

Emirates NBD

2nd Annual General Meeting

Rick Pudner
Chief Executive Officer

25 March 2009

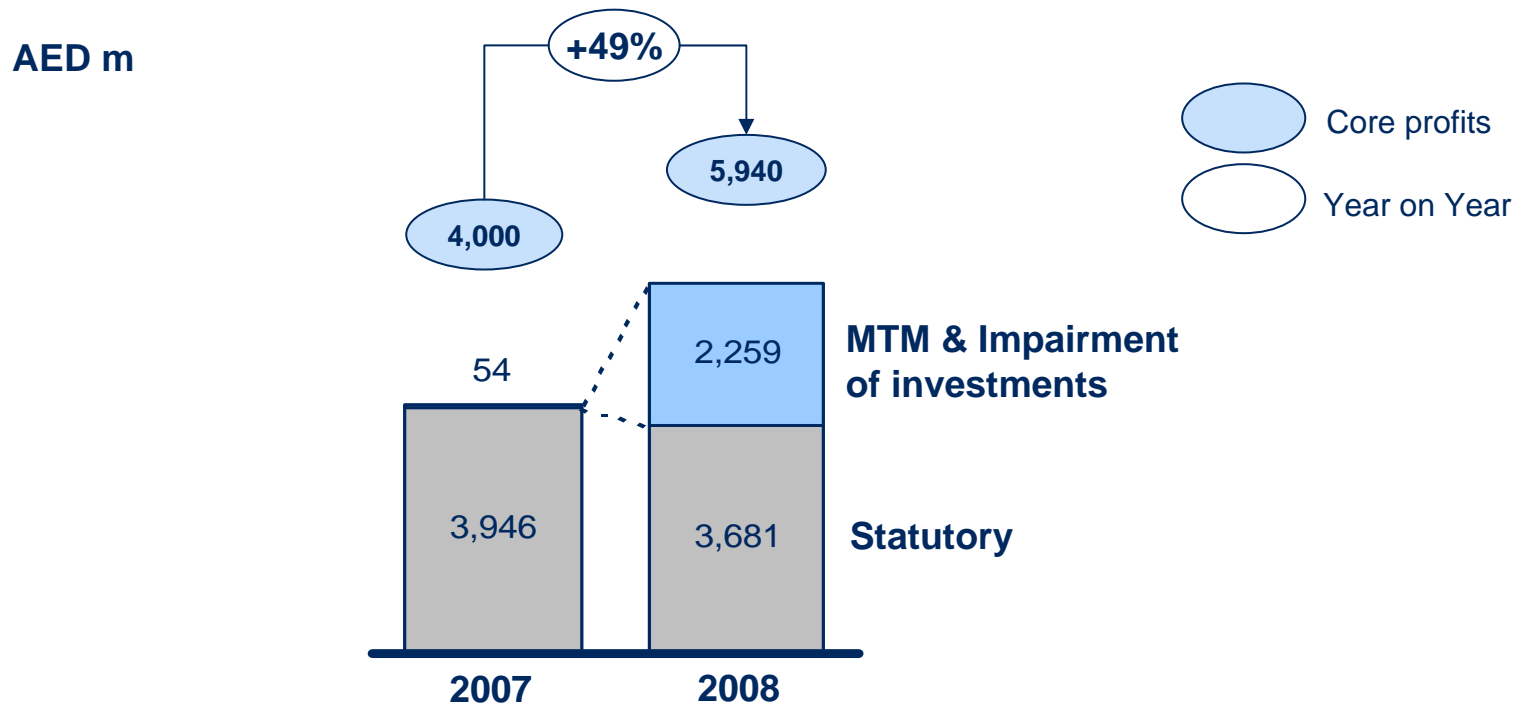
Group performance 2008

Merger update

Outlook and strategy

Emirates NBD reported a strong 2008 core business performance despite a more challenging environment

- ❑ 2008 Net Profit of AED 3,681 million compared to 2007 pro forma Net Profit of AED 3,946 million
- ❑ Impacted by write-downs and impairments on investment and other securities of AED 2,259 million in 2008
- ❑ Core business continues to perform strongly (up 49% from 2007) despite a more challenging environment in Q3 & Q4 2008



