Emirates NBD

3rd Quarter 2008
Financial Results

22 October 2008

بنك الإمارات
Emirates Bank

NBD بنك دبي الوطني

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.

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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.

Contents

- Performance Highlights
- Financial Results
- Asset quality
- Liquidity and Funding
- Outlook

Financial Highlights: 3rd Quarter 2008

- ✓ Year to date Net Profits up **33%** to **AED 3,667 m** compared to 9 months to 30 Sept 2007
- ✓ Net Profits for Q3 08 up **13%** to **AED 1,019 m** compared to Q3 07

- ✓ Statutory Net Profits for Q3 2008 impacted by mark-to-market write-downs charged against NFI of AED 273 m
- ✓ Core businesses continue to deliver strong momentum with net profit (excluding one off items) for 3Q08 up **44%** from 3rd Quarter 2007

- ✓ Assets at AED 285.3 bn, up **12%** from the end of 2007 and flat compared to 30 June 2008

- ✓ Loans at AED 202.1 bn, up **21%** from the end of 2007 and up 8% from 30 June 2008
- ✓ Deposits AED 165.9 bn, up **20%** to from the end of 2007 and up 6% from 30 June 2008

- ✓ Strong performance despite turmoil in Global Financial Markets

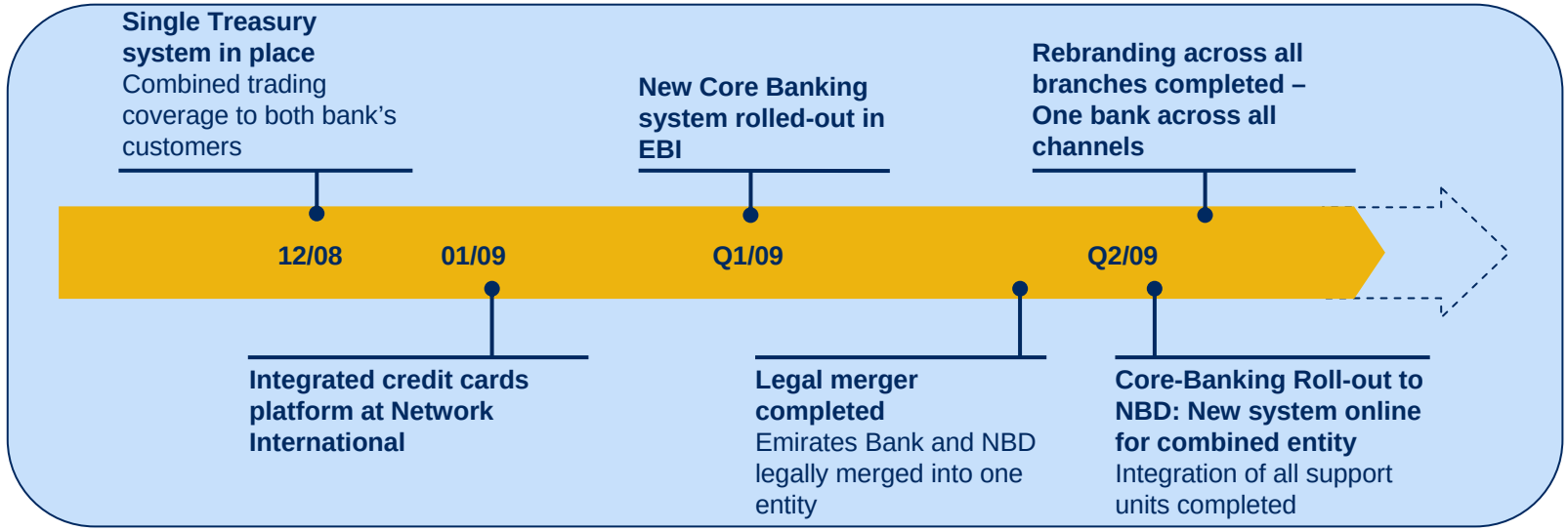
- ✓ Integration fully on track

Business and Operational Highlights

- Core business continued to perform well
- Consumer and Wealth Management continues to expand and build on distribution reach
  - 35% increase in Credit Cards business and 45% increase in personal loans in the first 9 month of 2008
  - Emirates NBD reinforced leading mortgage provider among banks in the UAE with loan book growth of 64% since the beginning of the year
- Network International continues its strong growth with revenues up 40%
  - Egyptian acquisition now profitable
  - Overall profitability for the division grew strongly in the quarter
- Wholesale banking had another successful quarter
  - Continued success of its transactions business
  - Emirates NBD remains the lead syndicated loan MLA in the UAE with over 10% market share
  - Involved in a number of significant transactions (e.g. AED 1.8 b Murahaba facility for ENOC, AED 4.4 b Syndicated Receivables Financing Facility for Nakheel)
- Emirates Islamic Bank retains its position as fastest growing Islamic bank in the UAE with strong top and bottom line growth
  - Profits for the 9 months ended 30 September 2008 grew to AED 440m, an increase of over 200% compared to the same period in 2007

Integration Update

- Overall integration fully on track with major progress made over the last months
- Key integration achievements during Q3 include:
  - Inauguration of Emirates NBD's Large Corporate Unit (LCU)
  - Treasury team now working as a single integrated FX trading entity
  - Operations staff co-location in our new IT and Operations Processing Center in Al Barsha
  - Integration of ATMs completed to form the largest network in the UAE of over 500 ATMs and SDMs across UAE.
  - Mobile and Online Banking integrated; enhanced functionalities and 13 payment partners available to all our customers
  - We have completed the largest culture roll-out program in the Banking and Finance sector in the region – 'My Bank, Our Values'; 5,000 employees attended 107 workshops
- Completed integration in Q2 is well in line with originally communicated target of 18-24 months



Contents

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Key Performance Indicators : Group Performance

AED m	3 Months to 30 Sept 2008	Variance vs. 2007	9 Months to 30 Sept 2008	Variance vs. 2007
Total income	1,985	+18%	6,664	+38%
Operating expenses	(774)	+24%	(2,525)	+40%
Impairment allowances	(298)	+30%	(810)	+82%
Operating profit	913	+10%	3,329	+29%
Other	106	+48%	338	41%
Net profit	**1,019**	**+13%**	**3,667**	+33%
Net profit* : Core Businesses	**1,292**	**+44%**	**3,940**	42%
Cost:income ratio (%)	39.0%	+1.9%	37.9%	+0.5%
Net interest margin (%)	1.96%	+0.04%		
EPS (AED)	0.20	+11%	0.73	+33%
Return on tangible equity (%)*	19.7%	-2.8%	24.4%	+1.0%

