# Emirates NBD

## Merrill Lynch MENA & Frontiers Conference Dubai

November 9 -11 2009

# Important Information

## Disclaimer

The material in this presentation is general background information about Emirates NBD's activities current at the date of the presentation. It is information given in summary form and does not purport to be complete. It is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor. These should be considered, with or without professional advice when deciding if an investment is appropriate.

The information contained herein has been prepared by Emirates NBD. Some of the information relied on by Emirates NBD is obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

## Forward Looking Statements

It is possible that this presentation could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Emirates NBD undertakes no obligation to revise or update any forward looking statement contained within this presentation, regardless of whether those statements are affected as a result of new information, future events or otherwise.

# Investment Highlights

**Emirates NBD Group is the largest bank in the UAE and the GCC**

- Diversified Business Model with Fully Fledged Financial Services Offering
- Leading Banking Group in the UAE and the GCC
- Strong Asset and Profit Growth over the Past 5 Years
- Solid Capitalization Tier 1 = 12.7%, Total CAR =19.9%
- 56% Dubai Government Ownership
- Historically Prudent Risk Management
- Experienced Management Team with Solid Track Record
- Dubai: Global Economic Hub with Strong UAE Federal Ties

# Contents

# UAE Economic Update

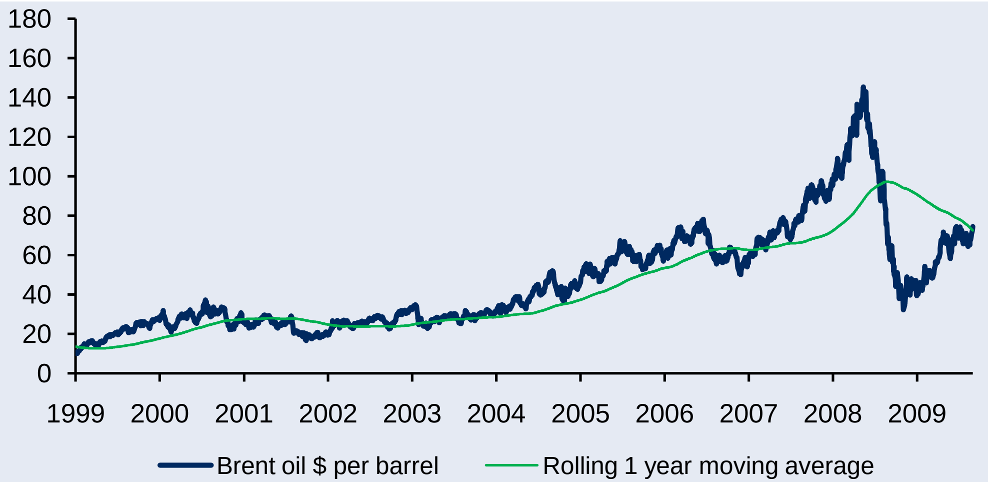
## Highlights

- UAE was impacted by external shocks including weaker oil prices, a credit squeeze, and declining world trade
- Now these channels are improving, with oil prices firmer, global credit more available and world trade improving.
- Locally, monetary policy also responded to the crisis, with rates being cut and liquidity provided
- UAE's accumulated surpluses over recent years enable it to engage in powerful counter-cyclical fiscal policies
- Correction provides potential to put growth back on a more sustainable long-term path

## Real GDP Growth Forecasts(1)

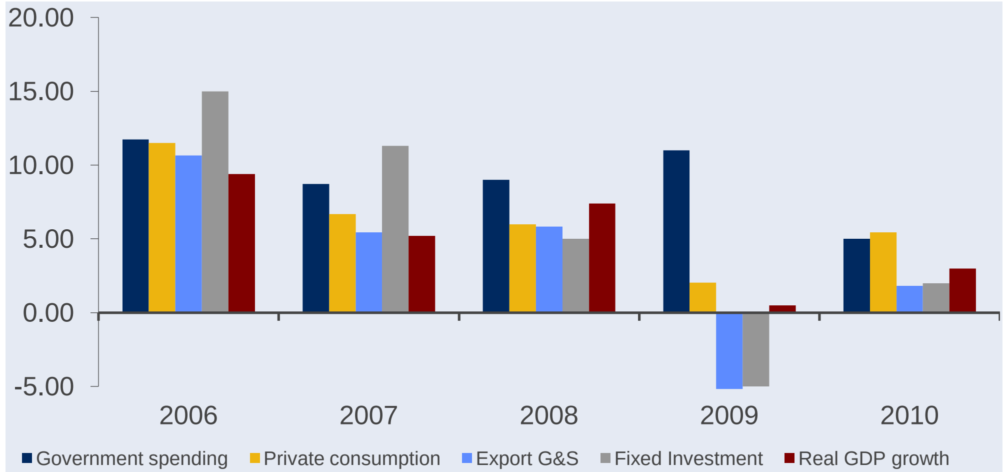
| | 2008 | 2009 | 2010 |
|---|---|---|---|
| **UAE** | **7.4%** | **0.0%** | **3.0%** |
| UK | 0.7% | (3.5%) | (0.3%) |
| Eurozone | 0.7% | (3.0%) | (0.2%) |
| Germany | 1.0% | (3.3%) | (0.2%) |
| US | 1.1% | (3.5%) | 1.4% |
| China | 9.0% | 5.7% | 7.6% |
| Japan | (0.7%) | (6.7%) | 0.8% |
| Singapore | 1.3% | (4.6%) | 2.2% |

## Promising Signs for Oil (USD)




*Source: Bloomberg*

## UAE Real GDP – YoY (%)(1)



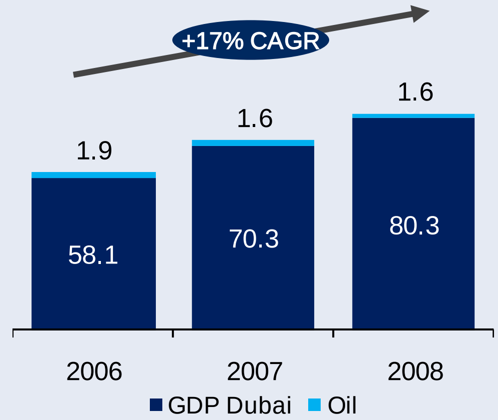

*1) Source: EIU, Emirates NBD forecasts*

# Dubai Economic Update

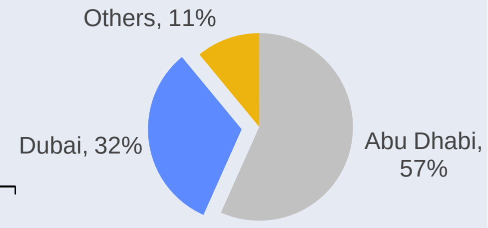
## Highlights

- Dubai is the 3rd largest centre for re-exports in the world which itself represents 44% of GDP
- Oil has played a progressively diminishing role in Dubai's economy as compared to other sectors
- Dubai's textbook model of diversification is being challenged, but is responding with strong assistance from the Federation
- Dubai is a strategically located international trading hub with some of the world's best air and sea ports serving over 205 destinations.
- Lower inflation, weaker USD and property market declines have enhanced Dubai's cost-competitiveness.
- Safe haven: attracting capitals and elites from neighbouring countries

## Dubai Nominal GDP (USD Billion)




Dubai constitutes almost 1/3rd of the UAE economy

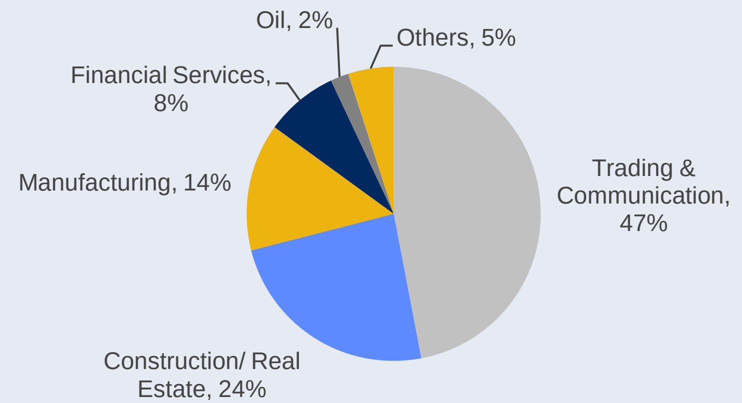



*Source: Dubai Statistics Centre*

## Dubai's Strategic Location

## Dubai 2008 GDP breakdown

100% = USD 81.9b



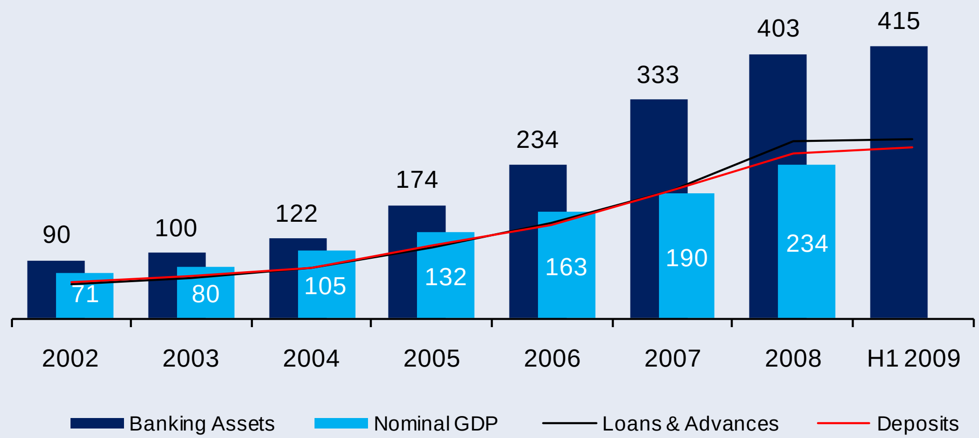

*Source: Dubai Statistics Centre*

# UAE Banking Market Update

## Highlights

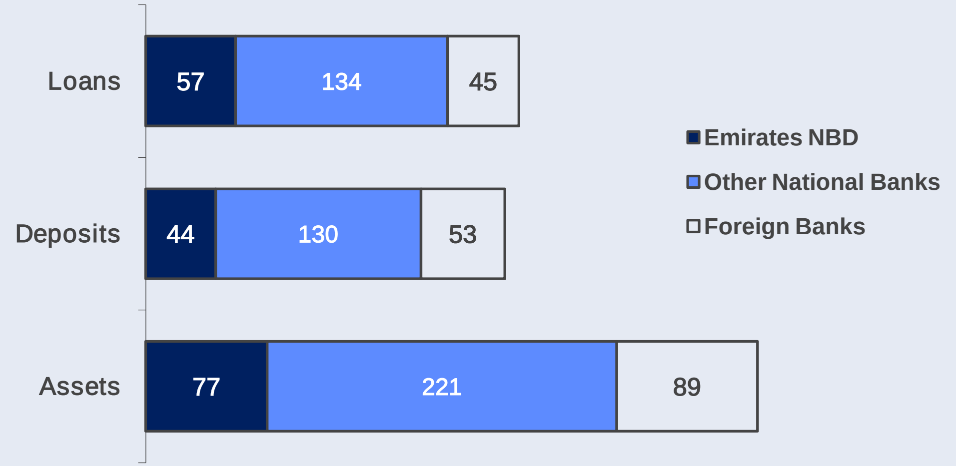
- UAE loan growth has outstripped deposit growth in recent years
- UAE Banking system liquidity tightened in Q3 2008 due to outflow of c. USD 50b of speculative capital & the Global credit/liquidity crisis following the Lehman's collapse
- Government intervention has been welcome:
  - USD 13.6b backstop facility from MOF
  - USD 19b set aside for direct injection into UAE banks; USD 13.6b deposited to date; option to convert to LT2 capital
  - Deposit & capital market guarantees announced
  - Abu Dhabi Government injected USD 4b of Tier 1 capital into the Abu Dhabi banks
  - Dubai Government injected USD 1.1b of Tier 1 capital into Emirates NBD
  - Government of Dubai announced a USD 20b bond program of which USD 10b was bought by the UAE Central Bank

