

# *2009 Financial Results*

*11 February 2010*



# 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.

# Financial Highlights



- Strong revenue growth in 2009 of 28% to AED 10.8 billion
- 2009 operating costs up 8% to AED 3.6 billion; Cost to income ratio of 33.3% vs. 39.7% in 2008
- Impairment allowances of AED 3.3 billion vs. AED 1.7 billion in 2008 reflecting expected increase in NPLs to 2.36% of loans
- Operating profit before impairment allowances of AED 7.2 billion, up 42% from 2008
- Operating profit of AED 3.9 billion, up 14% from 2008
- Net profit for 2009 of AED 3.3 billion, down 9% from 2008 due to negative AED 477 million contribution from associates
- Loans grew 3% and Deposits grew 12% in 2009
- Loan to Deposit ratio of 118% at end-2009 vs. 129% at end-2008; adjusted LTD ratio of 102% at end-2009
- Total Capital Ratio of 20.8% and Tier 1 Ratio at 13.3% compared to 11.4% and 9.4% at end-2008

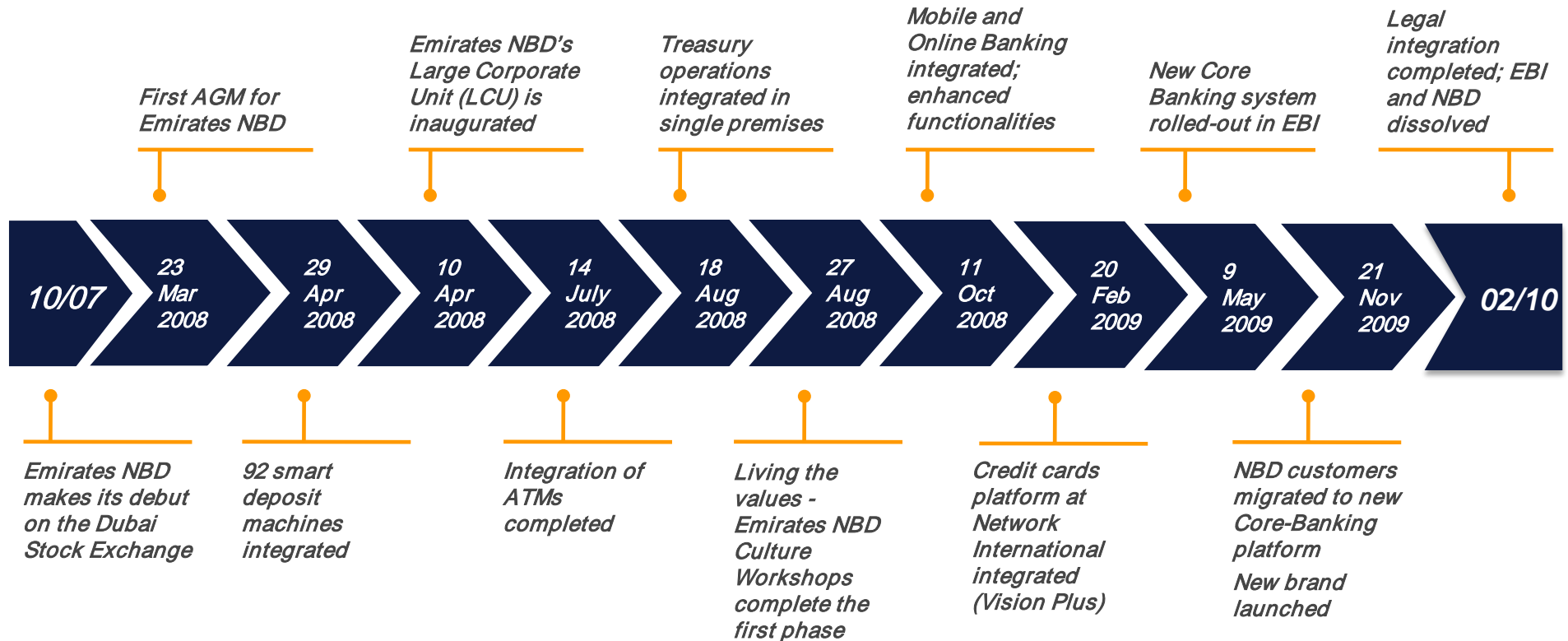
**Merger Update**

Financial and Operating Performance

Strategy and Outlook

# Merger Update

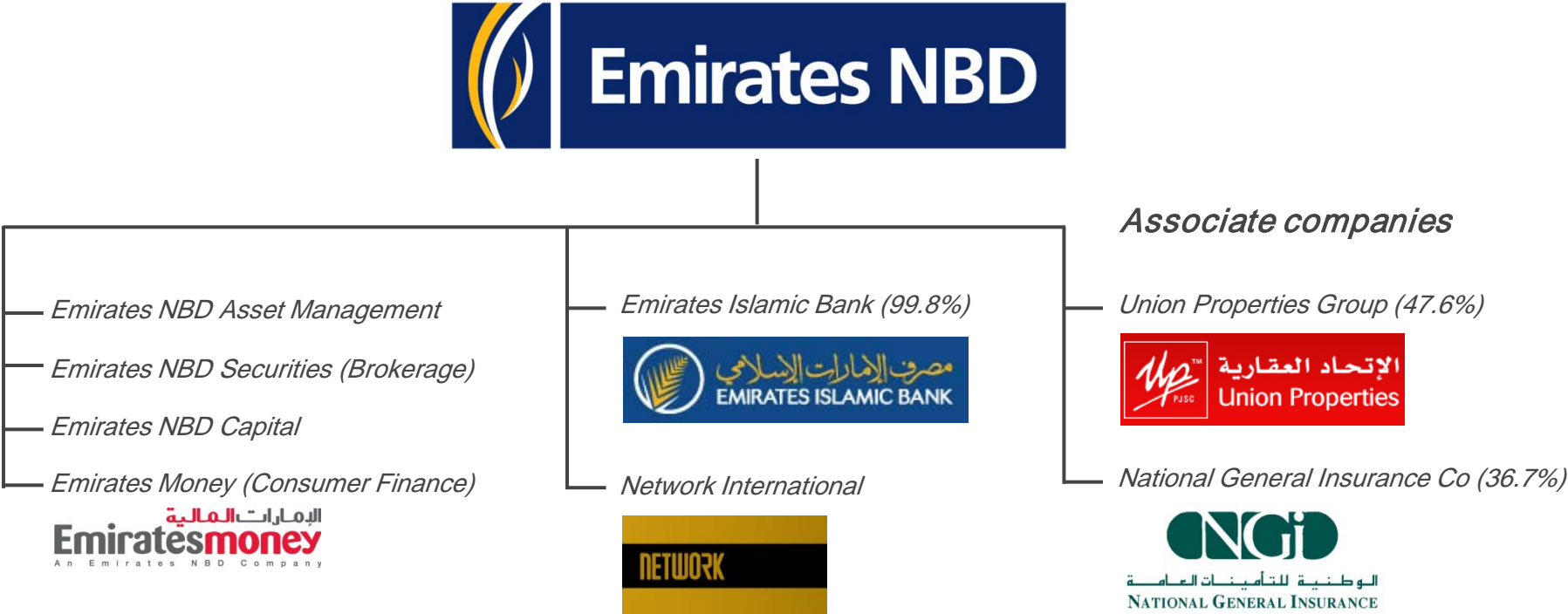
## Integration completed successfully



*Re-branding commenced on 21 November 2009 and will be completed in Q1 2010*

# Merger Update

## Emirates NBD Organisation Structure and Brands



Note: Only key subsidiaries are shown

# Merger Update

Synergies exceed 2009 full year target by 33% and already exceed 2010 cost and one-off synergies a year ahead of plan

