Emirates NBD Investor Presentation

Aug/Sep 2012

Important Information

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Contents

UAE Economic Update

Highlights

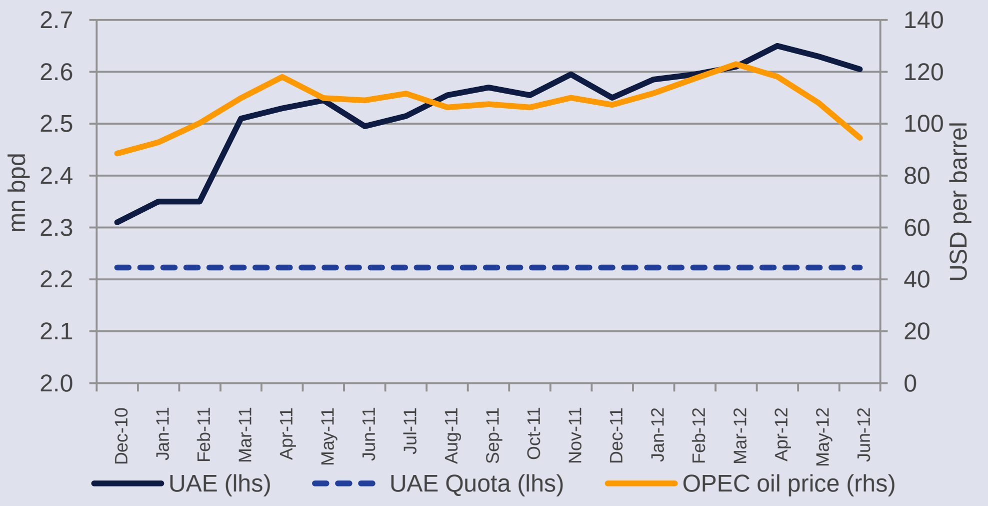
- Estimated **GDP** growth of **2.5% in 2012**
- The **UAE's PMI** has shown modest expansion in 2012, indicating that private sector activity is expanding modestly
- **UAE's oil output rose in H1 2012**; oil prices rose to an average USD 112 per barrel in H1 2012 as compared to USD 107 per barrel in 2011
- **Average UAE inflation expected to remain the same in H1 2012 as the previous year** at **0.9%**

Real GDP Growth Forecasts

	2008	2009	2010	2011F	2012F	2013F
UAE	**3.3%**	**(1.6%)**	**1.4%**	**4.6%**	**2.5%**	**3.4%**
UK	(1.1%)	(4.9%)	1.4%	1.0%	0.5%	1.4%
Eurozone	0.4%	(4.1%)	1.7%	1.5%	(0.5%)	0.6%
Germany	1.1%	(5.1%)	3.7%	3.0%	0.5%	1.3%
US	(0.3%)	(3.5%)	3.0%	1.5%	1.5%	2.1%
China	9.6%	9.2%	10.3%	9.0%	8.0%	8.3%
Japan	(1.1%)	(6.3%)	4.0%	0.0%	2.0%	1.3%
Singapore	1.9%	(0.8%)	14.9%	5.0%	2.5%	3.5%
Hong Kong	2.3%	(2.6%)	7.0%	5.0%	3.0%	3.8%

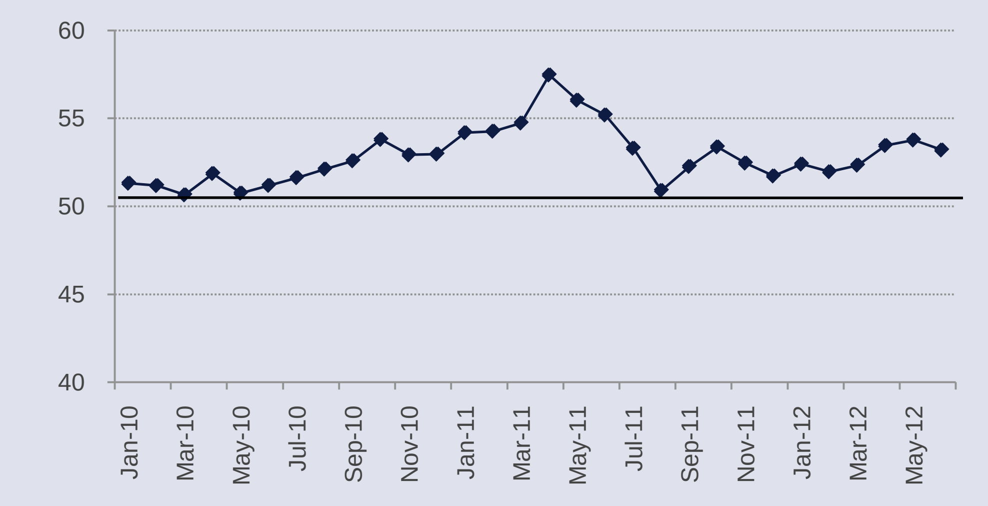
Source: Global Insight, Emirates NBD forecasts, Bloomberg

Oil production trends



Source: Bloomberg, Emirates NBD Research

UAE PMI – private sector expansion trends



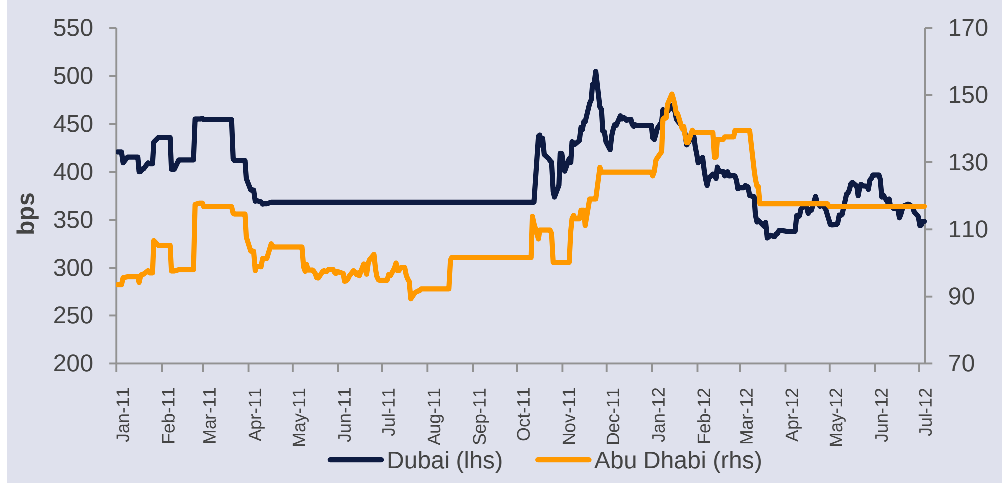
Source: HSBC, Markit

UAE Economic Update (cont'd)