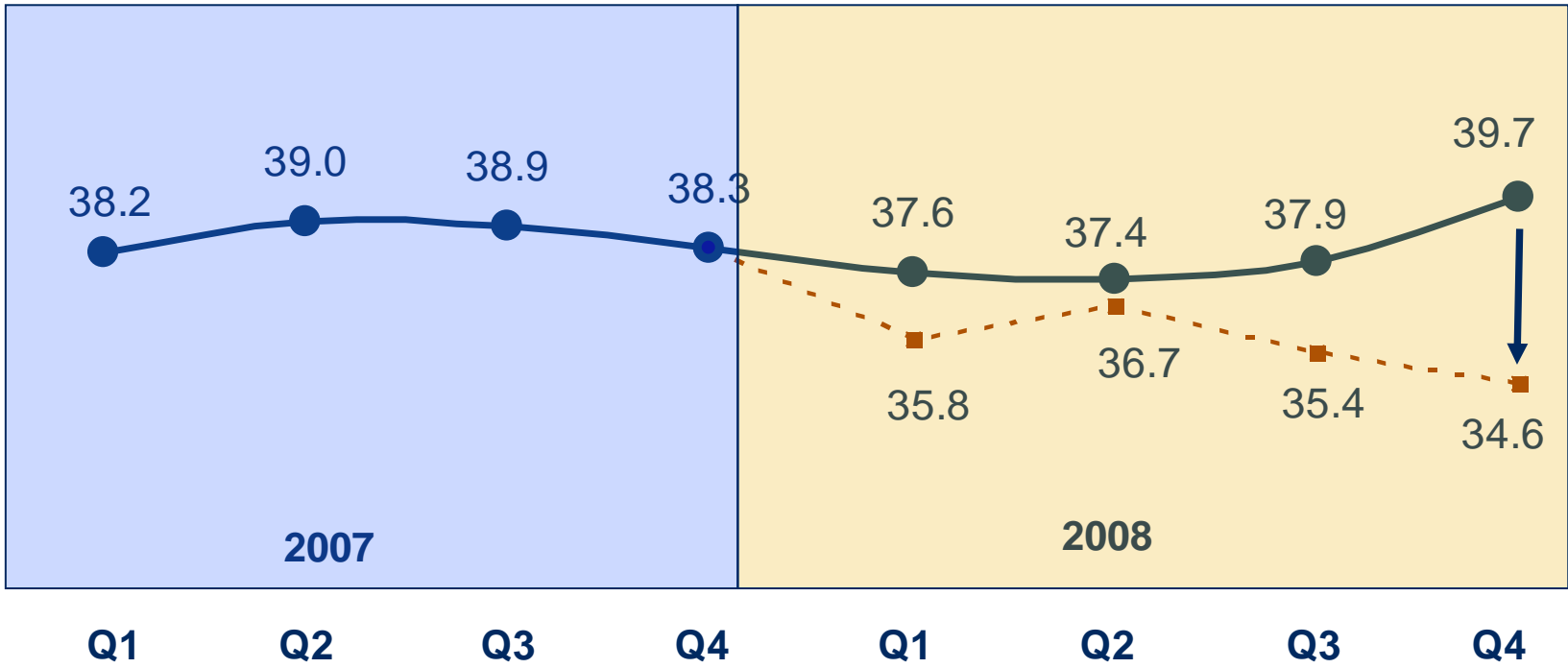
Note 1: 2007 comparatives are presented on a pro forma basis

Note 2: Core business trends exclude mark to market impacts and impairments on investment and other securities.

Core business cost to income ratio decreased

- Cost to income ratio of 39.7% (2007: 38.3%) and core business cost to income ratio of 34.6% (2007: 39.4%)

Cost : Income Ratio

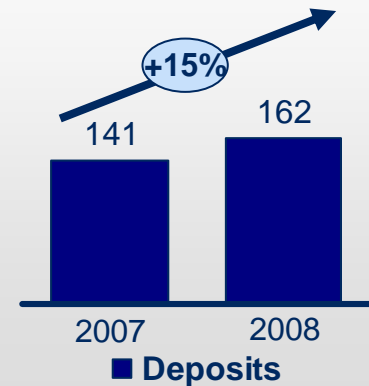
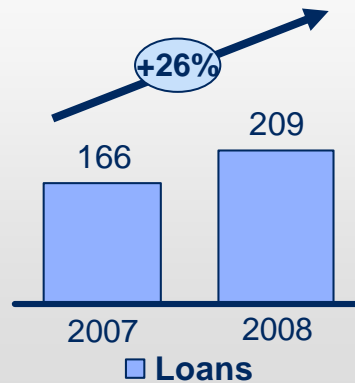
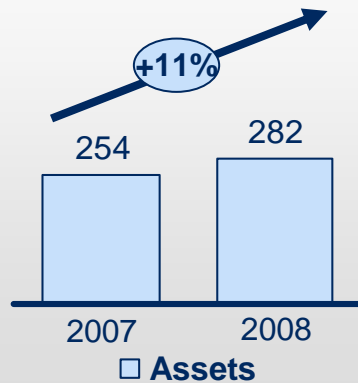