## Target Synergies

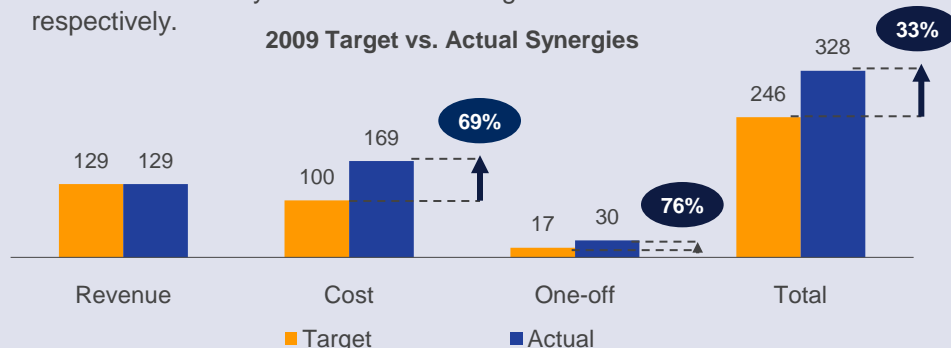
- AED 346m of recurring annual synergies by the third year post merger, plus AED 26m of one-off synergies totaling AED 372m
- The recurring synergies below are targeted to be delivered 33% in year 1 (2008), 66% in year 2 (2009) and fully by year 3 (2010)

AED million	Synergies <sup>(1)</sup>			% of Smaller Base <sup>(1)</sup>		% of Combined Base <sup>(1)</sup>
	2008	2009	2010	Target	Benchmark	Benchmark
Revenue	65	129	195	10.5%	5-10%	4.1%
Costs	50	100	151	22.2%	14-26%	8.3%
One-off costs	9	17	26			
<b>Total</b>	<b>124</b>	<b>246</b>	<b>372</b>			

## Actual 2009 Synergies (AED Million)

- Achieved synergies of AED 328m – ahead of 2009 full year target by 33%
- Recurring cost and one-off cost synergies achieved in 2009 of AED 169m and AED 30m already exceed 2010 target of AED 151m and AED 26m respectively.

2009 Target vs. Actual Synergies



## Key Drivers of Synergies

- Revenue synergies** for 2008 and 2009:
  - Largest distribution network of 129 branches & 652 ATMs and SDMs
  - Focus on cross selling– e.g. mortgages > AED 99m 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
- Cost synergies** for 2008 and 2009:
  - Single head office in place
  - Created efficiencies through unified business models
  - Combined marketing & advertisement activities
  - Staff efficiencies across all businesses and support units
- One-off synergies** for 2008 and 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 legacy banks; e.g. Basel II regulatory requirements

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

Merger Update

**Financial and Operating Performance**

Strategy and Outlook

---



# 2009 and Q4 2009 Financial Results

## 2009 Financial Results Highlights

- Operating profit before impairment allowances of AED 7,233m; +42% from AED 5,091m in 2008
- Operating profit of AED 3,914m; +14% from AED 3,439m in 2008
- Net profit down 9% from 2008
- Improvement of equity & bond markets resulted in positive impact from mark to market valuations of AED 214m vs. negative AED 2,259m in 2008
- Net profit impacted by AED 316m impairment on and AED 161m share of losses of associate investments
- Cash dividend of 20% proposed by Board
- Capital ratios strengthened significantly from 2008 levels (CAR 20.8% and T1 13.3% at end-2009)

## Q4 2009 Financial Results Highlights

- Operating profit before impairment allowances of AED 1,622m; +70% from AED 952m in Q4 2008
- Operating profit of AED 677m vs. AED 109m in Q4 2008
- Net profit of AED 178m vs. AED 15m in Q4 2008
- Results include AED 141m negative impact from mark to market valuations vs. negative AED 1,249m in Q4 2008
- Net profit impacted by AED 316m impairment of and AED 159m share of losses of associate investments
- Loans grew 3% from 4Q 2008 while deposits grew 12%, improving the loan to deposit ratio to 118% from 129% at end-2008
- Capital ratios strengthened significantly from 2008 levels (CAR 20.8% and T1 13.3% at end-2009)

## Key Performance Indicators

AED million	2009	2008	Change (%)	Q4 2009	Q4 2008	Change (%)
Net interest income	7,412	5,834	+27%	1,924	1,693	+14%
Fee & other income	2,874	3,861	-26%	704	868	-19%
Investment & CDS MTM	562	(1,248)	n/a	(59)	(778)	-92%
<b>Total income</b>	<b>10,848</b>	<b>8,447</b>	<b>+28%</b>	<b>2,569</b>	<b>1,783</b>	<b>+44%</b>
Operating expenses	(3,615)	(3,356)	+8%	(947)	(831)	+14%
<b>Operating profit before impairment allowances</b>	<b>7,233</b>	<b>5,091</b>	<b>+42%</b>	<b>1,622</b>	<b>952</b>	<b>+70%</b>
Impairment allowances:	(3,319)	(1,652)	+101%	(945)	(843)	+12%
<i>Credit</i>	(2,971)	(641)	+363%	(863)	(372)	+132%
<i>Investment securities</i>	(348)	(1,011)	-66%	(82)	(471)	-83%
<b>Operating profit</b>	<b>3,914</b>	<b>3,439</b>	<b>+14%</b>	<b>677</b>	<b>109</b>	<b>+521%</b>
Amortisation of intangibles	(94)	(96)	-2%	(24)	(34)	-32%
Associates	(477)	338	-241%	(475)	(60)	+692%
<i>Share of profits</i>	(161)	338	-148%	(159)	(60)	+165%
<i>Impairment of investments</i>	(316)	-	n/a	(316)	-	n/a
<b>Net profit</b>	<b>3,343</b>	<b>3,681</b>	<b>-9%</b>	<b>178</b>	<b>15</b>	<b>n/a</b>

Cost: income ratio (%)	33.3%	39.7%	-6.4%	36.9%	46.6%	-9.7%
Net interest margin (%)	2.81%	2.18%	+0.63%	2.85%	2.76%	+0.09%
EPS (AED)	0.60	0.66	-9%			
Proposed DPS (AED)	0.20	0.20	0%			
ROE (%)	16.2%	19.1%	-2.9%			

AED billion	2009	2008	Change (%)	Q3 2009	Change (%)
Total assets	281.6	282.4	-0.3%	291.0	-3.3%
Loans	214.6	208.9	+2.7%	217.1	-1.1%
Deposits	181.2	162.3	+11.6%	183.6	-1.3%
Capital Adequacy Ratio (%)	20.8%	11.4%	+9.4%	19.9%	+0.9%
Tier 1 Ratio (%)	13.3%	9.4%	+3.9%	12.7%	+0.6%

# Net Interests Margin

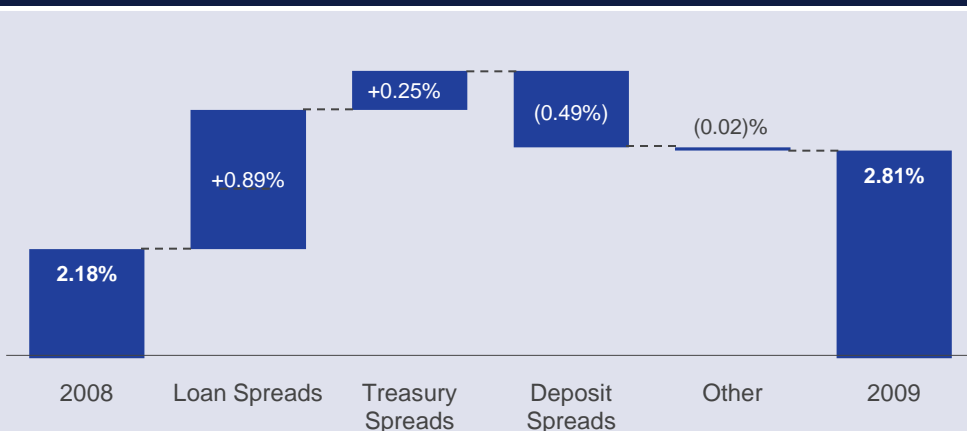
## Highlights

- 2009 NIM of 2.81%; +63bps from 2.18% in 2008 driven by:
  - re-pricing of asset spreads, esp. for corporate lending
  - increased Treasury spreads benefiting from AED 4bn Tier 1 securities issued to ICD and persistent Eibor-\$Libor gap
  - partly offset by lower liability spreads due to continued pressure on cost of deposits
- Q4 2009 NIM of 2.85%; +9bps from 2.76% in Q3 2009 driven by:
  - re-pricing of asset spreads
  - partly offset by pressure on cost of deposits

