EMIRATES NBD H1 2014 RESULTS ANALYSTS & INVESTOR CONFERENCE CALL
24 JULY 2014

CORPORATE PARTICIPANTS

Shayne Nelson - Group CEO

Surya Subramanian - Group CFO

Patrick Clerkin – Head of Investor Relations

PRESENTATION

Operator

Ladies and Gentlemen, welcome to the Emirates NBD Half Year Results Announcement Analysts and Investor Call. If we are all ready to begin, I will now pass the call over to our host Mr Shayne Nelson, Group CEO of Emirates NBD.

Shayne Nelson - Group CEO

Thank you. I would like to welcome you all to the Emirates NBD 2014 Results Conference Call for the first half of 2014.

Supporting me today are per usual Surya, the Group's Chief Financial Officer, and Patrick, our Head of Investor Relations, and together we will review the operational and financial highlights for the first half of 2014. We will refer to the results presentation which was made available to you earlier today, after which you will have the opportunity to ask questions.

I am delighted to report that we have delivered another healthy set of results, with net profit up 30% in the first half of 2014 to AED 2.35 billion. This is driven by strong growth in both net interest income and non-interest income coupled with a firm control on expenses.

When I joined last year, I identified a number of areas where I wanted to focus management's efforts. These included balance sheet optimization, diversification of income streams, the legacy NPL position, improved capital efficiency and stronger liquidity. I am pleased to report that, in each of these areas, the Bank is in a healthier position than at the beginning of 2014.

Both the asset and liability sides of the balance sheet continue to strengthen. The asset profile has been helped by growth in higher margin Retail and Islamic products. The liability profile continues to improve, helped by growth in current and saving account balances.

I am very proud to report that our investment bank was ranked as the leading arranger of US Dollar Sukuk globally in the first six months of 2014. Emirates NBD Capital arranged $10 Sukuk issuances, the highest number by any arranger during first half of this year.

In terms of asset quality, the impaired loan ratio improved by 0.4% and the coverage ratio grew by nearly 8% in the first half of 2014. Since the recent establishment of the Financial Restructuring and Remedial Unit, this unit successfully recovered over AED 1.4 billion of problem loans.

We also saw further improvements in our liquidity and funding position in the first half of 2014. We continue to successfully raise current and savings account deposit balances and raise term funding on an opportunity basis. A good example of the latter is the A$ 400 million raised in May. This is the cheapest five-year funding that the Bank has raised in the last six years. In July, we also repaid the AED 4.8 billion outstanding balance of funding provided by the Ministry of Finance.

I am also pleased to announce that Emirates NBD will open a 100-seat, all-Emirati call centre in Ras Al Khaimah. The initiative is driven by NBD's commitment to providing additional employment opportunities for UAE Nationals. The call centre will be operated by Emirates NBD's subsidiary, Tanfeeth, and is expected to be fully-operational by December 2014.

Overall, I am very pleased with the direction in which the Bank is going. We see real progress in our key metrics. I am confident that we will continue to deliver a strong performance and we will successfully address the legacy NPL position. We will continue to deliver excellent service to our customers and superior value to our shareholders.

I will now hand you over to Surya who will start going through the details of the presentation.

Surya Subramanian - Group CFO

Thank you, Shayne. I will speak through the financial results and these are provided across two slides; slide three showing the half-yearly view and slide four showing the quarterly view.

First half revenues at AED 7.0 billion build on the strong start we had in the earlier quarter. Year-on-year growth in Total Income is maintained at 27% and quarter-on-quarter growth is 11%, as we retained a stable Net Interest Margin despite competitive pressures and delivered positive jaws on cost growth and we also booked some profit on legacy investments. This together with our conservative provisioning policy and the continued success in our Retail and Islamic franchise helped deliver a half one 2014 Net Profit of AED 2.35 billion, an improvement of 30% on the previous year and 25% over the last quarter.

