Emirates NBD

Fact Book

2nd Quarter 2008 : Financial Results

Contents

- **Performance Highlights**
- Financial Results
- Synergies
- Strategic Vision
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Performance Highlights : 2nd Quarter 2008

- ✓Net Profits up **45%** to **AED 1,473** m
  [*H1-2008 vs. H1-2007 up 41% to AED 2,688 m*]
- ✓Total income up **48%** to **AED 2,495** m
  [*H1-2008 vs. H1-2007 up 49% to AED 4,679 m*]
- ✓Assets at AED 286 bn, up **12.4%** from year-ended December 2007
- ✓Loans at AED 187 bn, up **12.6%** from year-ended December 2007
- ✓Deposits AED 157 bn, up **13.3%** to from year-ended December 2007
- ✓A **regional financial powerhouse** with an enhanced market position across key customer segments & products
- ✓Leading Retail Banking franchise in UAE with **115 branches & 486 ATMs**

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Key Performance Indicators : Q2-2008 vs. Q2-2007

Total Income	AED 2,495 m	48% ▲
Total Costs	AED 931 m	45% ▲
Net Profit *	AED 1,473 m	45% ▲
Cost - Income Ratio	37.3%	0.7% ▼
Earnings Per Share	AED 0.29	46% ▲

* Net Profit normalized and excludes amortization of Intangibles

Key Performance Indicators : H1-2008 vs. H1-2007

Total Income	AED 4,679 m	49%
Total Costs	AED 1,751 m	48%
Net Profit *	AED 2,688 m	41%
Cost Income Ratio	37.4%	0.1%
Earnings Per Share	AED 0.52	41%

* Net Profit normalized and excludes amortization of Intangibles

Key Performance Indicators : H1-2008 vs. Dec-2007

Total Assets	AED 286 bn	12%
Loans	AED 187 bn	13%
Deposit	AED 157 bn	13%
Return on Tangible Equity *	27.6%	2.1%

* Tangible Equity = Total Equity *less* Goodwill and Intangible assets

Income Statement : Q2-2008 vs. Q2-2007

AED million

	Q2-2008	Q2-2007	Var %
Net Interest Income	1,361	937	45
Commissions and Other Income	1,134	747	52
Total Income	**2,495**	**1,684**	**48**
Staff Costs	(607)	(402)	51
Other Costs	(324)	(239)	35
Total Operating Costs	**(931)**	**(641)**	**45**
Impairment Provisions	(249)	(118)	111
Operating Profit	**1,316**	**926**	**42**
Associate Companies	157	87	80
Net Profit (before amortization charge)	**1,473**	**1,013**	**45**
Amortization of Intangibles	(21)	(21)	-
Net Profit (after Amortization Charge)	**1,452**	**992**	**46**

* 2nd Quarter 2007 results reflect proforma numbers.

Income Statement YTD : H1-2008 vs. H1-2007

AED million

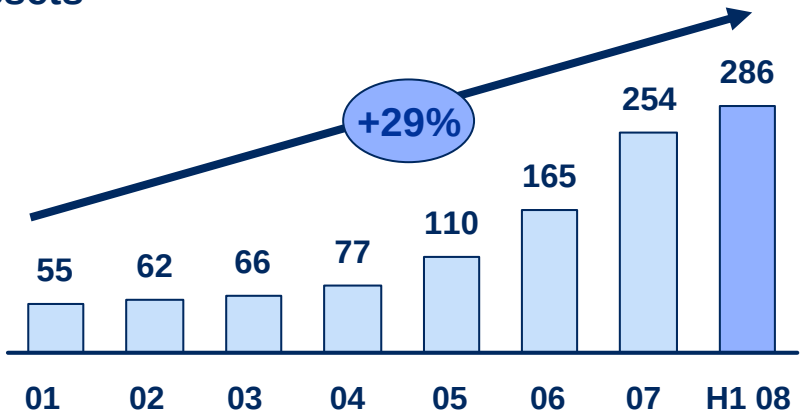
	June 2008	June 2007	Var %
Net Interest Income	2,742	1,813	51
Commissions and Other Income	1,937	1,330	46
Total Income	**4,679**	**3,143**	**49**
Staff Costs	(1,171)	(724)	62
Other Costs	(580)	(456)	27
Total Operating Costs	**(1,751)**	**(1,180)**	**48**
Impairment Provisions	(512)	(215)	138
Operating Profit	**2,416**	**1,748**	**38**
Associate Companies	273	159	72
Net Profit (before amortization charge)	**2,688**	**1,907**	**41**
Amortization of Intangibles	(41)	(41)	-
Net Profit (after Amortization Charge)	**2,647**	**1,866**	**42**

* June 2007 results reflect proforma numbers.

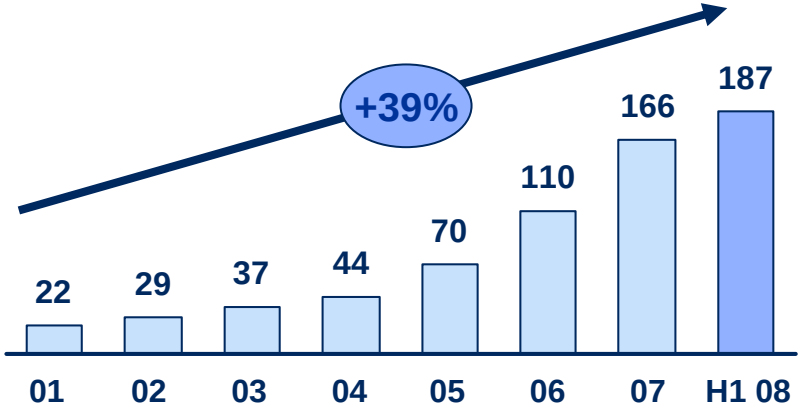
Delivering strong growth . . . .