## UAE Banking Sector Growth (USD billion)




*Source: Central Bank statistics, Emirates NBD forecasts and Bloomberg*

## Composition of UAE Banking Market (USD billion)




*Source: UAE Central Bank, 31 December 2008*

## GCC Banking Market

| Country | Banking assets (USD billion) | Assets/Nom. (GDP %) |
|---|---|---|
| UAE [1] | 403 | 172 |
| Saudi Arabia | 351 | 79 |
| Kuwait | 134 | 89 |
| Qatar | 111 | 124 |
| Bahrain[2] | 48.5 | 264 |
| Oman | 36 | 75 |

*1) Includes Foreign Banks*
*2) Excludes off-shore banking units*

*Source: National Central Banks, 31 December 2008 and Emirates NBD forecasts*

# Contents

# Emirates NBD – the leading banking group in the GCC

- Largest financial institution (by asset size) in the GCC and the UAE
- Flagship bank for Dubai and the UAE Governments
- 56% owned by Dubai government
- Consistently profitable; the No.1 bank in the UAE by income and net profits
- Fully fledged, diversified financial services offering
- Ever increasing presence in the UAE, the GCC and globally
- Well positioned to grow and deliver outstanding value to its shareholders, customers, and employees

# Emirates NBD at a glance

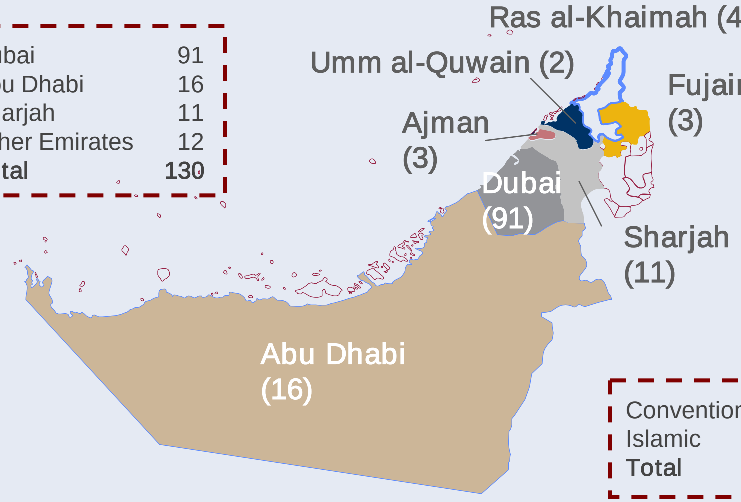
## Largest bank in the UAE

- **No.1 Market share** in UAE:
  - Assets c.19%; Loans c.21%
  - Deposits c.18%
- **No. 1 Retail market** shares (estimated):
  - Personal loans c.24%
  - Home loans c.9%
  - Auto loans c.12%
  - Credit cards c.10%
  - Debit cards c.18%
- **Fully fledged financial services offerings** across retail banking, wholesale banking, global markets & trading, investment banking, brokerage, asset management, merchant acquiring and cards processing

*Source: Central Bank statistics, Emirates NBD estimates*

## Largest Branch Network in the UAE

| | |
|---|---|
| Dubai | 91 |
| Abu Dhabi | 16 |
| Sharjah | 11 |
| Other Emirates | 12 |
| **Total** | **130** |



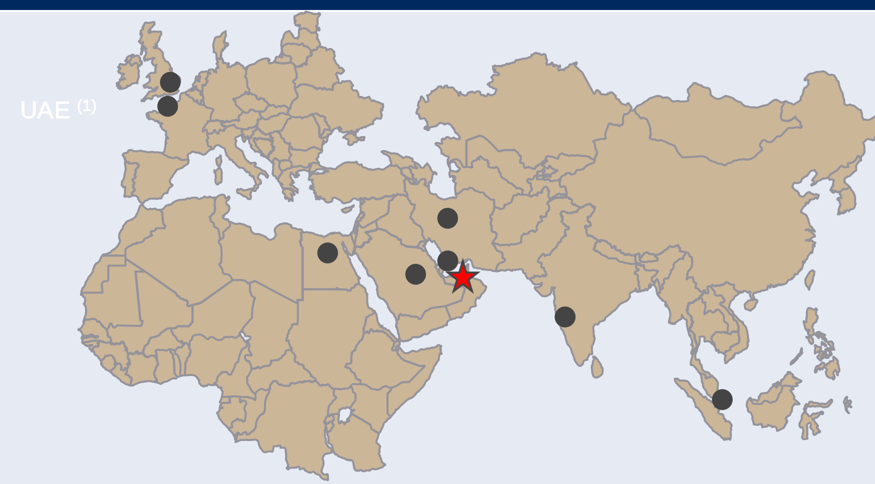

| | |
|---|---|
| Conventional | 99 |
| Islamic | 31 |
| **Total** | **130** |

## Credit Ratings

| | Emirates Bank | NBD |
|---|---|---|
| Moody's (1) | A1 / P-1 | A1 / P-1 |
| S&P (2) | A- / A-2 | A- / A-2 |
| Fitch (3) | A+ | n/a |
| Capital Intelligence | A+ | AA- |

1) *Moody's Long-term rating on review for possible downgrade*
2) *S&P Credit ratings on negative outlook*
3) *EBI' s Long term Issuer Default rating is AA-; NBD has not been rated by Fitch. Support rating for both EBI and NBD is '1'*

## International Presence



# Emirates NBD is the Largest Bank in the UAE and GCC by Assets

## UAE Ranking by Assets (USD billion)

| | |
|---|---|
| **Emirates NBD** | **76.8** |
| NBAD | 49.3 |
| ADCB | 42.1 |
| First Gulf Bank | 32.3 |
| Mashreq | 26.3 |
| DIB | 23.9 |
| UNB | 19.3 |
| ADIB | 15.8 |
| CBD | 9.9 |

## UAE Ranking by Equity (USD billion)

| | |
|---|---|
| **Emirates NBD** | **8.5**(1) |
| First Gulf Bank | 5.7 |
| ADCB | 5.4 |
| NBAD | 5.2 |
| Mashreq | 3.0 |
| DIB | 2.4 |
| UNB | 2.2 |
| ADIB | 1.5 |
| CBD | 1.4 |

## UAE Ranking by Profits (USD million)(2)

| | |
|---|---|
| **Emirates NBD** | **575** |
| NBAD | 457 |
| First Gulf Bank | 415 |
| Mashreq | 264 |
| DIB | 224 |
| ADCB | 179 |
| UNB | 157 |
| CBD | 137 |
| ADIB | 117 |

## GCC Ranking by Assets (USD billion)

| | |
|---|---|
| **Emirates NBD** | **76.8** |
| Nat. Comm. Bank | 68.5 |
| NBAD | 49.3 |
| SAMBA | 47.2 |
| Al Rajhi Bank | 46.1 |
| Riyad Bank | 46.1 |
| Nat. Bank of Kuwait | 42.1 |
| ADCB | 42.1 |
| Qatar National Bank | 40.4 |
| Kuwait Finance House | 37.6 |

## GCC Ranking by Equity (USD billion)

| | |
|---|---|
| **Emirates NBD** | **8.5**(1) |
| Al Rajhi Bank | 7.3 |
| Nat. Comm. Bank | 7.2 |
| Riyad Bank | 7.1 |
| First Gulf Bank | 5.7 |
| Nat. Bank of Kuwait | 5.6 |
| ADCB | 5.4 |
| SAMBA | 5.2 |
| NBAD | 5.2 |
| Qatar National Bank | 4.9 |

## GCC Ranking by Profits (USD million) (2)

| | |
|---|---|
| Al Rajhi Bank | 934 |
| SAMBA | 671 |
| Nat. Comm. Bank | 606 |
| **Emirates NBD** | **575** |
| Qatar National Bank | 558 |
| NBAD | 457 |
| Nat. Bank of Kuwait | 435 |
| First Gulf Bank | 415 |
| Arab National Bank | 384 |
| Saudi British Bank | 383 |

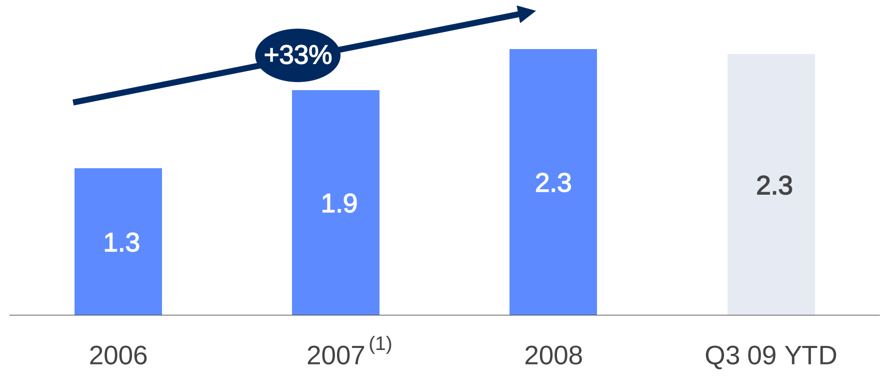
U A E KSA Kuwait Qatar Bahrain

*1) Emirates NBD's Tangible Shareholder's Equity is USD 6.8b*
*2) Profits - half year ended 30th June 2009*
*Source: Bank Financial Statements, 30th June 2009*