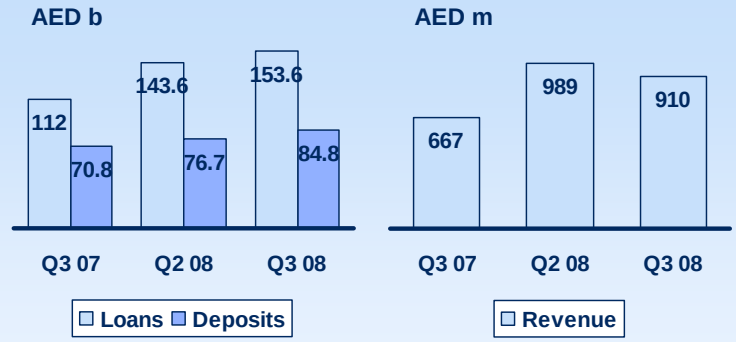
AED b	As at 30 Sept 2008	Var vs. 31 Dec 07
Total assets	285.3	+12%
Loans	202.2	+21%
Deposits	165.9	+20%
Capital Adequacy Ratio (%)	12.5%	-0.7%

* Excluding MTM write-downs on investment securities of AED 273 m.
** Tangible Equity = Total Equity *less* Goodwill and Intangible assets

Key Performance Indicators : Divisional Performance

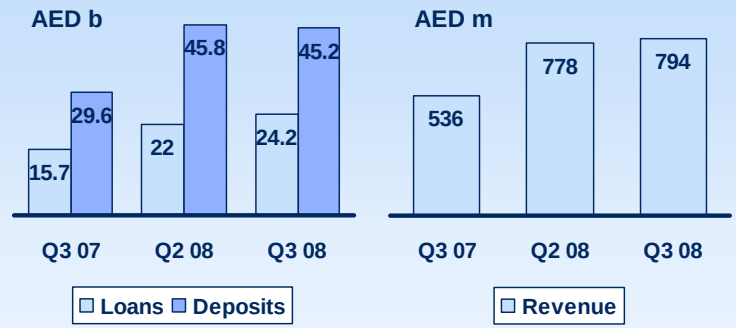
Wholesale Bank

- Loans increased by 37% year-on-year as demand for commercial loans continued during 2008
- Deposits grew by 20% year-on-year
- Q3 2008 total income grew by 36% over the previous year and was up 56% on a ytd basis
- 3Q 2008 NII and NFI grew strongly at 25% and 63% respectively over the previous year (50% and 67% ytd)



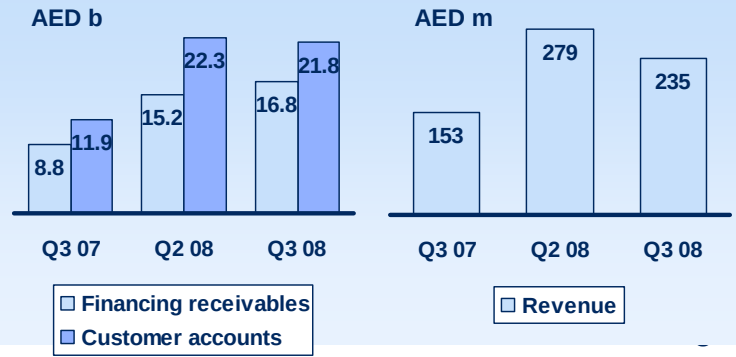
Retail Bank

- Total income for the quarter reached AED794m, up 48% from Q3 2007
- Both net interest income and fee income grew strongly at 56% and 45% respectively
- Loans grew 54% year-on-year
- Deposits grew 53% year-on-year



Emirates Islamic Bank

- Continued strong revenue growth of 54% over Q3 2007
- EIB net profit of AED440m for 9 months to 30 September 2008, up 206% over 2007 comparable
- Financing receivables +91% to AED16.8b year-on-year. Customer Accounts +83% to AED21.8b



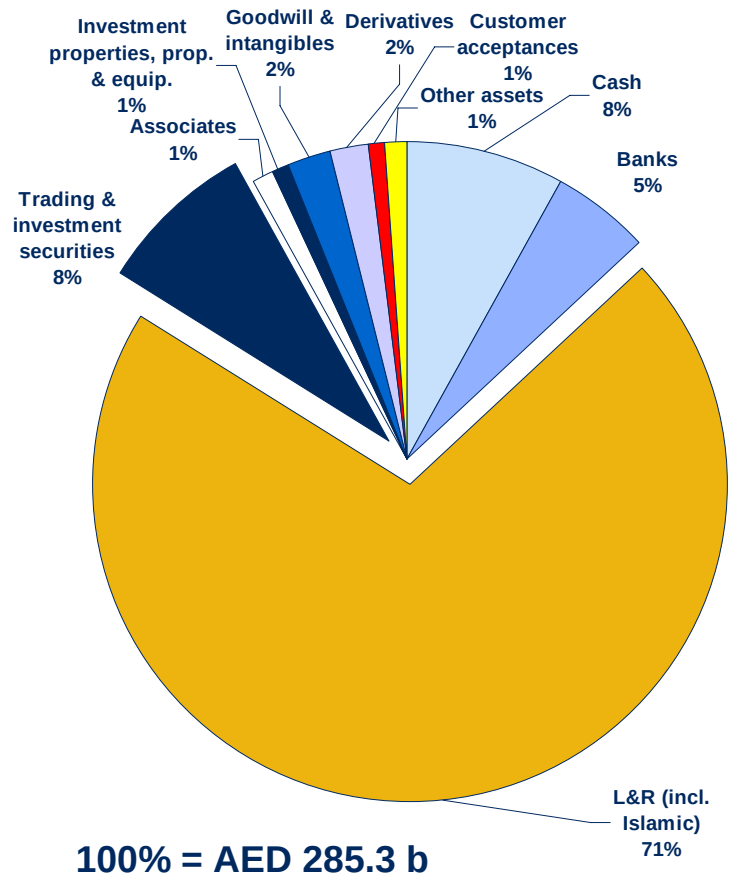
Contents

- Performance Highlights
- Financial Results
- Asset Quality
- Liquidity and Funding
- Outlook