I recall in 2010, the year I joined Emirates NBD, this was the level of our full year profit and management efforts are already shifting towards discussing how we can position the Group for 2015.

Net Interest Margin for quarter two ‘14 at 2.78% was stable compared to the last quarter, as we maintained our strategy to grow higher yielding retail assets across both the conventional and Islamic banks, and we also continue to improve our funding mix across customer deposits.

Growth in core Non-Interest Income at 11% over the previous quarter maintains the uptrend we have seen in recent quarters, supported by transactional income linked to trade, services and, in particular, brokerage income and asset management performance fees. We also benefitted from sale of legacy investments covering one large land site and a further 1% sale of our investment in Union Properties.

Headline Advances to Deposits ratio was maintained at 95.6% with the system flush with liquidity and a low demand for new loans across the sector. We continue to improve our funding mix with stable deposit gathering efforts and Emirates NBD, as always, remains well placed to meet relevant prudential liquidity requirements.

Total Costs for the quarter at AED 1.1 billion remained broadly flat over the previous quarter and we will now invest further within our cost guidance to support staff and customer development.

Provisions for the quarter are AED 1.3 billion and this remains in line with our conservative stance until we achieve our medium term target coverage ratio of 80%.

Moving onto slide five, net interest income, the asset and liability mix rebalancing efforts that we started last year continued into this quarter. We maintained higher growth in retail assets across both conventional and Islamic products and both these drivers helped Net Interest Margin stabilize at current levels of 2.78% for the quarter.

We believe these levels can be maintained for the rest of the year and our guidance for full year 2014 Net Interest Margin is now raised to the range of 2.7-2.8%, notwithstanding the increased competition for loan growth and resultant spread compression.

Funding and liquidity are detailed on slide six; Advances to Deposits ratio was maintained at 95.6% for the quarter and this is in line with levels achieved in the previous quarter. You will recall that in first quarter of this year we revised our target range to 90% to 100% from the earlier 95% to 105%, and we remain within our revised target range. While we saw muted growth for the overall balance sheet, we continued to see retail deposit inflows supported by our strong distribution channel and favoured product offerings.

Emirates NBD’s liquid asset position is strong and at AED 46.9 billion, is higher than in previous quarters and now covers 15.4% of Total Liabilities.

Debts shown maturing in 2014 are short-term private placements and these are within our capacity to roll over or repay in the normal course. We also continue to roll over or raise fresh funds from the private placement market to maintain continued access to this relatively cheaper market for longer-term funds.

The repayment of the outstanding AED 4.8 billion Ministry of Finance balances was paid out of existing liquidity and as we have mentioned in previous years and previous calls, we have no target to raise funds or capital in 2014, but will do so in an opportunistic manner, as and when market pricing and tenor is favourable to our book.

Loans and deposit trends are detailed on slide seven. While gross loans grew at a slower pace in Q2-14, we continue to see pick up in our Retail and SME assets.

As in previous quarters, we saw broad-based growth within the Retail book which grew quarter-on-quarter by 1%. Personal Loans, Credit Cards and Auto Loans, all grew without exception and in line with the aggregate average.

We pare our expectation for loan growth for full year 2014 to a range of 4-5% in line with quarterly trends we have seen so far and the presence of abundant liquidity in the markets.

Deposits also grew overall by 1% quarter-on-quarter and currents and savings accounts as a percentage of total deposits continued to grow and now stands at an impressive 57% of total deposits.

With that, I will hand you over to Paddy to take us through the next few slides.

Patrick Clerkin – Head of Investor Relations

Thank you, Surya. On slide 8 we see that total non-interest income improved by 31% year-on-year and by 36% from the second half of 2013. Core gross fee income also improved by 31% year-on-year and this rise is due to increased fee income from larger credit card volumes coupled with higher income from trade finance, and a doubling in brokerage and asset management fees. We also saw an increase in income from the Forex and Rates business, and this is pleasing as the Wholesale Bank and Global Markets and Treasury work more closely together to take advantage of increased cross-selling opportunities.