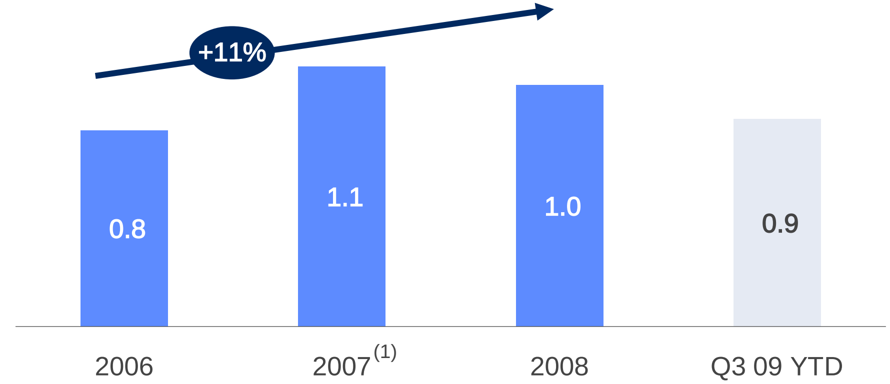
# Contents

# Profit and Balance Sheet Growth in Recent Years

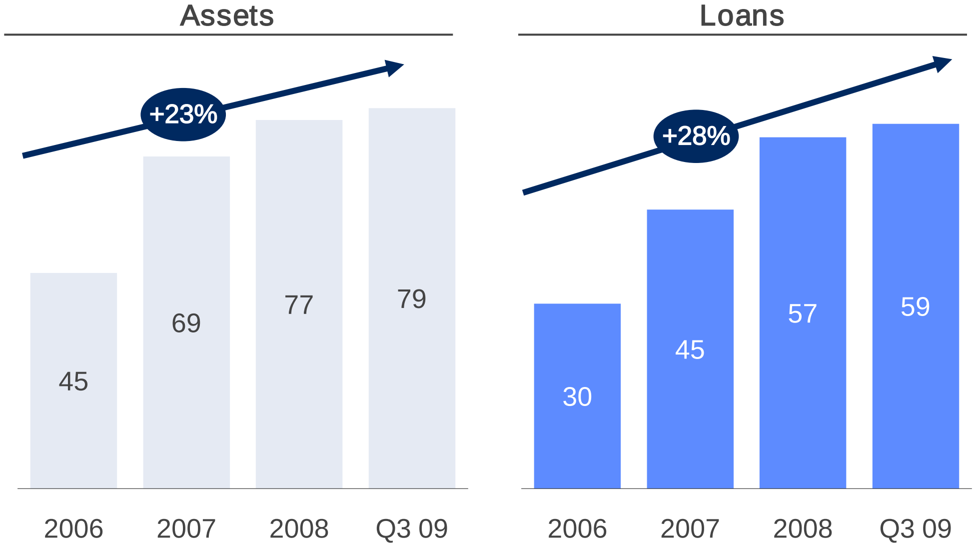
## Revenues (USD billion)



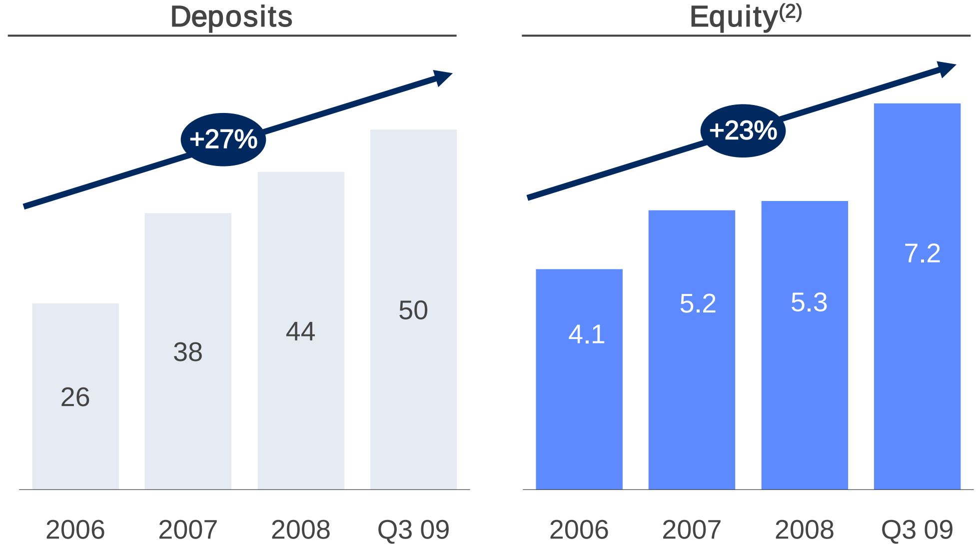

## Net Profits (USD billion)




## Assets and Loans (USD billion)




## Deposits and Equity (USD billion)




*1) The comparative results for 2007 were prepared on a pro forma basis, which assumed that the merger occurred on 1 January 2007*
*2) Equity for 2007, 2008 and H1 2009 is Tangible Shareholder's Equity which excludes Goodwill and Intangibles*
*Note: Prior Year 2006 is the aggregation of Emirates Bank International and NBD; Year 2007 & 2008 excludes amortization of intangibles*
*Source: Financial Statements, Aggregation of Emirates Bank International and NBD results*

# 2008 and Q3 2009 YTD Financial Results

## 2008 Financial Results Highlights

- Full Year 2008 Net Profit down 7% from 2007
- Cash dividend of 20% and stock dividend of 10%
- Financial performance impacted by mark to market & impairments on investment and other securities of USD 615m
- Core business continued to perform strongly despite a more challenging environment in Q3 & Q4 2008
- 2008 Core net profit reached USD 1.6b, up 49% from 2007
- Core cost to income ratio improved during the year, esp. during the 2nd half as cost measures implemented & synergies realised

## Q3 2009 YTD Financial Results Highlights

- Operating Profit before impairment allowances of USD 1,528m; +36% from Q3 2008 YTD of USD 1,127m
- Q3 2009 YTD Net Profit of USD 862m; -14% from Q3 2008 YTD of USD 998m
- Improvement of equity & bond markets resulted in positive impact from mark to market valuations during 2009 to date of USD 75m
- Q3 2009 YTD operating costs of USD 726m; +6% from Q3 2008 YTD of USD 687m
- Credit Impairment allowance of USD 575m, reflecting expected increase in NPL ratio to 1.88% (FY 2008: 0.95%; Q2 2009: 1.56%) and additional portfolio impairment allowances in Q3 2009 YTD of USD 261m

## Key Performance Indicators

| USD million | 2008 | Change vs. 2007 | Q3 2009 YTD | Change vs. Q3 2008 YTD |
|---|---|---|---|---|
| Net Interest Income | 1,589 | +43% | 1,494 | +33% |
| Fee & Other Income | 1,051 | +37% | 613 | -25% |
| Investment & CDS MTM | (340) | -694% | 147 | n/a |
| **Total income** | **2,300** | **+19%** | **2,254** | **+24%** |
| Operating expenses | (914) | +23% | (726) | +6% |
| **Operating profit before impairment allowances** | **1,386** | **+16%** | **1,528** | **+36%** |
| Impairment allowances: | (450) | +125% | (647) | +193% |
| *Credit* | (175) | *+36%* | *(575)* | *+682%* |
| *Investments* | (275) | *+283%* | (72) | *-51%* |
| **Operating profit** | **936** | **-6%** | **881** | **-3%** |
| Amortization of intangibles | (26) | +17% | (18) | +15% |
| Associates | 92 | -10% | (1) | -101% |
| **Net profit** | **1,002** | **-7%** | **862** | **-14%** |

| | | | | |
|---|---|---|---|---|
| Cost: income ratio (%) | 39.7% | +1.5% | 32.2% | -5.7% |
| Net interest margin (%) | 2.01% | +0.12% | 2.55% | +0.59% |
| EPS (USD) | 0.20 | -7% | 0.16 | -14% |
| Return on average shareholders' equity (%) | 19.1% | -6% | 18.4% | -6% |

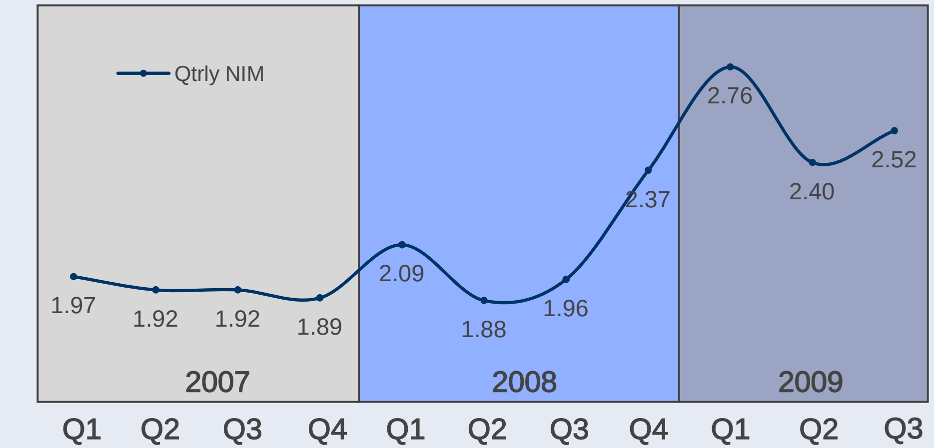
| USD billion | As at 31 Dec. 2008 | Change vs. 31 Dec. 2007 | As at 30 Sep. 2009 | Change vs. 31 Dec. 2008 |
|---|---|---|---|---|
| Total assets | 76.9 | +11% | 79.3 | +3% |
| Loans | 56.9 | +26% | 59.1 | +4% |
| Deposits | 44.2 | +15% | 50.0 | +13% |
| Capital Adequacy Ratio (%) | 11.4% | -1.7% | 19.9% | +8.5% |

