rate policy is managed by the UAE Central Bank. The principal objective of the UAE's monetary policy to date has been to maintain the stability of the fixed exchange rate regime and to manage inflation. In common with most other GCC countries, and reflecting the fact that oil and gas revenues are priced in U.S. dollars, the UAE dirham is linked to the U.S. dollar and the UAE authorities have expressed publicly their commitment to the UAE dirham and the fixed exchange rate regime. In the case of the UAE, the exchange rate has been maintained at AED 3.6725 = U.S.$1.00 since 22 November 1980. There are no exchange controls in the UAE and the UAE dirham is freely convertible.

Liquidity and Money Supply

The following table sets out certain liquidity indicators for the UAE as at 31 December in each of the years 2013 to 2016:

	2013	2014	2015	2016[1]
		(in billions of AED)		
Currency issued (M0)	63.9	74.5	73.5	77.6
Money supply (M1)[2]	379.5	436.1	456.9	473.9
Money supply (M2)[3]	1,042.9	1,125.4	1,186.8	1,225.5
Money supply (M3)[4]	1,204.4	1,314.5	1,342.9	1,411.3
Bank credit (domestic)[5]	1,203.3	1,277.6	1,381.2	1,453.6
of which: Credit to private sector	910.2	958.4	1,043.2	1,094.0

Source: UAE Central Bank.
Notes:
(1) Preliminary figures.
(2) Consists of currency in circulation outside banks plus monetary deposits in local currency with banks (all short-term deposits on which bank customers can withdraw without prior notice).
(3) Consists of Money Supply (M1) plus quasi-monetary deposits (Resident Time and Savings Deposits in Dirham + Resident Deposits in foreign currencies).
(4) Consists of Money Supply (M2) plus Government deposits.
(5) Includes lending to residents, non-banking financial institutions, trade bills discounted and loans and advances for the Government and public sector and private sector (corporates and individuals) in local and foreign currency.

Foreign Reserves

The following table sets out the foreign assets holdings of the UAE Central Bank as at 31 December in each of the years 2013 to 2016:

	2013	2014	2015	2016
		(in billions of AED)		
Foreign Assets Holdings	245.9	283.9	341.1	310.9

Source: UAE Central Bank.

These assets principally comprise held-to-maturity foreign securities and current account balances and deposits with banks abroad. In addition, the ruling families of the various Emirates as well as the governments of the Emirates and private citizens within the Emirates have significant sums invested abroad.

Banking and Financial Services

The financial and insurance activities sector in Dubai contributed 10.8 per cent. of Dubai's GDP at constant prices in 2015. Within the UAE as a whole, the financial sector was estimated to have contributed approximately 10 per cent. of nominal GDP in 2015 (according to the UAE Banks Federation).

With 49 licensed commercial banks (comprising 23 local banks with 846 branches as at 31 December 2016 and 26 licensed foreign banks with 85 branches as at 31 December 2016), serving a population estimated to be in the region of 9.3 million in 2016 (*source*: Statistical Yearbook 2016 edition, United Nations Department of Economic and Social Affairs, Statistics Division), the UAE could be viewed as an over-banked market, even by regional standards. However, on 3 July 2016, it was announced that the board of directors of National Bank of Abu Dhabi. P.J.S.C. ("**NBAD**") and First Gulf Bank P.J.S.C. ("**FGB**") had voted unanimously to recommend to their respective shareholders a merger of the two Abu Dhabi-listed banks, which would create the largest bank in the Middle East and North Africa region by assets. The merger of NBAD and FGB was formally consummated on 30 March 2017 and it is anticipated that it may act as a catalyst for further consolidation amongst locally incorporated banks.

The UAE's membership of the World Trade Organisation will likely require greater economic liberalisation, but it is unclear to what extent this will encourage foreign banks to further expand their presence in the market. In the long-term, however, it is likely to lead to increased competition, which should spur consolidation, both within the UAE and across the region generally.

The table below provides a statistical analysis of the UAE banking sector as at 31 December in each of the years 2013 to 2016:

	2013	2014	2015	2016[1]
Total number of commercial banks	51	49	49	49
Total number of branches	928	955	960	931
Total number of employees[2]	36,087	39,051	40,159	37,547
Bank credit (domestic) (AED billions)[3]	1,203.3	1,277.6	1,381.2	1,453.6
Total assets (AED billions)	2,124.1	2,304.9	2,478.2	2,610.8
Total deposits[4] (AED billions)	1,278.9	1,421.2	1,471.6	1,562.9

Source: UAE Central Bank.
Notes:
(1) Preliminary figures.
(2) Excluding auxiliary staff.
(3) Includes lending to residents, non-banking financial institutions, trade bills discounted and loans and advances for the Government and public sector and private sector (corporates and individuals) in local and foreign currency.
(4) Excluding inter-bank deposits.