Highlights

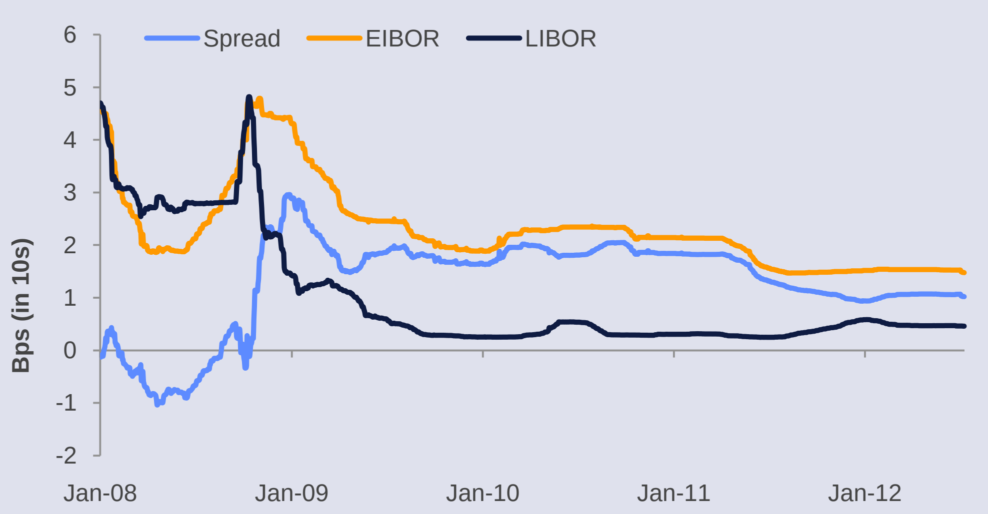
- There was a **decline in bank deposits growth and bank lending remains relatively low**
- CDS spreads for both Dubai and Abu Dhabi have tightened in H1 2012
- EIBOR rates have declined since 2011 while LIBOR rates have risen marginally in Q2 2012

Trends in CDS spreads



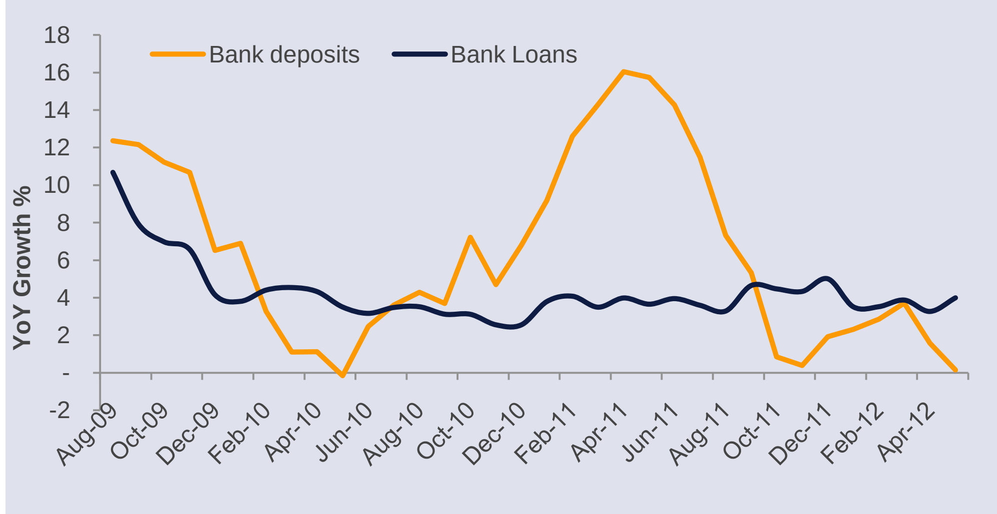
Source: Bloomberg, Emirates NBD Research

EIBOR – LIBOR spreads



Source: Bloomberg

Bank deposit and loan growth



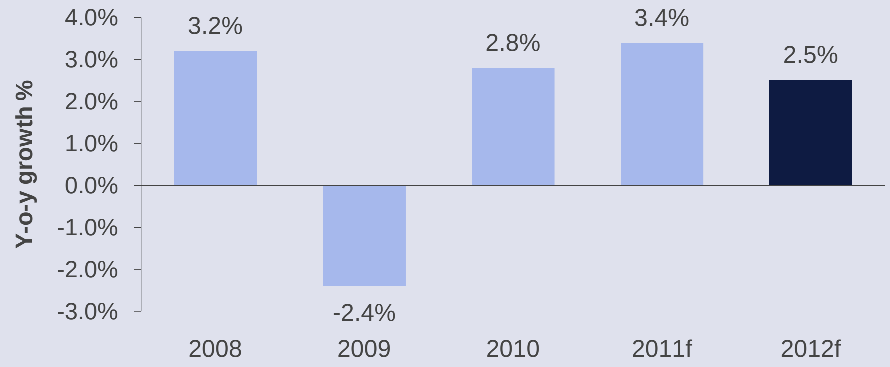
Source: UAE Central Bank

Dubai Economic Update

Highlights

- 2011 GDP growth for Dubai is estimated at 3.4% vs. 2.8% in 2010
- Lowered GDP growth forecast for Dubai in 2012 to 2.5% in the context of global developments
- UAE is a global and regional trade hub, and non-oil trade is a key contributor to growth; transport, storage & communication, accounted for almost 9% of the UAE's GDP in 2010
- Slower economic growth in China and India are a bigger concern than recession in Europe, as these two Asian countries alone account for almost 20% of the total volume of UAE's non-oil trade