The Investment Bank, and associated fee income, continues to perform well. As Shayne mentioned, we are very proud to see Emirates NBD Capital ranked, based on the number of issues, as number one globally for US Dollar Sukuk issuance in the first half of 2014.

Property income doubled year-on-year as we continue to see gains on the sale of properties held as inventory, reflecting strong on-going demand for real estate in Dubai. Included in this is a one-off gain on the disposal of a legacy site.

Income from investment securities was up 41% year-on-year thanks to gains on trading securities, reflecting improved market conditions in the first half.

Moving onto Operating Costs and Efficiency on slide nine, costs increased 10% year-on-year but, excluding costs related to Egypt, costs increased by only 4%. The year-to-date cost to income ratio improved by 4.2% from 34.5% in H1 2013 to 30.3% in H1 2014. Adjusted for one-offs, the year-to-date cost to income ratio would have been 31.4% and this is a like-for-like improvement of 3.1%.

The longer-term management target for cost to income ratio is 33% and we will invest more in the future, within this parameter, on systems and people to help support business growth, and this process has already been set in motion this quarter.

Moving on to credit quality on slide 10, during Q2 2014, the NPL ratio improved further to 13.5%, a drop of 0.3%. The coverage ratio reached 64.7%, a rise of 4% in Q2.

Impaired loans fell by AED 0.2 billion in Q2 from 36 to AED 35.8 billion. This improvement resulted in a further reduction in the Bank's Dubai World exposure due to receipt of a repayment. There was also a AED 0.2 billion reduction in Islamic impaired loans.

We continue to be conservative in our approach to provisioning. Year-to-date we have taken a net impairment charge of AED 2.6 billion, mainly for specific provisions in relation to the Group's corporate and Islamic financing portfolios. This further improved the coverage ratio by 7.2% during the first half to 64.7%.

Over the medium-term we expect to continue to grow the coverage ratio towards 80% through conservative provisioning. Over a similar time horizon we expect the NPL ratio to improve towards 12%.

Our total portfolio impairment allowances now stand at AED 4.09 billion or 2.7% of unclassified credit risk-weighted assets, and this comfortably exceeds the 1.5% Central Bank requirement.

Slide 11 on capital adequacy shows that, during Q2, Emirates NBD's Tier 1 ratio improved by 0.6% to stand at 15.6%. Over a similar period, the Capital Adequacy Ratio improved by 0.4% to 19.6%. These improvements in both the Tier 1 and the Capital Adequacy Ratios were due profit generation of AED 1.3 billion.

We embarked on a capital management exercise in 2013 and we have been successful in transforming the capital structure to be more capital efficient and cost effective. As Shane and Surya mentioned, with the consent of both the Central Bank of the UAE and the Ministry of Finance, we have repaid the remaining AED 4.8 billion of Ministry of Finance Tier 2 deposits in July. With this, the entire crisis-era support has now been repaid.

With that, I hand you over to Shayne to run through the remainder of the presentation.

Shayne Nelson - Group CEO

Thanks Paddy. Slide 12 provides details of our Egyptian business. Cultural, system and policy integration is on-going and proceeding as expected against our integration plans, and despite a challenging political and economic environment, the Egyptian business has continued to perform well. It contributed AED 358 million of revenue and AED 113 million of net profit to the Group results in the first half of 2014.

We are aware of new tax rules being introduced in Egypt. We do not expect this to have a material impact on our local business and the Group's consolidated results.

Moving onto the divisional performance on slide 13, we can see that the Retail Banking and Wealth Management business continued to grow Revenues increased by 10% year-on-year and 1% quarter on quarter.

We have seen loan growth of 5% in this part of the business in the first half of 2014 with deposits up 7% over a similar period.

