

Reschedule policy The objective of this policy is to support customers facing temporary or permanent repayment difficulties and enables repayment at a reduced level by aligning the payment plans with their current income and or reduced cash flow levels. Such customers, who are willing to pay their instalments on time but a lower amount than the original minimum due amount, fall under the collection segment which is categorized as "Low Ability BUT with an Intent to Pay". Following are the tools to enable customers to pay i. Debt Burden Ratio reduction (Including external liabilities): For these customer payment amounts are reduced from current DBR levels to lower to enable them to repay their debts due to aggressive lending prior to implementation of credit bureau and job loss, salary reduction and erosion of family income. ii. Tenor Extension: Extended tenors from current 4 years up to 7 years or in exceptional cases higher for unsecured products. Tenor extension with no pricing or EMI change will be considered as rescheduling. For National loans and mortgages allowing step up EMI to enable customer to pay and with increased income in future including rentals and other sources EMI can be increased. iii. For Mortgages in select situations balloon payments will be allowed as the property value will provide cover for future inability to pay and there will be no provision impact. Governance involved in provisioning is strengthened with IFRS9 implementation, therefore the primary objective of the below restructuring will be to offer renegotiated payments and facilitate repayments where customer has genuine request, intent and repayment ability. Credit Cards & Unsecured PIL – Current strategy is to have an increased collection focus in early buckets especially up to 29dpd as a result of IRS 9 policy implementation during 2018. Primary objective is to collect money from customers in early buckets and get more saves on provisions under the IRS 9 rules. – Currently the customers are repaying a high rate of interest along with late payment fee of AED 275 and over limit fee of AED 275 approximately amounting to 4–4.5%. Background – As per hierarchy of payment application for up to 180dpd, all payments are apportioned towards the repayment of interest first. – Since these customers have a higher likelihood of going to losses our objective is to provide them with lower EMI at reduced ROI to enable them to service their repayment and assist the bank in recovery of the principal outstanding. Objective and criteria Request for restructure will be considered based on situation of the customer and based on their inability to repay their current minimum dues. Various situations could arise with few being listed below: – Lost job and got a new job with a reduced salary – Taken a salary cut in their current job – Over-leveraged of 2015 & prior booking – Lost job but with guarantor – Family income decreased due to spouse job loss Skip customer but guarantor in UAE Conditions: – No payment has been made last month due to his/her inability and is willing to make a payment at least equal to the proposed EMI Selectively based on situations, customers who have made one payment covering the proposed EMI during the last 30 days may be considered prior to approving their request for restructure. Maximum tenor 72 months if customer requests for a repeat restructures it will be considered selectively on a case to case basis, based on worsening of financial situation from the last restructure. One payment at least equal to the proposed EMI should have been made by the customer during the last 30 days prior to approval. Customer should have demonstrated payment intent by making total of 6 EMI payments since the earlier restructure was offered. If customer has paid 6 EMI, and comes for a repeat request, the reason should be validated by the Collection Officer – If the customer has not repaid 6

EMIs, then the repeat request will be considered with a reduction of new EMI being more than 20% lower than previous EMI. (Reduction of EMI could be through customer payments or through Waiver of IIS & Principal along with reduced ROI – Any customer who has been given a principal waiver during the earlier request will not be supported for any repeat restructure request unless there is a genuine documented reason of default approved by HOCC. The basic principle of restructuring or rescheduling is to support customers to pay their debt where a customer is able to service its debt and there is an intention to pay. In no circumstances restructure or repayment should be used as tools to keep the lending book ever-green reflecting artificially low risk profile. Performance of restructured and repeat restructured loan book should be presented to PBCC being a high risk portfolio segment. ROI for cards & unsecured pil: ROI for cards will be based on lowest scheme for BDU. Shorter tenors up to 12 months can be considered at 0%. ROI for unsecured PIL will be existing rate Documentation: Following documentation will be obtained: – Customer request plus loan application for unsecured PIL Valid PP, Visa and EID (If customer has changed job recently, Visa under process is acceptable) – Income Proof details Salary certificate (60 days validity) OR 1 month pay slip (any 1 month over last 2 months) OR Offer letter (60 days validity) in case of change in employment Security cheque Additional Remarks Customers having salary transfer to FAB with an existing loan EMI covering 50% of salary will be considered for a standalone payment plan against the credit card if the consolidation of liabilities cannot be considered based on loan eligibility limits being maxed out. Customer request can be converted into a payment plan under the existing card scheme or clubbed with personal instalment loan. Customers request for consolidation of the multiple cards into one facility and or PIL liability along with the credit card will be considered. Deferral: Purpose: Deferral of future instalments, not exceeding 2 in 12 months, for cases identified from the stop salary report in case of temporary salary stoppage and extending the tenor accordingly. Documented evidence of "temporary" salary stop to provide EMI deferrals. Extended loan tenor – maximum 84 months Initial 6 EMIs from original disbursement should have been paid – Customer age at full maturity – UAE national – 65 years and Expat – 60 years Provide the customer with lower EMI at reduced overall DBR to enable them to service their repayment at current income levels and assist the bank in recovery of the outstanding amount EMI deferral can only be done of future EMI after overdue is settled Purpose: Restructuring a delinquent loan by reducing the EMI till full maturity or for shorter time step-up instalment plan\* an extending the tenor accordingly by keeping the discounted cash flows of the facility resulting from the restructuring are equal to or greater than the discounted cash flow at the time the facility was granted. ROI & Tenor Minimum of lowest Prevailing rate Reduced pricing to be approved by HOCC Maximum tenor 300 months subject to customer age maturity meeting criteria Documentation Deferments/Postponement Request letter by customer Restructure with Balloon payment All documents as required for new loan booking Monthly cap on booking Not applicable as the loans are backed by collateral & due to the variation of ticket size Deferral for subject mentioned categories will allow One time during the year only with support documentation to be provided. Extended loan tenor – maximum 84 months Initial 6 EMIs from original disbursement should have been paid Customer age at full maturity – UAE national – 65 years and Expat – 60 years EMI deferral can only be done of future EMI after overdue is settled Reschedule: Conditions: – Provide the customer with lower EMI by extending