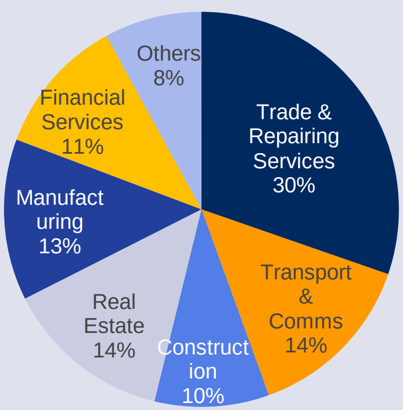
Dubai: GDP growth set to decelerate

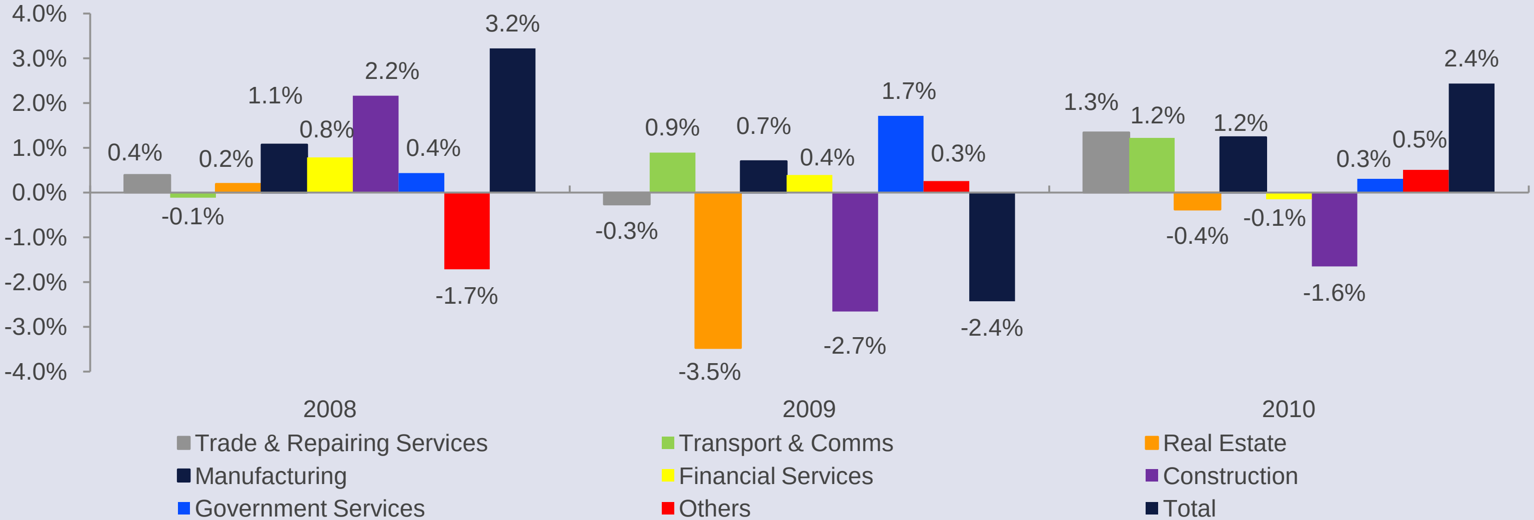


Source: Dubai Statistics Centre, Emirates NBD Research

Contribution by sector to GDP growth

Dubai GDP by Sector – 2010 (%)
100% = AED 293.6 billion





Source: Dubai Statistics Centre, NBS

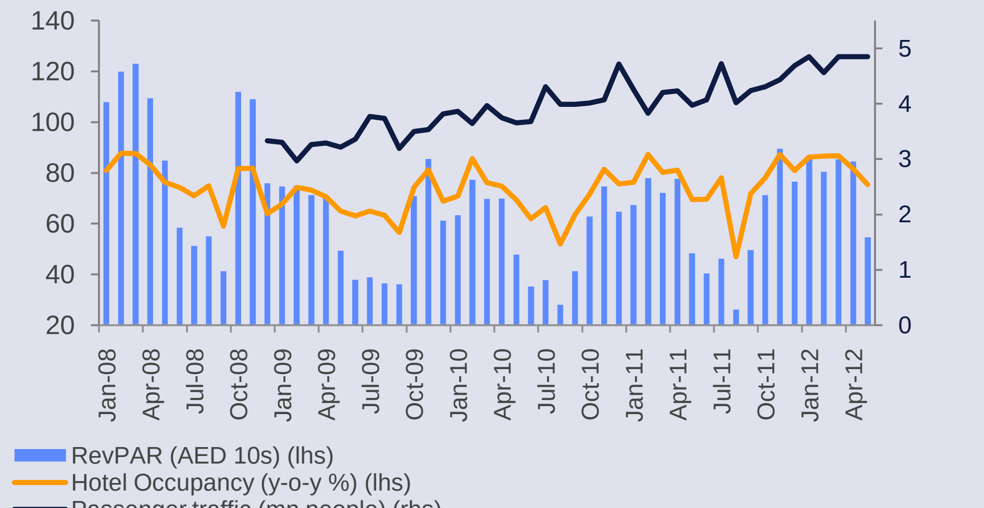
Dubai Economic Update (cont'd)

Highlights

- **Dubai is the 3rd largest centre for re-exports** in the world which itself represents almost 50% of GDP
- **Dubai is a strategically located international trading hub** with some of the world's best air and sea ports serving over 205 destinations
- **Very large investments in infrastructure** will have highly positive effects on the long-run development and productivity of the emirate
- Airport passenger arrivals and tourism data show encouraging trends
- Dubai exports, re-exports and imports have been steadily growing