AED billion

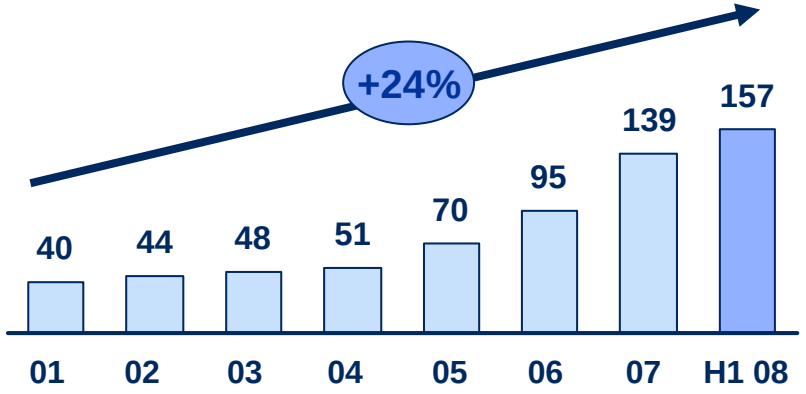
Assets



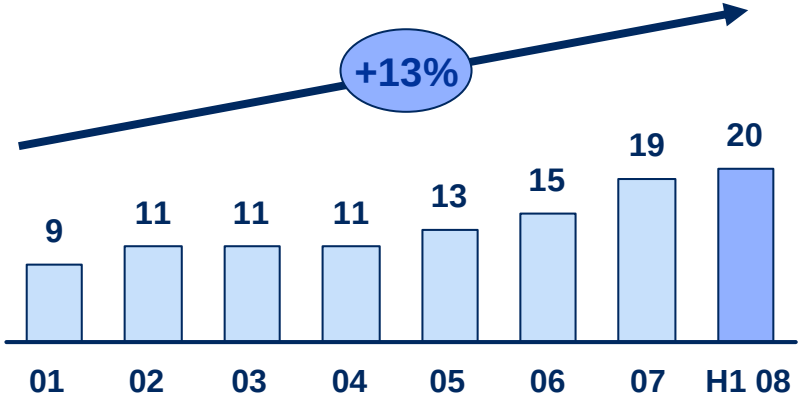
Loans



Deposits



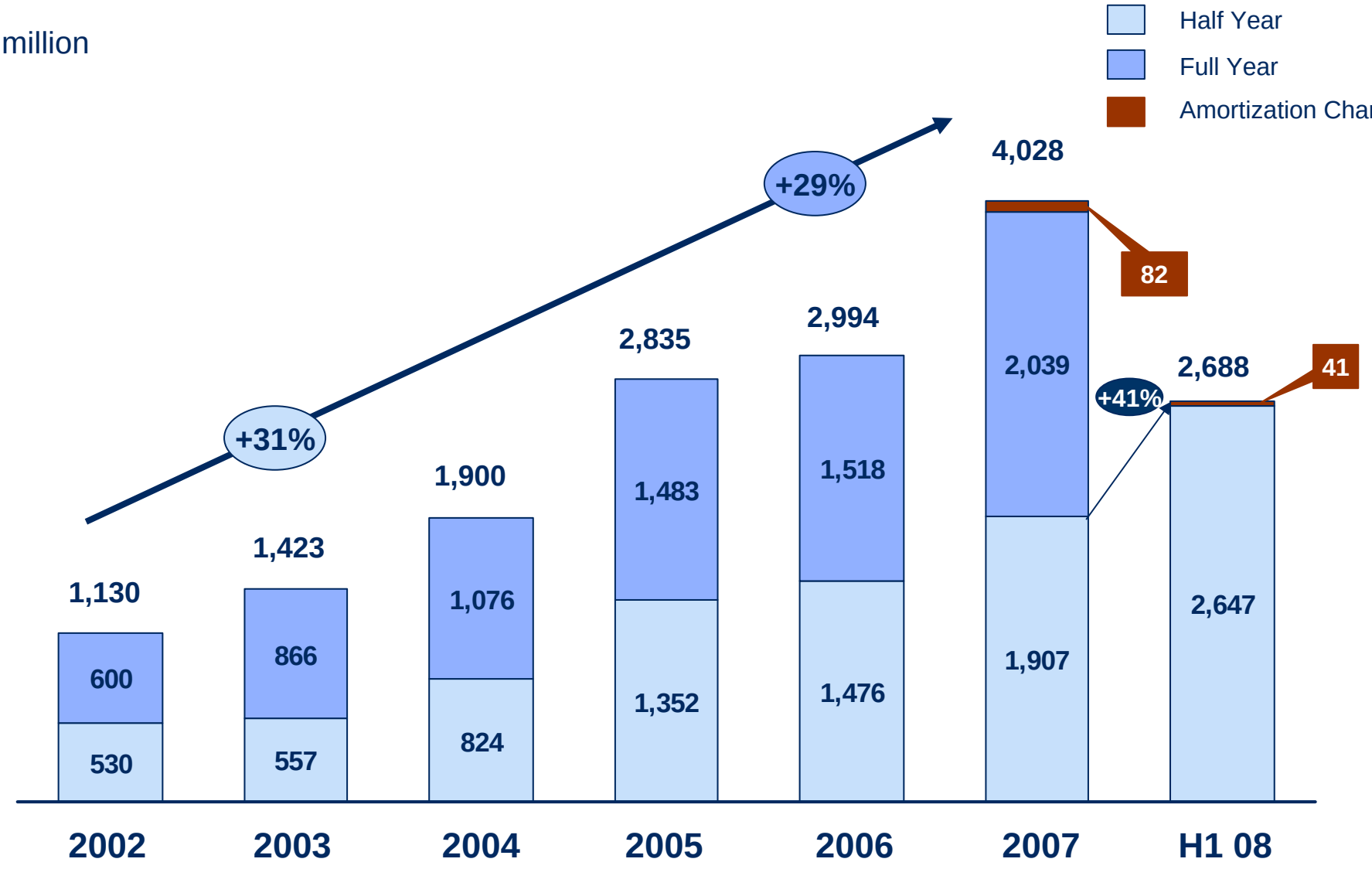
Equity*



* Equity for 2007 and 1st Half 2008 reflects Tangible Shareholder's Equity i.e. excludes Goodwill & Intangibles
Prior Periods (2001-2006) reflects aggregation of EBI & NBD results