# Net Interest Margins

## Highlights

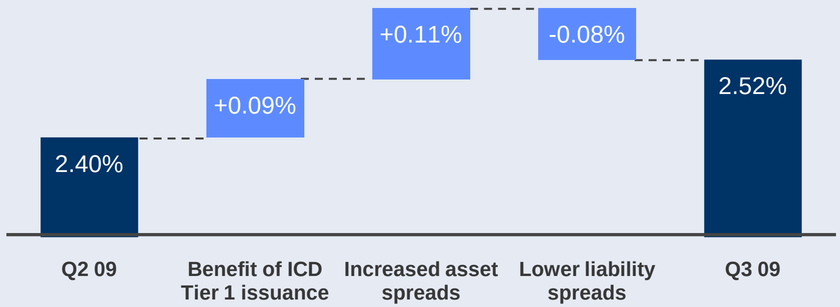
- Q3 2009 YTD Net Interest Margin (NIM) of 2.55%
  - up 59 bps from 1.96% in Q3 2008 YTD driven by re-pricing of assets and benefits of balance sheet management
  - down 3 bps compared to NIM of 2.58% in H1 2009
- Q3 2009 NIM of 2.52%
  - up 56 bps from 1.96% in Q3 2008
  - up 12 bps from 2.40% in Q2 2009
- Increase in Q3 2009 NIM from Q2 2009 driven by:
  - benefit of USD 1.1bn Tier 1 securities issued to ICD whose funding cost is accounted for against comprehensive income and is not included in the NIM calculation
  - assets spreads have increased as re-pricing is gradual in relation to reduced Eibor; partly offset by
  - lower liability spreads due to continued pressure on cost of deposits
- NIM is expected to reduce further towards the end of the year to c.2.2-2.3%:
  - impact of reduced Eibor/Libor differential is expected to reduce asset spreads
  - continued pressure on cost of funding
  - lower Eibor rate reduces benefit of interest-free and low-interest bearing funds

## Net Interest Margin Trends




*Note: Net interest margin calculated based on annualised quarterly net interest income divided by Average Total Assets (ATA)*

## Net Interest Margin Drivers (%)

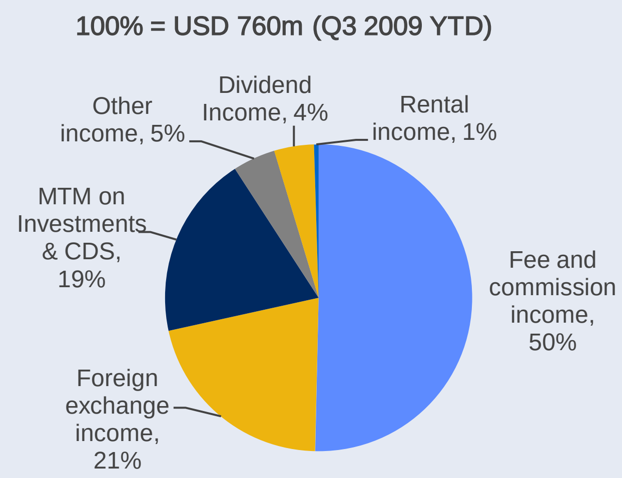


# Non-interest Income

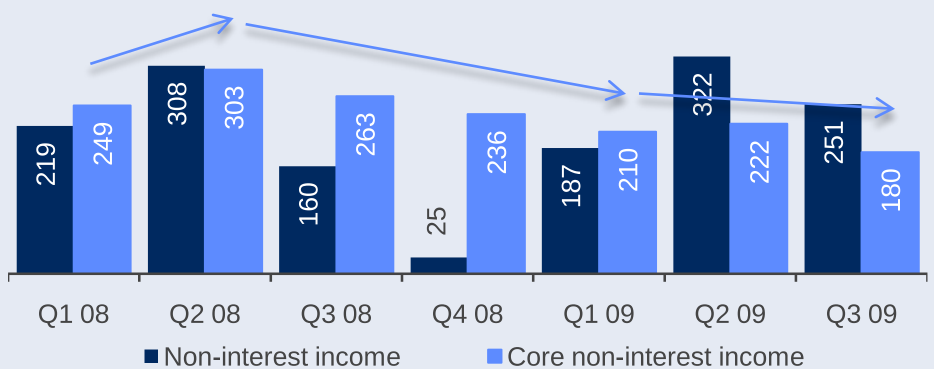
## Highlights

- Non-interest income impacted in 2008 and Q1 2009 by decline in global asset valuations and mark to markets on investment and other securities
- Q2 2009 and Q3 2009 witnessed improved financial asset valuations and partial reversal of the negative mark to markets
- Non-interest income is derived from a diverse range of activities:
  - foreign exchange
  - interest rates
  - trade finance activities
  - transaction and arrangement fees
  - merchant acquiring
  - card processing
  - brokerage
  - asset management
  - rentals
  - dividends
- Core non-interest income, excluding the impact of mark to market valuations:
  - declined during 2009 YTD due primarily to lower new underwriting and trade finance activity
  - stabilizing at c.25-30% below the peak of Q2 2008

## Composition of Non-interest Income (%)




## Non-interest Income Trends (USD million)



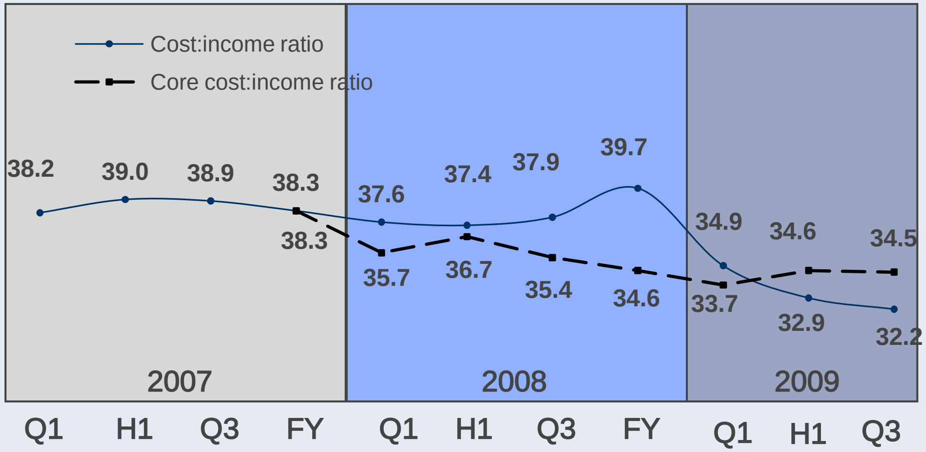

*Note: Core Non-interest income excludes impact of MTM on investments and other securities in 2008 and 2009*

# Operating Costs and Efficiency

## Highlights

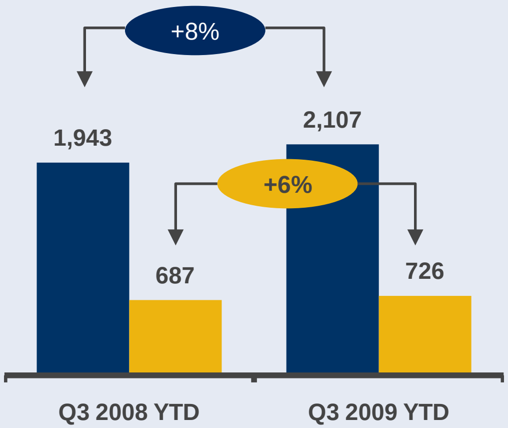
- The cost to income ratio declined by 5.7% from 37.9% in Q3 2008 YTD to 32.2% in Q3 2009 YTD
- The core cost to income ratio declined by 0.9% from 35.4% in Q3 2008 YTD to 34.5% in Q3 2009 YTD
- The Group has continued to invest in technology, infrastructure and governance whilst optimising its variable cost base on existing businesses
- Emirates NBD continues to expand its branch network and business capability in Abu Dhabi and is investing in Private Banking and SME businesses
- Emirates NBD is continuing to target a mid-30s core business cost to income ratio for FY 2009

## Cost to Income Ratio Trends



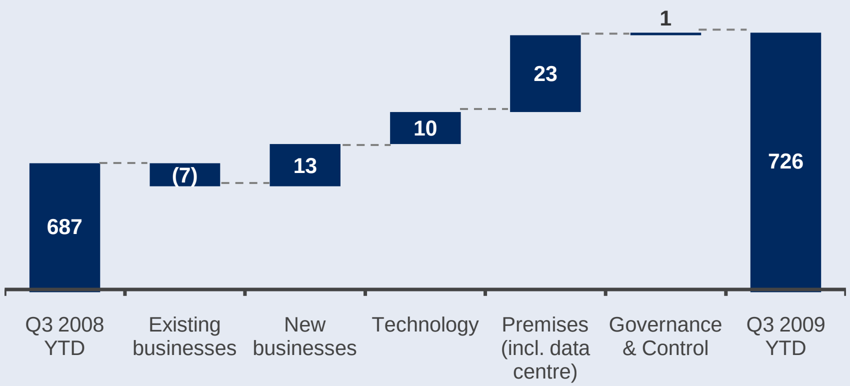

*Note: Cost to income ratios are presented on a year-to-date basis; Core cost to income ratio excludes impact of MTM on investments and other securities in 2008 and 2009*

## Income vs. Cost Growth (USD million)




*Note: Income is presented excluding MTM/Impairments on Investments/CDS*

## Operating Cost Drivers (USD million)



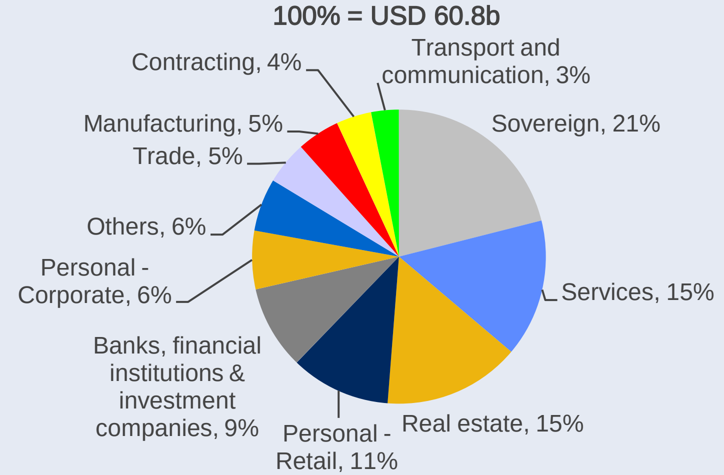
# Asset Quality

## Loans and Receivables and Islamic Financing

### Highlights

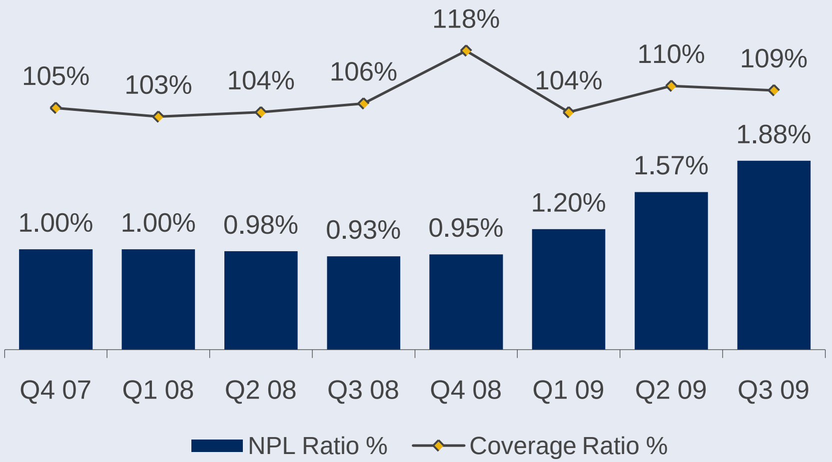
- Loan portfolio is balanced and well secured
- Credit quality remains robust across the Bank's corporate and retail portfolios
- Prudently provided for the Bank's exposure to Al Gosaibi and Saad Groups
- Increase in delinquencies and NPLs is within expectations
- NPL ratio, excluding impaired investment securities, increased to 1.88% in Q3 2009 from 1.56% reported in H1 2009
- Added USD 62m to portfolio impairment provisions in Q3 2009 as a measure of prudence (Q3 2009 YTD: USD 261m)