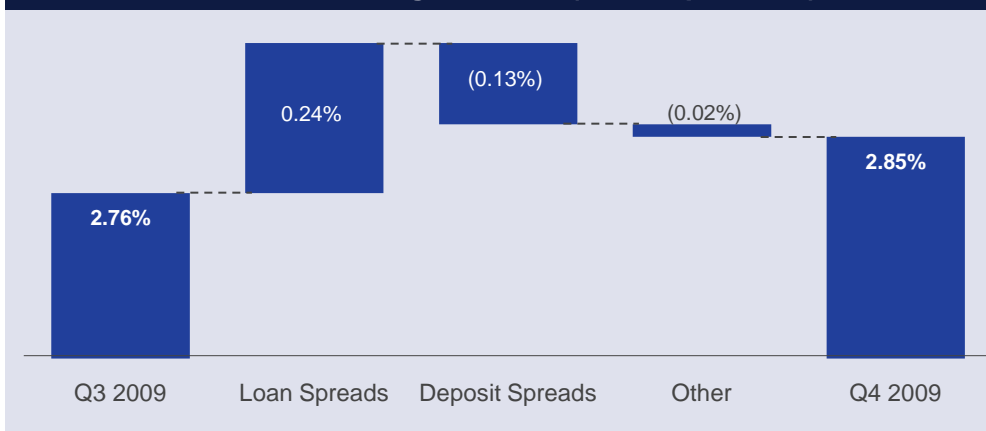
## Net Interest Margin Trends (%)<sup>(1)</sup>



## Net Interest Margin Drivers (year-on-year %)



## Net Interest Margin Drivers (linked-quarter %)



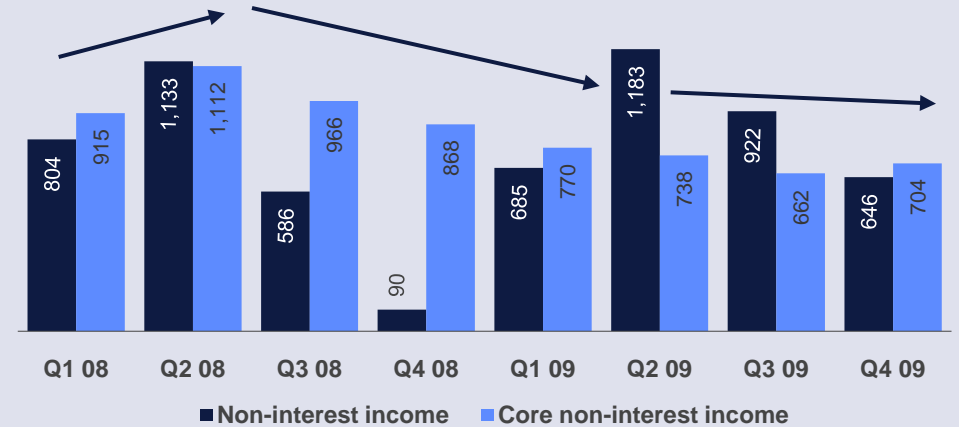
<sup>1)</sup> Net interest margin was historically calculated based on Average Total Assets (ATA) ; calculation basis was changed to Average Interest Earning Assets (AIEA)

# Non-interest Income

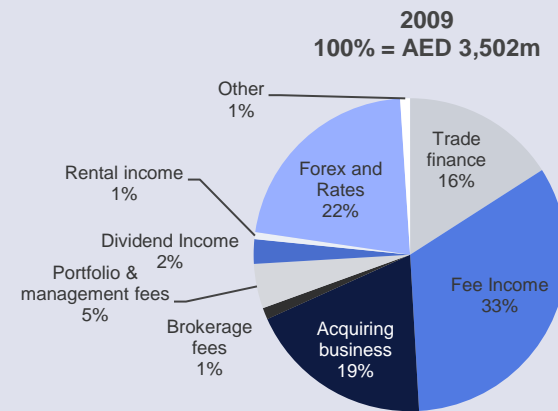
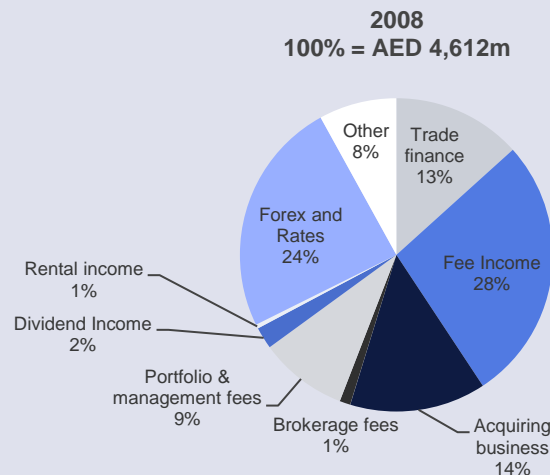
## Highlights

- Non-interest income impacted in 2008 by decline in global asset valuations and mark to markets on investment and other securities
- 2009 witnessed improved financial asset valuations and partial reversal of the negative mark to markets
- Core non-interest income, excluding the impact of mark to market valuations:
  - derived from a diverse range of activities
  - declined during 2009 by 26% due primarily to lower new underwriting and trade finance activity
  - stabilising at c.25-30% below the peak of H1 2008

## Non-interest Income Trends (AED million)



## Composition of Gross Core Non-interest Income (%)



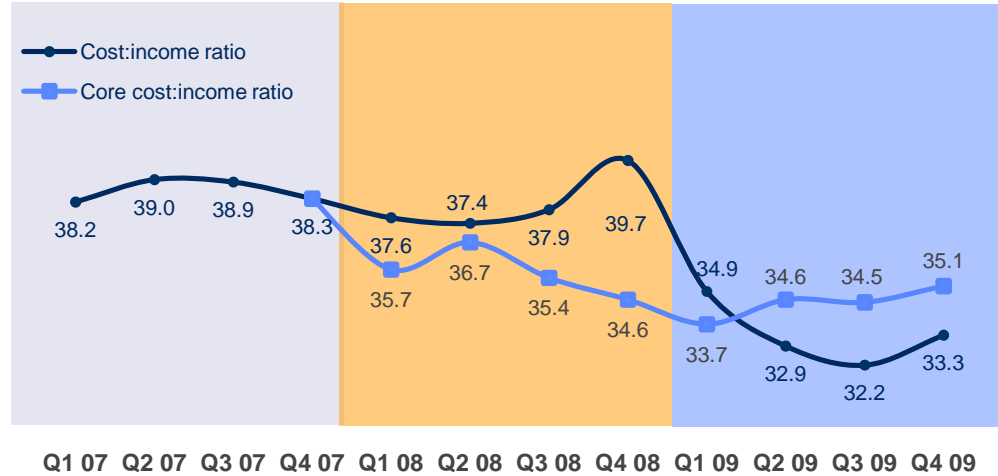
Note: Core Non-interest income excludes impact of MTM on investments and other securities in 2008 and 2009; Gross Income excludes Fee and Commission Expense