Asset Quality

- Balance sheet risk concentrated in:
  - Loans & Receivables represents 77% of assets)
  - Trading and Investment Securities represent 9% of total assets
- Due to banks represent 6% of assets
  - Exposure to troubled counterparties is de minimus
  - Counterparties have been extensively reviewed and we remain comfortable with our exposures

Composition of Assets – Q3 08

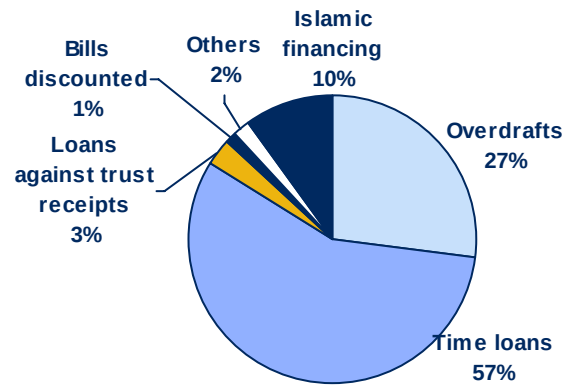


100% = AED 285.3 b

Balanced Loan Portfolio with High Degree of Security

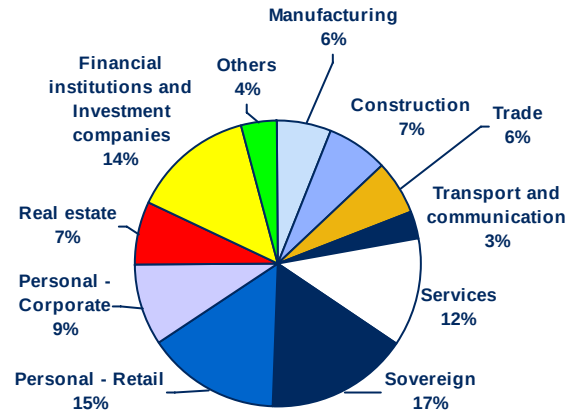
- Loan portfolio is balanced and well secured
- Exposure to known troubled counterparties (e.g Lehmans) is de minimus
- Counterparties have been extensively reviewed and we remain comfortable with our exposures
- No exposure to US or EU leveraged finance
- No monoline exposures

Loan Portfolio by Type – Q3 08



100% = AED 202.1b

Loan Portfolio by Sector – Q3 08



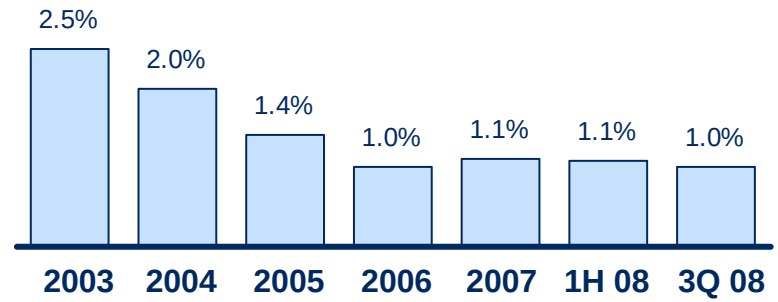
100% = AED 202.1b

Source: Financial Statements

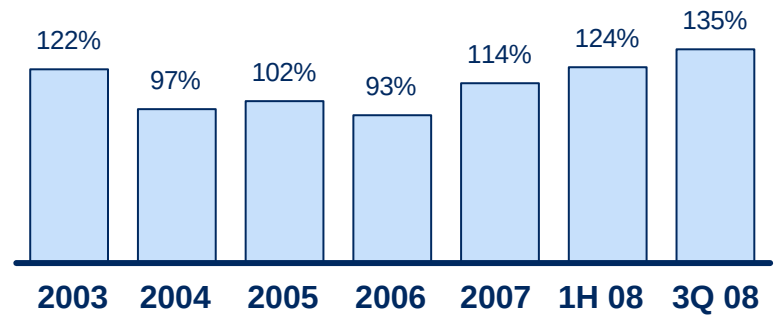
Stable Credit Metrics

- NPL and impairment allowance metrics remain broadly stable
- Credit environment remains benign and no stresses noted in any particular areas
- NPL coverage increasing due to increase in general impairment allowances to reflect expectation of seasoning impacts

NPL Ratio



Coverage Ratio



Source: Financial Statements, Aggregation of EBI and NBD results

Real Estate Exposure

Wholesale Bank

- Corporate real estate exposure is AED22b or 15.6% of deposits compared to regulatory limit of 20%
- Emirates NBD is very selective in financing real estate exposure and affordability criteria assume recessionary business conditions. Extent of finance generally limited to:
  - 70% of construction costs excl. land or 60% of cost incl land (land valued at lower of cost or MV)
  - 60% of purchase price for completed properties provided useful life is > 150% of repayment term
- Financing is to top tier developers only .
- Repayment experience has been satisfactory with no accounts classified in doubtful or loss categories
- Approximately 70% of the portfolio has a repayment maturity of < 3 years

Retail Bank

- Mortgage portfolio is relatively small AED3.9b as both EBI and NBD are recent entrants into the mortgage market
- Emirates NBD is very selective in financing mortgages and limits finance to selected developers and developments and within conservative LTV limits.
- Average LTV on original value is 77%; Average LTV on market value is 59%
- Lending is biased to higher income customers (87% of customers have income > AED 25,000 per month)
- Lending is biased to 1st properties financed (e.g. 86% of customers have only one loan from Emirates NBD)
- Negligible non-resident financing

Investment and Trading Securities

- Investment Securities MTM negatively impacted by Global and Regional market declines

AED m	30 Sept 2008	
Held to Maturity	**677**	→ No MTM impact
Government bonds	132	
Corporate bonds	545	
Available for Sale	**17,974**	→ MTM write-downs of AED 270 m booked against 'Cumulative changes in fair value' reserves.
Government bonds	2,529	
Corporate bonds	11,503	
Equities	3,336	
Others (inc. Mutual Funds)	606	
Fair Value through P&L	**5,344**	→ MTM write-downs of AED 273 m booked against 'Other operating income'
Government bonds	146	
Corporate bonds	918	
Equities	351	
Hybrid instruments	593	
Others (inc. Mutual Funds)	3,336	
Trading Securities	**77**	
Total	**24,072**	

- Write-downs reflect a reduction in asset prices globally and not an underlying credit issue
- Underlying quality of securities portfolio remains strong
- Exposure to sub-prime and related exposures (e.g. RMBS, CMBS, CDOs, CLOs) is negligible and has been fully written down.