Note 1: Core cost:income ratio excluding mark to market impacts on investment and other securities in 2008
 Note 2: Cost income ratios for each quarter are presented on a year-to-date basis

Emirates NBD with solid Balance Sheet growth

- ❑ Total assets increased 11% to AED 282.4 billion from AED 253.8 billion as at end of 2007
- ❑ Customer loans at AED 208.9 billion, up 26% from AED 166.4 billion as at end of 2007
- ❑ Customer deposits at AED 162.3 billion, increased 15% AED 140.7 billion as at end of 2007

Assets & Loans and Deposits, AED billion



Emirates NBD 2008 performance overview

Key Performance Indicators

AED million	Year to 31 Dec 2008	Variance vs. 2007*
Total income	8,448	+19%
Operating expenses	(3,356)	+23%
Impairment allowances	(1,653)	+125%
Operating profit	3,439	-6%
Amortisation on intangibles	(96)	+17%
Associates	339	-10%
Net profit	3,681	-7%
Cost: income ratio (%)	39.7%	+1.5%
Net interest margin (%)	2.01%	+0.12%
EPS (AED)	0.73	-7%
Return on average shareholders' equity (%)	19.1%	-6%

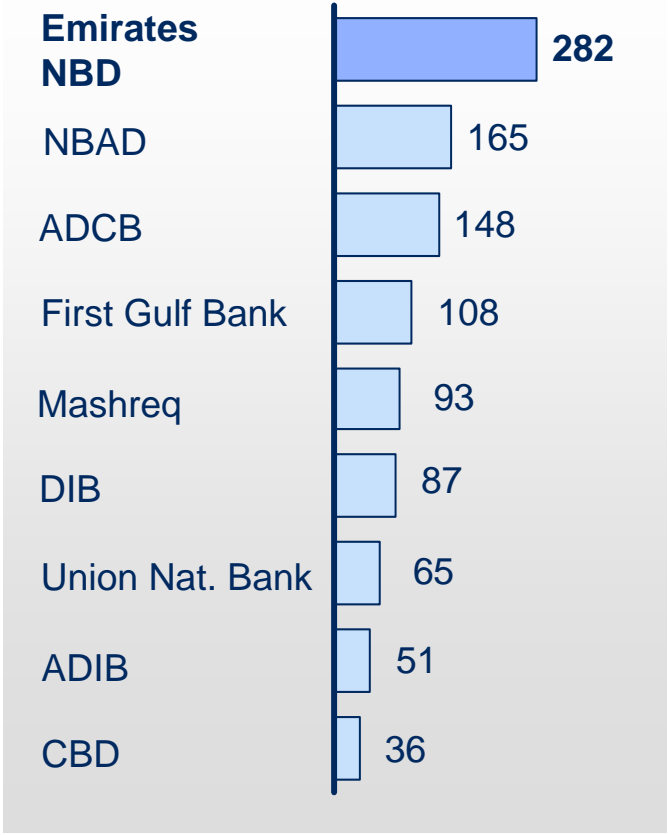
**Proposed cash
dividend of 20% and
stock dividend of
10%**

AED billion	As at 31 Dec 2008	Var vs. 31 Dec 07*
Total assets	282.4	+11%
Loans (net)	208.9	+26%
Deposits	162.3	+15%
Capital Adequacy Ratio (%)	11.4%	-1.7%