….and Profitability

AED million

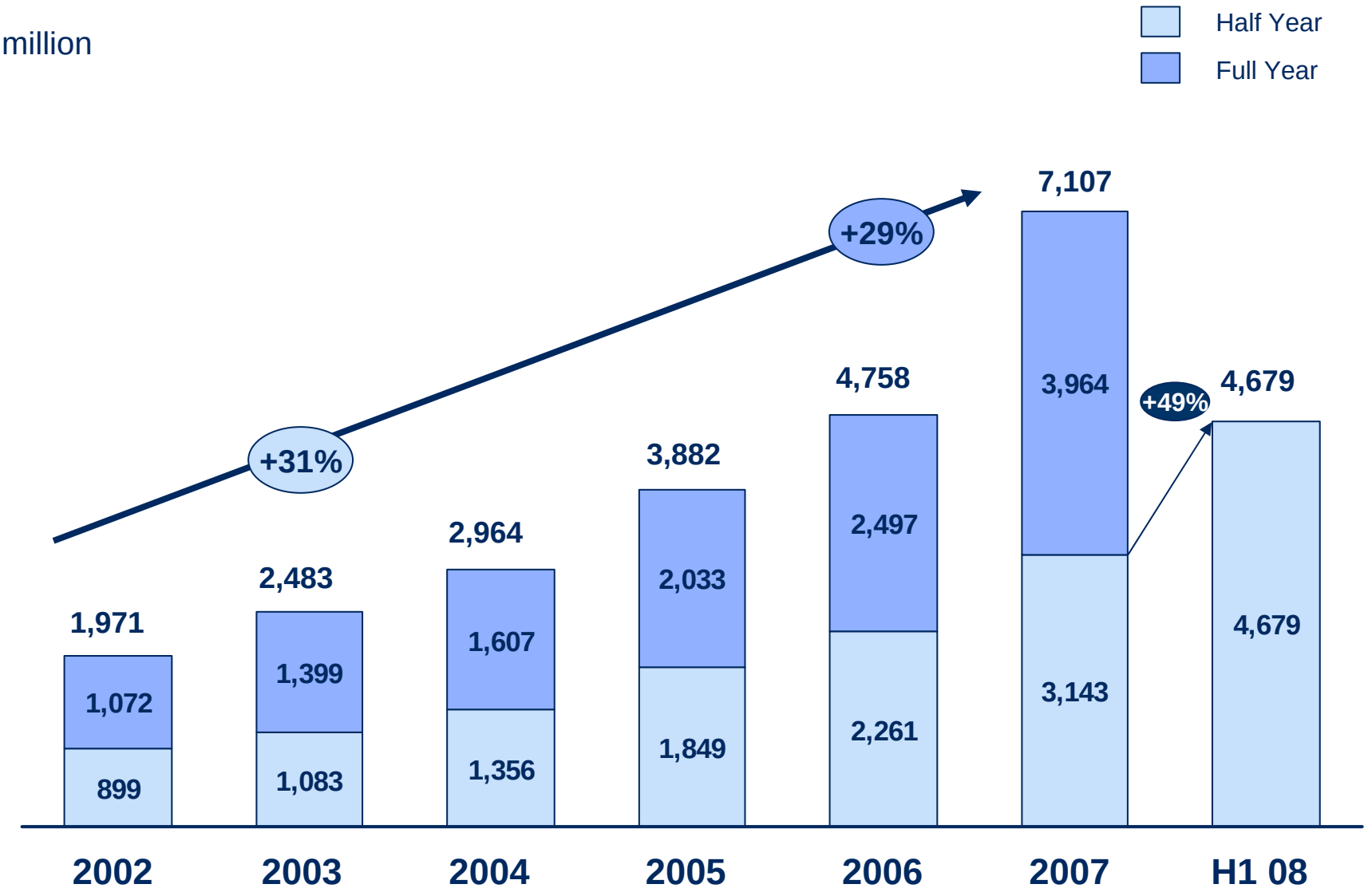


Profits for 2007 reflect pro forma results

Prior Periods (2001-2006) reflects aggregation of EBI and NBD results

Revenues : Consistent growth across businesses

AED million

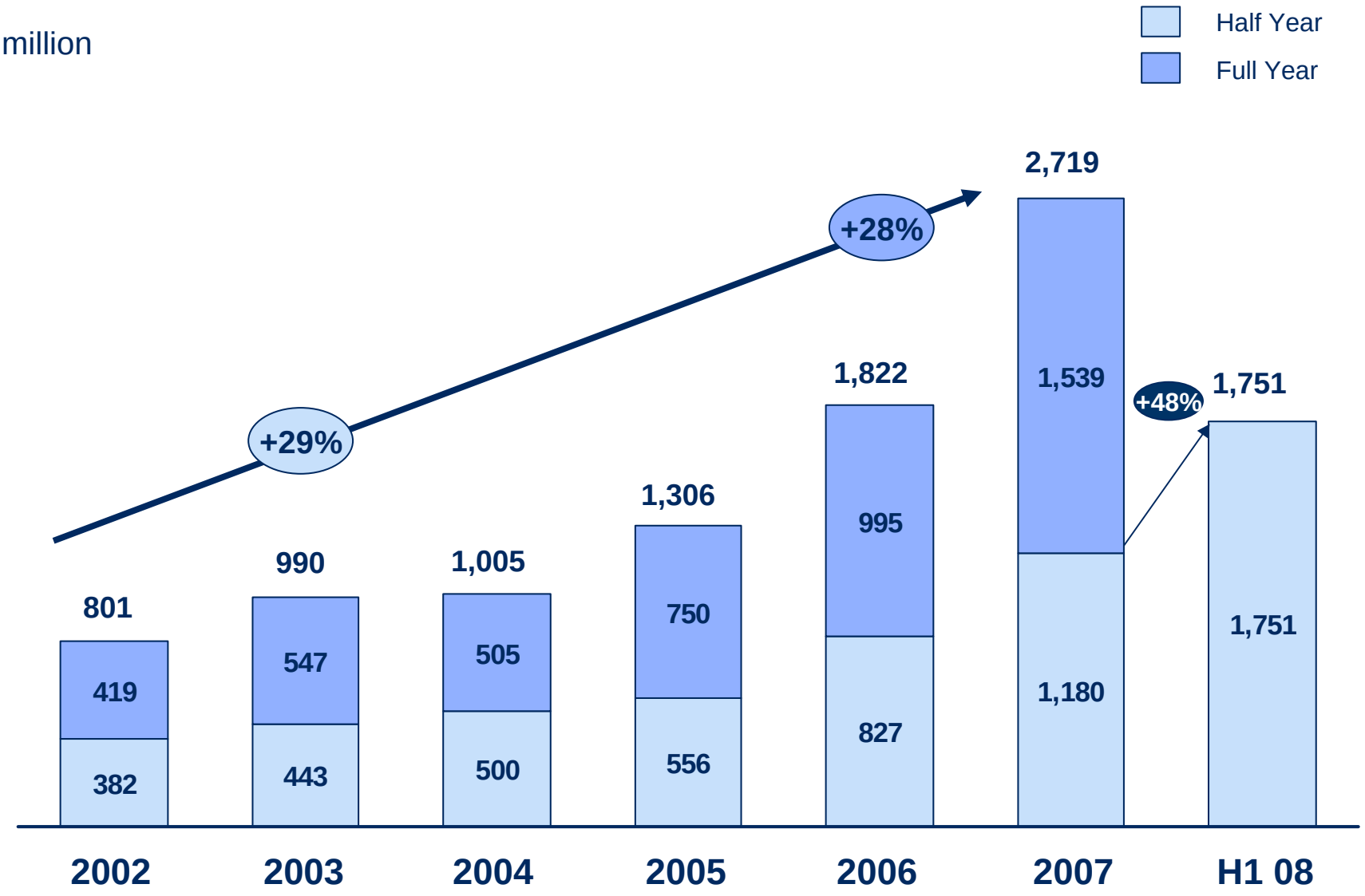


Revenues for 2007 reflect pro forma results

Prior Periods (2001-2006) reflects aggregation of EBI and NBD results

Costs : Investing for growth

AED million

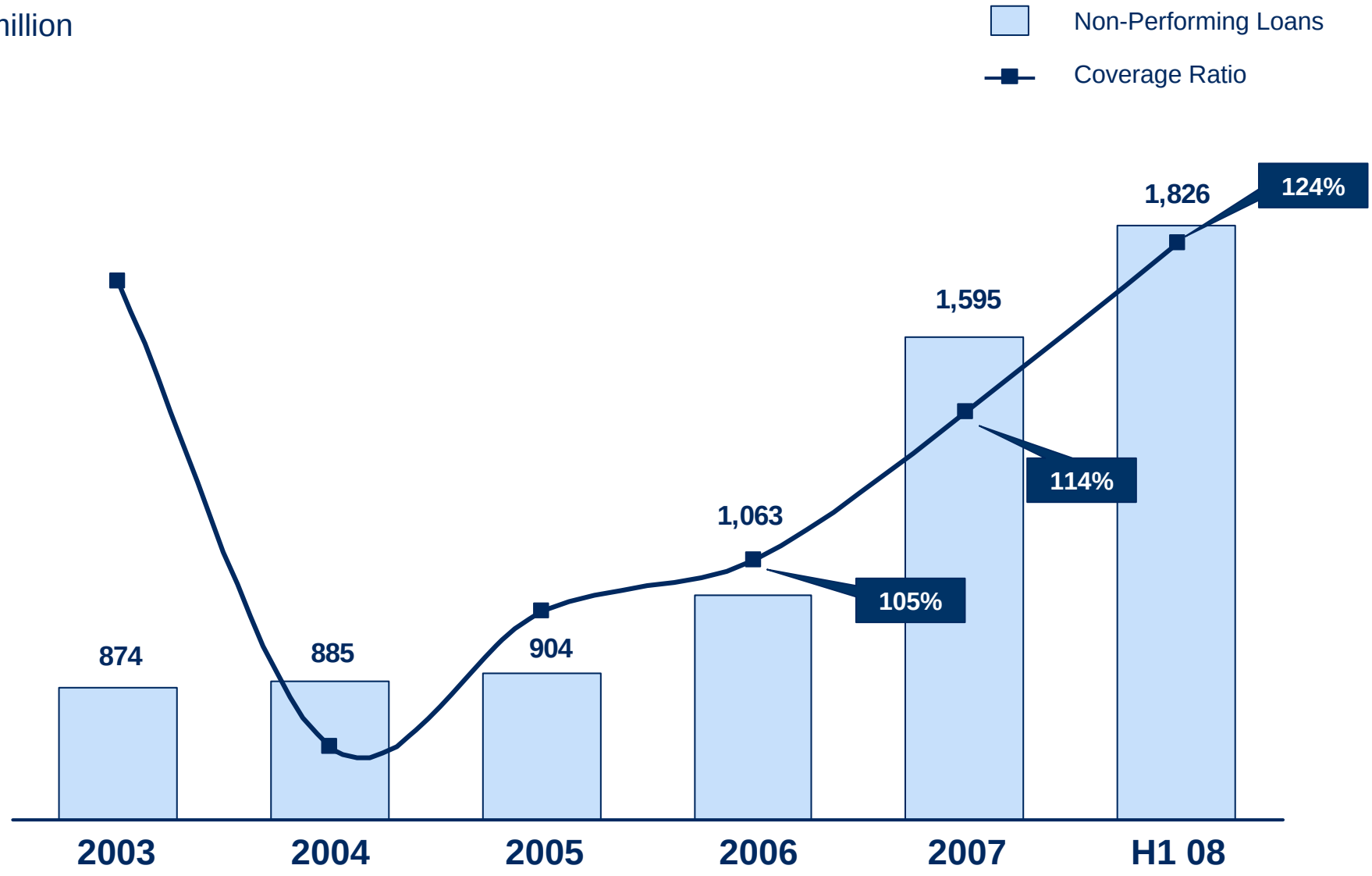


Costs for 2007 reflect pro forma results

Prior Periods (2001-2006) reflects aggregation of EBI and NBD results