Principal Banks in the UAE

The table below provides summary information for each of the five principal banks by asset size established in the UAE:

	Number of Branches	Year Established	Government ownership	Assets[1]
			(%)	*(AED billions)*
Emirates NBD Bank P.J.S.C.	222	2007[2]	55.8	448.0
National Bank of Abu Dhabi P.J.S.C.[3]	114[4]	1968	69.82	420.7
Abu Dhabi Commercial Bank P.J.S.C.	51	1985	62.52	258.3
First Gulf Bank P.J.S.C.[3]	24	1979	—[5]	245.1
Dubai Islamic Bank P.J.S.C.	91	1975	28.30	175.0

Sources: UAE Central Bank and published financial statements.
Notes:
(1) As at 31 December 2016.
(2) Year of merger of EBI and NBD.
(3) According to information made public by NBAD and FGB, the combined entity post-merger of these two banks would have total assets (on a pro forma basis) of AED 671 billion.
(4) Includes cash offices.
(5) FGB's shareholders include UAE companies and individuals who held approximately 87.2 per cent. of its shares as at 31 December 2015. These mainly include shares owned or controlled in their private capacity by members of the ruling family of Abu Dhabi, their families and companies controlled by them.

Supervision of Banks

The UAE Central Bank, established in 1980, is the governing body that regulates and supervises all banks operating in the UAE. The UAE Central Bank has supervisory responsibility for all 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. Returns are made monthly, quarterly, semi-annually or annually, depending on the nature of the information they are required to contain. An improved risk management framework is currently being implemented, which is designed to provide the UAE Central Bank with more up-to-date information on credit, market and operational risks within the banking sector.

Historically, the UAE Central Bank has not acted as a lender of last resort, a role which has tended to fall on the individual Emirates. However, the introduction by the UAE Central Bank in 2014 of the Interim Marginal Lending Facility (the "**IMLF**") is expected to enable non-Islamic UAE banks to use certain rated or UAE federal government entity issued assets as collateral to access UAE Central Bank liquidity overnight in order to help their liquidity management (see further "– *Recent Trends in Banking – Liquidity*").

Federal Law No. 10 of 1980 (the "**1980 Law**") grants the UAE Central Bank powers to:

- exercise currency issue, stabilisation, valuation and free convertibility;
- direct credit policy for balanced growth of the economy;
- organise and promote an effective banking system with private banks and institutions;
- advise the federal government on financial and monetary issues;
- maintain the federal government's reserves of gold and foreign currencies;
- act as a bank for the federal government and other banks operating in the UAE; and
- act as the federal government's financial agent with the IMF, the World Bank and other international financial organisations.

The UAE Central Bank is also responsible for regulating anti-money laundering activities in the UAE. It has established a Financial Intelligence Unit and hosted teams from the Financial Action Task Force ("**FATF**") and the IMF which reviewed, discussed and tested existing UAE laws and regulations. This led the FATF to decide, in January 2002, that the UAE had put in place an adequate anti-money laundering system.

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. Similarly, in the Abu Dhabi Global Market in Abu Dhabi ("**ADGM**"), the ADGM Financial Services Regulatory Authority regulates activity in the financial services sector.

Since 1999, regulated banks in the UAE have been required to report in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

Characteristics of the Banking System

The UAE banks are predominantly focused on the domestic market. With much of the economy directly or indirectly dependent on the oil sector, the UAE banks are vulnerable during long periods of low oil prices. In particular, oil revenues tend to drive levels of liquidity. There is a high degree of state involvement in the UAE banking sector, with the five largest banks having some degree of ownership by the governments and/or ruling families of individual Emirates.

Additionally, a number of banks have developed in the Islamic world, including in the UAE, to serve customers who wish to observe *Shari'a* principles, including the prohibition on the charging of interest on any financial transaction. These institutions offer a range of products, which broadly correspond to conventional banking transactions but are structured to ensure that all relevant *Shari'a* principles are complied with. The principal Dubai-based Islamic banks are Dubai Islamic Bank, Emirates Islamic and Noor Islamic Bank.

Structure of the Banking System

Banking institutions in the UAE fall into a number of categories, as defined by the 1980 Law. Domestic commercial banks, also known as local banks, of which there were 23 as at 31 December 2016, are required to be public shareholding companies with a minimum share capital of AED 40 million.

Licensed foreign commercial banks, of which there were 26 as at 31 December 2016, need to demonstrate that at least AED 40 million has been allocated as capital funds for their operations in the UAE. The 1980 Law also licenses financial institutions (institutions whose principal functions are to extend credit, carry out financial transactions, invest in moveable property and other activities but are not permitted to accept funds in the form of deposits), investment banks (institutions which may not accept deposits with maturities of less than two years but which may borrow from their head office or other banks and the financial markets) and financial and monetary intermediaries (money and stock brokers).

Recent Trends in Banking

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 I 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 I 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 are deducted from regulatory capital.