### Loan Portfolio by Sector – Q3 2009



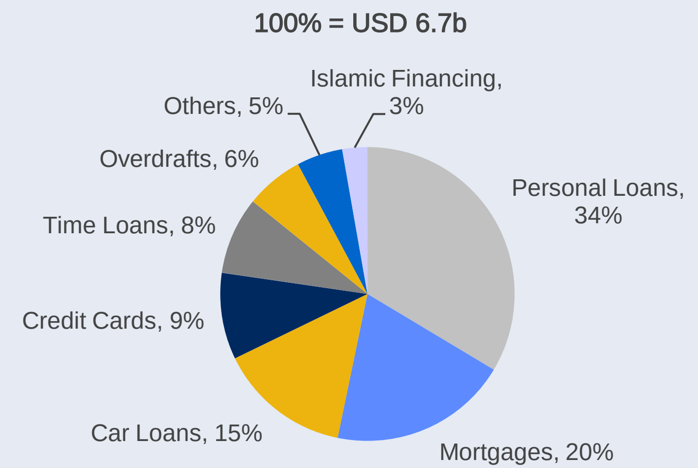

*Note: Loans and advances before provisions*

### NPL and Coverage Ratios




*Note: NPL and Coverage ratios for 2008 & 2009 exclude investment securities classified as loans & receivables*

### Retail Loan Portfolio by Type– Q3 2009



# Asset Quality

## Real Estate Exposure

**Wholesale Bank**

- Exposures to Real Estate and Contracting Sector is 15.9% and 3.7% of the corporate portfolio respectively
- Emirates NBD is very selective in financing real estate sector. Extent of finance is generally limited to:
  - 70% of construction cost excluding land or 60% of cost including land (land valued at lower of cost or market value)
  - 60% of purchase price for completed properties
- Exposure is mainly to top tier names with diversified business interests and multiple sources of repayment
- Financing now restricted to Emirates of Dubai & Abu Dhabi.
- Repayment experience is satisfactory
- Approximately 63% of the portfolio has a repayment maturity of < 3 years
- Careful monitoring of the Real Estate, Contracting and related sector exposures given economic slow down

**Consumer Bank**

- Mortgage portfolio is relatively small; USD 1.3b as both EBI and NBD are recent entrants into the mortgage market
- Mortgage finance offered across a select range of premium developers, including Dubai Properties, Emaar, Nakheel, Aldar and Sorouh
- Emaar, Dubai Properties & Nakheel account for 76% of the mortgages financed by ENBD
- Villas account for approximately 43% of the portfolio; Completed properties account for 78% of the portfolio
- Average LTV is 75% on original value
- More than 75% of the customers have only one mortgage loan from ENBD
- Lending criteria are revisited regularly to ensure that the quality of the loan portfolio remains good
- Mortgages portfolio performance is good: Focus on high income customer segments, 90% of portfolio comprises of customers with income > USD 7,000 per month

# Asset Quality

## Investments & Trading Securities

### Highlights

- Write-downs and impairments reflected a market-wide downturn in 2008
- Relative stabilisation and improvement of equity and bond markets in Q3 2009 YTD resulted in positive net impact of mark to markets and impairments on investment securities
- Underlying quality of investment portfolio remains good and some losses on fixed income securities will reverse if held to maturity and no credit event occurs
- Exposure to sub-prime and related exposures (e.g. RMBS, CMBS, CDOs, CLOs) are minimal.
- Portfolio is being monitored and managed closely by senior management committee to reduce exposure where opportunities arise or where future distress in anticipated

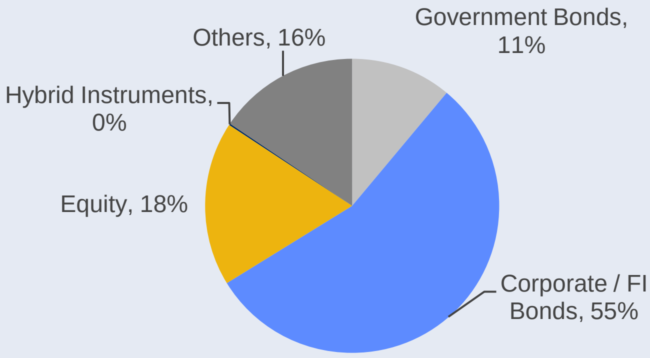
### 2008 and Q3 2009 YTD MTM Impact

| USD million | Total Balance | P&L impact | | Cum. changes in FV |
|---|---|---|---|---|
| | | Income | Impairm. | |
| Investment Securities | 4,676 | 5 | (38) | 161 |
| Trading Securities | 91 | 51 | - | - |
| **Subtotal** | **4,767** | **56** | **(38)** | **161** |
| Investment Securities in L&R | 595 | - | (34) | - |
| **Q3 2009 YTD** | **5,361** | **56** | **(72)** | **161** |
| **FY 2008** | **5,993** | **(216)** | **(275)** | **(493)** |

### Composition of Investment Securities: Q3 2009

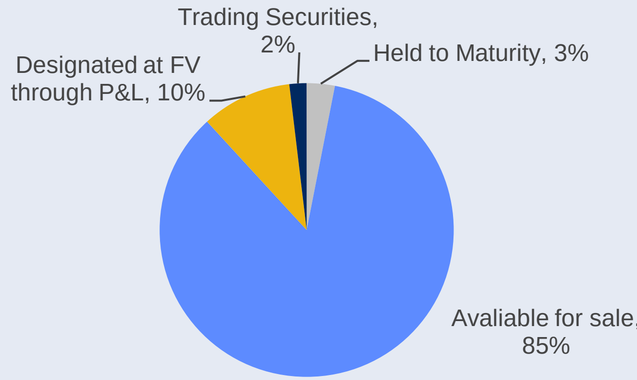
**By Type**

**100% = USD 4.8b**



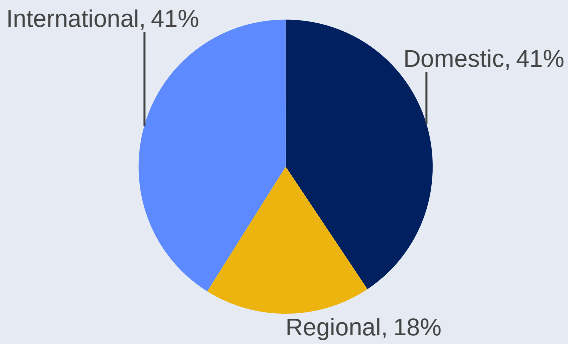

**By Category**

**100% = USD 4.8b**




**By Geography**

**100% = USD 4.8b**



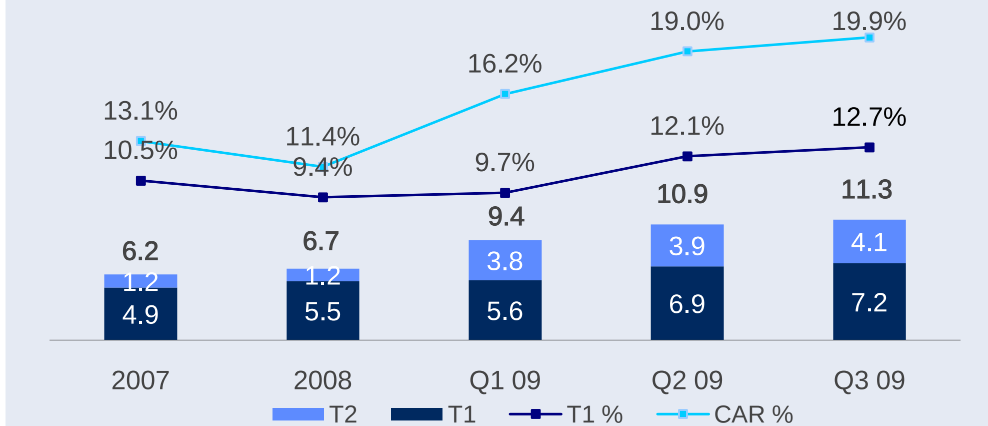

*Note: Excludes investment securities in L&R of USD 0.6b*

# Capital Adequacy

## Highlights

- Capital adequacy ratio at 19.9% in Q3 2009 (FY 2008: 11.4%; Q2 2009: 19.0%)
- Tier 1 capital increased from 9.4% at end-2008 to 12.7% at Q3 2009 principally due to:
  - profit generation for the period exceeding FY 2008 dividend payment by USD 587m
  - issuance of USD 1.1b Tier 1 perpetual securities in Q2 2009 to Investment Corporation of Dubai
- Tier 2 capital increased by USD 2.9b in Q3 2009 YTD mainly due to conversion of MOF deposits into LT2 capital (USD 2.9b of the USD 3.4b qualifies as T2 capital as at 30.09.09)
- Risk Weighted Assets (RWAs) fell by 4% from FY 2008 due to continued focus on RWAs by management

## Capital Ratios (USD billion)




*Note: Core Tier 1 ratio was 10.8% as at end-Q3 2009 compared to 9.4% at end-2008*