Loan Loss Provisions : Improved coverage ratios

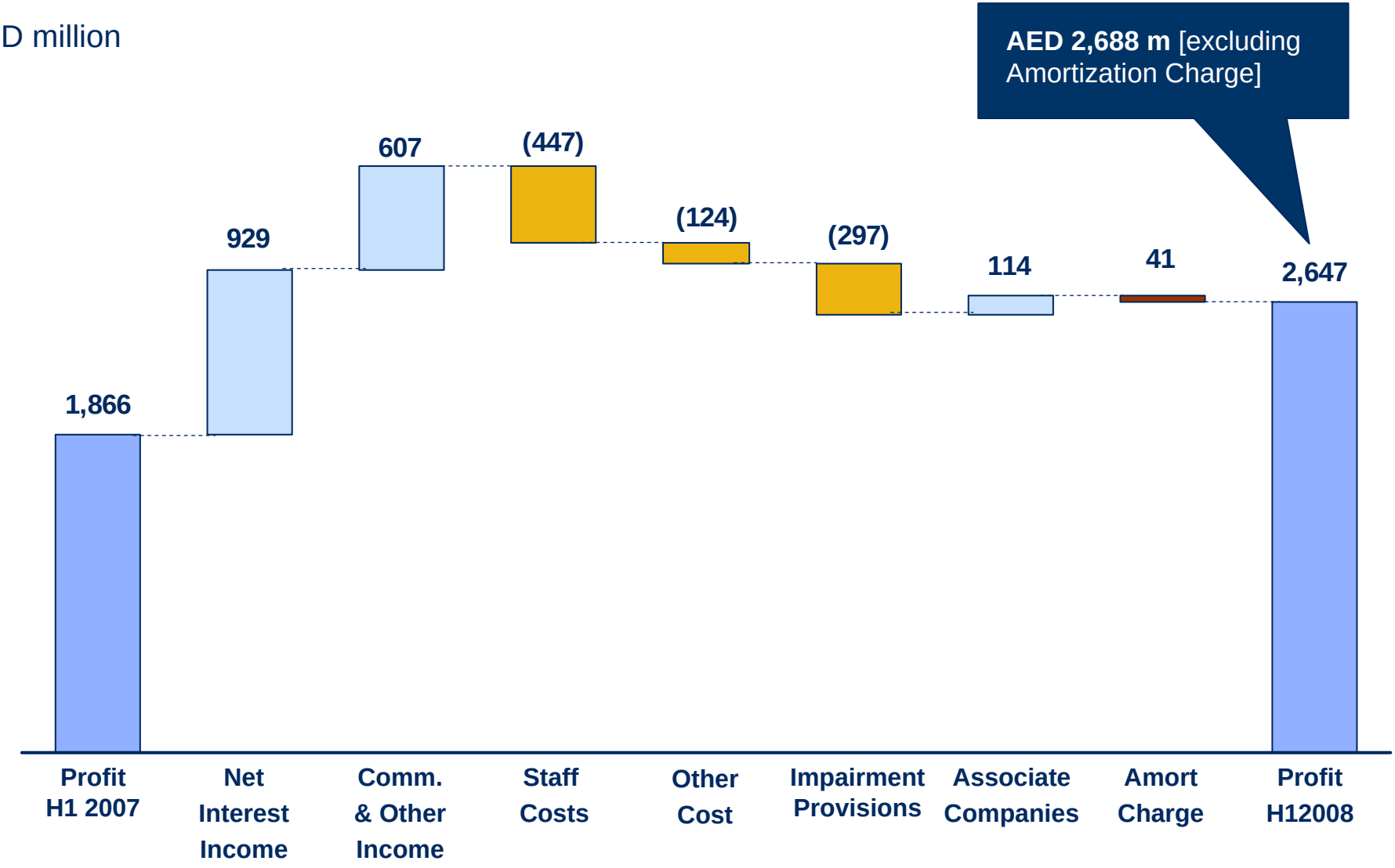
AED million



Prior Periods (2001-2006) reflects aggregation of EBI and NBD results

Net Profit – H1 2008 : Key Drivers

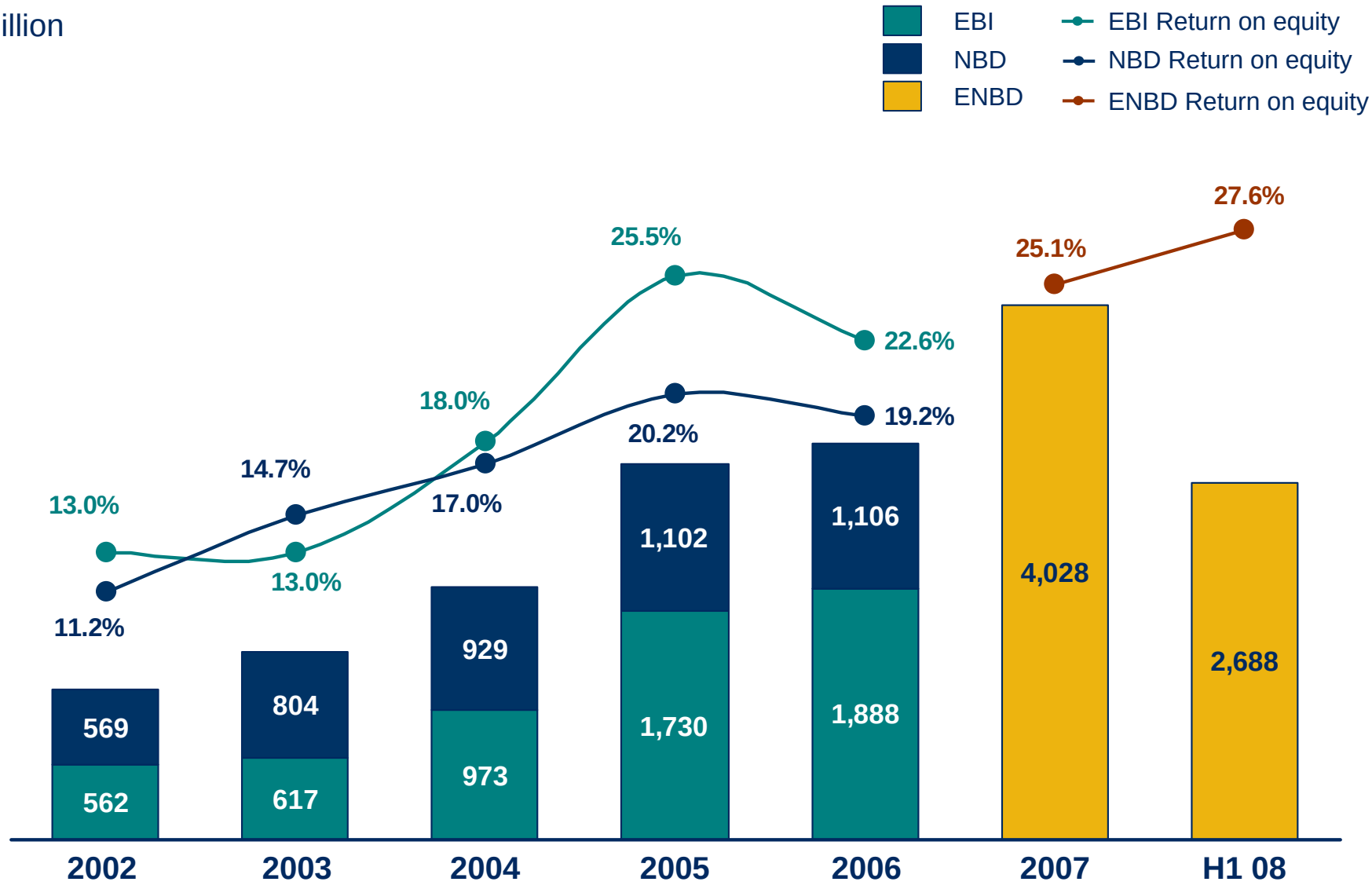
AED million



* H1 2007 profits reflect proforma numbers.

Return on Equity : Creating shareholder value

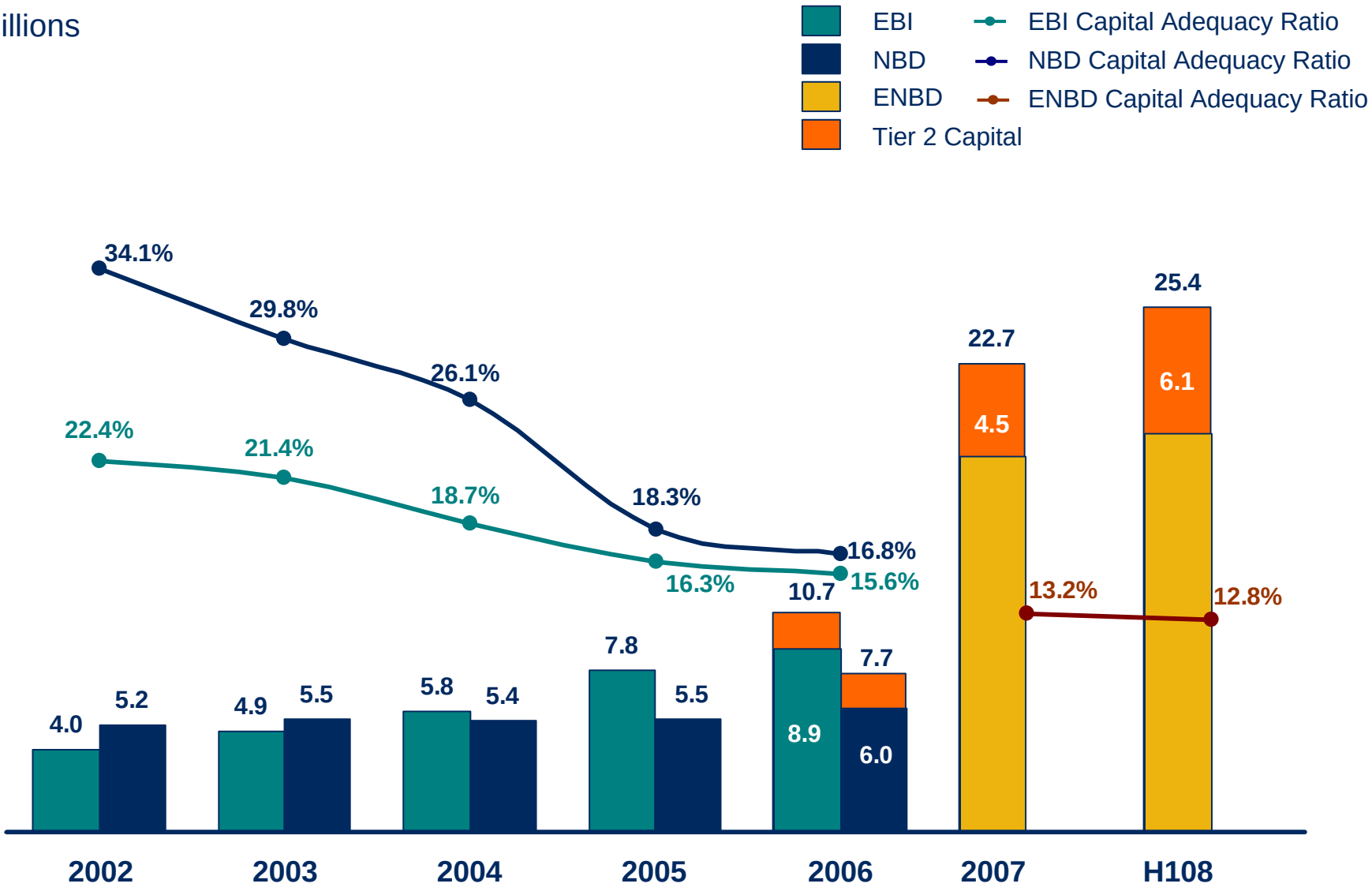
AED million



Return on Equity for 2007 and 1st Half 2008 reflects return on Tangible Shareholder's Equity i.e. excludes Goodwill & Intangibles. The ROE is normalized and excludes amortization of intangibles.