tenor at reduced overall DBR to enable them to service their repayment at current income levels and assist the bank in recovery of the outstanding amount Customer repayment level to be aligned to recover EMI's however, customer should not have room to borrow more.– Extended loan tenor – maximum 240 months Initial 6 EMIs from original disbursement should have been paid Customer age at full maturity – 65 years – EMI deferral can only be done of future EMI after overdue is settled

Reschedule: Conditions: – Provide the customer with lower EMI by extending tenor at reduced overall DBR to enable them to service their repayment at current income levels and assist the bank in recovery of the outstanding amount – Customer repayment level to be aligned to recover EMI's however, customer should not have room to borrow more.

ROI for cards & unsecured PIL : Credit Cards: Existing EPP rates, as applicable PIL: No change in ROI Documentation: Same as Section A. Personal Instalment Loan (Salary Transfer Loan: Expats & UAE National) – 48/60 months Term Loan Objective and criteria Deferral: Criteria – Salaried customer with temporary default: Conditions: No change on original terms and conditions (same salary, employer category, etc.). Valid EID Updated AECB and CBRB report to be obtained to ensure that external debts, if any, will not impact the proposed restructuring Additional remarks ESF and processing fee to be waived, wherever applicable ROI to be based on existing customer rate or existing rate of the loan being restructured. Whenever possible, a guarantor to be obtained Convert existing NPPs to DR against salary/pension transfer with lower MI at reduced overall DBR to enable them to service their repayment at current income levels and assist the bank in recovery of the outstanding amount and maximum tenor of 240 months. Restructure original repayment plan to match existing cash flow (rental or other sources) either by reducing instalments or revising payment schedule with changes in pricing and/or final maturity date For salaried self-use i.e. owner-occupied customers to align repayments based on revised income in situations where income is reduced due to change in job or reduction in family income.– Provide the customer with lower MI at reduced overall DBR to enable them to service their repayment at current income levels and assist the bank in recovery of the outstanding amount First resumed salary to be credit (after discontinuation of initial STL) or obtain STL from new employer. MOA and/or POA to be provided with all amendments thereof and notarized Board Resolution Requirement for valid TL, MOA, Tenancy Contract, PP & EID to be waived if o o Legal action is initiated & renewal of these docs have been confirmed not to be possible. Restructure original repayment plan to match existing cash flow (rental or other sources) either by reducing instalments or revising payment schedule with changes in pricing and/or final maturity date For MBBF– self use offices restructure based on revised business cash flows and income from other investments. ROI & Tenor Restructure on existing rate of interest of loan or current customer rate i.e., product rack rate, will be done Maximum tenor will be 84 months Criteria Long Term Loans (National Loans & Home Improvement Loan) Delinquent National Loans customer where salary transfer to FAB has resumed or salary transferred to other bank or customer is having defined regular income.– Extended loan tenor – maximum 240 months – For fresh flow customers where the pension income takes 3–4 months to resume and customer is eligible for reschedule within approved DBR and tenor based on revised pension income, in such cases for fresh retirement, a reschedule and postponement of EMI till pension resumption to be done. Business Banking– CRE/MBBF Objective

Deferments/Postponement: Defer the current overdue up to 60DPD to match the date of rental receipts in order to avoid flow to higher delinquency or to resolve a classified loan based on account level. For fresh flow customers where the pension income takes 3–4 months to resume and customer is eligible for restructure within approved DBR of 30% and tenor based on revised pension income, in such cases for fresh retirement a restructure and postponement of EMI till pension resumption to be done. No additional cash will be given at the time of restructure.

**Eligibility Deferments/Postponement & Reschedule /Restructure with Balloon payment Conventional & Islamic Mortgage Loans – Pre delinquent– Credit & Collection** if assigned to collection. **Criteria > Proposed restructuring:** NP and salary reduced cases fully provided loans with salary transfer to FAB: Customer repayment levels to be aligned to recover the EMIs however, customer should not have room to borrow more. Rescheduling will be done within the below parameters: Credit Cards & Unsecured PIL Objective and criteria The objective is to provide customers with extended tenor to enable them to service their repayment and assist the bank in recovery of the principal outstanding. \*loan that offers varying equated monthly installments (EMIs) spread over the loans tenure, i.e. the EMI is lower in the initial years, but over time the EMI increases.

**Objective – Deferments/Postponement:** Defer the current overdue up to 60DPD to match the date of rental receipts in order to avoid flow to higher delinquency or to resolve a classified loan based on account level. Documentary evidence of rentals for CRE to structure based on reduced rentals Valid Trade license, Passport copies and EID for Authorized signatory must be valid at disbursal. Company's UDC is drawn on FAB to facilitate swift criminal action proceeding Additional remarks Deferral for subject mentioned categories will allow One time during the year only with support documentation to be provided. The above list is not all-inclusive, and other indicators may need to be considered on a case to case basis Restructure to be considered only if the below standards are met

**Term Loans – Maximum tenor of 72 months – Confirmation of operating business via a field visit done by collections/ credit appointed staff. – MOA and/or POA to be provided with all amendments thereof and notarized Boord Resolution. Restructuring for max.**