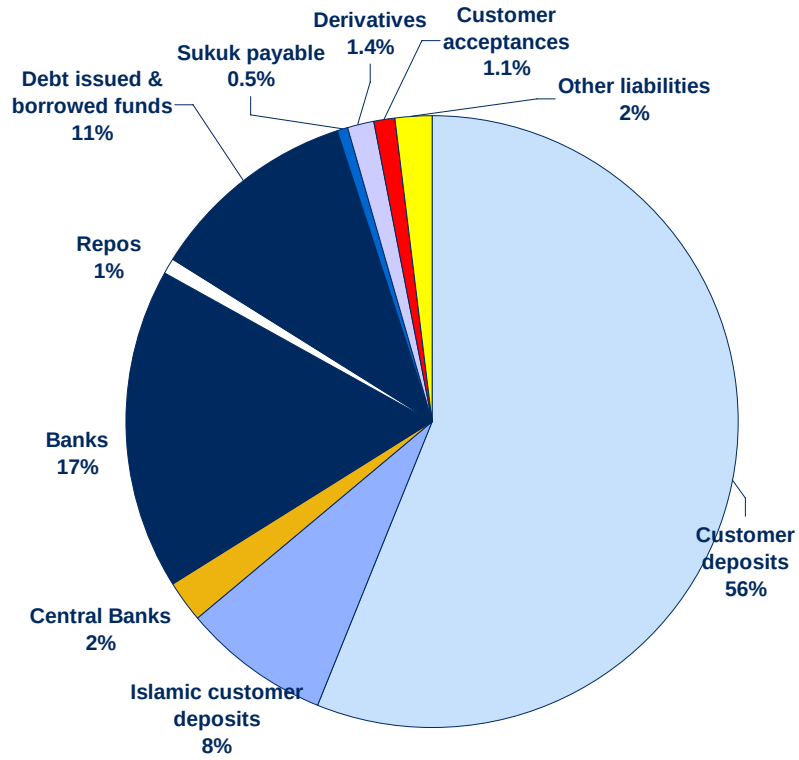
Contents

- Performance Highlights
- Financial Results
- Asset Quality
- Liquidity and Funding
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Funding and Liquidity

- UAE Banking system liquidity has tightened considerably
  - C. AED180b outflow of speculative capital
  - Global credit/liquidity crisis
  - UAE Central Bank and Ministry of Finance intervention encouraging
- Emirates NDB has adequate liquidity
  - Strong corporate and retail deposit franchise with largest distribution network in the UAE
  - Historically have not been targeting “hot money” deposits
  - Strong government links
  - Have been adjusting ALM positions and repoing securities

Composition of Liabilities – Q3 08



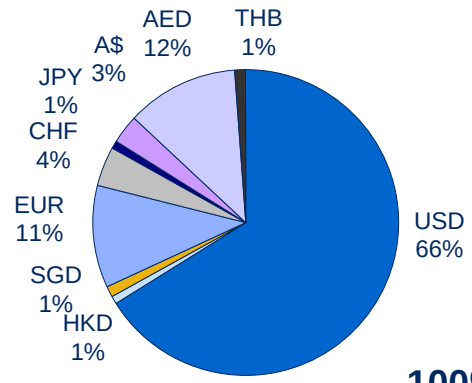
100% = AED 258.1 b

Outstanding EMTNs & ECPs

- Active MTNs issuance under EMTN programme
- Diversified investor base
- Diversified maturity profile
- Maturity profile well within our funding capability

Outstanding by Currency

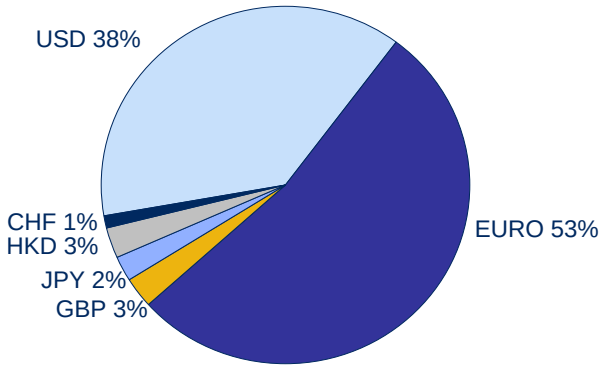
EMTNs



100% = AED 30.0 b

Outstanding by Currency

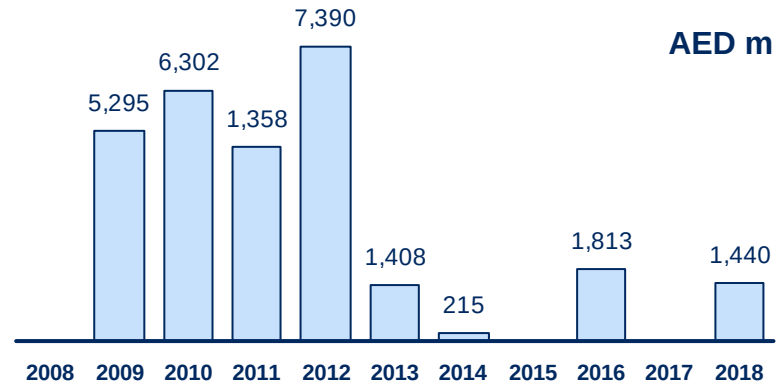
ECPs



100% = AED 5.6 b

Maturity Profile : EMTNs

AED m



100% = AED 30.0 b

Contents

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Economic Environment

- UAE economic environment remains relatively attractive
- Dubai is strategically located to serve as financial centre for the region and bridge the gap between London and other centres in the Far East
- UAE and Dubai are still catching up to other emerging economies

Real GDP Growth Forecasts*

	2008	2009	2010
UAE	**7.0%**	**6.0%**	**5.6%**
UK	1.0%	-0.1%	2.2%
France	0.8%	0.2%	1.6%
Germany	1.9%	0.0%	1.0%
US	1.6%	0.1%	2.0%
China	9.7%	9.3%	9.8%
India	7.9%	6.9%	7.7%

Dubai's Strategic Location



UAE Economic Metrics**

- Population growth expected to remain at 4-5% p.a.
- Oil contributes c.1/3rd to GDP with budget breakeven oil price at c.$30-40 per barrel
- Government surplus estimated at c.30% of GDP for 2008
- Government and SWF wealth considerable
- Inflation at estimated at c.16% for 2008, trending down to 9% by 2010