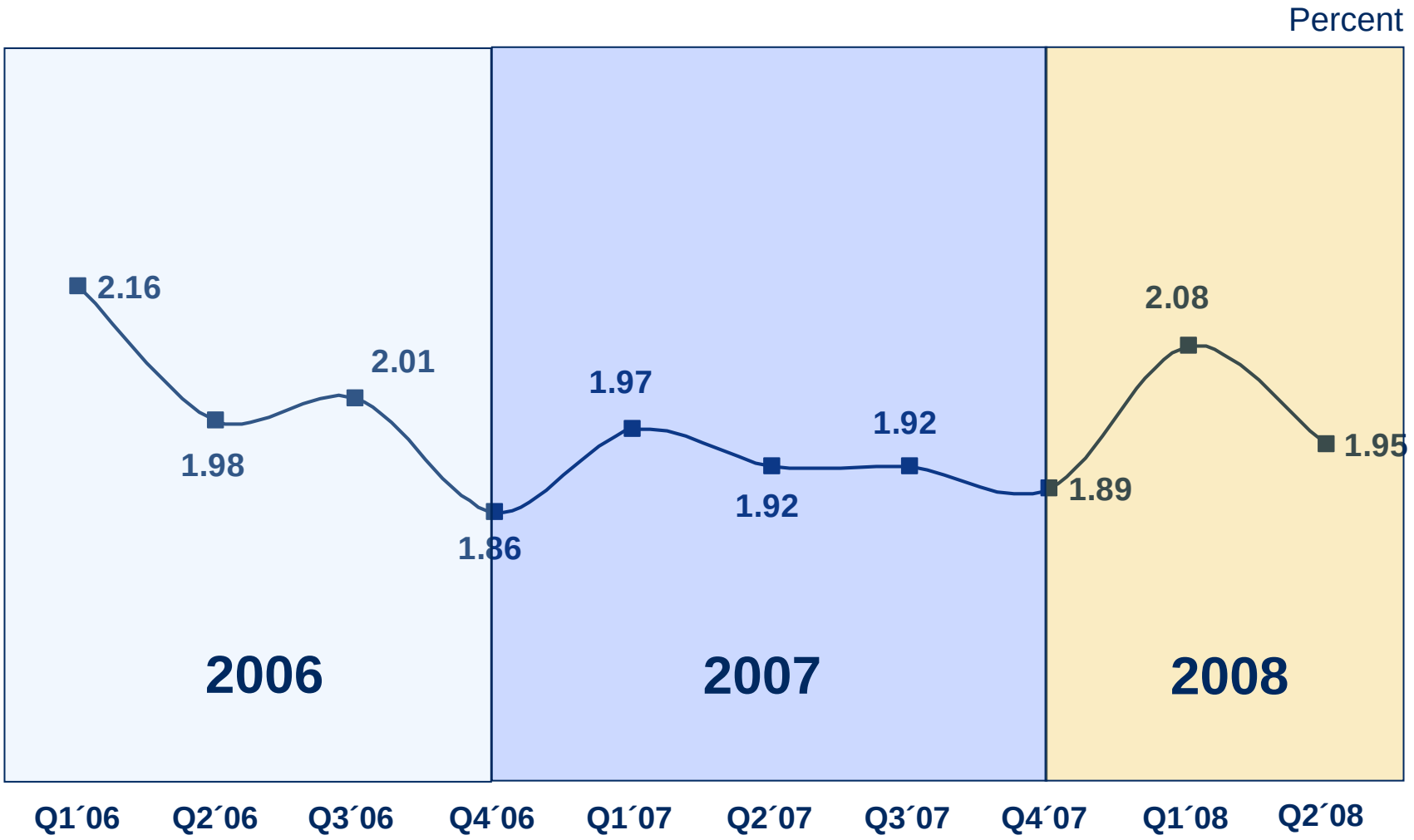
Robust Capitalization

AED billions

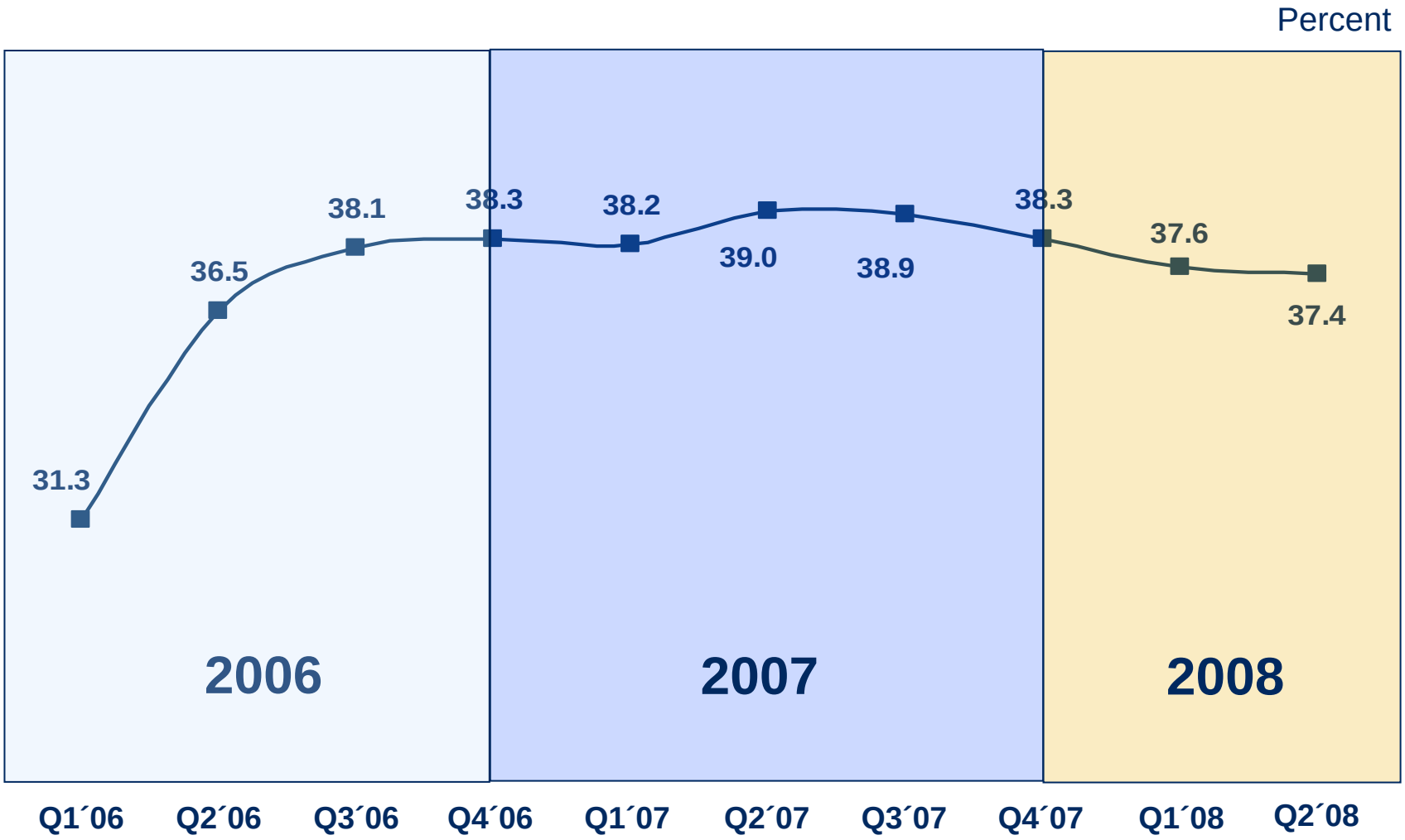


Capital Adequacy Ratio per Basel I guidelines issued by the UAE Central Bank.