# Operating Costs and Efficiency

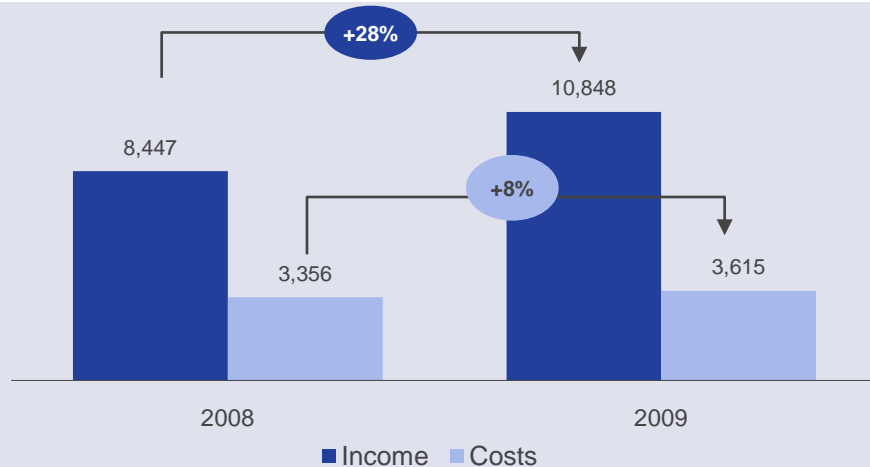
## Highlights

- The headline cost to income ratio declined by 6.4% from 39.7% in 2008 to 33.3% in 2009
- The core cost to income ratio rose by 0.5% from 34.6% in 2008 to 35.1% in 2009
- The Group 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 2010

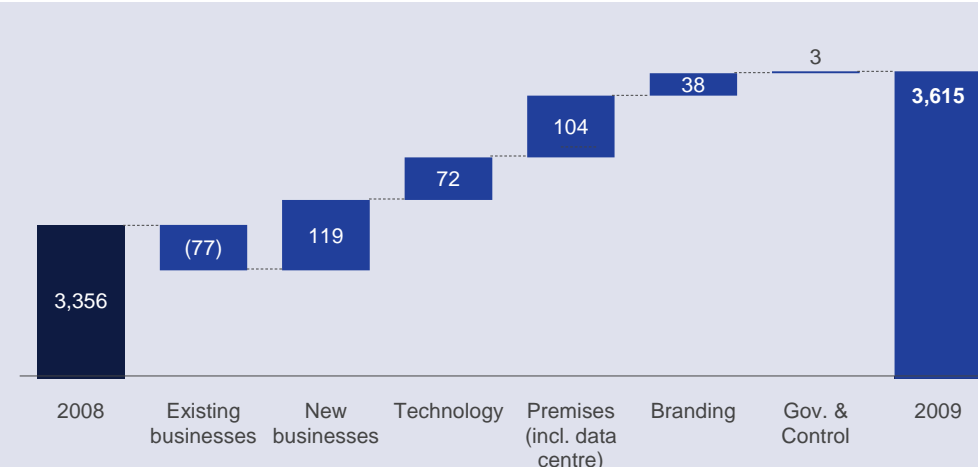
## Cost to Income Ratio Trends<sup>(1)</sup>



## Income vs. Cost Growth (AED million)



## Operating Cost Drivers<sup>(2)</sup> (AED million)



1) 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

# Asset Quality

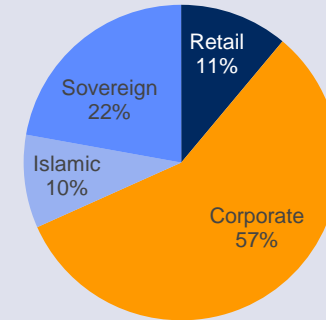
## Loans & Receivables and Islamic Financing

### Highlights

- Credit quality remains satisfactory across the Bank's corporate and retail portfolios
- Provided for the Bank's exposure to Al Gosaibi and Saad Groups in line with Central Bank requirements
- Increase in delinquencies and NPLs is within expectations
- NPL ratio, excluding impaired investment securities, increased to 2.36% in Q4 2009 from 1.88% reported in Q3 2009
- Added AED 1.3b to portfolio impairment provisions in 2009 as a measure of prudence; total portfolio impairment allowances of AED 1.9b at end-2009 or 1.1% of loans (excluding Sovereign)

### Loan Portfolio by Type – 2009<sup>(1)</sup>

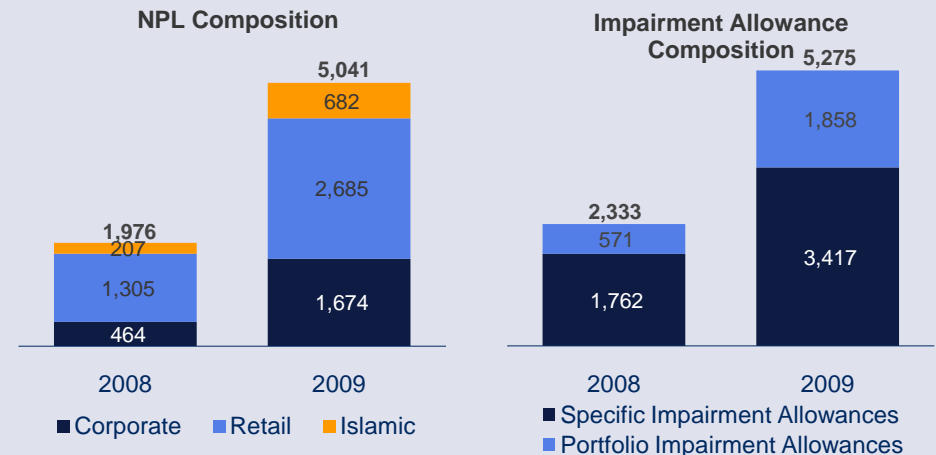
100% = AED 221.2b



### NPL & Coverage Ratios<sup>(2)</sup>



### NPL and Impairment Allowance Composition (AED million)<sup>(2)</sup>



1) Loans and advances before provisions

2) NPLs, Impairment Allowances and Coverage ratios for 2008 & 2009 exclude investment securities classified as loans & receivables which are disclosed as "Others" in the Credit Quality Analysis section of Note 47 of the Financial Statements; Accounting change refers to the Bank's move to recognition of Retail NPLs at 90+ days overdue from 180+ days overdue

# Asset Quality

## Retail and Corporate Loans & Receivables

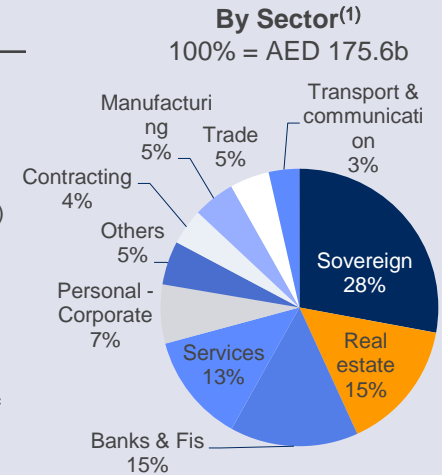
### Corporate & Sovereign Lending Portfolio

#### Corporate Credit Quality

- Portfolio credit quality remains satisfactory, despite challenging economic environment
- NPL ratio 0.98% at end-2009 vs. 0.29% at end-2008
- 96% of the portfolio is to UAE customers where the Bank has long-standing relationships
- Exposure is mainly to top tier names with diversified business interests and multiple sources of repayment
- Environment necessitates renegotiation of certain customer accounts; amounting to AED 7.8b vs. AED 4.7b at end-2008
  - these reflect renegotiated repayment terms in line with underlying cash flows; and
  - no sacrifice of interest or principal

#### Real Estate & Contracting

- Exposures to Real Estate and Contracting Sector are AED 27.1b (15%) and AED 7.4b (4%) respectively
- 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 59% of the portfolio has a repayment maturity of < 3 years