Islamic Banking also showed impressive revenue growth of 31% year-on-year and 18% quarter-on-quarter. Financing Receivables grew 8% in the first half of the year.

Emirates Islamic also contributed to an increase in fee income due to higher customer account volumes. Emirates Islamic recently introduced a trading platform for murabaḥa in partnership with NASDAQ Dubai. This new initiative is starting to generate fee income.

Both Retail and Islamic banking tends to be relatively more profitable and growth in these parts of the business has helped maintain our margins. We expect these business units to continue to perform well in the second half of the year, on both the asset and deposit side.

Going to slide 14, on the Wholesale Banking and Treasury side, I am pleased that we are now taking advantage of more cross-selling opportunities. The Wholesale Bank continues to focus on customer service quality and share of wallet. This includes improved cross-sell of Treasury and Investment Banking products and increased Cash Management and Trade Finance penetration.

Revenues declined 3% year-on-year while loan growth was flat during the first half of the year; however, deposits grew 8% during that period. The loan market remains competitive, as demonstrated by the margin contraction the banking sector is seeing across all types of assets.

Treasury's income improved significantly year-on-year. This is due to higher net interest income on the back of balance sheet positioning and hedging. In the second quarter Treasury we also saw improved gains from investments.

Onto the economic slide, number 15, for 2014, we have revised our GDP growth expectations upwards to 5% for the UAE. We have also revised our GDP growth expectations for Dubai similarly to 5%. Dubai continues to expand in the manufacturing, hospitality, transport and logistics sectors, which should boost trade and associated services.

Following strong price growth in the Dubai residential real estate sector in 2012 and '13, growth has now slowed significantly. For villas, the annual growth rate has slowed to less than 10% in June. Annual growth for apartments has also slowed. Inflation is expected to rise to 3% in 2014 on the back of higher housing costs and higher input costs. As supply continues to grow, we expect a further positive trend in our impaired loans, leading to a stronger balance sheet.

On the summary side, I am pleased to report net profit of 30% year-on-year to AED 2.35 billion for the first half of 2014. This impressive increase was driven by higher volumes and improved asset mix and a strong cost efficient funding base. NPLs improved further and we continue to be conservative in our provisioning.

A net impairment allowance of AED 2.631 billion in the first half boosted net coverage ratio by 7.2% to nearly 65%. We will review the classification of the Dubai World exposure in due course based on further performance on the original structuring and the recent on-going discussions. Our ambition is to reach a coverage ratio of 80%, or if we were to treat Dubai World as performing, a rebate level of 100%. Should we continue with the same level of provisioning as in recent quarters, we would expect to achieve our target coverage ratio sometime in 2015.

Margins have remained stable in the first half, which has allowed us to revise upwards our 2014 guidance. Costs remain under control and we will invest in systems and people to support future business growth to prepare ourselves to hit the ground running in 2015. Both capital and liquidity remain very strong, which has allowed us to repay the remaining Ministry of Finance Tier 2 deposits. Emirates NBD will continue to implement its successful strategy and take advantage of the positive growth opportunity both in Dubai and in the region.

With that, I would like to open the call for questions. Operator, can you ask if there are any questions please.

Operator

Thank you, Mr Nelson. We will now begin the question and answer session, if you wish to ask a question, please press 01 your telephone and wait for your name to be announced. If you wish to cancel your request, please press 02.

Our first question comes from Nisreen Assi from Arqaam Capital. Please go ahead.

QUESTION AND ANSWER

Nisreen Assi– Arqaam Capital

Hello, and thank you for the presentation, I have a few questions. The first one is regarding the cost of risk, what is the current cost of risk, and what is your outlook for Q3 and for the full year. The second one is regarding the new regulation for market and operational risk weighted asset calculation. Did you already apply this into your calculations, and if yes, how much does this affect the capital adequacy ratios. Finally, regarding fees, you have reported an impressive growth in fees and commissions, how much of this growth do you think is sustainable. Thank you.