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 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 Union Law, banks are required to transfer 10 per cent. of profit each year into a statutory reserve until this reaches 50 per cent. of capital. Distributions cannot be made from this reserve, except in special legally defined circumstances. 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 13 January 2011, the Basel Committee issued the Basel III Reforms, constituting guidance on the eligibility criteria for Tier I and Tier II 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**") as follows:

> "The terms and conditions of all non-common Tier I and Tier II instruments issued by an internationally active bank must have a provision that requires such instruments, at the option of the relevant authority, to either be written off or converted into common equity upon the occurrence of the trigger event unless:
>
> (a) the governing jurisdiction of the bank has in place laws that:

(i) require such Tier I and Tier II instruments to be written off upon such event; or

(ii) otherwise require such instruments to fully absorb losses before tax payers are exposed to loss;

(b) a peer group review confirms that the jurisdiction conforms with clause (a); and

(c) it is disclosed by the relevant regulator and by the issuing bank, in issuance documents going forward, that such instruments are subject to loss under clause (a).

The trigger event is the earlier of: (1) a decision that a write-off, without which the firm would become non-viable, is necessary, as determined by the relevant authority; and (2) the decision to make a public sector injection of capital, or equivalent support, without which the firm would have become non-viable, 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 I or Tier II 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. As at the date of this Base Prospectus, the UAE Central Bank has (as set out in its Financial Stability Report for 2014) commenced the process of updating its regulatory framework in line with Basel III principles and international best practice. However, as at the date of this Base Prospectus, there has been no official proposal for the implementation of the Non-Viability Requirement in the UAE. In the absence of new UAE legislation or such a confirmation, the Conditions may still need to provide for the Non-Viability Requirement in order to qualify as regulatory capital under Basel III.

In May 2016, the UAE Central Bank published the Consultation Document detailing the Basel III requirements expected to be followed by banks operating in the UAE, once applicable legislation has been implemented domestically. In particular, the Consultation Document outlines the general quantitative requirements expected to be followed by UAE banks, with regard to 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, the UAE Central Bank published the February 2017 Regulations in the Official Gazette issue 612, which are 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 February 2017 Regulations are supported by the Accompanying Standards, which are yet to be issued as at the date of this Base Prospectus. The Accompanying Standards will 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 "Domestic Systematically Important Banks" (and informed as such 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. As at the date of this Base Prospectus, the UAE has not fully implemented the Basel III Reforms.

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 and advances 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. According to data made available by the UAE Central Bank, together, these deposits constituted approximately 88.3 per cent. of total deposits of the UAE banking sector as at 31 December 2016. The UAE federal government and the public sector constituted approximately 26.9 per cent. of total deposits within the UAE banking sector as at 31 December 2016.

Non-resident and other sources contributed approximately 13.9 per cent. as at the same date (*source*: UAE Central Bank).

In response to the global 2008 financial crisis, the UAE Central Bank announced a number of measures aimed at ensuring that adequate liquidity is available to banks operating in the UAE. In September 2008, the UAE Central Bank established an AED 50 billion liquidity facility which banks can draw upon subject to posting eligible debt securities as collateral. The liquidity facility is available only for the purpose of funding existing commitments. New lending is required to be based on growth in the customer deposit base. The UAE Central Bank also established a certificates of deposit ("**CD**") repurchase facility under which banks can use CDs as collateral for dirham or U.S. dollar funding from the UAE Central Bank. Further, banks can access funds through the IMLF.

In addition to these measures, the UAE federal government also provided AED 50.0 billion in deposits to UAE banks (as part of a larger AED 70.0 billion package) which, at the option of the banks, can be converted into Tier II capital in order to enhance capital adequacy ratios. A number of banks in the UAE exercised this option and converted the UAE federal government deposits made with them into Tier II capital.

During 2008, Government-owned institutions assisted certain Abu Dhabi banks in strengthening their capital base through the subscription of mandatory convertible securities and, in February 2009, the Abu Dhabi Government (acting through the Department of Finance of the Government of Abu Dhabi) subscribed for, in aggregate, a sum of AED 16.0 billion in subordinated Tier I capital notes issued by the five largest Abu Dhabi banks: National Bank of Abu Dhabi P.J.S.C., Abu Dhabi Commercial Bank P.J.S.C., First Gulf Bank P.J.S.C., Union National Bank P.J.S.C. and Abu Dhabi Islamic Bank P.J.S.C.

In 2009, the Department of Finance of the Government of Dubai established a U.S.$20.0 billion funding programme and the first tranche, valued at U.S.$10.0 billion with a five year tenure and paying a coupon rate of 4 per cent. per annum, was issued in its entirety to the UAE Central Bank. In November 2009, a second U.S.$5.0 billion tranche was fully subscribed equally by National Bank of Abu Dhabi P.J.S.C. and Al Hilal Bank P.J.S.C.