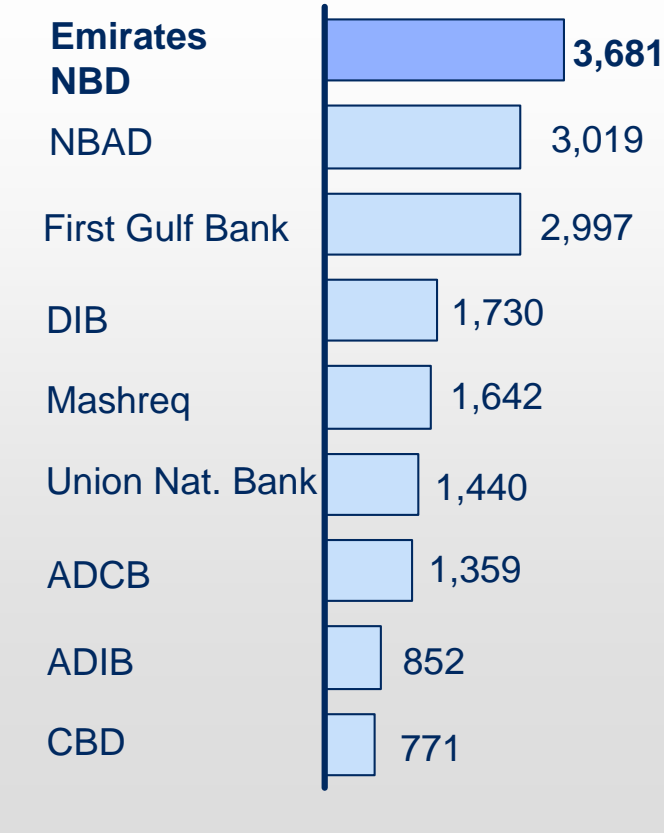
* 2007 comparatives are presented on a pro forma basis

Emirates NBD continues to lead the UAE Banking Sector

Assets AED b, 2008



Net profits AED m, 2008

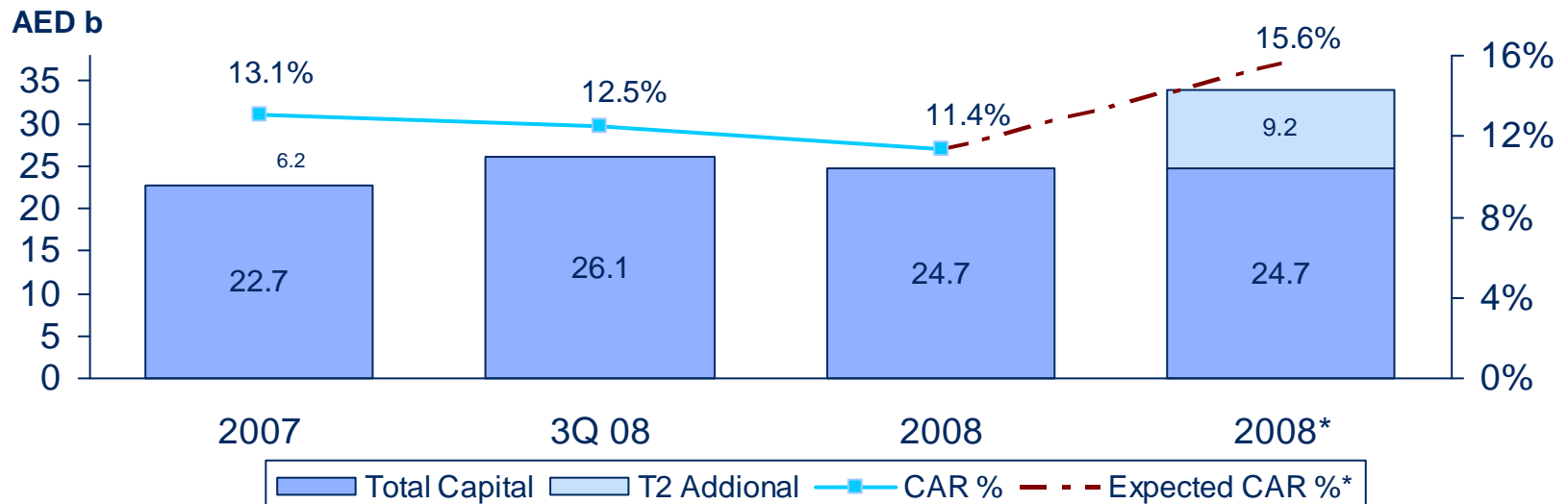


Source: Bank Financial Statements

Proposed strengthening of Emirates NBD's capital

- ❑ Capital adequacy ratio at 11.4% in 2008 (2007: 12.5%)
- ❑ Emirates NBD received AED 12.6 billion 3/5 year deposits of the AED 50 billion injected by the Ministry of Finance into local banks
- ❑ Subject to EGM approval, the deposits of AED 12.6 billion will be converted into Lower Tier 2 capital, subject to the regulatory limitation on total Tier 2 capital at 2/3rd of Tier 1 capital.
- ❑ Applied to the 2008 year end capital position, this conversion will improve the capital adequacy ratio to 15.6% in 2008 from 11.4%.