### Retail Lending Portfolio

#### Personal loans

- Portfolio AED 8.0b (33%)
- 44% of value is to UAE nationals; >60% of value of is to government employees
- Personal loans only granted subject to salary assignment
- Personal Loans losses well within original expectations
- 90+ delinquencies are stabilising in Q4 2009; entry rates into delinquency are stable and trending downwards

#### Credit Cards

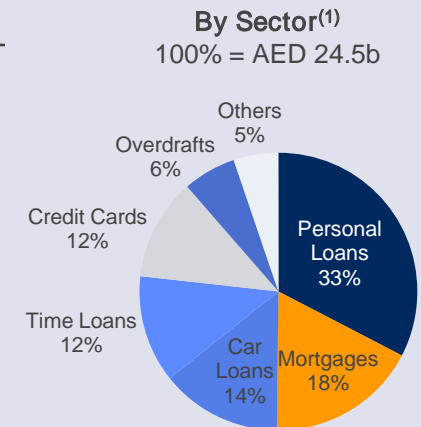
- Portfolio AED 2.9b (12%)
- Product with highest yield in retail
- 90+ delinquencies better than industry benchmarks
- Q4 2009 delinquency indicators have stabilised with entry rates into delinquency controlled
- Measures taken control exposures on unutilised limits

#### Car loans

- Portfolio AED 3.4b (14%)
- Portfolio has de-grown in Q1 & Q2 2009 due to revision of credit policy
- Minimum Income threshold has been raised
- Down payment of 10-20% mandatory based on customer profiles
- Delinquency trends have been stable in Q4 2009

#### Mortgages

- Portfolio AED 4.3b (18%)
- Only offered for premium developments and developers
- 78% are for completed properties
- Average LTV is 75% on original value
- >75% of the customers have only one mortgage loan from ENBD
- High income customers; 90% with income > AED 25K per month



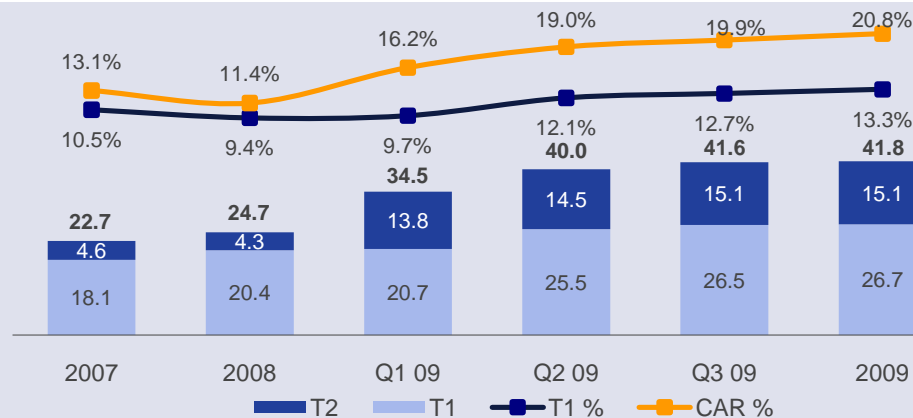
<sup>1)</sup> Loans and advances before provisions; Corporate & Sovereign Lending sectoral breakdown as per "Analysis by Economic Activity for Assets" in note 47 of the 2009 Financial statements

# Capital Adequacy

## Highlights

- Capital adequacy ratio at 20.8% at end-2009 (2008: 11.4%)
- Tier 1 ratio increased from 9.4% at end-2008 to 13.3% at end-2009 as:
  - profit generation for the period exceeded 2008 dividend payment by AED 2.3b
  - AED 4.0b Tier 1 perpetual securities were issued in Q2 2009 to Investment Corporation of Dubai
- Tier 2 capital increased by AED 10.8bn in 2009 mainly due to conversion of MOF deposits into LT2 capital (AED 12.2b of the AED 12.6b qualifies as T2 capital at end-2009)
- Risk Weighted Assets (RWAs) were managed down by 7% from end-2008 level

## Capital Ratios - Basel I (AED billion)

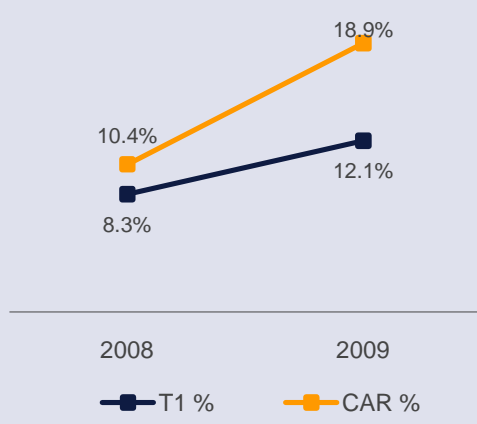
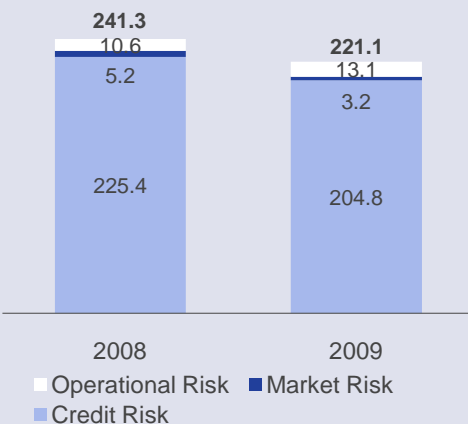


Note: Core Tier 1 ratio was 11.3% as at end-2009 compared to 9.4% at end-2008

## Basel II

### Basel II RWAs (AED billion)

### Basel II Capital Ratios (%)



## Capital Movement Schedule – Basel I (AED billion)

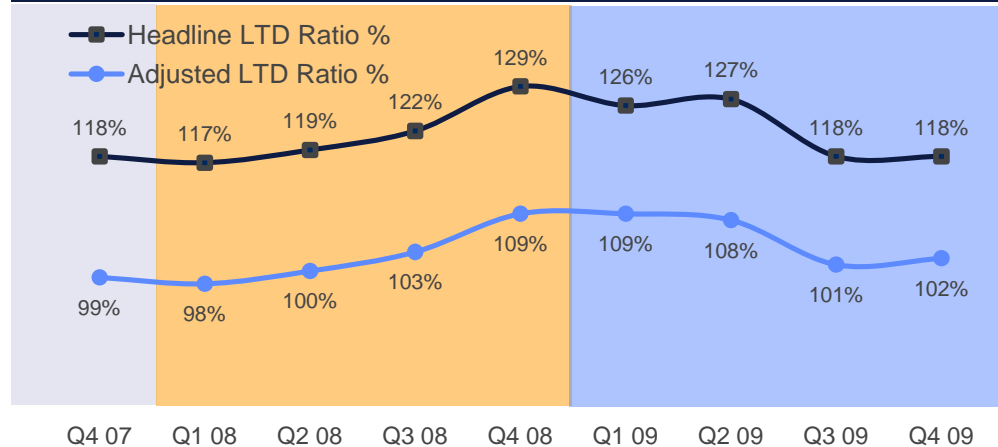
2008 to 2009	Tier 1	Tier 2	Total
Capital as at 31.12.08	20.4	4.3	24.7
Net profits generated	3.3	-	3.3
FY 2008 dividend paid	(1.0)	-	(1.0)
Conversion of MOF deposits	-	12.2	12.2
Issuance of T1 securities	4.0	-	4.0
Cumulative changes in FV	-	0.0	0.0
Redemption of T2 securities	-	(1.4)	(1.4)
Other	(0.0)	0.0	0.0
<b>Capital as at 31.12.09</b>	<b>26.7</b>	<b>15.1</b>	<b>41.8</b>
<b>AED billion</b>	<b>Q2 09</b>	<b>FY 08</b>	<b>Diff %</b>
Risk Weighted Assets	201.2	217.3	-7%