Net Interest Margins



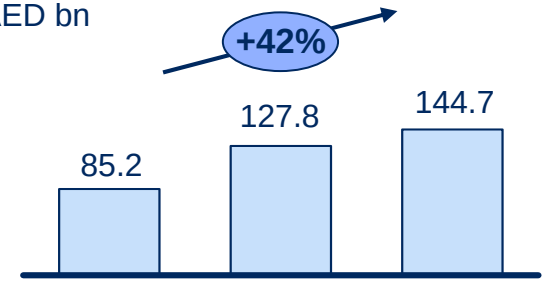
Cost – Income Ratio : Focus on productivity



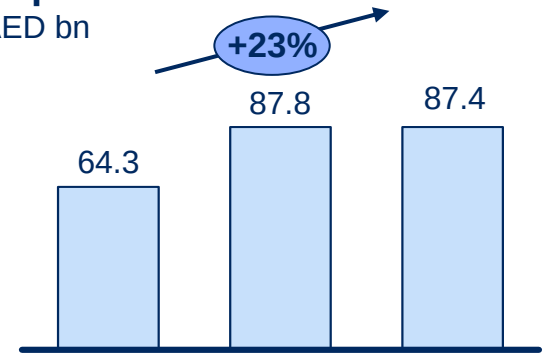
* Q1 2006 includes extraordinary IPO-linked income

Wholesale Bank continues to deliver strong performance

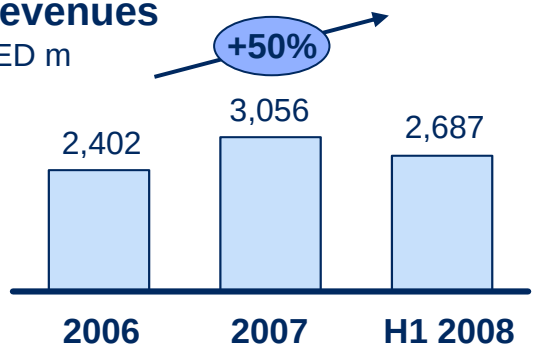
Loans
AED bn



Deposits
AED bn



Revenues
AED m



CAGR

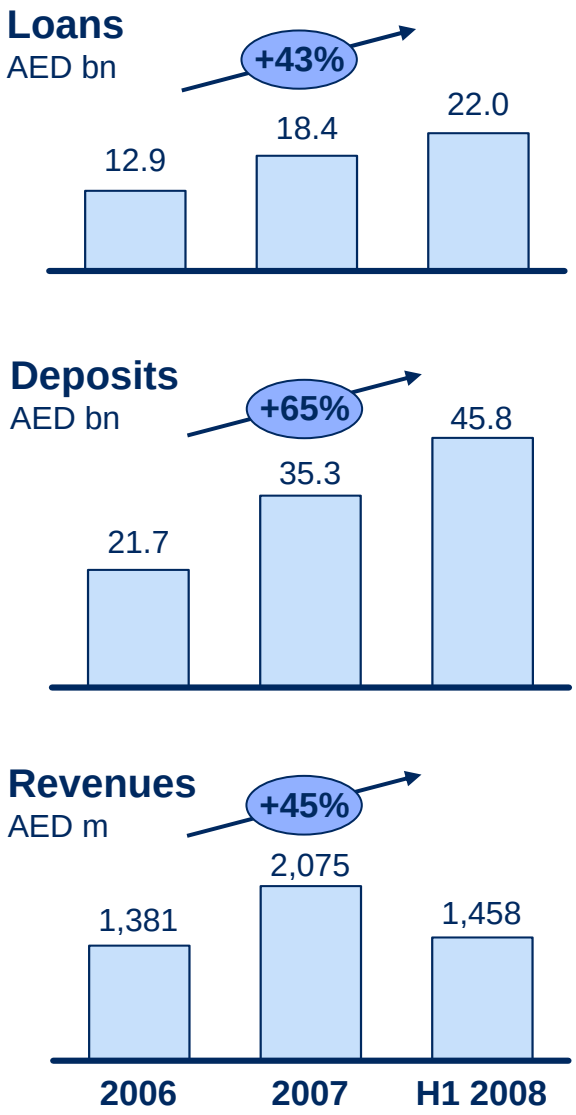
Highlights

- Servicing Multinational, Large Local Corporate, Government linked institutions, Financial & Investment Institutions.
- Product offering comprises mainly Lending, Deposits, Trade Finance, Syndications, Structuring and Treasury & Investment Banking solutions.
- Major contributor to the growth of the bank with Corporate lending and deposits showing continued growth momentum.
- Increasing emphasis on providing tailored Treasury and Investment Banking solutions and leveraging established relationships and capital deployed.

Source: Financial results & Internal Analysis, year 2006 & 2007 is aggregation of EBI and NBD

Retail Bank has the largest distribution network & dominant market share

CAGR

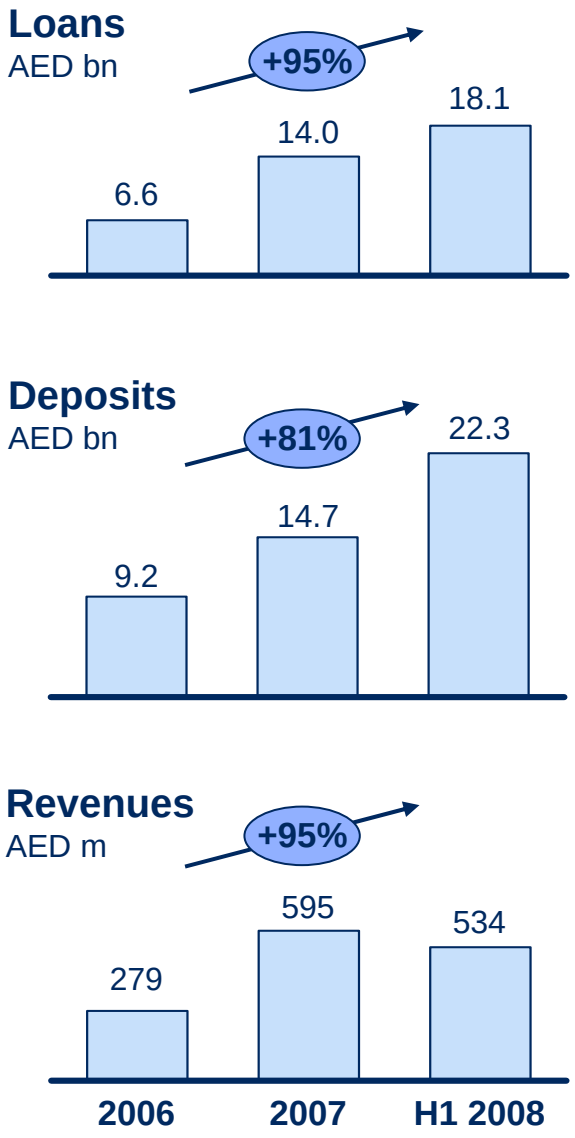


Highlights

- Largest distribution network in UAE & highest market share in Loans and Deposits.
- Investment in customer service has been a key focus and is expected to be a key differentiator.
- Won numerous awards including Best Retail Bank and Best e-Banking awards in 2007.
- Retail products include: Current and Savings Accounts, Credit Cards, Personal Loans, Auto Loans, Mortgages and Investment Products.
- Total of 115 branches and 486 ATMs.

Source: Financial results & Internal Analysis, year 2006 & 2007 is aggregation of EBI and NBD

Emirates Islamic Bank : Fastest growth in UAE



CAGR

Highlights

- Fastest growing Islamic bank in the UAE, since its inception in 2004.
- The business has more than doubled assets & income every year and is rapidly increasing market share gain.
- Significant opportunities to expand its Islamic footprint.
- A broad product range on offer:

  Retail: Vehicle & Goods Murabaha, Credit Cards, Home Finance, Investments & Deposit Accounts

  Corporate: Murabaha, Ijarah, Real Estate Financing, Trade Finance, Secured Overdraft, Syndications, Sukuks & Investment Products

Source: Financial results & Internal Analysis, year 2006 & 2007 is aggregation of EBI and NBD

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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:

		% of Smaller Base[1]		% of Combined Base[1]
Synergies (2010)	**Total,** AED m	**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:**