Capital Ratios



* Including impact of expected conversion of MOF deposits to T2 capital, subject to limitations of T2 capital at 2/3 of T1 capital

Awards & Recognition



- Emirates NBD was **honored by H.H. Sheikh Mohamed Bin Rashid Al Maktoum**, the Ruler of Dubai and Vice President & Prime Minister of the UAE, for its role in boosting investments and attracting businesses from around the world.



- Rick Pudner, Chief Executive Officer of Emirates NBD was awarded the '**Banker of the Year Award**' by The Banker Middle East.



- Emirates NBD has been named as **Best Emerging Market Bank & Best Foreign Exchange Bank in the UAE** for the year 2008 by Global Finance Magazine.



- Superbrands** council honored Emirates NBD with three Superbrands awards for Group's '**Emirates Bank**', '**National Bank of Dubai**' and '**meBank**' brands at the Superbrands Tribute Event held in April 2008.



- Emirates NBD was awarded '**Best Bank in the UAE**', for the year 2008 by The Banker 2008



- Emirates NBD Capital Limited was awarded the '**Best Sukuk of the Year 2008**' by IFR awards



- '**Best Retail Bank**' Arabian Business Magazine 2008

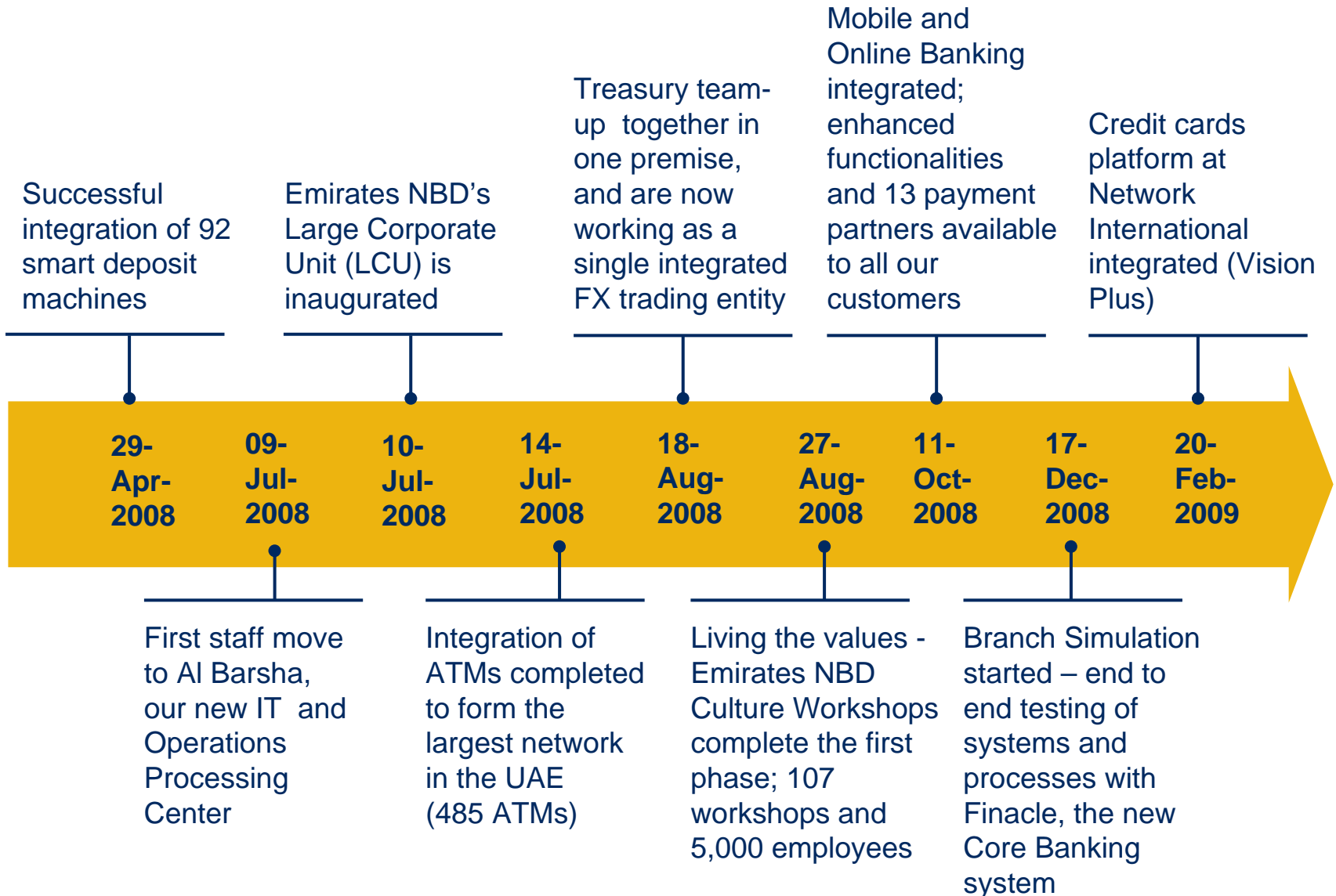
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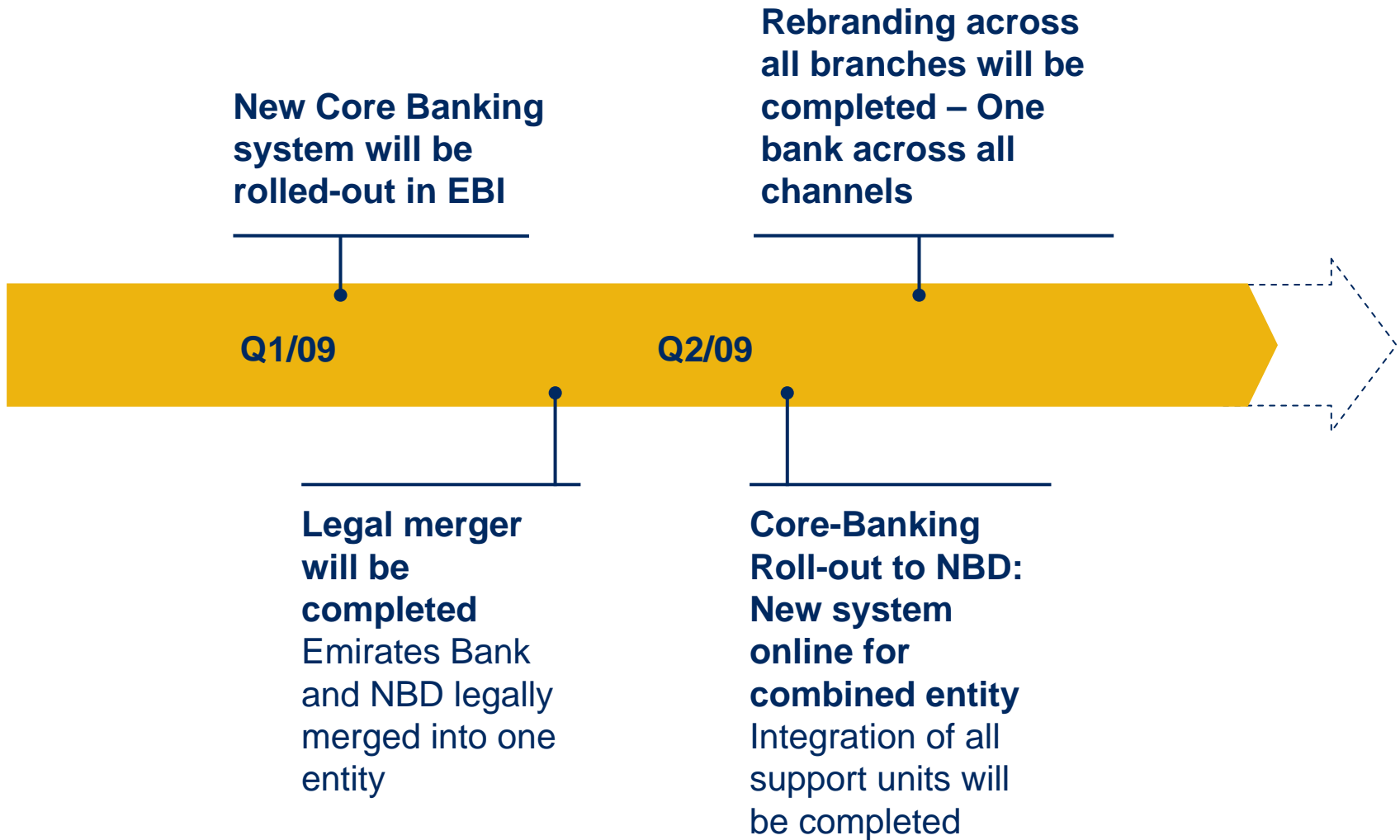
Merger update