The UAE Central Bank is expected to tighten regulations on how banks in the UAE manage liquidity through the introduction of new qualitative, quantitative and reporting requirements on liquidity risk management. In line with Basel III requirements, the UAE Central Bank has issued UAE 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 with effect from 1 July 2015, replacing Central Bank Notice No. 30/2012) (the "**Liquidity Notice**") 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 well 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 ensure 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); 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). In particular, the requirements include two interim ratios which are intended to apply until the Basel III LCR and NSFR (each as defined in the table below) come into effect. These include the following:

	Ratio	**Applicability Period**
Interim ratios:	Liquid Asset Ratio (LAR > =10%)	1 January 2013 – 30 June 2015
	Eligible Liquid Assets Ratio (ELAR > = 10%)	1 July 2015 – December 2017
	Advances to Stable Resources Ratio (ASRR < 100%)	1 June 2013 – December 2017
Basel III ratios:	Liquidity Coverage Ratio (LCR > 100%)	January 2018 onwards
	Net Stable Funding Ratio (NSFR < 100%)	January 2018 onwards

The LAR was an interim ratio designed to apply until the LCR comes into effect (as described below). Following the entering into force of the Liquidity Notice on 1 July 2015, the LAR was replaced with the ELAR. Under the ELAR, UAE banks are required to hold an amount equivalent to at least 10 per cent. of their liabilities in high-quality liquid assets (including cash held with the UAE Central Bank, the UAE Central Bank CDs and certain UAE local government and public sector entity publicly traded instruments).

The Liquidity Notice also includes the option for UAE banks to apply to the UAE Central Bank to move to assessment of bank liquidity as against the LCR, in addition to the ELAR, with effect from 1 January 2016. Any UAE banks taking up this option were required to comply only with the ELAR until 1 January 2016, after which date they are required to move to a dual-compliance regime as to liquidity as against the ELAR and the LCR (subject to receipt of UAE Central Bank approval).

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 high quality liquid assets at the minimum LCR determined by the UAE Central Bank. The Basel III accord requires that this minimum is 100 per cent. The Liquidity Notice describes in detail high quality liquid assets for this purpose.

The ASRR is an interim ratio that recognises both the actual uses as well as the likely uses of funds in terms of contractual maturity and behavioural profile of the sources of funds available to the bank, in order to ensure that there are limited maturity mismatches and cliff effects.

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 bank's contingent liabilities. The NSFR mirrors the Basel III NSFR standard. The NSFR identifies the key uses of funds and the different 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 ASF factor will depend on the liquidity of the asset being funded under a market-wide stress. Both factors will follow the Basel III NSFR standard.

Provisions for Loan Losses

The UAE Central Bank stipulates that non-performing credits should be classified as either substandard, doubtful or loss, depending on the likelihood of recovery, with provisions charged at a minimum of 25 per cent., 50 per cent. and 100 per cent. on the relevant amount (net of any eligible credit protection), respectively. Any retail and consumer loans with either interest or principal in arrears by more than 90 days must be placed on a non-accrual basis and classified as non-performing. In addition, pursuant to Circular 28/2010 concerning regulations for classification of loans and their provisions issued by the UAE Central Bank on 11 November 2010, all banks in the UAE are required to make general provisions for unclassified loans and advances equal to 1.5 per cent. of their risk-weighted assets by 2014. In practice, several banks operate more stringent policies and place loans on a non-accrual basis as soon as their recovery is in doubt.

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/or financings carried on the balance sheets of UAE banks when compared to banks operating in other economies.

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. The large exposure limits (defined as a percentage of the bank's capital base) were previously as follows:

- to a single borrower or group of borrowers – 7 per cent.;
- to a shareholder of the bank holding more than 5 per cent. of the bank's capital – 7 per cent.;
- overseas interbank exposures – 30 per cent. (UAE interbank exposures are subject to a 25 per cent. limit if their maturity is over one year, otherwise they are exempt from the regulations);
- to the bank's parent company, subsidiaries or affiliates – 20 per cent. (60 per cent. for all such exposures in aggregate); and
- to Board members – 5 per cent. (25 per cent. for all such exposures in aggregate).

On 11 November 2013, the UAE Central Bank published a notice amending certain of the large exposure limits set out above (the "**Large Exposure Notice**") amending certain of the large exposure limits set out above. The Large Exposure Notice was published in the Official Gazette on 30 December 2013 and entered into force on 30 January 2014. The Large Exposure Notice introduced new limits of 100 per cent. of the bank's capital base for all lending to UAE local governments and their non-commercial entities, together with a 25 per cent. limit to any single such non-commercial entity. Exposures above these limits are subject to approval by the UAE Central Bank. Set out below is a table showing a summary of the changes introduced by the Large Exposure Notice (defined as a percentage of the bank's capital base calculated under Basel II):

	New Limit		Old Limit	
	Individual	**Aggregate**	**Individual**	**Aggregate**
UAE federal government and its non-commercial entities	Exempt	Exempt	Exempt	Exempt
UAE local government and its non-commercial entities	No cap for UAE local government; 25% for each non-commercial entity	100%	Exempt	Exempt
Commercial entities of UAE federal government and UAE local government	25%	100%	25%	None
Commercial or other (non-commercial) private sector entities and individuals	25% max	None	7%	None
Shareholders who own 5 per cent. or more of the bank's capital and related entities	20%	50%	7%	None
Exposure to bank's subsidiaries and affiliates	10%	25%	20%	60%
Board members	5%	25%	5%	25%

Mortgage Cap Regulation and Consumer Loan Regulation

The UAE Central Bank introduced regulations regarding bank loans and other services offered to individual customers by way of a circular dated 23 February 2011 the ("**Retail Circular**") on retail banking and notice no. 31/2013 dated 28 October 2013 (which was published in the UAE official gazette (the "**Official Gazette**") on 28 November 2013 and entered into force on 28 December 2013) (the "**Mortgage Regulations**"). These regulations, amongst other things, limit the fees and interest rates which banks in the UAE can charge to retail customers and impose maximum loan/income and loan to value ratios for retail products such as residential mortgage loans. For example, the Retail Circular requires that the amount of any personal consumer loan shall not exceed 20 times the salary or total income of the borrower with the repayment period not exceeding 48 months.