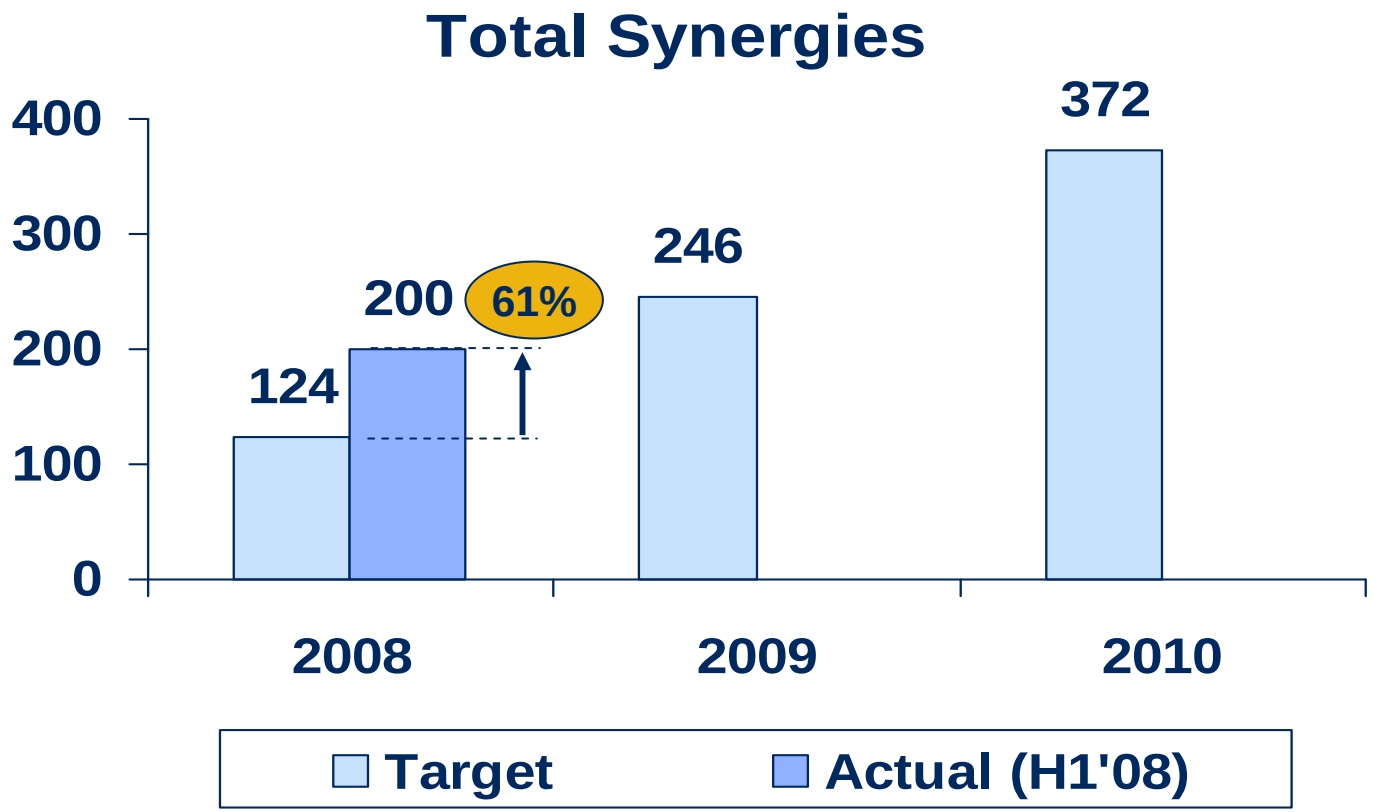
		% of Smaller Base[1]		% of Combined Base[1]
Synergies (2008)	**Total,** AED m	**Actual****	**Benchmark*****	**Actual**
Revenue	65	3.5%	1.7-3.3%	1.4%
Costs	50	7.4%	4.6-8.6%	2.7%

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

Note 1: Base used when computing synergy targets were 2006 financials, smaller base was NBD and combined was aggregated EBI and NBD

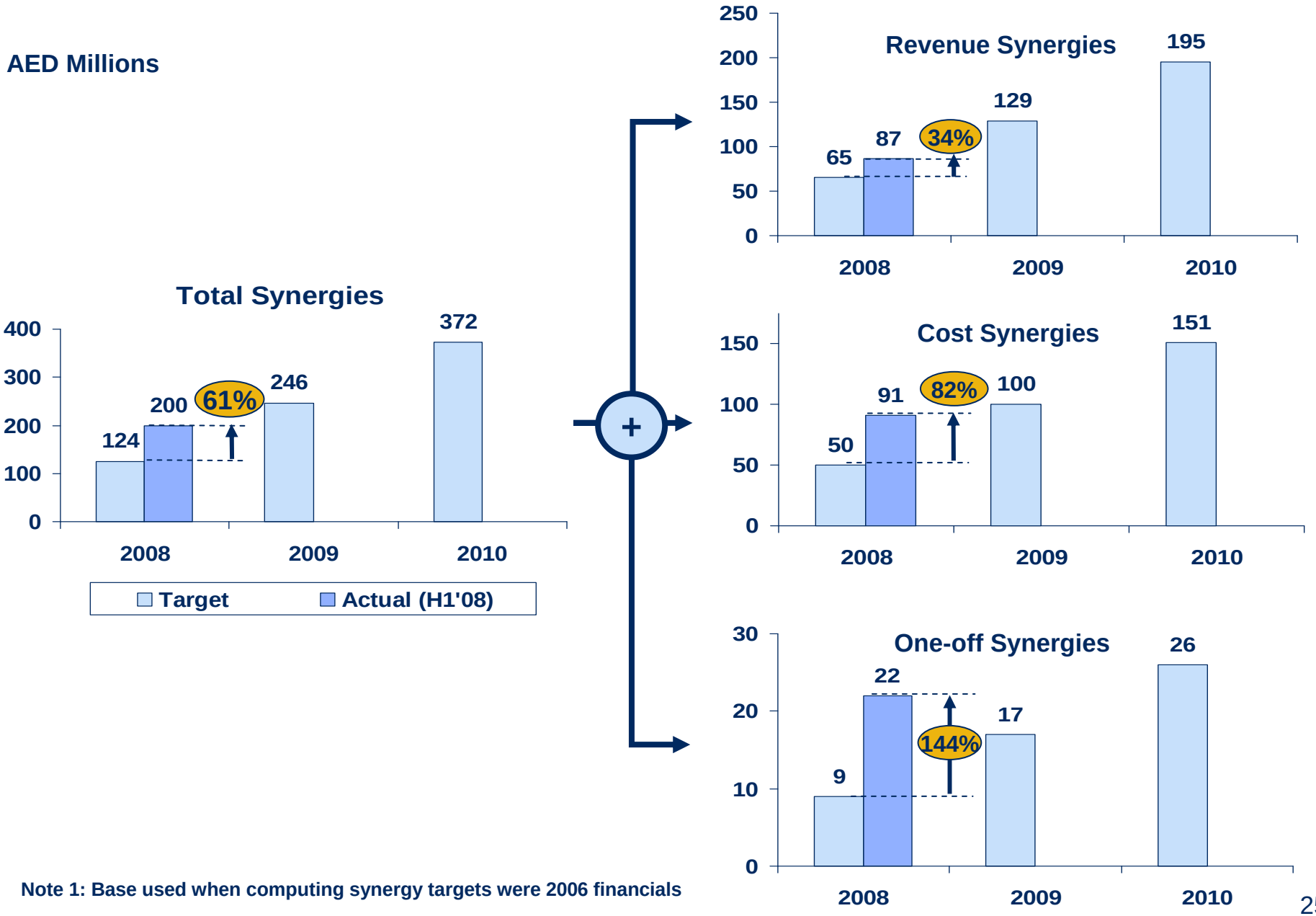
H1 2008 : Achieved Annualised Synergies of AED 200m – ahead of 2008 full year target by 61%

AED Millions



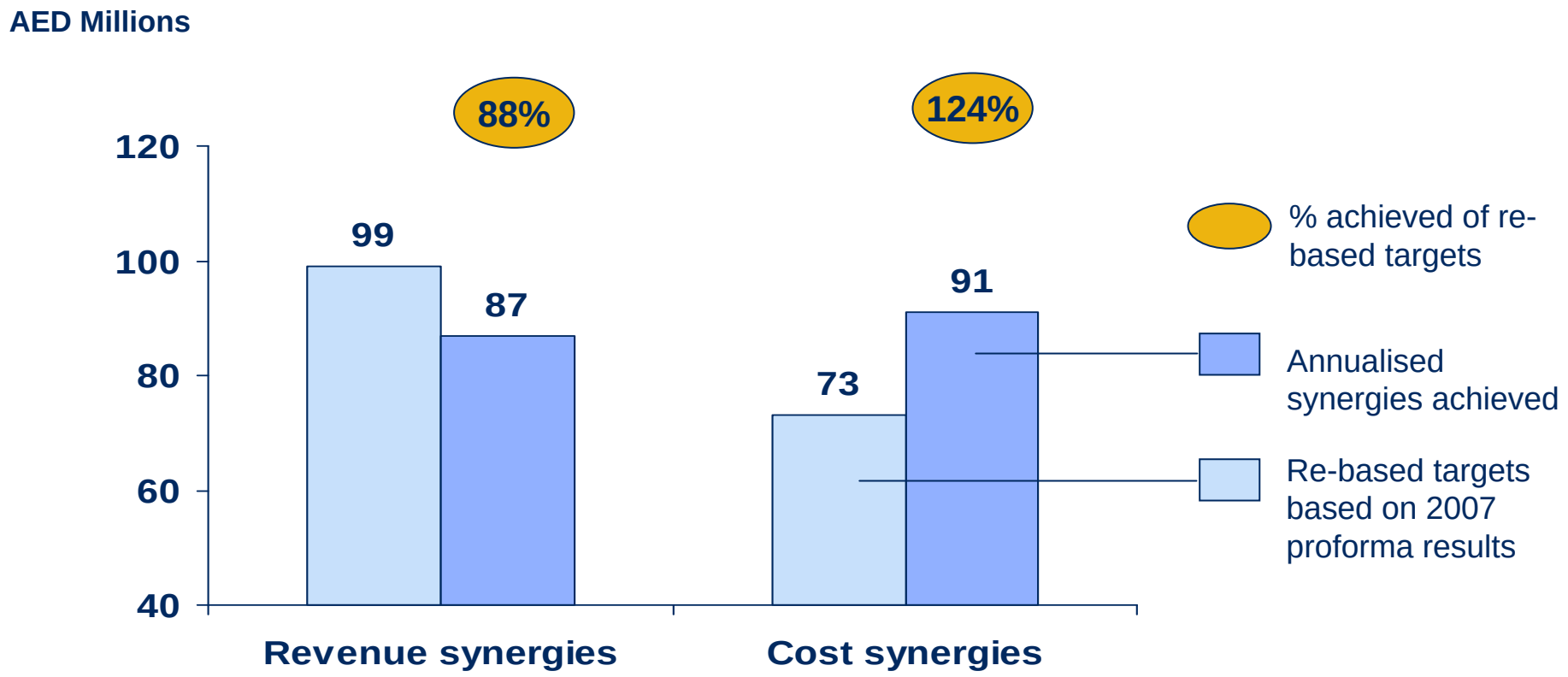
Note 1: Base used when computing synergy targets were 2006 financials