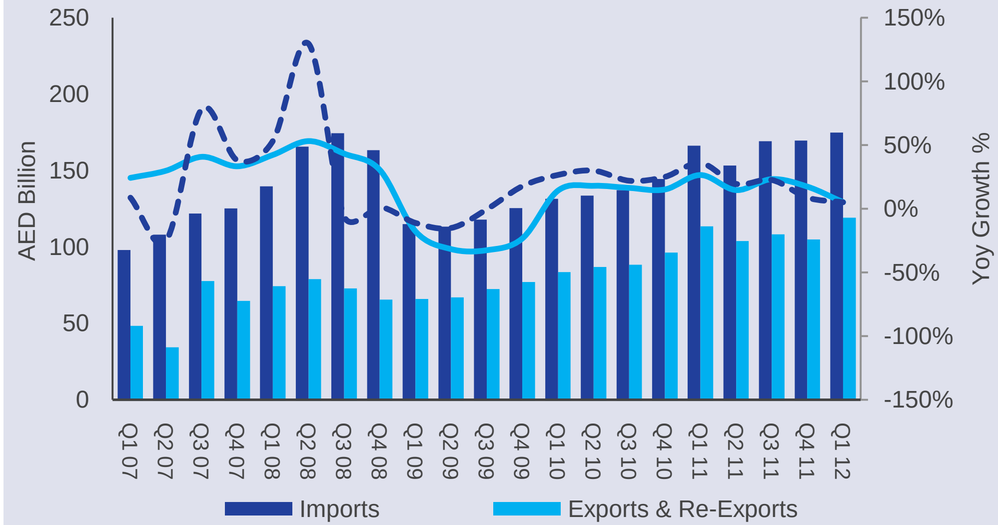
Dubai's Strategic Location

Dubai: Air passenger arrivals and tourism trends



Source: Dubai Statistics Centre, Emirates NBD Research

Dubai: External trade growth trends



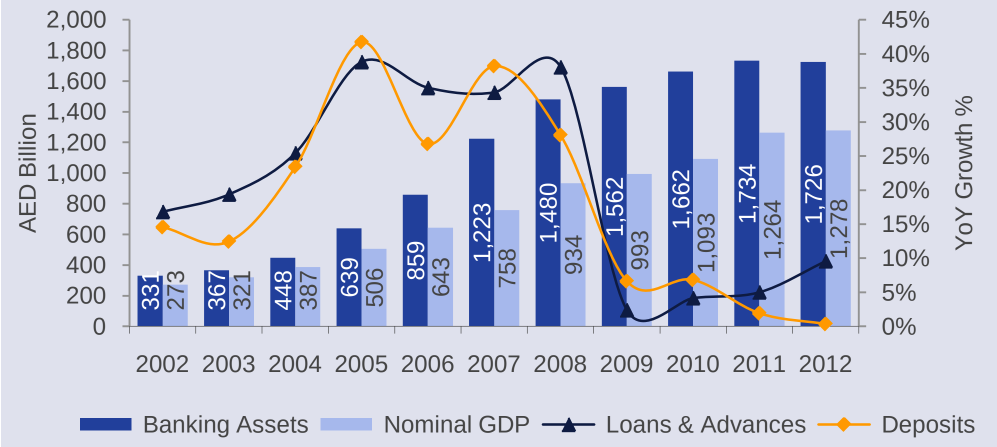
Source: Dubai Statistics Centre, Emirates NBD Research

UAE Banking Market Update

Highlights

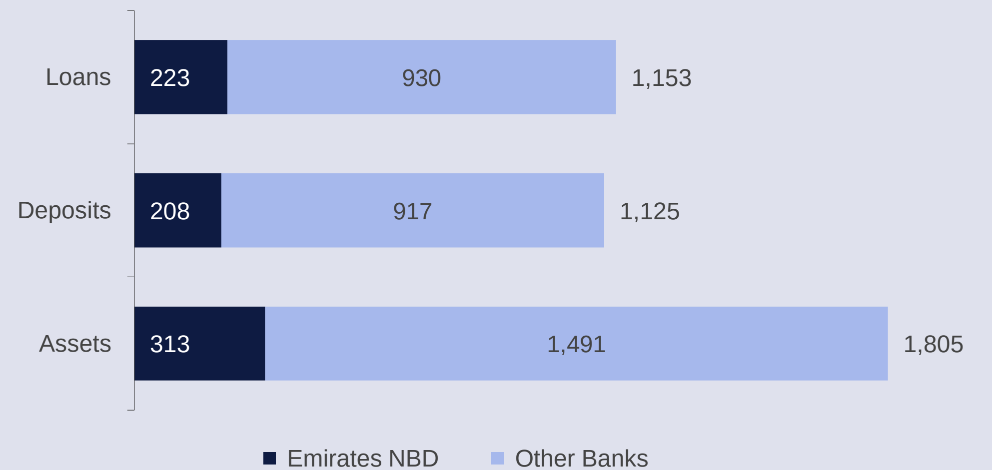
- **UAE Banking sector is the largest by assets in the GCC;** sector is dominated by 23 local banks which account for more than 75% of banking assets; 28 foreign banks account for the remainder
- **UAE Banking system liquidity tightened in 2008** due to outflow of c. AED 180 billion of speculative capital and the Global credit/liquidity crisis in Q3 2008
- **Government intervention during H2 2008 and 2009 helped improve liquidity and capitalisation:**
  - Additional liquidity facilities from UAE Central Bank
  - AED 50 billion deposited into local banks; option to convert to LT2 capital
  - Deposit & capital market guarantees announced
  - Tier 1 injections by Abu Dhabi (AED 15 billion) and Dubai Governments (AED 4 billion)

UAE Banking Sector Growth (AED billion)

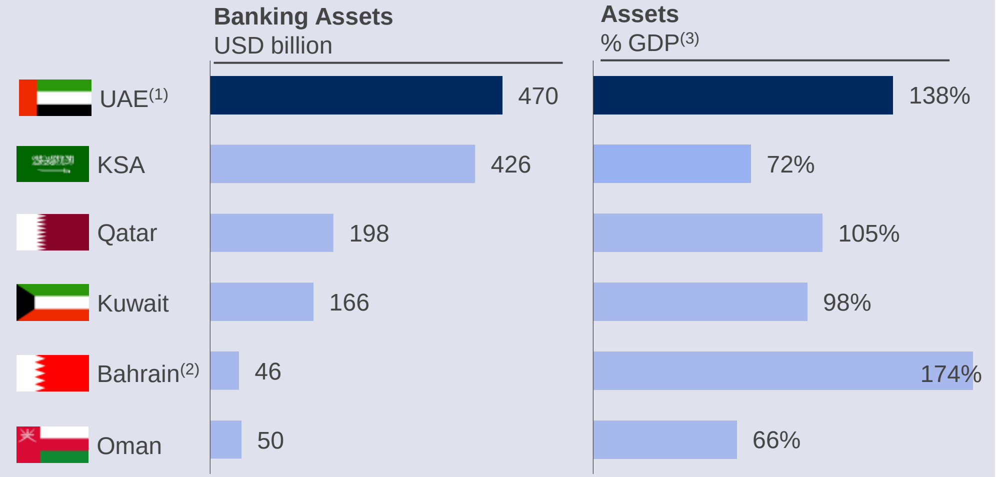


Source: UAE Central Bank, EIU, Emirates NBD estimates; Banking Assets as at May 2012

Composition of UAE Banking Market (AED billion)



Source: UAE Central Bank Statistics as at May 2012, ENBD data as of Q2 2012.
Loans and Assets presented gross of impairment allowances