Surya Subramanian – Group CFO

Nisreen, this is Surya, could you please repeat your second question.

Nisreen Assi– Arqaam Capital

Yes, it is regarding the new regulations for the market and operational risk weighted assets calculation by the Central Bank. Is your current capital adequacy ratio incorporating that?

Surya Subramanian - Group CFO

I will take these one by one. On your first question on the cost of risk, given our legacy problems, we are clearly running above the average of where we would like to be, and it is more like 2% on gross loans at the moment. As Shayne mentioned, once we are through the provisioning cycle some time in 2015, we would expect that to drop off to normalised levels.

On your second question on the new market and operational risk regulation, these are shown in our slide on capital adequacy, which is on page 11. You will note that operational risk and market risk form a very minor constituent of total risk for the organisation. We have taken into account the new computation directives from the Central Bank and the figures that you see for the current quarter include those as well, and hence, the reported capital adequacy ratio that you see takes these into account.

On your last question on fees and commission, Dubai is essentially a trading hub, and as activity picks up in Dubai, as more people come in, whether to dealers, SMEs, as employees, that is our target market and we expect fees and commissions to grow in line with business volumes and transaction volumes.

Just a point to note, although we did make one-off gains on legacy investments, even if you strip these off, our core fee grew year-over-year and quarter-over-quarter, as did total income, and we would still have beaten the analysts' average estimate notwithstanding the one-offs.

Nisreen Assi– Arqaam Capital

Thank you.

Operator

Thank you. The next question is from Vikram Viswanathan from HSBC. Please go ahead.

Vikram Viswanathan – HSBC

Thank you once again for the presentation. I have two questions. The first question is on the credit growth, you mentioned obviously in the presentation that you pared the loan growth estimate to 4-6%. I think previously it was 7-8%. Is there a reason why this estimated has been pared down? My second question is on the Dubai World exposure, if you look at most other banks in the region, most of these banks have already reclassified this exposure to performing from non-performing. For you to reclassify this into a performing loan, is there a particular event that needs to happen? What would be the trigger to reclassify this exposure into a performing loan? These are the two questions, thank you.

Shayne Nelson - Group CEO

I think loan growth, I would say…all the results I have seen from all the Banks across the UAE, I think, and I am sure you have all looked at them and it has been pretty anaemic loan growth across them. I think some of the reason for that is the Sukuk market, the bond market is actually working a lot more efficiently, and a lot of the large ticket transactions are going there, given liquidity and the spreads there. I think as that market expands, I would expect that a lot of the longer tenure larger transactions will go there, given the liquidity and demand for those instruments. I think that is certainly one reason.

We have seen some decent loan growth in our consumer side of the business, both on the Islamic and on the conventional. Where we haven't seen strong loan growth is actually the Corporate Bank. Now, as you would all be aware being in the market is highly competitive at the moment, and some transactions we have just let pass, that we didn't have even on our books, because for us if we're not getting the right return on risk capital and we can't see any other ancillary business to increase the yield, then for us, it Is not really worth doing the transaction.

Surya Subramanian - Group CFO

Vikram, just to clarify, the guidance comes down from 7-8% to 4-5% and not the 6% that you mentioned.

On the second question on Dubai World, we have always maintained that it is the way different organisations interpret how they want to report under the IFRS. Other banks have chosen to interpret IFRS and rightly so, because it is a principle space standard to rerate Dubai World as performing. We are waiting for evidence from the on-going discussions, which we have had, I would say, trickles of good news, both in quarter one and quarter, we have reported partial repayments, these are smaller amounts. If there is a much larger repayment, we have always said that we would review this account.

Vikram Viswanathan – HSBC

Okay, very useful, thank you.

Operator

Ladies and gentlemen, if you wish to ask a question, please press 01 on your telephone keypads, thank you. We have a question from Chiradeep Ghosh from SICO Bahrain, please go ahead.