## Capital Movement Schedule

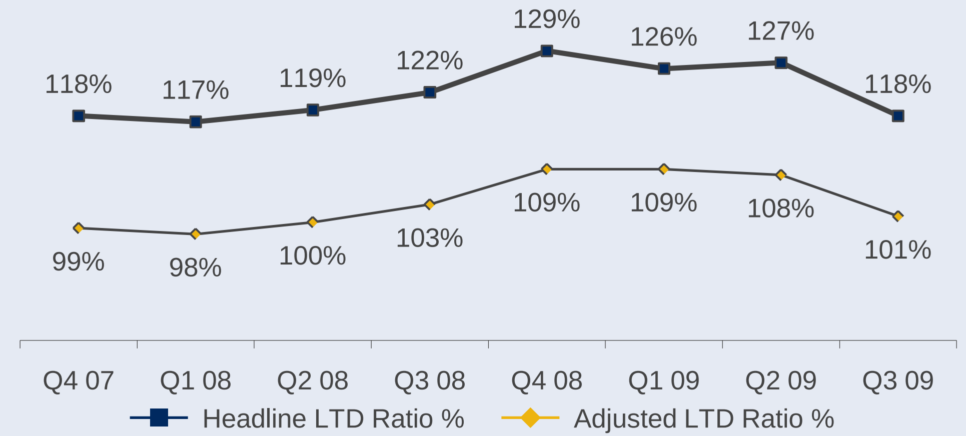
| FY 2008 to Q3 2009 (USD million) | Tier 1 | Tier 2 | Total |
|---|---|---|---|
| Capital as at 31.12.08 | 5,550 | 1,186 | 6,735 |
| Net profits generated | 862 | - | 862 |
| FY 2008 dividend paid | (275) | - | (275) |
| Conversion of MOF deposits | - | 2,926 | 2,926 |
| Issuance of T1 securities | 1,089 | - | 1,089 |
| Cumulative changes in FV | - | 130 | 130 |
| Redemption of T2 securities | - | (130) | (130) |
| Other | - | - | (1) |
| **Capital as at 30.09.09** | **7,226** | **4,112** | **11,338** |
| **USD billion** | **Q2 09** | **FY 08** | **Diff %** |
| Risk Weighted Assets | 56.9 | 59.2 | -3.8% |

# Funding and Liquidity

## Highlights

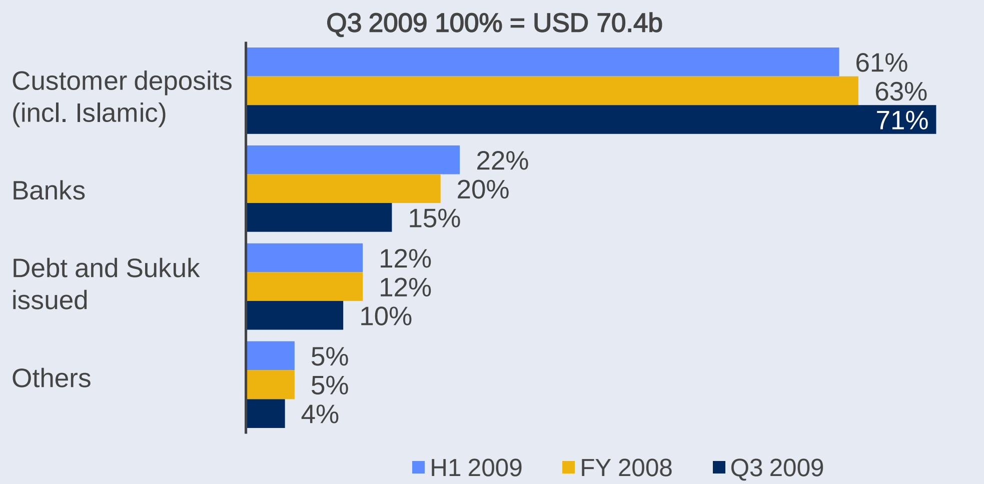
- Liquidity in the UAE Banking system improved in 2009 YTD, helped by various Federal Government initiatives, including an additional Ministry of Finance (MOF) deposit in Q3 2009
- Funding remains stable and deposit mobilisation initiatives proving successful
- Continue to access stable interbank lines and source bilateral deposits at attractive pricing
- ECP and MTN markets opening up; continue to monitor markets for potential issuance opportunities
- Liquidity backstop facilities of over USD 5b unused
- Term debt maturity profile is well within our funding capacity; repaid scheduled USD 1b in Q3 2009 YTD

## Loan to Deposit Ratios (%)

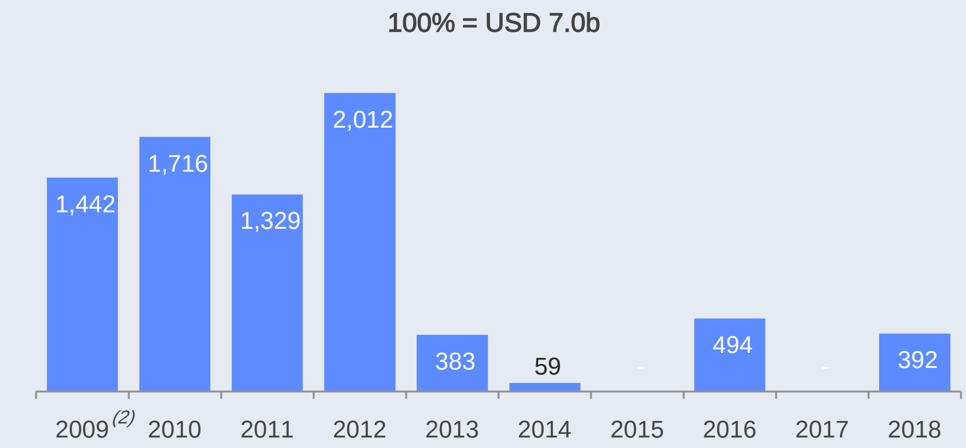



*Note: Adjusted LTD ratio includes Debt Issued and Other Borrowed Funds, Sukuk Payable and Tier 1 Capital Notes in the denominator*

## Composition of Liabilities – Q3 2009 (%)




## Maturity Profile: Debt Issued[1] (USD million)

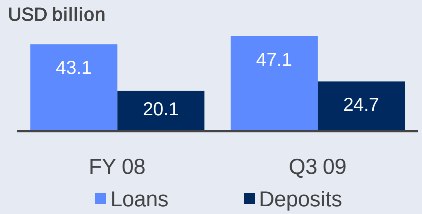


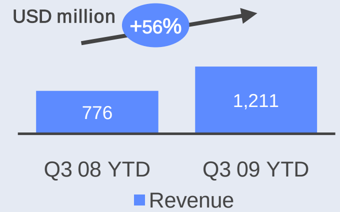

*1) Debt Issued includes EMTNs of USD 5.5b and syndicated borrowings from banks of USD 1.5b*
*2) For 2009, USD 1,442m represents remaining maturities for Q4 2009*

# Divisional Performance

## Wholesale Banking

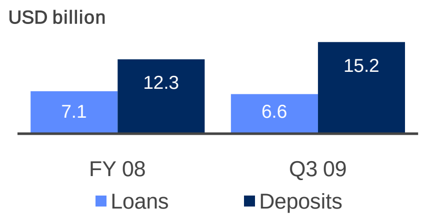
- Wholesale banking recorded a successful 9 months
- Key focus during the period was on balance sheet optimisation, continued proactive management of credit quality, building non-risk based and fee generating businesses
- Revenue grew 56% year-on-year due primarily to active asset re-pricing
- Loans grew 9% from end-2008; deposits grew 23% from end-2008

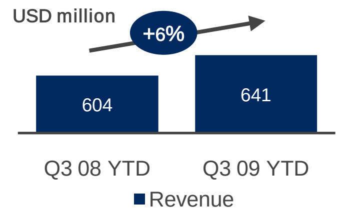



## Consumer Banking & Wealth Management

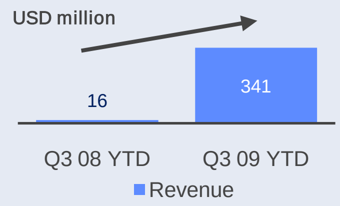
- CWM continues to expand and build on distribution reach with distribution network strengthened to 99 branches and ATM & SDM network now at 578
- Private Banking business launched during the year; now over 50 RMs
- Revenue grew 6% year-on-year
- Loans declined by 7% from end-2008; deposits grew 23% from end-2008



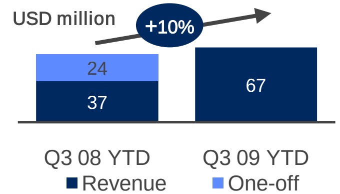

## Global Markets & Treasury

- Continuing improvement in global market conditions resulted in a strong performance in Q3 2009.
- Revenues Q3 2009 YTD were USD 341m compared with USD 16m in the comparable period in 2008, the better performance resulting from a recovery in the equity markets and tightening of credit spreads, along with higher demand for local securities and increasing opportunities in trading



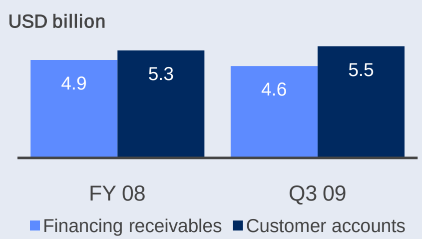

## Network International

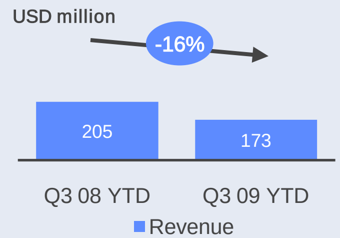
- 10% increase in revenue versus Q3 2009 YTD due to 25% increase in processing revenues and 2% growth in acquiring revenues
- Network Processing Company (NPC) in Egypt was profitable in its first year of operation
- Serves over 10,000 merchants and 47 banks and financial institutions in the region




## Emirates Islamic Bank

- Key focus during Q3 2009 YTD was on balance sheet optimisation and increased caution on new underwriting
- EIB revenue declined by 16% in Q3 2009 YTD (net of customers' share of profit) year-on-year
- Financing receivables declined by 6% to USD 4.6b from end-2008; customer accounts grew 4% to USD 5.5b from end-2008
- 5 new branches in Q3 2009 YTD taking the total to 31