Outlook and strategy

We have achieved major milestones during the last year



Integration milestones going forward



Target Synergies : AED 124m in 2008 & AED 372m by 2010

- AED 346m of recurring annual synergies by the third year post merger, plus AED 26m of one-off synergies totalling AED 372m
- The recurring synergies include:

Synergies (2010)	Total, AED m	% of Smaller Base ¹		% of Combined Base ¹
		Actual**	Benchmark***	Actual
Revenue	195	10.5%	5–10%	4.1%
Costs	151	22.2%	14– 26%	8.3%

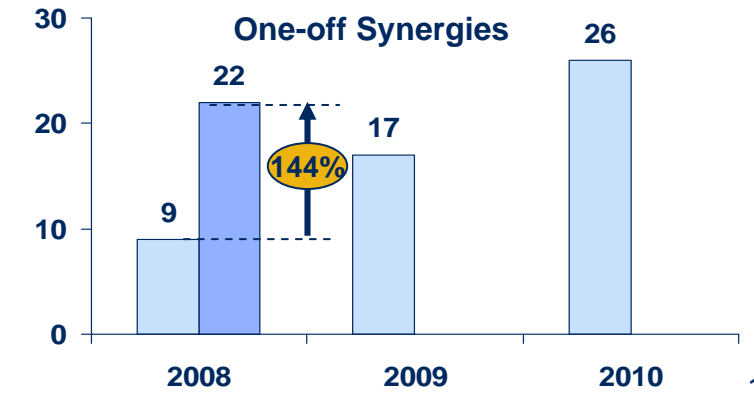
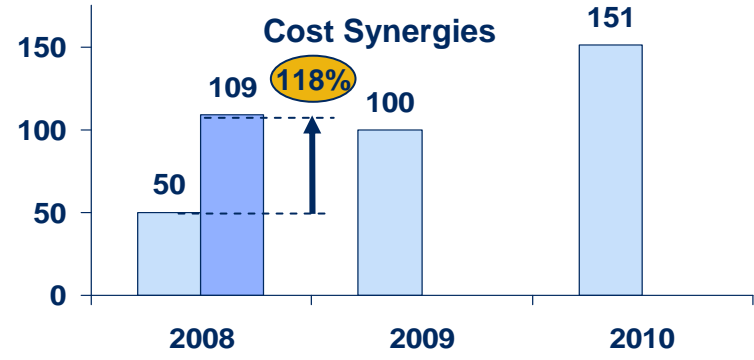
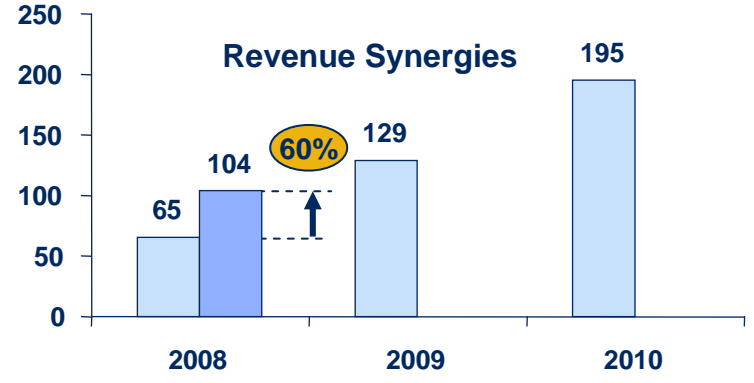
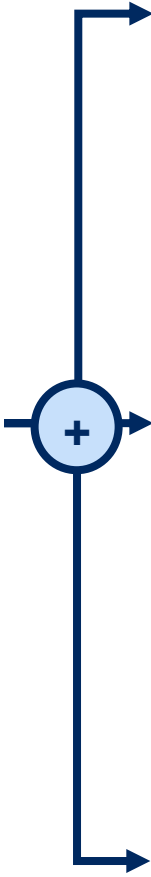
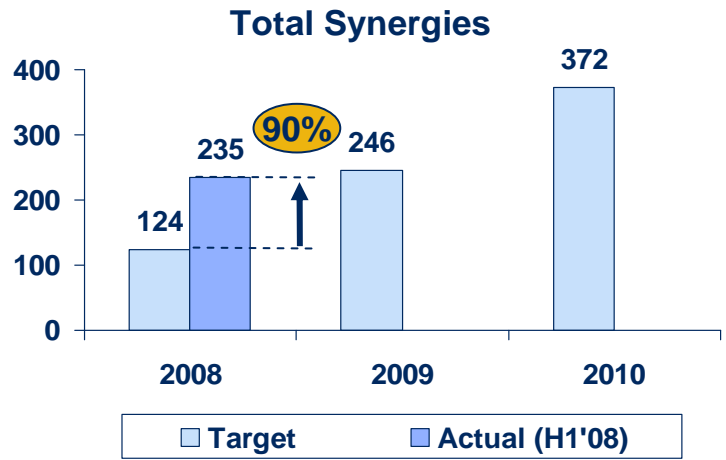
- Each will be delivered 33% in year 1 (2008), 66% in year 2 (2009) and fully by 2010.
- Year 1 target therefore AED 124m (33% of AED 372m) of which, recurring synergies represent:**