The Mortgage Regulations, which supersede UAE Central Bank notice no. 3871/2012 dated 30 December 2012, provide that the amount of mortgage loans for non-nationals should not exceed 75 per cent. of the property value for a first purchase of a home with a value of less than AED 5 million and, for a first purchase of a home with a value greater than AED 5 million, should not exceed 65 per cent. of the property value. For the purchase of a second or subsequent home, the limit for non-nationals is set at 60 per cent. of the property value (irrespective of the value of the property in question). The corresponding limits for UAE nationals are set at 80 per cent. in respect of a first purchase of a home with a value less than or equal to AED 5 million, 70 per cent. for a first home with a value greater than AED 5 million and 65 per cent. of the property value for a second or subsequent purchase (irrespective of the value of the property). ENBD is compliant with the Retail Circular and the Mortgage Regulations. The Mortgage Regulations and other circulars may affect ENBD's net retail income and may potentially add to market price volatility in the UAE real estate market.

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.

Position of Depositors

There is no formal deposit protection scheme in the UAE. While no bank has, so far, been permitted to fail, during the 1980s and early 1990s a number were restructured by the relevant government authorities. In October 2008, in response to the global financial crisis, the UAE federal government announced that it intended to guarantee the deposits of all UAE banks and foreign banks with core operations in the UAE. Following therefrom, in May 2009 the UAE's National Federal Council approved a draft law guaranteeing federal deposits. However, until such time as the law is passed, there is no guaranteed government support.

Credit Information Agency

In May 2010, the Government of Dubai appointed the Emirates Credit Information Company ("**Emcredit**") as the official body for providing credit information services in Dubai. Emcredit is now the entity responsible for providing credit reporting services in the Emirate, with responsibility for collecting, storing, analysing and disseminating credit information in Dubai. Additionally, in February 2011, the UAE Central Bank issued new regulations in relation to the retail banking sector, aimed at controlling lending activities and excessive charges by banks, whilst also protecting banks by regulating lending and encouraging banks to carry out proper due diligence on potential borrowers.

Establishment of a Credit Bureau in the UAE

Al Etihad Credit Bureau ("**AECB**") is a federal government company specialised in providing UAE-based credit reports and other financial information. AECB commenced operations in 2014 upon receiving formal approval from the Cabinet of its regulations and its charges for producing credit reports. AECB has approached all UAE-based banks to sign data sharing agreements to enable the provision of customer credit information, with the majority having entered into such agreements and/or made successful initial data submissions to AECB by the time AECB commenced operations. ENBD continues to submit its retail customer data to the AECB on a monthly basis, which meets the data accuracy thresholds laid down by the AECB.

Federal Debt Management

In December 2010, the Federal National Council passed the Public Debt Law under which the total value of UAE's public debt should not be more than 25 per cent. of the GDP or AED 200 billion, whichever is lower at the time of issuing public debt. The Public Debt Law is awaiting the approval of the President of the UAE and is therefore yet to be enacted. The Public Debt Law could therefore change before it is enacted.

Insurance

There is an absence of published statistical data on the insurance sector in the UAE and Dubai. Insurance companies are regulated by the Insurance Division of the Federal Ministry of Economy.

Capital Markets

The capital markets in the UAE are regulated by a number of entities, including the Emirates Securities and Commodities Authority (the "**SCA**"), which licenses intermediaries to trade on the DFM 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 (formerly known as the Dubai International Financial Exchange) which commenced operations in September 2005 and, as an entity based in the Dubai International Financial Centre, is separately regulated.

Dubai Financial Market

The DFM, which is now, along with Nasdaq Dubai, owned by Borse Dubai, 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 following table sets out the number of traded shares, the value of traded shares, and the number of executed transactions on the DFM and the closing price of the DFM Index as at 31 December in each of the years 2013 to 2016:

	2013	2014	2015	2016
Number of traded shares (*billions*)	127.2	160.5	98.2	106.5
Value of traded shares (*AED billions*)	159.9	381.5	151.4	133.7
Number of trades (*millions*)	1.3	2.4	1.6	1.3
Market capitalisation (*AED billions*)	259.6	322.6	308.1	337.7
DFM Index year-end index closing price	3,369.81	3,774.00	3,151.00	3,530.88

Sources: Dubai Statistics Centre, DFM.