# Funding and Liquidity

## Highlights

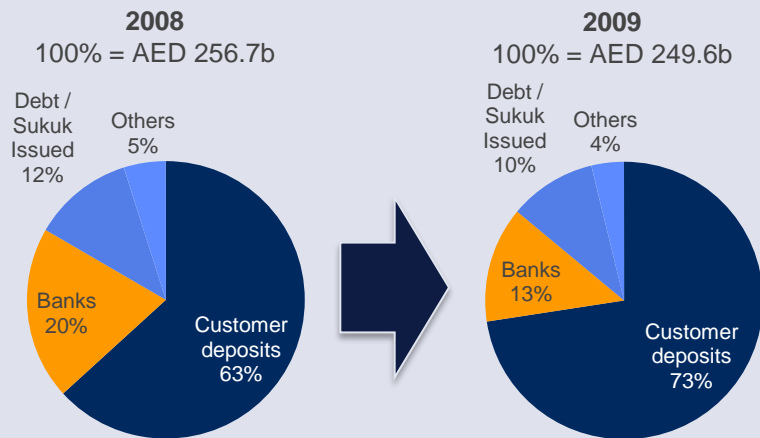
- Liquidity in the UAE banking system improved in 2009 primarily due to initiatives taken by the UAE Ministry of Finance and UAE Central Bank
- Funding remains stable and deposit mobilisation initiatives proved successful
- Continue to access stable interbank lines and source bilateral deposits at attractive pricing
- Liquidity backstop facilities of AED 18.5b unused
- Access to wholesale funding remains challenging
  - term debt maturity profile is well within our funding capacity
  - total wholesale debt represents 10% of liabilities
  - repaid scheduled AED 5.8b in 2009

## Loan to Deposit Ratios (%)

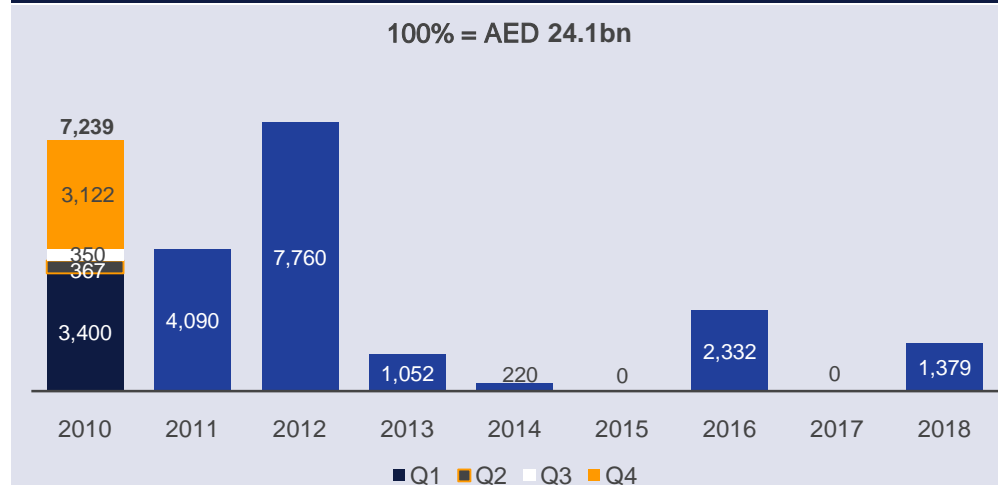


Note: Adjusted LTD ratio includes Debt Issued and Other Borrowed Funds, Sukuk Payable and Tier 1 Capital Notes in the denominator

## Composition of Liabilities (%)



## Maturity Profile: Debt Issued (AED million)



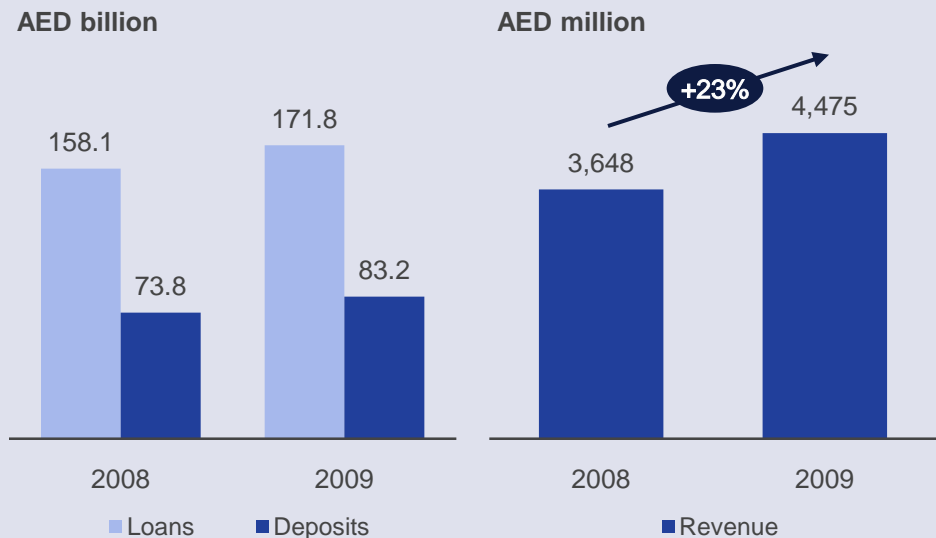
Note: Debt Issued includes EMTNs of AED 21.2b and syndicated borrowings from banks of AED 5.5b



# Divisional Performance

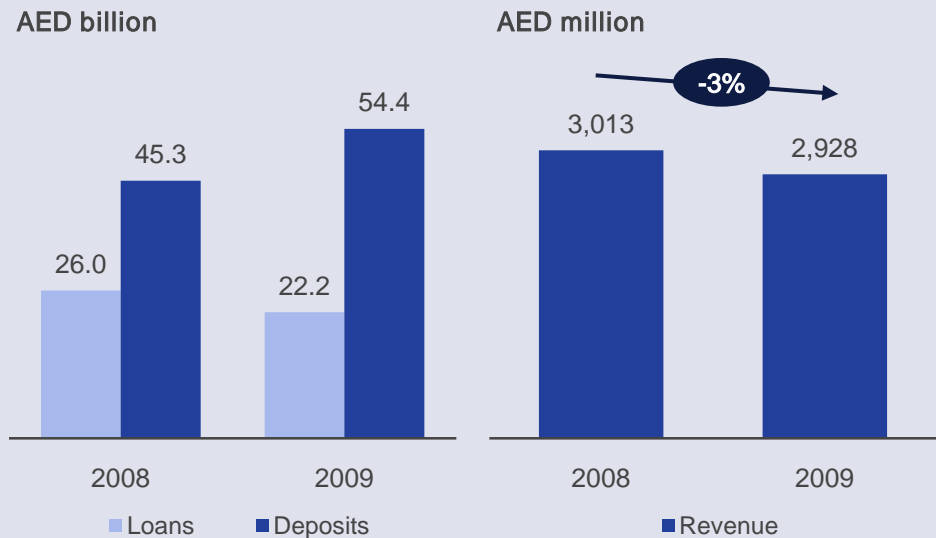
## Wholesale Banking

- Wholesale banking recorded a successful year
- 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 23% year-on-year primarily due to active asset re-pricing
- Loans grew 9% from end-2008
- Deposits grew 13% from end-2008