Chiradeep Ghosh – SICO Bahrain

Hi, this is Chiradeep Ghosh from Bahrain. According to my calculation, I am seeing that the yields on interest earning assets have gone up by around 20 basis points, which might vary a little at your end, but the repaid loans to total loan ratio has not significantly moved from second quarter ’13 to second quarter ’14, so I just want to understand what drove the yields on interest earning assets.

Surya Subramanian - Group CFO

Chiradeep, the assets that are growing are not just the retail loans that you see in the Conventional Bank, there are also retail loans within the Islamic Bank, and in the current operating segments, the way we disclose them, you do not have a further breakdown of the Islamic into its Retail, SME, and Corporate components. You have to understand that the bulk of the growth even within the Islamic franchise comes from Retail and SME, so those two numbers put together give us that push.

Also, bear in mind that EIBOR has also been coming lower when you look at it year-over-year, so there is a benefit of that also in the comparison.

Chiradeep Ghosh – SICO Bahrain

Just one second, I am just focusing on the yield at this level, so once EIBOR starts coming down, shouldn’t it be negative on the yield on interest earning assets.

Surya Subramanian - Group CFO

It depends on the rate at which they re-price, because EIBOR has tended to drop faster than the re-pricing date of those loans. Eventually, I agree with you, they will catch up, but that is why we have been helping position the book with a larger quantity of current and savings accounts, which will, in effect, insulate us from the eventual rise in rates whenever that happens.

Shayne Nelson - Group CEO

I think it is worth pointing out again that we have increased CASA now to 57%, and that is…we have had very, very strong growth in CASA over the last six months, and it is certainly a strategic push for us to keep growing that CASA, and given our network, we have been very successful in our branding, we have been very successful of growing our CASA.

Chiradeep Ghosh – SICO Bahrain

Okay, thank you, just very quickly, a typical one year time deposit, what would the cost of a typical one year time deposit if some customer wants to have it in your bank, just to get a sense.

Shayne Nelson - Group CEO

How much money have you got?

Chiradeep Ghosh – SICO Bahrain

No, I just want to get a sense of how much…

Shayne Nelson - Group CEO

We will see if we want to negotiate with you or not.

Chiradeep Ghosh – SICO Bahrain

For a retail customer it would be around 1.5%, am I far off?

Shayne Nelson - Group CEO

I can assure you it is lower than EIBOR.

Chiradeep Ghosh – SICO Bahrain

Okay, that is good enough. Thank you very much.

Operator

Thank you. The next question is from Rahul Shah from Deutsche Bank. Please go ahead.

Rahul Shah – Deutsche Bank

Good afternoon gentlemen. A question that I have asked in the past regarding sovereign loans and its growing proportion of the loan book. Can you give us a sense of – obviously, you're comfortable with adhering to the Central Bank guidelines – can you give us a sense of how the maturity profile works and how quickly this proportion of sovereign loans is going to drop off in your loan book. That is my first question.

The second is on real estate gains and how perhaps we could think about the pipeline of gains that you might have in store for us over the coming quarters and years.

I guess this may change, but if you could just update us on the current thinking in relation to the foreign ownership limit. Thank you.

Shayne Nelson – Group CEO

On the Dubai Government, you will have noticed that the pace of growth has slowed substantially in the actual facility, and the Bank has complied with the UAE Central Bank requirement of submitting a plan within the set timeline, and we're certainly in regular discussions with all the key stakeholders, but I am not really at liberty to discuss any client of ours as to what their terms and conditions that would be pertaining to that.