1) Includes Foreign Banks ; 2) Excludes Foreign Banks ; 3) GDP data is for FY 2012 forecasted.
UAE, KSA, Qatar, Kuwait as at May 2012, Bahrain as at Mar 2012 and Oman as at Apr 2012.
Source: UAE Central Bank; National Central Banks and Emirates NBD forecasts

Contents

Summary

- One of the largest financial institutions (by asset size) in the GCC
- Flagship bank for Dubai Government
- 56% owned by Dubai Government
- Consistently profitable; despite significant headwinds during the last three years
- 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

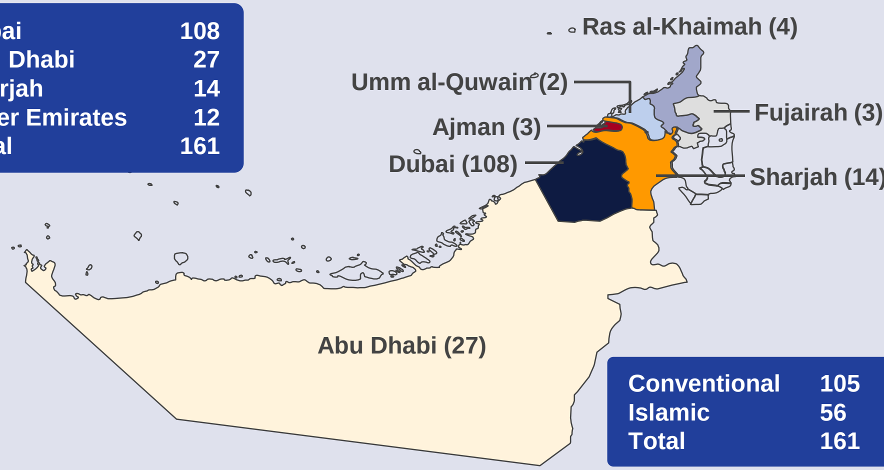
Emirates NBD at a Glance

Largest Bank in UAE

- **No.1 Market share in UAE** (at 30 Jun 2012):
  - Assets c.17.4%; Loans c.19.3%
  - Deposits c.18.5%
- **Retail market shares** (estimated as at 30 Jun 2012):
  - Personal loans c.10%
  - Home loans c.8%
  - Auto loans (Originations c.15%; Book size c. 14%)
  - Credit cards c.15%
  - Debit cards c. 21% (as at March 2012)
- **Fully fledged financial services offerings** across retail banking, private banking, wholesale banking, global markets & trading, investment banking, brokerage, asset management, merchant acquiring and cards processing

Largest Branch Network* in the UAE

Dubai	108
Abu Dhabi	27
Sharjah	14
Other Emirates	12
Total	161



Conventional	105
Islamic	56
Total	161

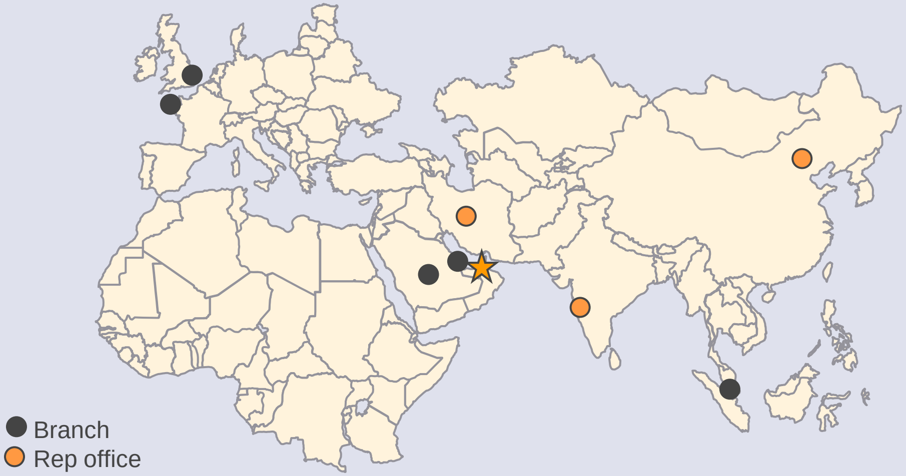
*Includes 21 branches added due to Dubai Bank acquisition

Credit Ratings

	Long Term	Short Term	Outlook
Moody's	A3	P-2	Negative
Fitch Ratings	A+	F1	Stable*
CAPITAL intelligence	A+	A1	Negative

*Viability Rating downgraded to 'bb+' from 'bbb'; removed from RWN on 26 Apr 2012

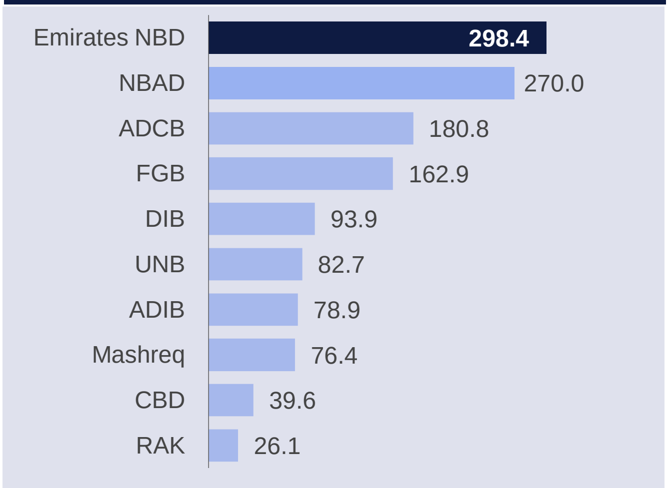
International Presence



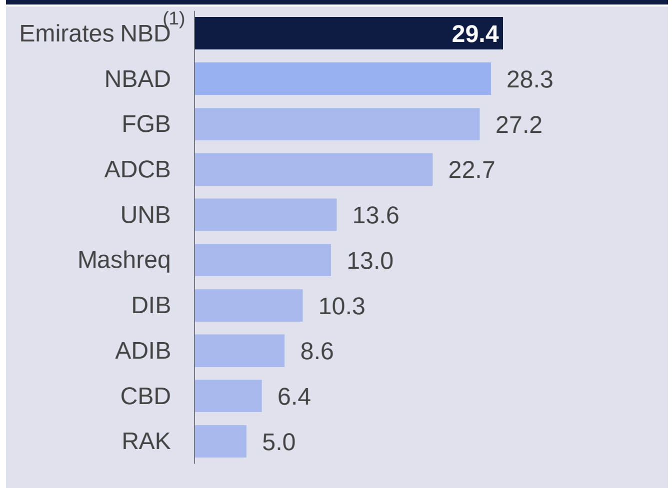
Emirates NBD is the Largest Bank in the UAE and one of the largest in the GCC by Assets