Synergies (2008)	Total, AED m	% of Smaller Base ¹		% of Combined Base ¹
		Actual**	Benchmark***	Actual
Revenue	65	3.5%	1.7-3.3%	1.4%
Costs	50	7.4%	4.6-8.6%	2.7%

- One-off synergy commitment in 2008 is AED 9m

Exceeded 2008 full year targets on all revenue, costs & one-off synergies

AED Millions



Note 1: Base used when computing synergy targets were 2006 financials

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Merger update

Outlook and strategy

We are currently facing a challenging environment but Emirates NBD is very well positioned

- ❑ The current environment is presenting challenges in terms of liquidity, funding, profitability and asset quality
- ❑ While UAE GDP growth is expected to slow down to c.1.5% in 2009, the UAE economy and banking system remain relatively well placed
- ❑ The fundamentals of Emirates NBD's core business remains strong
- ❑ Emirates NBD is taking pro-active steps to ensure we are well positioned to navigate the current environment. We are focusing on strengthening the balance sheet, profitability and risk management enhancement
- ❑ Our long-term growth strategy remains in tact although has been modified to embrace new realities
- ❑ The success of the merger is even more pronounced in the current climate as the Bank is more resilient due to its scale and is seen as a stronger counterparty
- ❑ We are a consolidator of choice in the region and are well placed to take advantage of any attractive opportunities that may arise

We have defined 3 strategic imperatives to ensure we emerge as a winner in this environment

Strengthen balance sheet	<p>Cautious lending growth</p> <ul style="list-style-type: none">• Support growth of important Group relationships <p>Focus on funding</p> <ul style="list-style-type: none">• Renewed focus on key market segments (Private Banking / Affluent / SME)• Leverage distribution network• Continue to maintain and develop wholesale sources of medium to long term funding• Continued government action / support
Drive profitability	<p>Improve product/customer profitability</p> <ul style="list-style-type: none">• Re-price and maximize product yields• Increase fee based income <p>Improve overall cost position</p> <ul style="list-style-type: none">• Drive performance improvement program• Increase process efficiency• Migrate customers to lower cost channels
Enhance risk management	<ul style="list-style-type: none">• Implementation of Basel II IRB and AMA approaches• Advancement of Liquidity Risk Control and Management• Alignment and integration of Economic Capital and Stress testing Framework• Strengthen credit management and improve collection processes

Summary

- **Robust** performance by Emirates NBD for 2008, with reported profits of AED 3,681 million
 - The **core business continues to perform strongly in 2008** with core net profit up 49% from 2007
 - Proposed cash **dividend** of 20% and stock dividend of 10%
 - The **conversion of MOF deposits** to Tier 2 capital will strengthen capitalisation
- The **integration is fully on track**
 - 2008 full year **synergy targets were exceeded** by 90%
- The fundamentals of Emirates NBD's **core business remains strong**
 - Emirates NBD is taking pro-active steps to ensure we are **well positioned** to navigate the current environment
 - We are a **consolidator of choice** in the region and are well placed to take advantage of any attractive opportunities that may arise