*Source: IMF,
** Sources: McKinsey/EIU

Emirates NDB Growth Outlook

We need to keep an eye on

- Liquidity is likely to remain tight in Q4 2008 but intervention from authorities is encouraging
- Equity and debt markets are likely to remain volatile in Q4 2008 which may impact valuation of investment securities (positively or negatively)
- Asset growth is expected to slow down

Mitigants

- Reducing inflation is expected to increase the attractiveness of bank deposits
- Lower asset growth and higher funding costs is likely to measure the pace of infrastructure and real estate supply
- We continue to pursue our strategic growth agenda and:
  - are focused on costs and efficiency
  - have aligned our credit management and underwriting process to the current environment
- Due to our scale and diversity, Emirates NBD is well positioned to navigate the current environment and take advantage of opportunities that it may present

In Conclusion…

Summary

- A strong set of 3rd quarter results, with core business continuing to perform well
- Overall integration fully on track with anticipated completion in Q2 2009
- Results impacted by mark-to-market write-downs on investment securities
  - Write-downs reflect a reduction in asset prices globally and not an underlying credit issue
  - Underlying quality of securities portfolio remains strong
- We remain comfortable with our asset quality
- Emirates NBD liquidity is adequate
- The current environment necessitates a slower growth outlook, but provides opportunities as well for Emirates NBD