Nasdaq Dubai

Nasdaq Dubai (formerly known as the Dubai International Financial Exchange or DIFX) commenced operations in September 2005. On 22 December 2009, DFM 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 DFM shares. The merger was approved by Borse Dubai Limited and the OMX Group and was completed on 11 July 2010. Subsequent to the transaction, both Nasdaq Dubai and DFM are operating as two distinct markets that are subject to different regulatory frameworks. Nasdaq Dubai is regulated by the Dubai Financial Services Authority and the DFM is regulated by the SCA.

The DFM 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's standards are comparable to those of leading international exchanges 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.

Nasdaq Dubai currently lists equities, equity derivatives, Dubai gold securities, structured products, sukuk and conventional bonds. Nasdaq Dubai listed 16 sukuk with a total nominal value of U.S.$11.45 billion listed during 2016, maintaining its position as one of the world's largest exchanges for sukuk,

Equity listings on Nasdaq Dubai include DP World Limited, which had the Middle East's largest IPO in 2007 at U.S.$5.0 billion, as well as Depa Limited and Orascom Construction Limited.

The following table sets out the number of traded shares, the value of traded shares and the number of executed transactions on Nasdaq Dubai, the market capitalisation of Nasdaq Dubai and the closing price as at 31 December of the FTSE Nasdaq Dubai UAE 20 Index (which tracks 20 liquid stocks listed on the DFM, the Abu Dhabi Securities Exchange and Nasdaq Dubai) in each of the years 2013 to 2016:

	2013	**2014**	**2015**	**2016**
Trading volume (*millions*)	198.9	280.3	218.6	138.2
Trading value (*AED millions*)	2,324.2	5,309.9	5,019.9	4,563.7
Number of transactions	11,910	24,698	30,637	22,913
Market capitalisation (*AED millions*)	57,666.8	67,059.2	67,568.5	58,118.1
FTSE Nasdaq Dubai UAE 20 year-end closing price	3,396.97	3,776.08	3,063.35	3,293.85[1]

Sources: Dubai Statistics Centre, Nasdaq Dubai.
Notes:
(1) As at 29 December 2016.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes and does not constitute legal or tax advice. Prospective purchasers of Notes 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 Notes and receiving payments under the Notes. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Dubai and the United Arab Emirates

*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 Notes 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 Notes or any interest therein.*

Under existing Dubai Law, although an income tax decree has been enacted in Abu Dhabi and in Dubai (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)) which provides for tax to be imposed on the taxable income of all bodies corporate which carry on a trade or business, the regime is not currently enforced. In practice, only companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE have been required to pay tax. 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 Notes). In the event of the imposition of any withholding, the relevant Obligor has undertaken to gross-up any payments subject to certain limitations, as described in Condition 7 (*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.

The UAE has entered into double taxation arrangements with certain other countries, but these are not extensive in number.

Cayman Islands

The Cayman Islands has signed two inter-governmental agreements to improve international tax compliance and the exchange of information - one with the United States and one with the United Kingdom **(**the "**US IGA**" and the "**UK IGA**", respectively**)**. The Cayman Islands has also signed, along with over 60 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "**CRS**" and together with the US IGA and the UK IGA, "**AEOI**").

Cayman Islands regulations were issued on 4 July 2014 to give effect to the US IGA and the UK IGA, and on 16 October 2015 to give effect to the CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US and UK IGAs and has the power to issue guidance in relation to the CRS.

All Cayman Islands "Financial Institutions" will be required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, except to the extent that they can rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes. The Issuer does not propose to rely on any reporting exemption and therefore intends to comply with the requirements of the AEOI Regulations.

The AEOI Regulations require the Issuer to, amongst other things (i) register with the IRS to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution"; (iii) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts", and (iv) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (i.e. the IRS in the case of a US Reportable Account, HMRC in the case of a UK Reportable Account, etc.) annually on an automatic basis.

By investing in the Issuer and/or continuing to invest in the Issuer, investors shall be deemed to acknowledge that further information may need to be provided to the Issuer, the Issuer's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Issuer reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption or withdrawal of the investor concerned.

Luxembourg Taxation

The following overview is of a general nature. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

(i) ***Luxembourg tax residency of the Noteholders and Couponholders***

A Noteholder or a Couponholder will not become resident, nor be deemed to be resident, in Luxembourg by reason only of the holding of the Notes or Coupons, or the execution, performance, delivery and/or enforcement of the Notes or Coupons.

(ii) ***Withholding Tax***

Luxembourg resident individual Noteholders and Couponholders

Under Luxembourg general tax laws currently in force, and subject to the law of 23 December 2005 as amended (the "**Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes or Coupons, nor on accrued but unpaid interest in respect of Notes or Coupons, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes or Coupons held by Luxembourg resident holders of Notes. However, under the Law, a 20 per cent. Luxembourg withholding tax is levied on interest payments made by Luxembourg-based paying agents (within the meaning of the Law) to Luxembourg individual residents. This withholding tax also applies on accrued interest received upon disposal, redemption or repurchase of the Notes or Coupons. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Furthermore, pursuant to the Law, Luxembourg resident individuals acting in the course of the management of their private wealth who are the beneficial owners of interest payments made by a paying agent established outside Luxembourg,in a Member State of either the European Union or the EEA, can opt to self declare and pay a 20 per cent. tax on these interest payments.