## Consumer Banking & Wealth Management

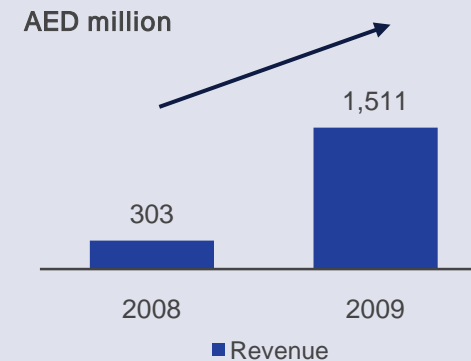
- CWM continues to expand and build on distribution reach with distribution network strengthened to 102 branches and ATM & SDM network now at 604
- Private Banking business launched during the year; now over 50 RMs
- Revenue declined 3% year-on-year
- Loans declined by 15% from end-2008
- Deposits grew 20% from end-2008



# Divisional Performance (cont'd)

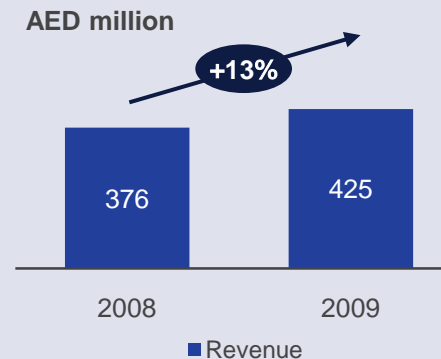
## Global Markets & Treasury

- Continuing improvement in global market conditions resulted in a strong performance in 2009.
- Revenues 2009 were AED 1,511m compared with AED 303m in 2008, the better performance resulting from a recovery in equity markets and tightening of credit spreads, along with higher demand for local securities and increasing opportunities in trading



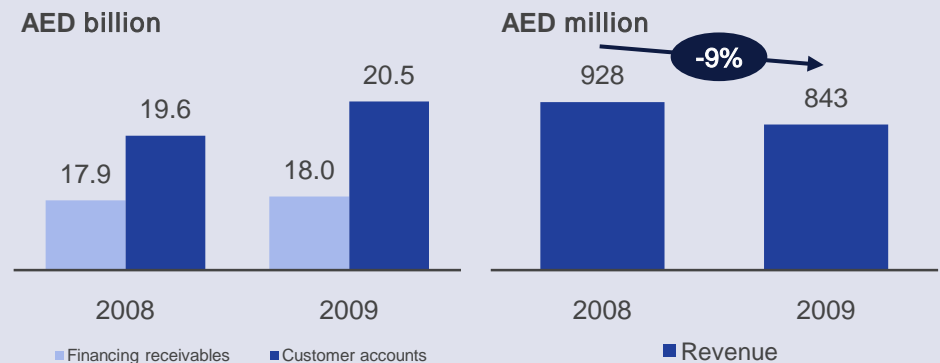
## Network International

- 13% increase in 2009 revenue vs. 2008 driven by a 19% increase in processing revenues
- Network International and Oberthur Technologies inaugurated their joint venture – Obernet Personalisation Bureau – in Dubai during 2009
- Serves over 10,000 merchants and 49 banks and financial institutions in the region



## Emirates Islamic Bank

- Key focus during 2009 was on balance sheet optimisation and increased caution on new underwriting
- EIB revenue declined by 9% in 2009 (net of customers' share of profit) year-on-year
- Financing receivables grew by 1% to AED 18.0b from end-2008; customer accounts grew 5% to AED 20.5b from end-2008
- 4 new branches in 2009 taking the total to 30



Note: These numbers may not agree to those of the EIB Financial Statements due to consolidation adjustments

---

Merger Update

Financial and Operating Performance

**Strategy and Outlook**

---

# Strategic Imperatives for 2010

	Objectives	Evidence of success in 2009
<b>Optimise Balance Sheet</b>	<ul style="list-style-type: none"> <li>▪ <b>Prudent lending growth</b></li> <li>▪ <b>Focus on funding</b> <ul style="list-style-type: none"> <li>– Leverage distribution network</li> <li>– Maintain &amp; develop wholesale sources of medium/long term funding</li> <li>– Implement liability retention and gathering plans</li> </ul> </li> <li>▪ <b>Optimise capital allocation</b> <ul style="list-style-type: none"> <li>– Deploy capital allocation model based on economic capital</li> <li>– Review non-core activities (e.g. proprietary investment portfolio)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>CAR</b> strengthened to 20.8% from 11.4% at end-2008</li> <li>▪ <b>Tier 1</b> increased to 13.3% from 9.4% at end-2008</li> <li>▪ <b>RWAs</b> declined by 7% from end-2008 compared to 3% growth in loans</li> <li>▪ <b>Deposits</b> grew by 12% from end-2008 vs. 3% growth in loans, improving the LTD ratio to 118% and adjusted LTD ratio to 102%</li> </ul>
<b>Drive Profitability</b>	<ul style="list-style-type: none"> <li>▪ <b>Maximise customer revenue</b> <ul style="list-style-type: none"> <li>– Capture re-pricing opportunities</li> <li>– Cross-sell Treasury and Investment Banking services to corporate clients</li> </ul> </li> <li>▪ <b>Improve customer retention and deliver distinctive customer service</b></li> <li>▪ <b>Continue to optimise cost position</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>NIM</b> improved to 2.81% for 2009 from 2.18% in 2008</li> <li>▪ <b>Core cost to income ratio</b> of 35.1% for 2009 vs. 34.6% for 2008</li> <li>▪ 2009 <b>ROE</b> of 16.2% vs. 19.1% for 2008</li> </ul>
<b>Enhance Risk Management</b>	<ul style="list-style-type: none"> <li>▪ <b>Continue to strengthen risk management, governance and controls</b> <ul style="list-style-type: none"> <li>– Enhance &amp; implement internal rating, scoring and risk models</li> <li>– Enhance operational risk management framework</li> <li>– Strengthen risk function and governance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Credit metrics</b> remain robust and within expectations</li> <li>▪ <b>Credit NPL ratio</b> increased to 2.36% from 1.88% in Q3 2009 and 0.95% at end-2008</li> <li>▪ <b>Coverage ratio</b> remains conservative at 105%</li> </ul>
<b>Selectively Invest in Platforms for Growth</b>	<ul style="list-style-type: none"> <li>▪ <b>Exploit domestic &amp; regional expansion opportunities</b> <ul style="list-style-type: none"> <li>– Abu Dhabi retail banking expansion</li> <li>– Emirates Islamic Bank UAE expansion</li> <li>– Private Banking, Priority Banking and SME Banking expansion</li> <li>– Organic growth in GCC (e.g. KSA)</li> <li>– Opportunistically evaluate inorganic regional expansion opportunities</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Launched new Private Bank proposition; now over 50 RMs</li> <li>▪ New Priority and SME banking concepts rolled out</li> <li>▪ Upgrading Singapore rep office to branch</li> </ul>

## Highlights

- In 2009 the external environment combined with liquidity tightening and weakening demand brought UAE GDP growth towards an estimated 0%-0.5%
- With oil prices firmer, global credit more available, world trade improving and counter-cyclical fiscal and monetary policies, GDP is expected to recover modestly to c.2.5% in 2010
- Although 2009 witnessed signs of overall stabilisation in the local and international economies and improved financial markets, consumer sentiment and business confidence, uncertainties and challenges remain in the near term
- Dubai remains well-positioned as an international trading hub and the property market is showing signs of stabilisation
- Lower inflation, weaker US\$ and property market declines have enhanced Dubai's cost-competitiveness
- Emirates NBD retains its cautious stance while selectively pursuing growth and continuing to improve profitability and efficiency
- The completion of the integration and the recent investments in IT and infrastructure allow the Bank to capitalise on value-added opportunities and provide platforms to further improve efficiency, increase customer service and extend its market reach and penetration