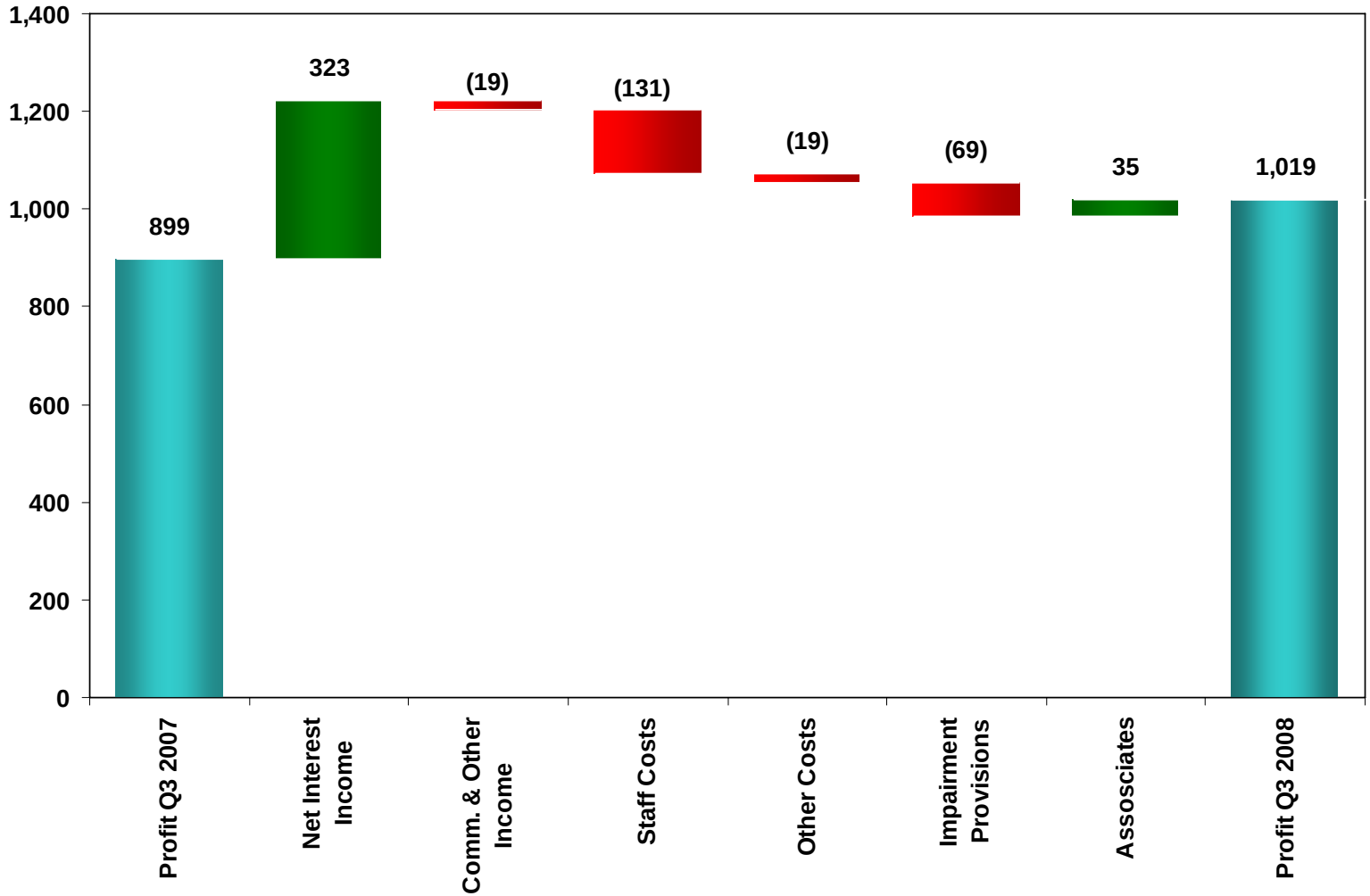
Appendix

بنك الإمارات Emirates Bank

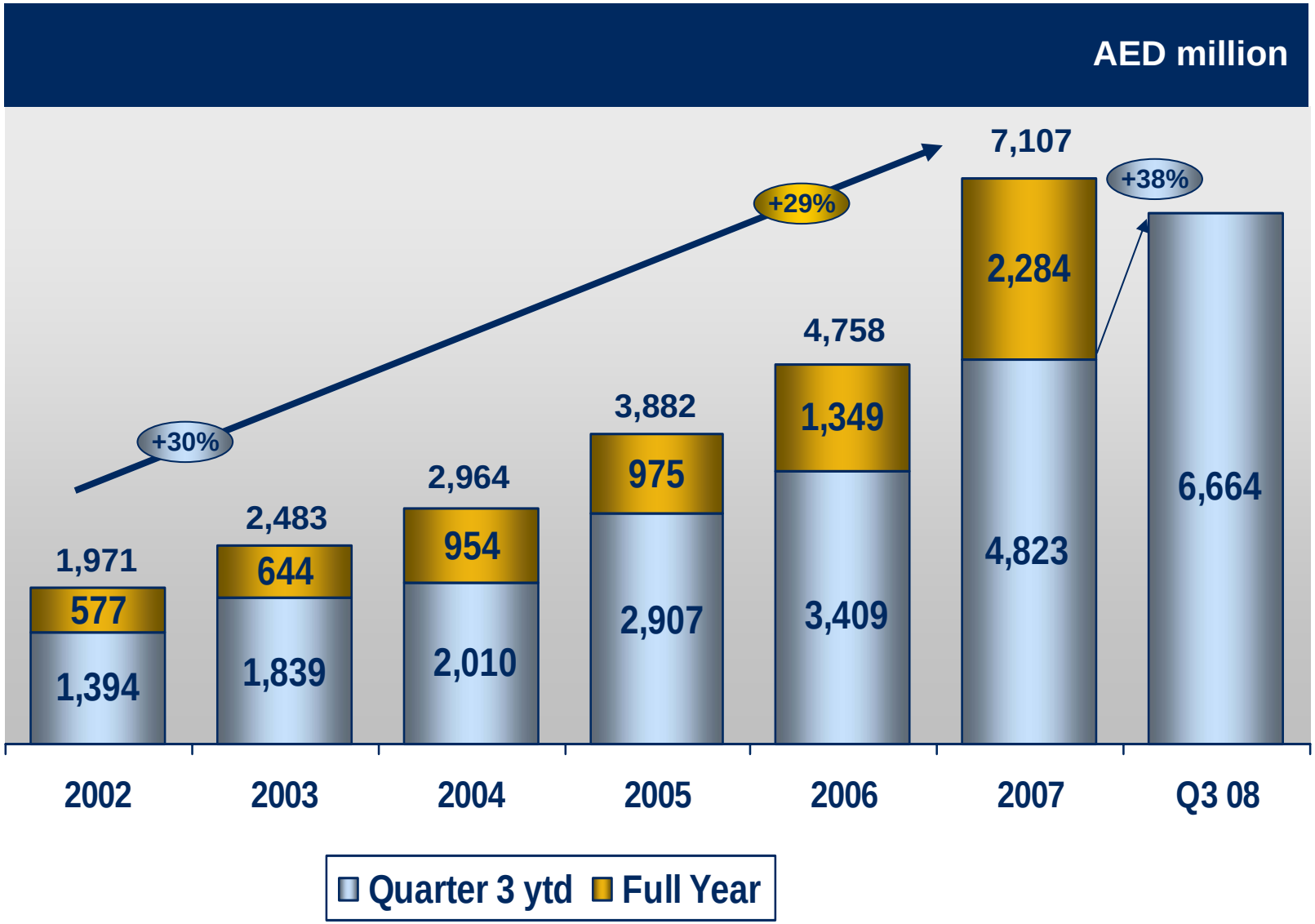
بنك دبي الوطني NBD

Sources of Net Profit Growth

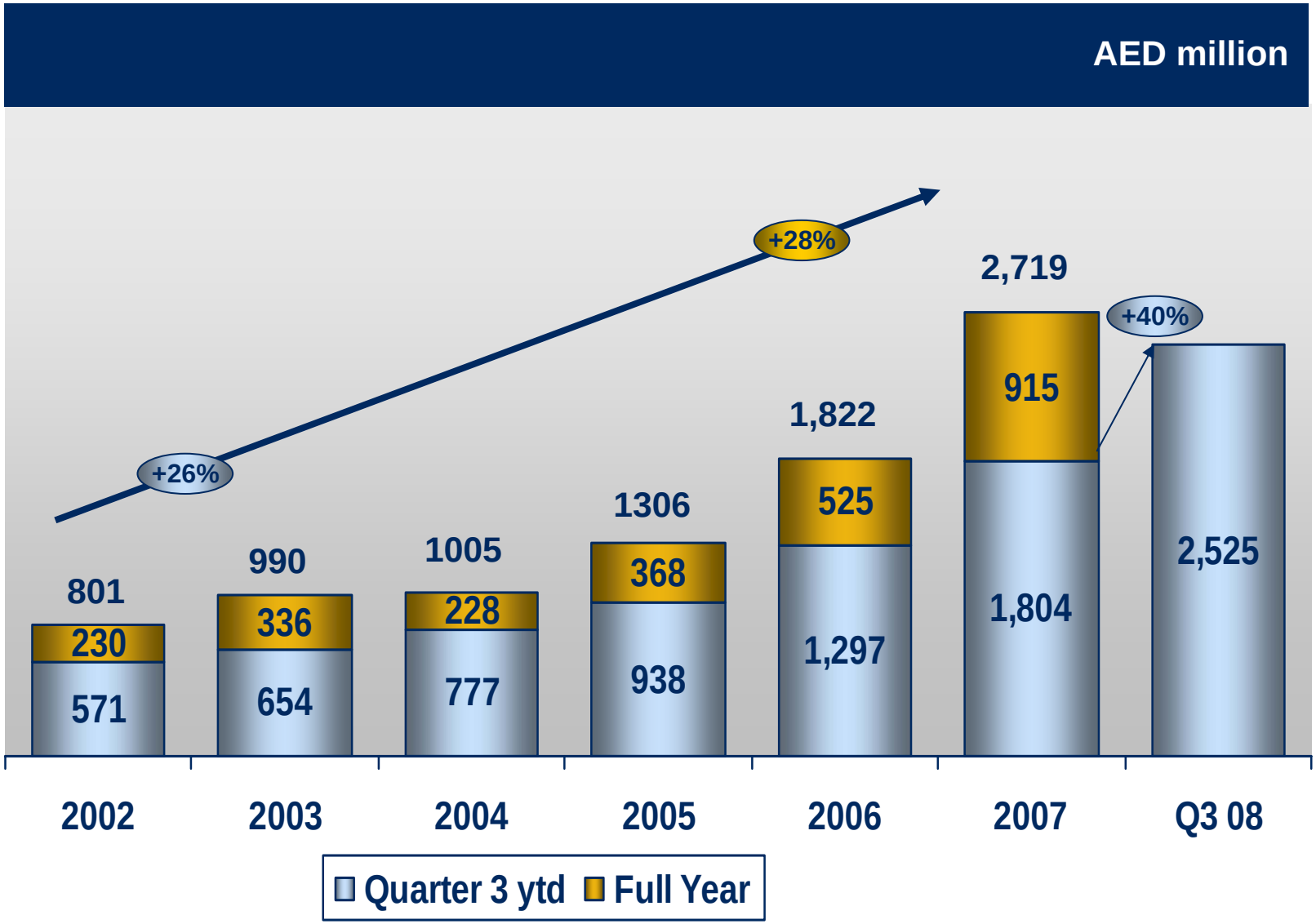
AED million



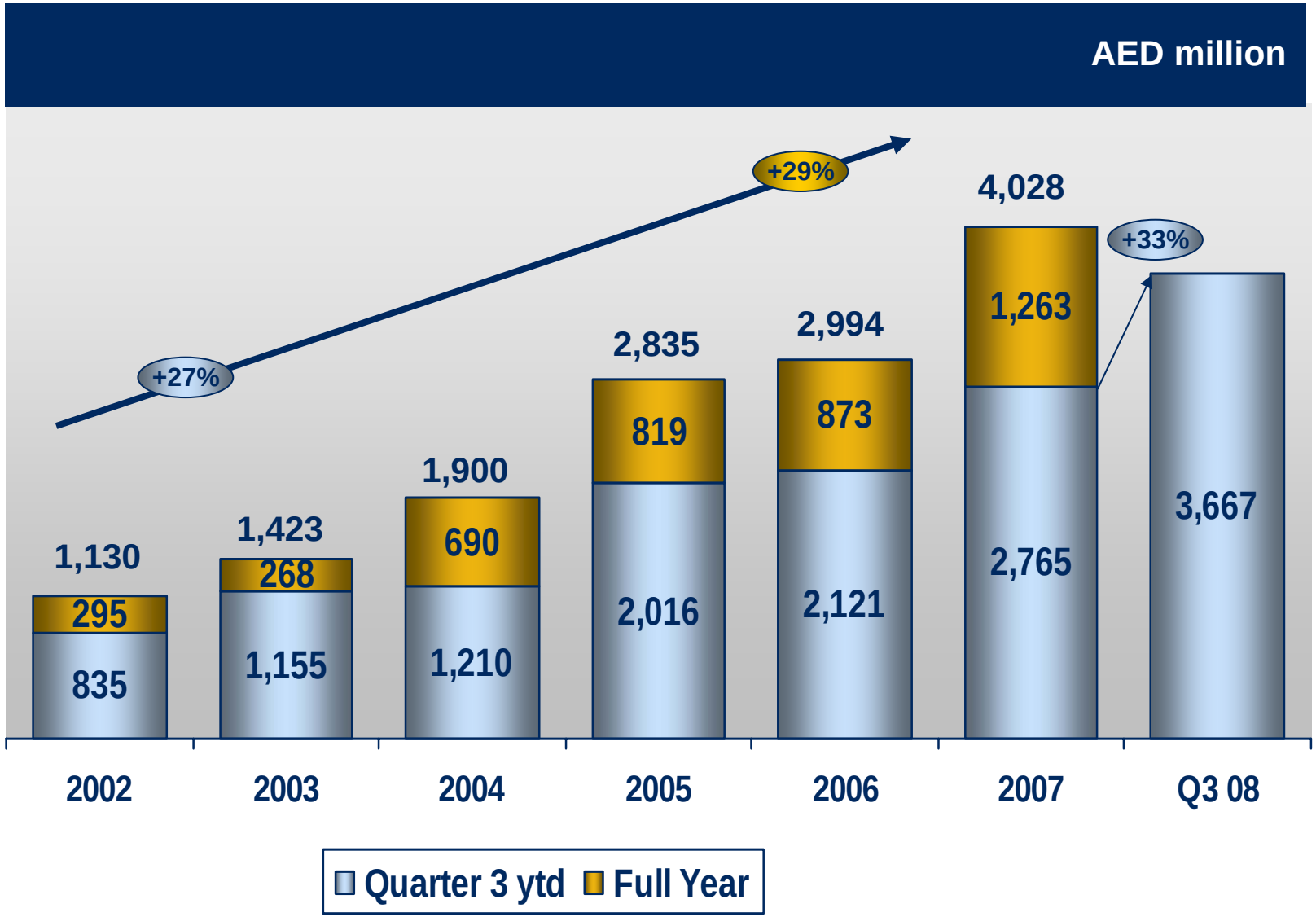
Total Income



Total Cost

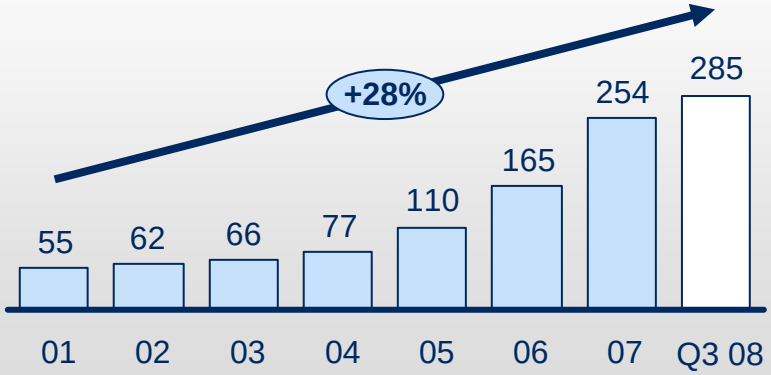

AED million
+26%
+28%
+40%
801
230
571
990