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



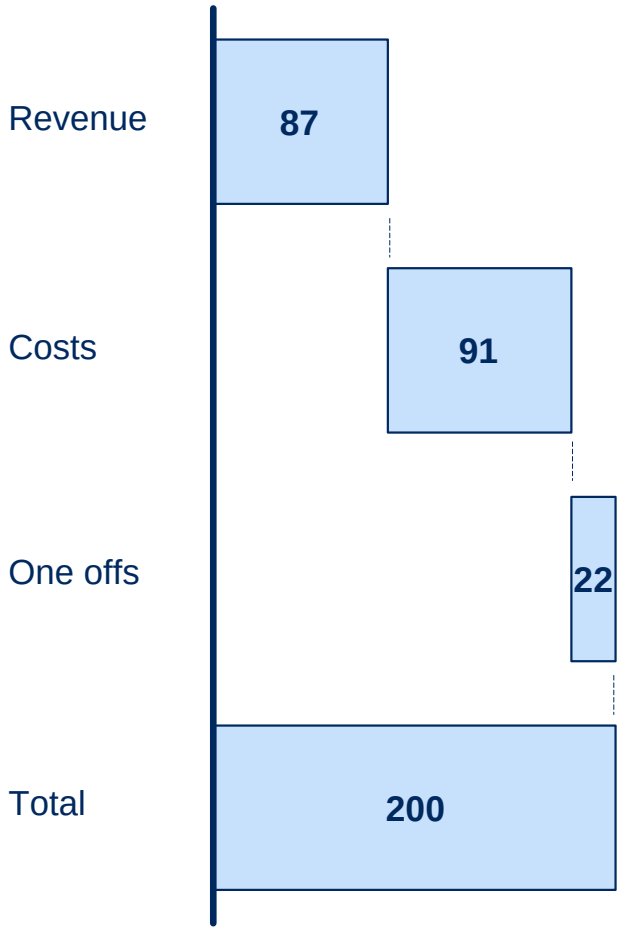
Note 1: Base used when computing synergy targets were 2006 financials

On track to exceed targets even re-based with reference to 2007 financials proforma revenues & costs



Synergies achieved : Key drivers

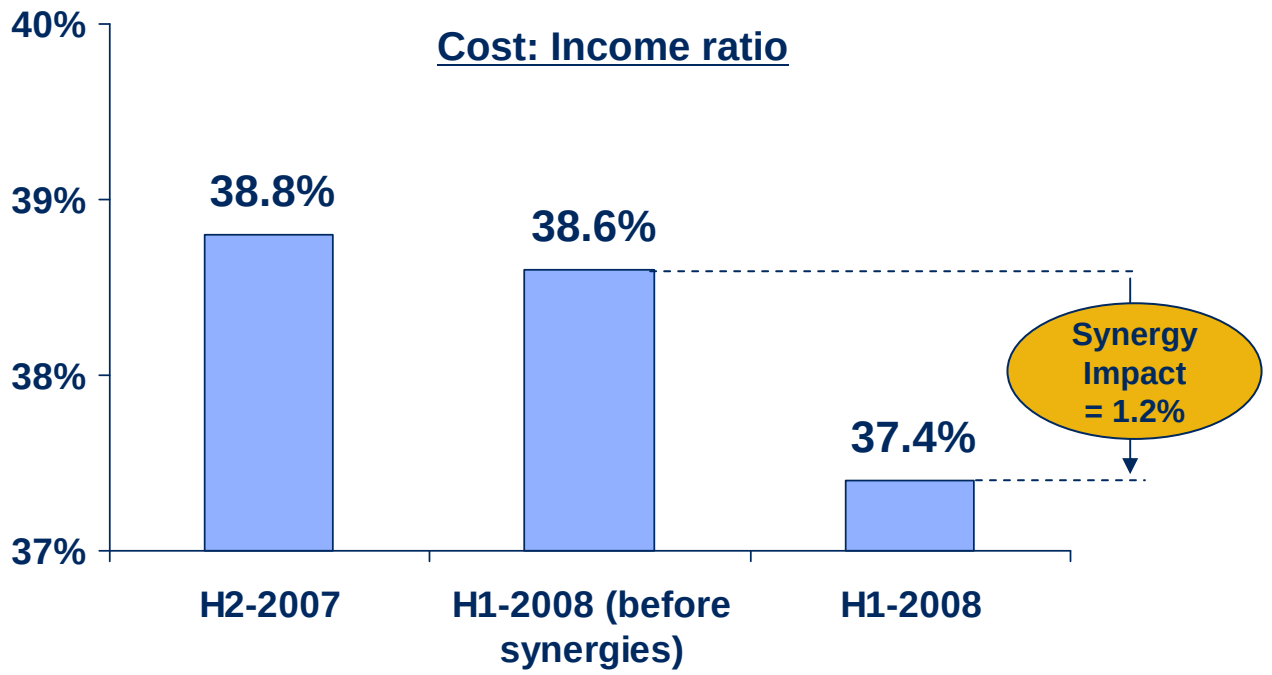
AED millions



	Total, %	Key drivers of synergies achieved in H1'2008
Revenue	41	• Largest distribution network of 115 branches & 486 ATMs • Focus on cross selling – e.g. mortgages >AED100m loans • Enhanced market share/pricing advantages – e.g. FDs • Embedded Customer efficiency framework – e.g. Tafawouq has tripled branch sales in Umm Suqeim & DCC
Costs	48	• Single Head-office in place • Created efficiencies through unified business models • Combined marketing & advertisement activities
One offs	11	• Projects & initiatives discontinued due to merger, namely Islamic banking set up previously planned in NBD
Total	100	

Key performance indicators : Cost-Income ratio

- ✓ Cost Income ratio for H1-2008 is 37.4% (vs. 38.8% in H2-2007)
- ✓ Before synergies H1-2008 cost-income ratio is 38.6%
- ✓ Synergies contribute to 1.2% drop in cost-income ratio
- ✓ Jaws of 4% achieved in H1-2008 vs. H2-2007 (before synergies 1%)



Note: All nos above exclude integration costs which are one-offs

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Strategic Vision



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2008 : Awards



- 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.

2008 : Large Deals

February 2008

Emirates Aluminum

US$4,940 Million
Project Finance Facility

Mandated Lead Arranger, Sub-Underwriter and L/C Issuing Bank

March 2008

DEER FIELDS TOWN SQUARE PROJECT

AED 360,000,000 TERM LOAN FACILITY
Mandated Lead Arranger

March 2008

Archirodon Group N.V.

US$225,000,000 revolving multi-currency credit facility

Mandated Lead Arranger

March 2008

Limitless LLC

USD $ 1.2 Billion (Dual currency AED/USD)
Syndicated Mudaraba Facility

Initial Mandated Lead Arranger, Underwriter & Bookrunner

March 2008

Saudi Bin Laden

SR 3,200 Million

Project Facilities

Mandated Lead Arranger

April 2008

Borse Dubai

USD $ 5.8 Billion (Dual currency GBP/USD)
Syndicated Loan Facility

Initial Mandated Lead Arranger, Underwriter & Bookrunner

April 2008

DEWA

USD 2,200 Million

Syndicated Ijara Facility

Mandated Lead Arranger

April 2008

DEWA

AED 3.200 Million

Sukuk al Ijara

Mandated Lead Arranger & Bookrunner

2008 : Large Deals

June 2008

Dubai World

USD 5,000,000,000

Term Loan and Revolving Credit Facilities

Mandated Lead Arranger, Underwriter & Bookrunner

June 2008

Axiom Telecom LLC

USD 400,000,000

Dual Currency (AED/USD) Import / Purchase Finance (Islamic/Conventional) Facility

Initial Mandated Lead Arranger, Underwriter y Bookrunner

June 2008

The Palm Vacation Club FZE (A Subsidiary of IFA Hotels & Resorts KSCC)

AED 367,300,000

Corporate Term Loan Facility

Initial Mandated Lead Arranger, Underwriter y Bookrunner