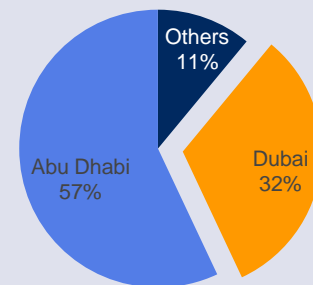
## Real GDP Growth Forecasts

	2008	2009	2010	2011
UAE	7.4%	0.0%	2.5%	4.5%
UK	0.7%	(4.5%)	0.5%	2.0%
Eurozone	0.4%	(4.0%)	1.0%	1.5%
Germany	1.0%	(4.8%)	1.0%	2.0%
US	1.1%	(2.5%)	2.5%	3.0%
China	9.0%	8.5%	10.0%	9.5%
Japan	(0.7%)	(6.5%)	1.0%	1.5%
Singapore	1.3%	(2.0%)	4.0%	5.0%
Hong Kong	2.4%	(2.5%)	4.0%	5.0%

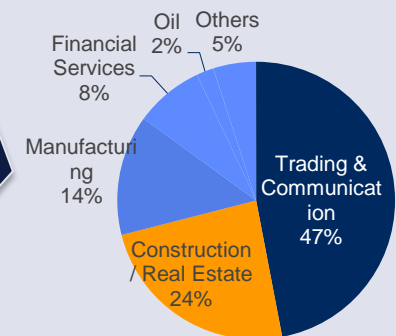
Source: Emirates NBD forecasts

## GDP Breakdown (%)

UAE GDP by Emirate (2008)  
100% = AED 934b



Dubai GDP by Sector (2008)  
100% = AED 300b



Source: UAE Ministry of Economy



- Robust financial performance driven by strong income and improved efficiency
- Significantly improved capitalisation and liquidity metrics due to success of balance sheet optimisation initiatives and continued proactive support from federal and local Government
- Credit quality remains tightly managed and within expectations
- Integration completed successfully and new Emirates NBD brand launched
- Continued focus in 2010 on balance sheet optimisation, profitability and risk management enhancement while selectively investing in platforms for growth
- Despite improvements in the economic environment in 2009, uncertainties and challenges remain in the near term
- Emirates NBD retains its cautious stance but well-positioned to capitalise on value-added opportunities that may present themselves

---

# APPENDIX

# Additional Asset Quality Disclosures

## Impact of Mark to Market on Investment & Other Securities

AED million	Q1 08	Q2 08	Q3 08	Q4 08	2008	Q1 09	Q2 09	Q3 09	Q4 09	2009
<b>Income:</b>										
Investment Securities MTM	-	-	(273)	(520)	(793)	(15)	197	104	46	332
CDS	(111)	21	(107)	(258)	(455)	(70)	248	157	(105)	230
<b>Total Income Impact</b>	<b>(111)</b>	<b>21</b>	<b>(380)</b>	<b>(778)</b>	<b>(1,258)</b>	<b>(85)</b>	<b>445</b>	<b>261</b>	<b>(59)</b>	<b>562</b>
<b>Impairments:</b>										
Investment Securities MTM	(193)	(140)	(207)	(471)	(1,011)	(144)	(58)	(64)	(82)	(348)
Investment in Associates	-	-	-	-	-	-	-	-	(316)	(316)
<b>Total P&amp;L Impact</b>	<b>(304)</b>	<b>(119)</b>	<b>(587)</b>	<b>(1,249)</b>	<b>(2,259)</b>	<b>(229)</b>	<b>387</b>	<b>197</b>	<b>(457)</b>	<b>(102)</b>
<b>Balance Sheet :</b>										
Cumulative Changes in FV	(225)	(8)	(313)	(1,272)	(1,810)	(128)	523	197	324	916
<b>Total Balance Sheet Impact</b>	<b>(225)</b>	<b>(8)</b>	<b>(313)</b>	<b>(1,272)</b>	<b>(1,810)</b>	<b>(128)</b>	<b>523</b>	<b>197</b>	<b>324</b>	<b>916</b>
<b>Overall Impact:</b>										
Total Investment Securities MTM	(418)	(148)	(793)	(2,263)	(3,614)	(287)	662	237	288	900
CDS MTM	(111)	21	(107)	(258)	(455)	(70)	248	157	(105)	230
Investment in Associates	-	-	-	-	-	-	-	-	(316)	(316)
<b>Total Impact</b>	<b>(529)</b>	<b>(127)</b>	<b>(900)</b>	<b>(2,521)</b>	<b>(4,069)</b>	<b>(357)</b>	<b>910</b>	<b>394</b>	<b>(133)</b>	<b>814</b>



## Additional Asset Quality Disclosures (cont'd)

<i>Credit Metrics</i>										
AED million	Q1 08	Q2 08	Q3 08	Q4 08	2008	Q1 09	Q2 09	Q3 09	Q4 09	2009
<b>P&amp;L Impairment Allowances:</b>										
Credit – Specific	32	99	58	242	431	94	584	473	533	1,684
Credit – PIP	38	10	33	130	211	224	507	226	330	1,287
Investment Securities	193	140	207	471	1011	144	58	64	82	348
Investment in Associates	-	-	-	-	-	-	-	-	316	316
<b>Total Impairment Allowances</b>	<b>263</b>	<b>249</b>	<b>298</b>	<b>843</b>	<b>1,653</b>	<b>462</b>	<b>1,149</b>	<b>763</b>	<b>1,261</b>	<b>3,635</b>
<b>Balance Sheet Impairment Allowances:</b>										
Credit – Specific	1,452	1,472	1,523	1,762	1,762	1,864	2,428	2,903	3,417	3,417
Credit – PIP	317	418	441	571	571	795	1,301	1,528	1,858	1,858
Investment Securities	0	0	10	981	981	1,016	1,073	1,068	673	673
<b>Total Impairment Allowances</b>	<b>1,769</b>	<b>1,890</b>	<b>1,973</b>	<b>3,314</b>	<b>3,314</b>	<b>3,675</b>	<b>4,802</b>	<b>5,499</b>	<b>5,947</b>	<b>5,947</b>
<b>NPLs:</b>										
Credit	1,723	1,816	1,847	1,976	1,976	2,548	3,382	4,060	5,041	5,041
Investment Securities	262	220	233	1,316	1,316	1,316	1,316	1,201	789	789
<b>Total NPLs</b>	<b>1,984</b>	<b>2,035</b>	<b>2,081</b>	<b>3,292</b>	<b>3,292</b>	<b>3,864</b>	<b>4,698</b>	<b>5,261</b>	<b>5,830</b>	<b>5,830</b>
<b>Loans &amp; Receivables, net of impairment allowances:</b>										
Credit	172,281	184,670	199,579	207,533	207,533	213,070	215,373	215,995	213,683	213,683
Investment Securities	3,145	2,720	2,587	1,397	1,397	1,328	1,259	1,115	931	931
<b>Total Loans &amp; Receivables</b>	<b>175,427</b>	<b>187,390</b>	<b>202,166</b>	<b>208,930</b>	<b>208,930</b>	<b>214,398</b>	<b>216,632</b>	<b>217,110</b>	<b>214,614</b>	<b>214,614</b>

**Investor Relations**

**PO Box 777**

**Emirates NBD Head Office, 4<sup>th</sup> Floor**

**Dubai, UAE**

**Tel: +971 4 201 2606**

**Email: [IR@emiratesnbd.com](mailto:IR@emiratesnbd.com)**

**Ben Franz-Marwick**

**Head, Investor Relations**

**Tel: +971 4 201 2604**

**Email: [bernhardf@emiratesnbd.com](mailto:bernhardf@emiratesnbd.com)**

**Chaden Boustany**

**Investor Relations Analyst**

**Tel: +971 4 201 2628**

**Email: [ChadenB@emiratesnbd.com](mailto:ChadenB@emiratesnbd.com)**

**Emilie Froger**

**Investor Relations Coordinator**

**Tel: +971 4 201 2606**

**Email: [EmilieRF@emiratesnbd.com](mailto:EmilieRF@emiratesnbd.com)**



**Emirates NBD**