as at 30 June 2012

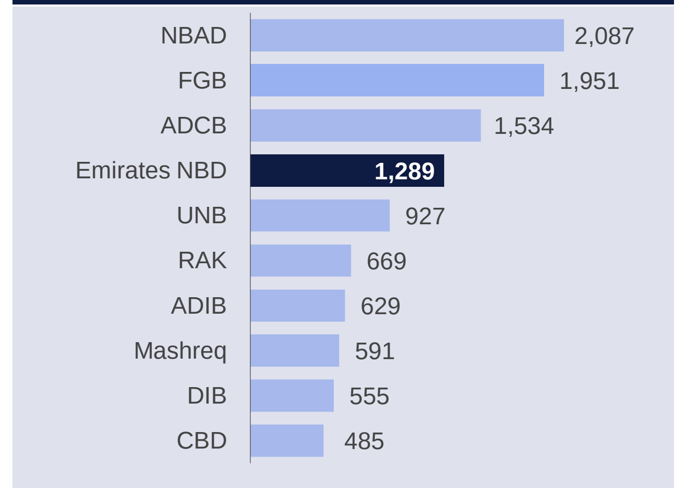
UAE Ranking by Assets (AED billion)



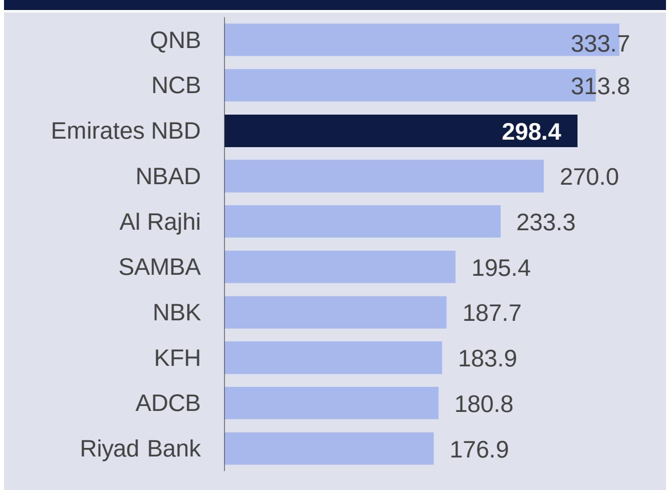
UAE Ranking by Equity (AED billion)



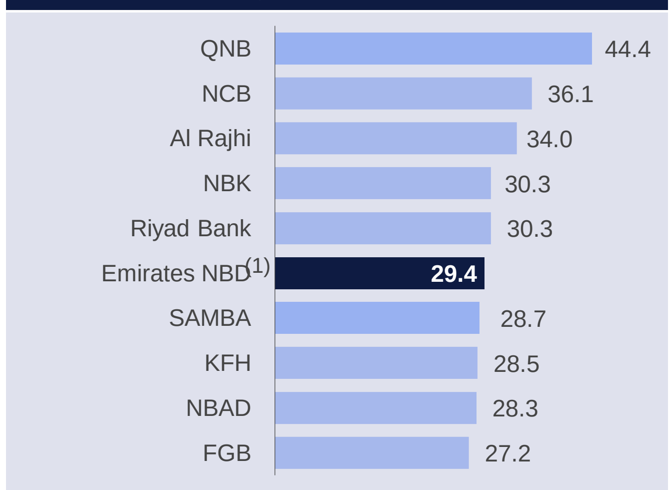
UAE Ranking by Profits (AED million)



GCC Ranking by Assets (AED billion)



GCC Ranking by Equity (AED billion)



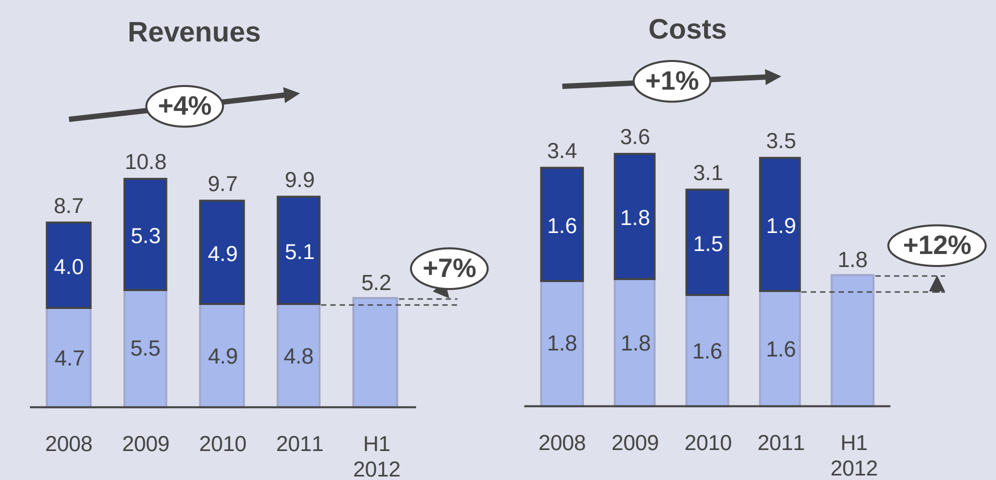
GCC Ranking by Profits (AED million)

(1) Shareholders' Equity for Emirates NBD is AED 35 billion. The number shown is Tangible Shareholder's Equity which excludes goodwill and intangibles.
Source: Bank Financial Statements and Press Releases for H1 2012, Bloomberg