336
654
1005
228
777
1306
368
938
1,822
525
1,297
2,719
915
1,804
2,525
2002
2003
2004
2005
2006
2007
Q3 08
Quarter 3 ytd
Full Year

Net Profits

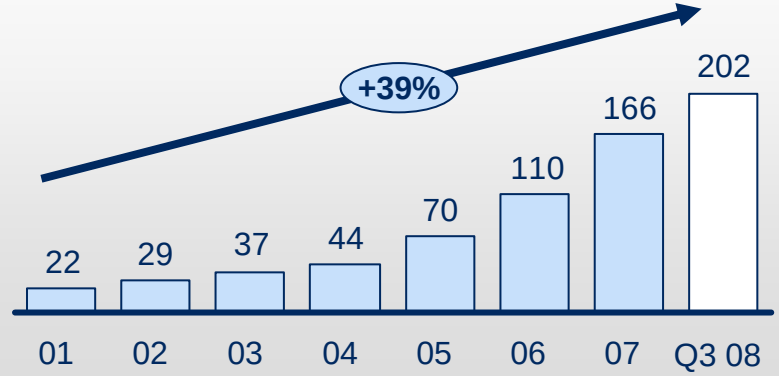

AED million
+27%
+29%
+33%
1,130
295
835
1,423
268
1,155
1,900
690
1,210
2,835
819
2,016
2,994
873
2,121
4,028
1,263
2,765
3,667
2002
2003
2004
2005
2006
2007
Q3 08
Quarter 3 ytd
Full Year