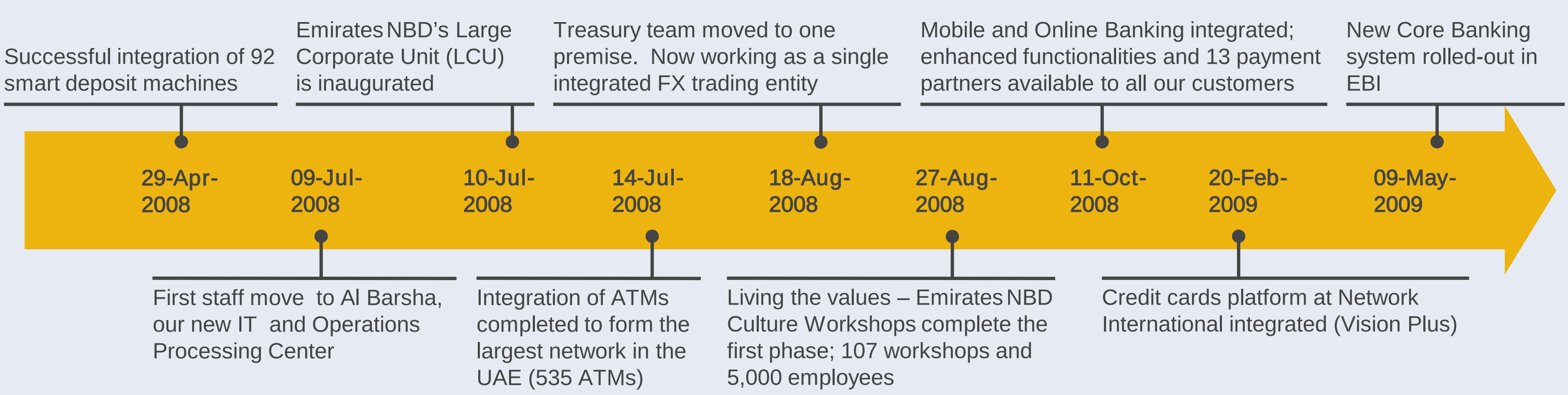



# Contents

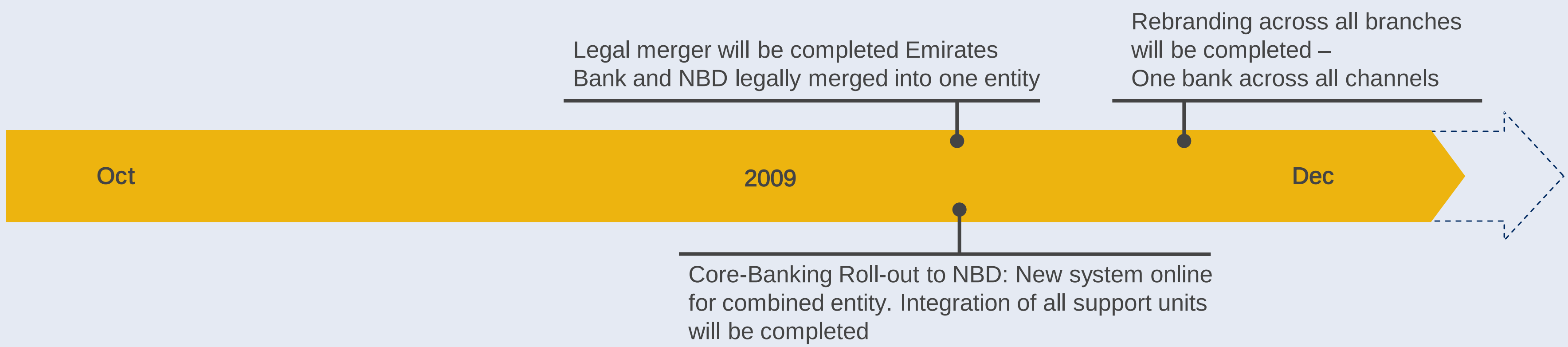
# Merger Update

Integration fully on track

*We have achieved major milestones during the last year*




*Integration milestones going forward*



# Merger Update

## Exceeded 2009 full year targets

### Target Synergies

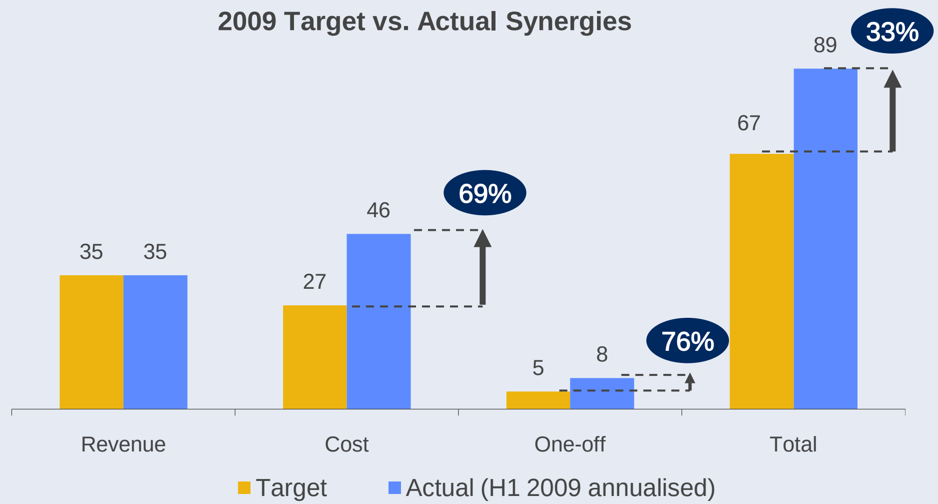
- USD 94m of recurring annual synergies by the third year post merger, plus USD 7m of one-off synergies totaling USD 101m
- The recurring synergies below will be delivered 33% in year 1 (2008), 66% in year 2 (2009) and fully by 2010

| USD million | Synergies | | | % of Smaller Base(1) | | % of Combined Base(1) |
|---|---|---|---|---|---|---|
| | 2008 | 2009 | 2010 | Actual | Benchmark | Actual |
| Revenue | 18 | 35 | 53 | 10.5% | 5-10% | 4.1% |
| Costs | 14 | 27 | 41 | 22.2% | 14-26% | 8.3% |
| One-Off | 2 | 5 | 7 | | | |
| **Total** | **34** | **67** | **101** | | | |

*1) 2010 Synergy base used when computing synergy targets were 2006 financials, smaller base was NBD and combined was aggregated EBI and NBD*

### Actual H1 2009 Synergies (USD million)

- Achieved synergies of USD 89m – ahead of 2009 full year target by 33%




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

### Key Drivers of Revenue Synergies

- **Revenue synergies** for 2008 and H1 2009:
  - Largest distribution network of 130 branches & 677 ATMs and SDMs
  - Focus on cross selling– e.g. mortgages > USD 27m loans
  - Enhanced market share/pricing advantages – e.g. FDs
  - Embedded Customer efficiency framework – e.g. Tafawouq has tripled branch sales in Umm Suqeim & DCC
  - Increased corporate pricing power from enhanced scale

### Key Drivers of Cost and One-off Synergies

- **Cost synergies** for 2008 and H1 2009:
  - Single Head-office in place
  - Created efficiencies through unified business models
  - Combined marketing & advertisement activities
  - Staff efficiencies across all businesses
- **One-off synergies** for 2008 and H1 2009:
  - Projects & initiatives discontinued due to merger, namely Islamic banking set up previously planned in NBD
  - Initiatives conducted in one group as opposed to the separate banks; e.g. Basel 2 regulatory requirements

# Contents

# Strategic Imperatives

| | Objectives | Evidence of success in Q3 2009 YTD |
|---|---|---|
| **Optimise Balance Sheet** | ▪ **Prudent lending growth**<br>– Support growth of important Group relationships in line with targeted asset/deposit ratios<br>▪ **Focus on funding**<br>– Renewed focus on key market segments<br>– Leverage distribution network<br>– Continue to maintain and develop wholesale sources of medium to long term funding<br>– Continued government action / support | ▪ **Capital Adequacy Ratio** strengthened to 19.9% from 11.4% at end-2008<br>▪ **Tier 1** increased to 12.7% from 9.4% at end-2008<br>▪ **Risk Weighted Assets** declined by 4% from end-2008 compared to 4% growth in loans<br>▪ **Customer deposits** grew by 13% from end-2008 compared to 4% growth in loans, improving the LTD ratio to 118% and adjusted LTD ratio to 101% |
| **Drive Profitability** | ▪ **Improve product/customer profitability**<br>– Re-price and maximize product yields<br>– Increase fee based income<br>▪ **Improve overall cost position**<br>– Drive performance improvement program<br>– Increase process efficiency<br>– Migrate customers to lower cost channels | ▪ **Net interest margin** improved to 2.55% for Q3 2009 YTD from 2.01% in FY 2008 due to re-pricing of assets and benefits of balance sheet management<br>▪ **Core cost to income ratio** of 34.5% for Q3 2009 YTD; stable vs. 34.6% for FY 2008 and remains within target range of 35%<br>▪ Q3 2009 YTD **ROA** of 1.47% vs. 1.37% for FY 2008<br>▪ Q3 2009 YTD **ROE** of 18.4% vs. 19.1% for FY 2008 |
| **Enhance Risk Management** | ▪ Implementation of Basel II IRB approach<br>▪ Advancement of Liquidity Risk Control and Management<br>▪ Alignment and integration of Economic Capital and Stress testing Framework<br>▪ Strengthen credit management and improve collection processes | ▪ **Credit metrics** remain robust and within expectations<br>▪ **NPL ratio** (excluding impaired investment securities) increased to 1.88% from 1.56% in Q2 2009 and 0.95% at end-2008<br>▪ **Coverage ratio** remains conservative at 109% |

# Emerging Stronger from the Crisis

Emirates NBD

| | |
|---|---|
| **Governance** | ▪ Strengthened senior management team structure<br>▪ Investor communication / disclosures<br>▪ Enhanced risk management and controls |
| **Products & Services** | ▪ Enhanced trade finance & cash management offering in WB<br>▪ Leverage asset management, investment banking, insurance & treasury capabilities in WM and CWM<br>▪ Enhanced Private Banking product scope<br>▪ Roll-out of new branch concept<br>▪ Sales transformation program |
| **Segments & Customers** | ▪ Private Banking: Doubled number of RMs in UAE to over 50<br>▪ Priority Banking: New RM concept being rolled out<br>▪ SME Banking: New SME center concept being rolled out and doubled number of RMs in UAE<br>▪ Financial Institutions / DCM |
| **Markets & Regions** | ▪ Organic expansion internationally (e.g. KSA)<br>▪ Inorganic expansion<br>▪ Branch expansion in underrepresented areas (e.g. Abu Dhabi) |
| **Business Infrastructure** | ▪ Significant recent investment in IT and Operations infrastructure (Finacle, Oracle ERP, Calypso & KTP, CRM system, Al Barsha IT and Operations Centre)<br>▪ Provide state of the art, scalable platforms for further growth and improved efficiency & customer service |