Both the withholding tax of 20 per cent. and the self declared 20 per cent. tax, as described above, are final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Luxembourg non-resident Noteholders and Couponholders

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest in the context of the holding, disposal, redemption or repurchase of the Notes or Coupons, nor on accrued but unpaid interest in respect of the Notes or Coupons.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, 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. Each relevant Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the U.A.E.) 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, 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 Notes, such withholding would not apply prior to 1 January 2019 and Notes issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "Terms and Conditions—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (as amended and/or restated and/or supplemented from time to time, the "**Programme Agreement**") dated 30 May 2017 agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*". In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes have not been and will not be registered under the Securities Act 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.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has offered and sold any Notes, and will offer and sell any Notes (a) as part of their distribution at any time and (b) otherwise until 40 days after the completion of the distribution of all Notes of the Series of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who purchases Notes of a Series (or in the case of a sale of a Series of Notes issued to or through more than one Dealer, each of such Dealers as to the Notes of such Series to be purchased by or through it or, in the case of a syndicated issue, the relevant lead manager) shall determine and certify to the Principal Paying Agent the completion of the distribution of the Notes of such Series. On the basis of such notification or notifications, the Principal Paying Agent has agreed to notify such Dealer/lead manager of the end of the distribution compliance period with respect to such Series.

Each Dealer has also agreed that, at or prior to confirmation of sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

"Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and regulations promulgated thereunder.

In respect of Bearer Notes where TEFRA D is specified in the applicable Final Terms the relevant Dealer will be required to represent and agree that:

(a) except to the extent permitted under U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**D Rules**"), (i) it has not offered or sold, and during the restricted period it will not offer or sell, Bearer Notes to a person who is within the United States or its possessions or to a United States person, and (ii) it has not delivered and it will not deliver within the United States or its possessions definitive Bearer Notes that are sold during the restricted period;

(b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Bearer Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

(c) if it is a United States person, it is acquiring Bearer Notes for purposes of resale in connection with their original issuance and if it retains Bearer Notes for its own account, it will only do so in accordance with the requirements of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(6) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 201220 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010);

(d) with respect to each affiliate that acquires Bearer Notes from it for the purpose of offering or selling such Notes during the restricted period, it repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf; and

(e) it will obtain from any distributor (within the meaning of U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(4)(ii) (or any successor U.S. Treasury Regulation Section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 201220 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)) that purchases any Bearer Notes from it pursuant to a written contract with such Dealer (other than a distributor that is one of its affiliates or is another Dealer), for the benefit of the relevant Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of sub-paragraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the D Rules, as if such distributor were a Dealer hereunder.

Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations promulgated thereunder, including the D Rules.

In respect of Bearer Notes where TEFRA C is specified in the applicable Final Terms, the relevant Dealer will be required to represent and agree that:

(a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions in connection with the original issuance of the Bearer Notes; and

(b) in connection with the original issuance of the Bearer Notes it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of the Bearer Notes.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (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 Sale to EEA Retail Investors

Unless the applicable Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(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 2002/92/EC (as amended, the "**Insurance Mediation Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Directive; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the applicable Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Obligors for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an 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 any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes 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 Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and any regulations of Japan.

France

Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and shall be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes tournissant le service d'investissement pour compte de tiers*), and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-4 of the French Code *monétaire et financier*.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (investitori qualificati), as defined pursuant to Article 100 of Legislative Decree No. 58 of February 24, 1998, as amended (the "**Financial Services Act**") and Article 34-*ter*, first paragraph, letter b) of Commissione Nazionale per la Societàe la Borsa ("**CONSOB**") Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of September 1, 1993, as amended (the "**Banking Act**"); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the SFO and any rules made under the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"); or (ii) 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, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes 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.

The United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Notes to be issued under the Programme 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 Dubai Financial Services Authority (the "**DFSA**") rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

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 Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Notes pursuant to an offering should note that the offer of Notes is a private placement under Article 10 or Article 11 of the "**Offers of Securities Regulations**" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October 2004 and amended by the Board of the Capital Market Authority resolution number 128-2008 dated 18 August 2008 (the "**KSA Regulations**"), made through a person authorised by the Capital Market Authority ("**CMA**") to carry on the securities activity of arranging and following a notification to the CMA under the KSA Regulations.

The Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "sophisticated investors" under Article 10 of the KSA Regulations or by way of a limited offer under Article 11 of the KSA Regulations. Each Dealer represents and agrees, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Notes to a Saudi Investor will be made in compliance with the KSA Regulations.