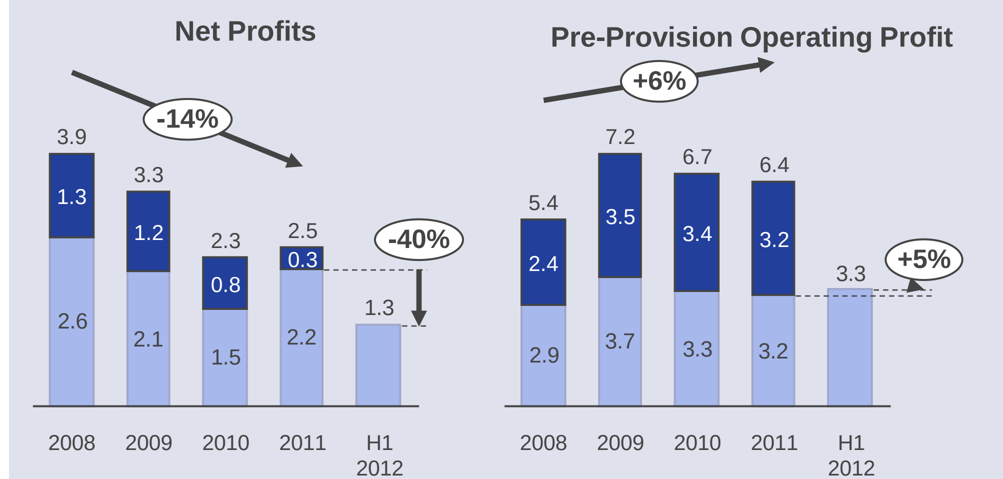
Contents

Profit and Balance Sheet Growth in Recent Years

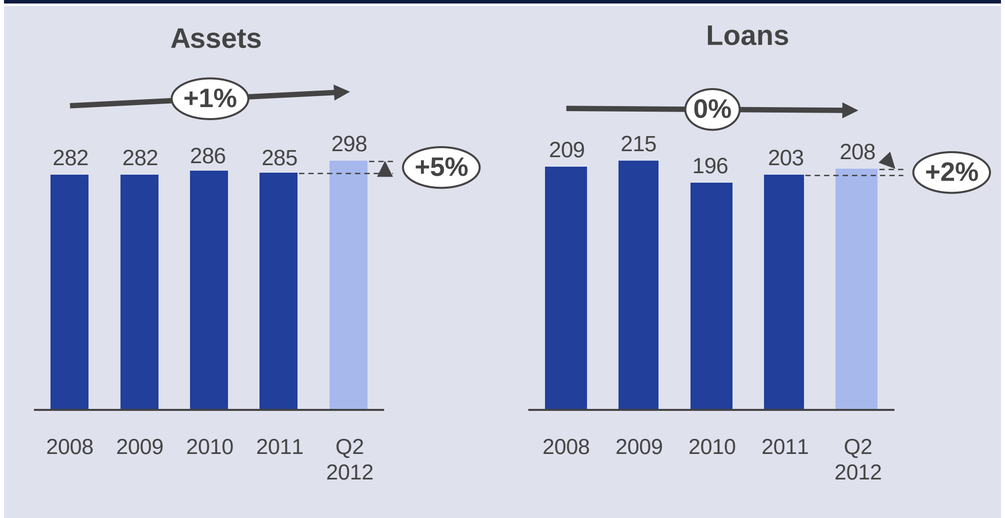
Revenues and Costs (AED billion)



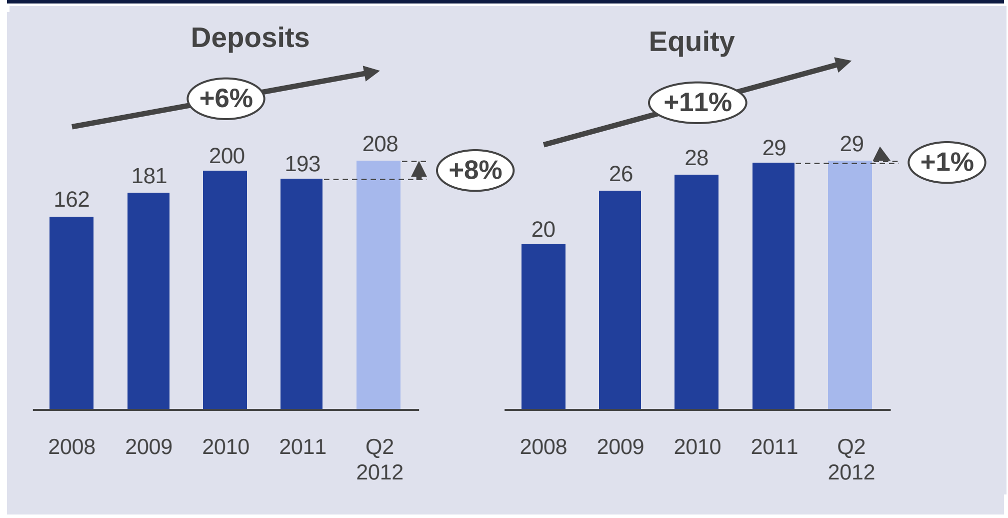
Profits (AED billion)



Assets and Loans (AED billion)



Deposits and Equity (AED billion)



1) Equity is Tangible Shareholder's Equity excluding Goodwill and Intangibles.; All P&L numbers are YTD, all Balance Sheet numbers are at end of period
Source: Financial Statements

Financial Highlights
H1 2012

H1 2012 Financial Results Highlights

- **Net profit of AED 1289 million,** -40% vs. H1 2011
- **Net interest income up marginally by 1% y-o-y** to **AED 3416 million** although net interest margin dropped by 0.03% to 2.45% in H1 2012 from 2.48% in H1 2011
- **Non-interest income grew by 22% y-o-y**; **core fee income grew 25% y-o-y**
- **Costs increased by 12% y-o-y** from AED 1634 million in H1 2011 to AED 1836 million in H1 2012 **resulting primarily from Dubai Bank costs and consultant charges**; **Cost to Income Ratio was at 35.4%** in H1 2012 vs. 33.8% in H1 2011
- Continuation of balance sheet **de-risking** and **conservatism on provisioning** resulted in **impairment allowances of AED 2055 million**
- **New underwriting remains modest** with net loans up 2% from end-2011
- **Deposits increased 8%** from end-2011 **due to balance sheet optimisation initiatives; Headline LTD ratio at 100% vs. 105% at end-2011**
- **CAR declined by 1% to 19.5%** in H1 2012 from 20.5% during end-2011; due to amortisation of Tier 2 MoF Deposits
- **Total assets grew by +5%** to AED 298.4 billion in H1 2012 from end-2011.