Balance Sheet growth in recent years

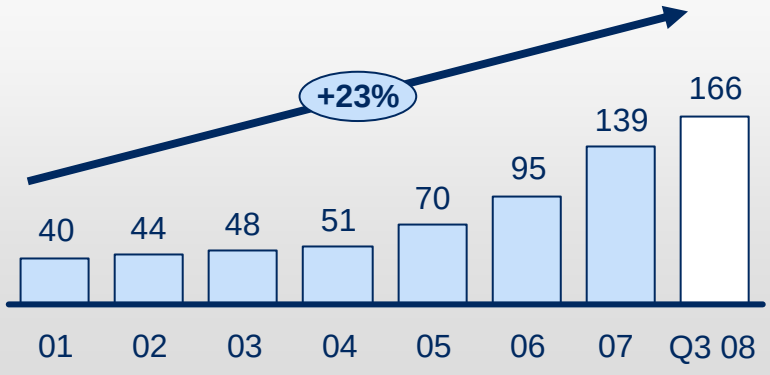
Assets, AED billion



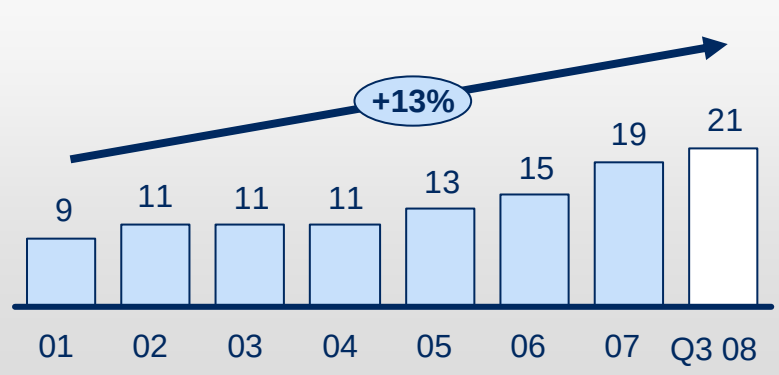
Loans, AED billion



Deposits, AED billion



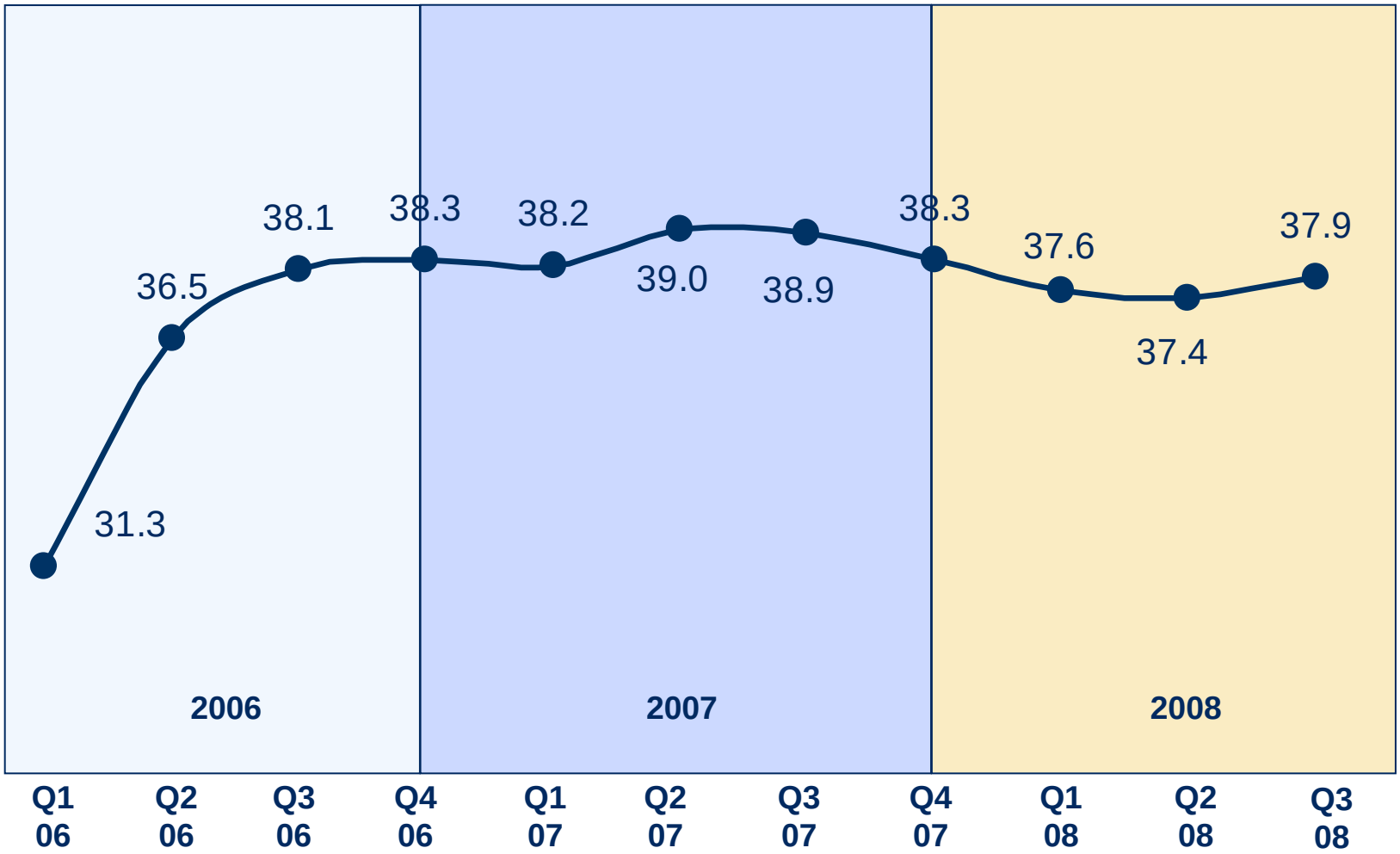
Equity, AED billion *



** Equity for 2007 and 3rd Quarter 2008 is Tangible Shareholder's Equity which excludes Goodwill and Intangibles*

Source: Financial Statements, Aggregation of EBI and NBD results

Cost Income Ratio



* Q1 2006 includes exception IPO-linked income

Net Interest Margins