Investors are informed that Article 17 of the KSA Regulations places restrictions on secondary market activity with respect to the Notes, including as follows:

(i) a Saudi Investor (referred to as a "**transferor**") who has acquired Notes pursuant to a private placement may not offer or sell Notes to any person (referred to as a "**transferee**") unless the offer or sale is made through an authorised person where one of the following requirements is met:

(a) the price to be paid for the Notes in any one transaction is equal to or exceeds Saudi Riyals one million or an equivalent amount;

(b) the Notes are offered or sold to a sophisticated investor; or

(c) the Notes are being offered or sold in such other circumstances as the CMA may prescribe for these purposes;

(ii) if the requirement of paragraph (i)(a) above cannot be fulfilled because the price of the Notes being offered or sold to the transferee has declined since the date of the original private placement, the transferor may offer or sell the Notes to the transferee if their purchase price during the period of the original private placement was equal to or exceeded Saudi Riyals 1 million or an equivalent amount;

(iii) if the requirement in paragraph (ii) above cannot be fulfilled, the transferor may offer or sell Notes if he/she sells his entire holding of Notes to one transferee; and

(iv) the provisions of paragraphs (i), (ii) and (iii) above shall apply to all subsequent transferees of the Notes.

Cayman Islands

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall not make, and has not made, any invitation or offer to the public in the Cayman Islands to subscribe for the Notes.

People's Republic of China

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes will not be offered or sold directly or indirectly within the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan) ("**PRC**"). This Base Prospectus or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the PRC. This Base Prospectus, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested by the PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC governmental authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, 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 purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Obligors nor any of the other Dealers shall have any responsibility therefor.

None of the relevant Obligors or the Dealers represents that Notes 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.

With regard to each Tranche, the relevant Dealer will be required to comply with such restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the relevant subscription agreement or dealer accession letter, as applicable.

GENERAL INFORMATION

Authorisation

The entry into the Programme, the issue of Notes under the Programme and the giving of the Guarantee by ENBD was duly authorised by a resolution of the Board on 30 September 2009. The update of the Programme was authorised by a resolution of the Board on 15 January 2017. The update of the Programme and the issue of Notes by EGF under the Programme was duly authorised by a resolution of the board of directors of EGF dated 7 May 2017.

Approval of the Base Prospectus, Admission to Trading and Listing of Notes

Application has been made to the CSSF to approve this document as a base prospectus. The CSSF assumes no responsibility as to the economic and financial soundness of the Programme or in respect of the quality or solvency of ENBD or EGF pursuant to Article 7(7) of the Luxembourg Law. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Application has also been made to the DFSA for Notes issued under the Programme to be admitted to the DFSA Official List. An application may be made for any Series to be admitted to trading on Nasdaq Dubai.

Documents Available

For the period of 12 months following the date of this Base Prospectus, copies of the following documents will, when published, be available for inspection from the registered office of each of ENBD and EGF and from the specified offices of the Paying Agents for the time being in London and Luxembourg:

(a) Memorandum and Articles of Association (with an English translation thereof) of each of ENBD and EGF;

(b) the unaudited condensed consolidated interim financial statements of ENBD in respect of the three months ended 31 March 2017, together with the review report prepared in connection therewith;

(c) the consolidated audited financial statements of ENBD in respect of the financial years ended 31 December 2015 and 2016, in each case together with the audit reports prepared in connection therewith;

(d) the Programme Agreement, the Deed of Covenant, the Guarantee and the Agency Agreement (which contains the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons); and

(e) a copy of this Base Prospectus.

In addition, copies of this Base Prospectus, each Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's Regulated Market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website at *www.bourse.lu*. Copies of this Base Prospectus and each Final Terms relating to Notes which are admitted to trading on Nasdaq Dubai are available on Nasdaq Dubai's website at *www.nasdaqdubai.com*.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms.

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, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of ENBD since 31 March 2017 and there has been no material adverse change in the prospects of ENBD since 31 December 2016.

There has been no significant change in the financial or trading position of EGF since its incorporation on 3 July 2009 and there has been no material adverse change in the prospects of EGF since 3 July 2009.

Litigation

None of the Issuers nor 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 any of the Issuers are aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of any of the Issuers or the Group.

Independent Auditors

The auditors of ENBD are Ernst & Young Middle East (Dubai Br.). Ernst & Young Middle East (Dubai Br.) were appointed as auditors of ENBD on 6 March 2013 and have audited, in accordance with International Standards on Auditing, ENBD's consolidated financial statements as of and for the years ended 31 December 2015 and 31 December 2016 as stated in their reports incorporated by reference herein.

Ernst & Young Middle East (Dubai Br.) is regulated in the UAE by the UAE Ministry of Economy which has issued Ernst & Young Middle East (Dubai Br.) with a license to practice as auditors. There is no professional institute of auditors in the UAE and, accordingly, Ernst & Young Middle East (Dubai Br.) is not a member of a professional body in the UAE. All of Ernst & Young's audit partners are members of the institutes from where they received their professional qualification.

Since the date of its incorporation, no financial statements of EGF have been prepared and EGF is not required by Cayman Islands law to do so.

Dealers Transacting with EGF and ENBD

In the ordinary course of their business activities, the Dealers 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 Issuers or the Issuers' affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers 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 Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers 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.

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