# Emirates NBD Investment in IT systems

Over USD 60m invested during 2008 and 2009 in state of the art applications

| | | |
|---|---|---|
| 1 Finacle | USD 44 million investment<br>Go live date: May 2009 | ▪ New core banking platform for EBI went live in May 2009 and implementation for NBD expected in November 2009<br>▪ Finacle provides reduced complexity of processes, enhanced operational controls, easy of product design in a single, scalable Group platform |
| 2 FinnOne | USD 5 million investment<br>Go live date: October 2009 | ▪ The retail loan portfolio was fully integrated, for the combined entity, in FinnOne in October 2009, although FinnOne for EBI was live since 2007.<br>▪ FinnOne enables better servicing of loans as well as increasing the ability to introduce common products across the spectrum |
| 3 Oracle ERP | USD 5 million investment<br>Go live date: October 2009 | ▪ Emirates NBD Oracle ERP environment went live in October 2009, for the combined entity, whereas, for EBI it was already live in April 2009.<br>▪ Oracle ERP environment provides a Group-wide, scalable, integrated General Ledger, Financial Control, purchasing and property management solution |
| 4 Calypso & KTP | USD 5 million investment<br>Go live date: November 2009 | ▪ New Treasury applications to go live in November 2009<br>▪ Calypso allows more robust operational controls, more efficient operations and quicker time to market products |
| 5 Call Centre CRM | USD 2 million investment<br>Go live date: October 2009 | ▪ CRM system has been successfully launched in October 2009, providing improved services to our customers and more efficient resolution of queries and complaints |

# Al Barsha Centre

## Specifications and Features

- Al Barsha center
  - Commenced in December 2005
  - Completed: in June 2008
  - Investment of c. USD 25 million
- Built up area of c.320,000 sq ft
  - 3 floors + 3 basement levels
  - Capacity to seat c.1000 personnel
- Incorporates key ‘green building’ features in line with Dubai’s Environmental aspirations
  - Natural illumination through the atrium
  - Intelligent lighting
  - Frosted glass to reduce solar heat gain

## Units Housed

- Operations processing unit
  - Remittances
  - Treasury
  - Account opening
  - Payroll processing
  - PDC
  - Customer care unit
- State-of-the-art data centre which is one of the largest in the MENA region
- Support functions
  - IT
  - Administration
- Emirates Bank branch

---

- **Centralized, state of the art ‘one stop shop’ for the Bank’s entire operating platform**
- **Leading edge technologies that strengthen Emirates NBD’s capabilities as well as provide a competitive advantage**
- **Highly scalable processing capabilities to enable growth**
- **Creates an environment that motivates people and fosters capability building**

# Data Centre

**Highlights**

- Investment of c. USD 15 million
- Designed as a "lights out" data center
- High availability design
  - Built –in Redundancy
  - Availability of more than 99.98%
- Adhering to the TIA 942 Tier 3 standards
- Hosts an array of state-of-the-art technologies
  - Computing infrastructure
    - IBM P Series P595
    - Sun Microsystems M9000
    - EMC's DMC-4 Data Storage system
  - Robotic tape backup system

**Going Forward**

- The benchmark for technology in the MENA region
  - 24/7 un-interrupted service
  - Highly cost efficient technology
  - Advanced consolidation of systems

**Emirates NBD's Al Barsha Data Center Project won the ACN Arab Technology Award 2009 for the best Banking and Finance implementation of the year in the Middle East**

# Outlook

- In 2009 the external environment combined with liquidity tightening and weakening demand should bring UAE GDP growth towards 0% before recovering modestly to c.3% in 2010.
- Q3 2009 witnessed continued signs of stabilisation in the local and international economies and improved financial markets, consumer sentiment and business confidence
- Uncertainties and challenges remain in the near term and Emirates NBD retains its cautious stance while selectively pursuing growth and continuing to improve profitability and efficiency
- The completion of the integration expected by end-2009 and the recent investments in IT and infrastructure allow us to capitalise on value-added opportunities that may present themselves and provide platforms to further improve efficiency, increase customer service and extend our market reach and penetration

# Summary

- Emirates NBD is the largest bank in the GCC by assets
- Dubai Government  ownership and strong demonstrable UAE Federal support
- Robust financial results in 2009 YTD demonstrate resilience and conservatism
- Credit quality robust
- NPL ratio at 1.88% with trajectory in line with expectations
- Significant improvement in recent liquidity metrics, with LTD down to 118% in Q3 from 127% in Q2
- Capitalization very strong at 19.9% CAR and 12.7% Tier 1
- Integration on track for completion by year-end
- Strategic imperatives are bearing fruit and the Bank is emerging stronger from the crisis
- Operating environment continues to stabilise and moderate recovery expected in 2010

# Appendix

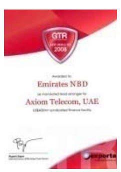
# Awards in Q3 2009 YTD

Emirates NBD was named as the **Outstanding Private Bank in the Middle East** by **VRL Financial News** in October 2009

Emirates NBD was awarded the **Mohamed bin Rashid Al Maktoum Business Award for Finance** in April 2009

Emirates NBD has been named as **Best Emerging Market Bank in the Middle East** for the year 2009 by Global Finance Magazine. Global Finance Magazine named the bank as **Best Bank, Best Trade Finance Provider and Best Foreign Exchange Bank in the UAE** for 2009 in October 2009


Emirates NBD was awarded **Best Retail Bank in the UAE** in June 2009 by **The Banker Magazine**

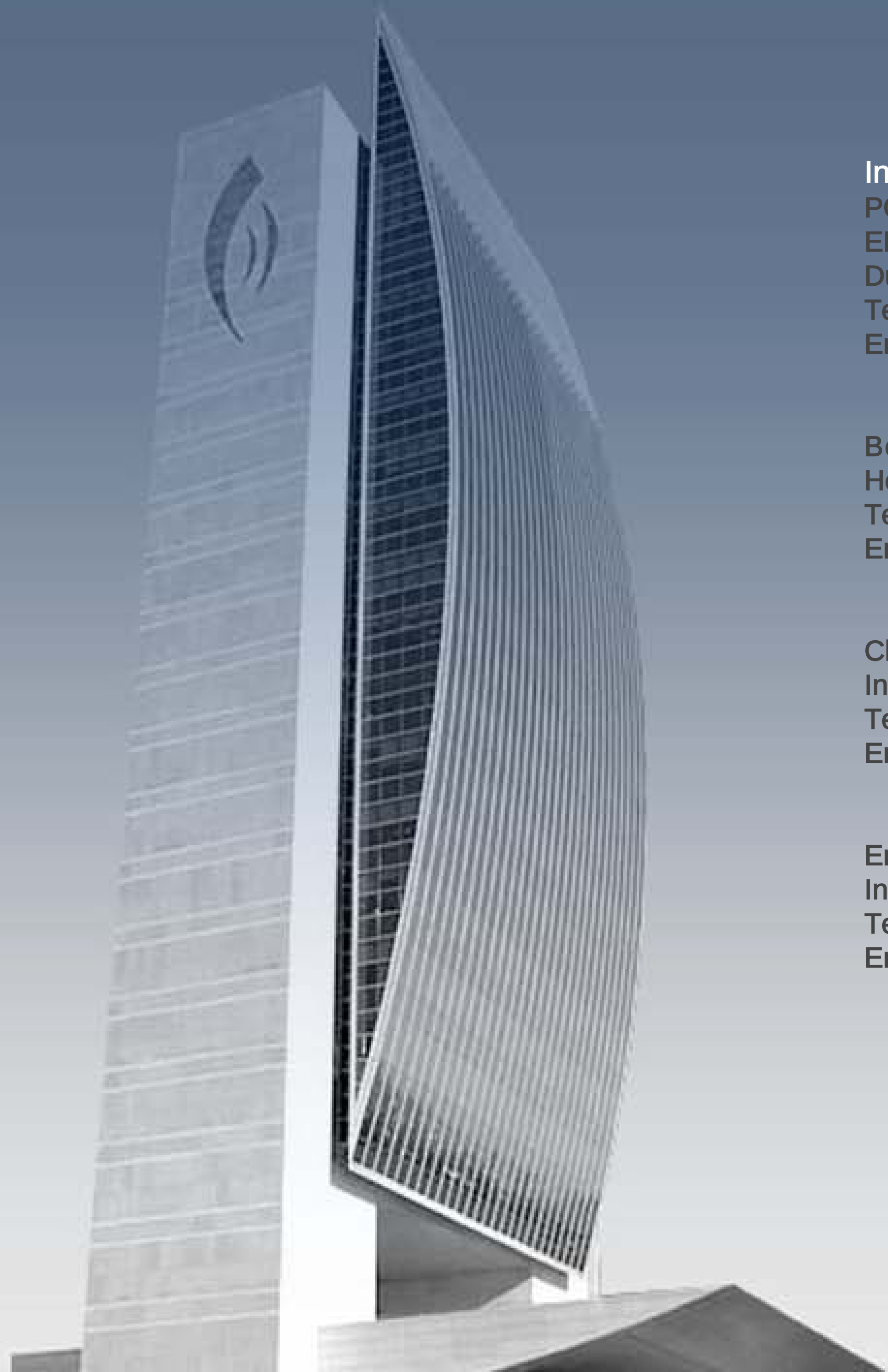



**Best Deal Award for 2008** by **Global Trade Review Magazine** in July 2008

Emirates Islamic Bank was awarded the **Islamic Home Finance award** by **CPI Financial / Banker Middle East Publication** in February 2009

# Large Deals Concluded in Q3 2009 YTD

| Al Ghurair Centre LLC | Borse Dubai Limited | Saudi Bin Ladin Group Ltd (Public Buildings & Airports Division) | Dubai Electricity & Water Authority | The Government of Dubai, Department of Finance (Dubai Civil Aviation) |
| --- | --- | --- | --- | --- |
| US$ 347m | US$ 2.5b | SR 3.15b | US$ 2,200m | US$ 635m |
| *Syndicated Musharaka Facility* | *Syndicated Term Loan Facility* | *Syndicated Project Facilities* | *Syndicated Loan Facility* | *Syndicated* Ijara *Facility* |
| ***February 2009*** | ***February 2009*** | ***February 2009*** | ***April 2009*** | ***April 2009*** |
| *Mandated Lead Arranger and Bookrunner* | *Mandated Lead Arranger* | *Mandated Lead Arranger* | *Mandated Lead Arranger and Coordinating Bank* | *Mandated Lead Arranger* |



## Investor Relations

PO Box 777
ENBD Head Office, 4th Floor
Dubai, UAE
Tel: +971 4 201 2606
Email: IR@emiratesbank.com

Ben Franz-Marwick
Head, Investor Relations
Tel: +971 4 201 2604
Email: bernhardf@emiratesbank.com

Chaden Boustany
Investor Relations Analyst
Tel: +971 4 201 2628
Email: ChadenB@emiratesbank.com

Emilie Froger
Investor Relations Coordinator
Tel: +971 4 201 2606
Email: EmilieRF@emiratesbank.com