Surya Subramanian - Group CFO

Rahul, on your question on the real estate gains, we have two portfolios in the Bank, one is the asset swap that we did with Union Properties, which was well publicised in the market in 2010/11 and 2013. Depending on the vintage of that portfolio as and when we sell it, we make some gains that could be as high as 30% for the oldest tranche of the inventory and could be about 20% for the newer tranches of the inventory. Apart from that, we have legacy property assets that were part of Emirates NBD that has been acquired over the years, and what you saw in quarter two, if you marked my words, I said the one-off gain in quarter two came from the sale of a legacy site, so that had nothing to do with the inventory. We do disclose the balance of the inventory in our financial statements and I will just give you the number in a minute, it is in the region of 2-odd billion, it is at 2.6 billion at the half year, and we are continuing to bring that down. It was closer to 3 billion at the year-end; we continue to bring that down.

You would have seen reports that we have also sold a part of that inventory and index [starts] to the Emirates REIT that is a Q3 transaction; it is not a Q2 transaction.

Finally, on the foreign ownership limit, that is as we say always a shareholder call and currently our shareholders seem to be very happy with that they hold.

Rahul Shah – Deutsche Bank

Thank you very much.

Operator

Thank you. The next question is from Shabbir Malik from EFG Hermes. Please go ahead.

Shabbir Malik – EFG Hermes

Thank you very much for the presentation. I have three questions. The first one is, when I look at your loan breakdown, I notice that there is – in the Retail segment, there is growth in the Islamic segment and not in the Conventional banking segment. I was wondering why that bias towards Islamic banking.

Secondly, during the presentation you mentioned you further sold down your stake in Union Properties. I was wondering if you could just restate it, what percentage you sold down.

Finally, when I look at your NPL ratio breakdown in the presentation, I notice that you have clubbed a part of the Dubai World, Dubai Holding exposure into core corporate. Is there a specific reason for this or why have you changed the presentation of these impaired loans. Thank you.

Shayne Nelson – Group CEO

The Islamic versus Conventional I think is a simple one, Islamic banking is something we have been investing quite heavily in, so the cost growth that we have had – a significant portion of that has gone into building that Islamic franchise, and I think once we get through the provisioning top-up for that business, I think you will see the power of the franchise that we have built there, especially on the consumer and the SME businesses and the small sort of commercial, it is actually doing very well. I am very pleased with its underlying performance, which has been masked unfortunately by the top-ups that are there.

On Union Properties, it was 1%, and in fact, you can work out exactly what our one-offs were, because we have given you in the slides what our normalised cost to income ratio would be without the one-off, so you will see that actually, it Is not a lot of money from the one-off compared to the underlying performance of the organisation, so you can work that out pretty quickly.

What was the last one?

Surya Subramanian – Group CFO

The last one was more about the way we disclose in the slides in the past.

Shayne Nelson – Group CEO

I think what we wanted to make clear to you in that slide was really – it wasn't that we were trying to not acknowledge the Dubai Holdings, that is core to our NPL we acknowledge that, but what we wanted to show in this slide was what the coverage would be without Dubai World, given that that advance would have a material effect on the provisioning coverage ratio, so we thought that that would be more transparent for you.

Shabbir Malik – EFG Hermes

Okay, so ex-Dubai World stands at 85% and you said during the presentation your target is to reach 100% on that.

Shayne Nelson – Group CEO

If Dubai World cured, we would be looking to get to 100.

Shabbir Malik – EFG Hermes

Okay, thank you.

Operator

Thank you. Ladies and gentlemen, if you wish to ask a question, please press 01 on your telephone keypads. Thank you.

Shayne Nelson – Group CEO

Well, if there are no further questions, I would like to thank you all for joining us in today's presentation. I hope you will agree that these are a very strong set of results and we're quite proud of them, and to all of our friends out there, Eid Mubarak. Cheers.

Operator

Ladies and gentlemen, this now concludes today's conference call. For any further questions, please contact our Investor Relations Department whose contact details can be found on the Emirates NBD website and on the results press release. A replay of this call will also be available on the Emirates NBD website next week.

Ladies and gentlemen, that concludes today's conference call. Thank you for your participation.