Key Performance Indicators

Income Statement AED million	H1 12	H1 11	Change %	Q2 12	Q1 12	Change %
Net interest income	3,416	3,379	+1%	1,639	1,777	-8%
Fee & other income	1,769	1,455	+22%	860	910	-5%
Total income	**5,185**	**4,834**	**+7%**	**2,499**	**2,686**	**-7%**
Operating expenses	(1,836)	(1,634)	+12%	(894)	(942)	-5%
Operating profit before impairment allowances	**3,349**	**3,200**	**+5%**	**1,605**	**1,744**	**-8%**
Impairment allowances:	(2,055)	(2,350)	-13%	(954)	(1,101)	-13%
Credit	*(1,982)*	*(2,257)*	*-12%*	*(904)*	*(1,078)*	*-16%*
Investment securities	*(73)*	*(93)*	*-21%*	*(50)*	*(22)*	*+127%*
Operating profit	**1,294**	**850**	**+52%**	**651**	**643**	**+1%**
Amortisation of intangibles	(40)	(47)	-15%	(20)	(20)	-5%
Associates	46	(445)	-110%	21	24	-11%
Gain on subsidiaries	-	1,813	n/a	-	-	n/a
Taxation charge	(11)	(14)	-22%	(5)	(6)	-8%
Net profit	**1,289**	**2,157**	**-40%**	**647**	**641**	**+1%**
Cost to income ratio (%)	35.4%	33.8%	+1.6%	35.4%	35.1%	+0.3%
Net interest margin (%)	2.45%	2.48%	-0.03%	2.28%	2.63%	-0.35%
EPS (AED)	0.21	0.36	-43%	0.10	0.10	+1%
ROE (%)	10.2%	17.7%	-7.5%	10.3%	10.3%	+0.0%
ROA (%)	0.9%	1.5%	-0.6%	0.9%	0.9%	-0.0%

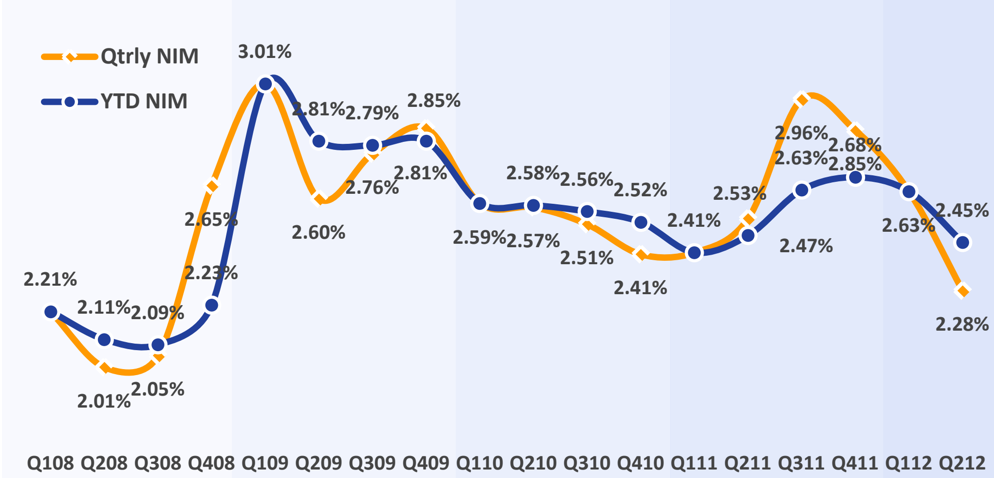
Balance Sheet AED billion	30-Jun-12	31-Dec-11	Change %	31-Mar-12	Change %
Total assets	298.4	284.6	+5%	296.7	+1%
Loans	208.2	203.1	+2%	204.1	+3%
Deposits	208.4	193.3	+8%	208.5	0%
Capital Adequacy Ratio (%)	19.5%	20.5%	-1.1%	19.1%	+2%
Tier 1 Ratio (%)	12.8%	13.0%	-0.2%	12.5%	+2%

Net Interest Income

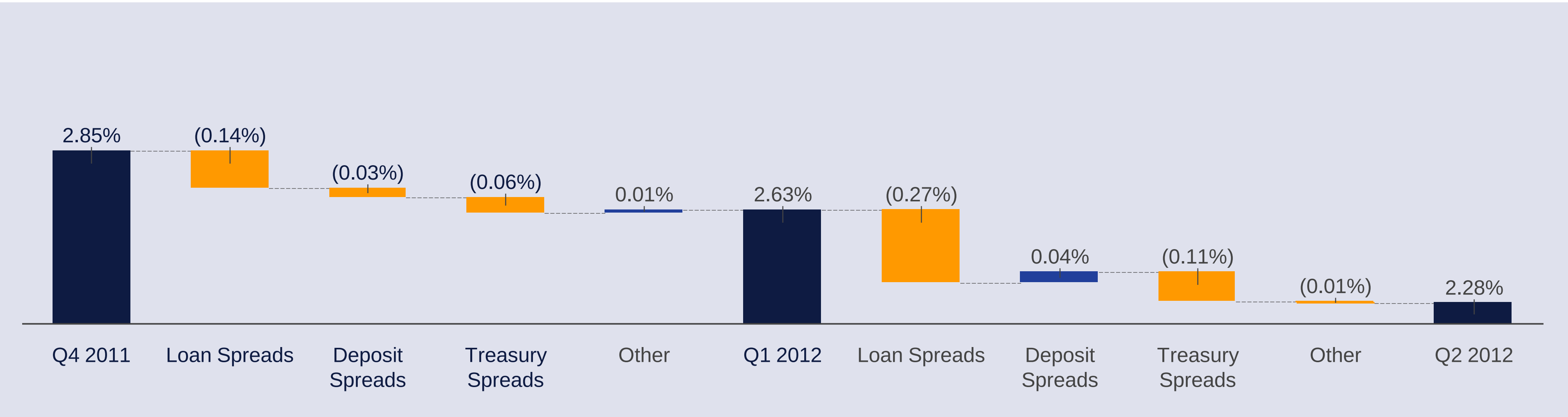
Highlights

- **NIM of 2.45%** in H1 2012 declined by 40 bps from 2.85% in 2011 resulting in an 8% q-o-q drop in net interest income to AED 1,639 million
- H1 2012 NIM reduction driven by:
  - lower loan spreads resulting from price competition, cost of carry on NPLs and impact of loan re-pricing due to lower EIBOR rates
  - lower treasury spreads due to impact of medium term debt issuance

Net Interest Margin Trends (%)



Net Interest Margin Drivers: Q4 2011 vs. Q2 2012 (%)



Non Interest Income

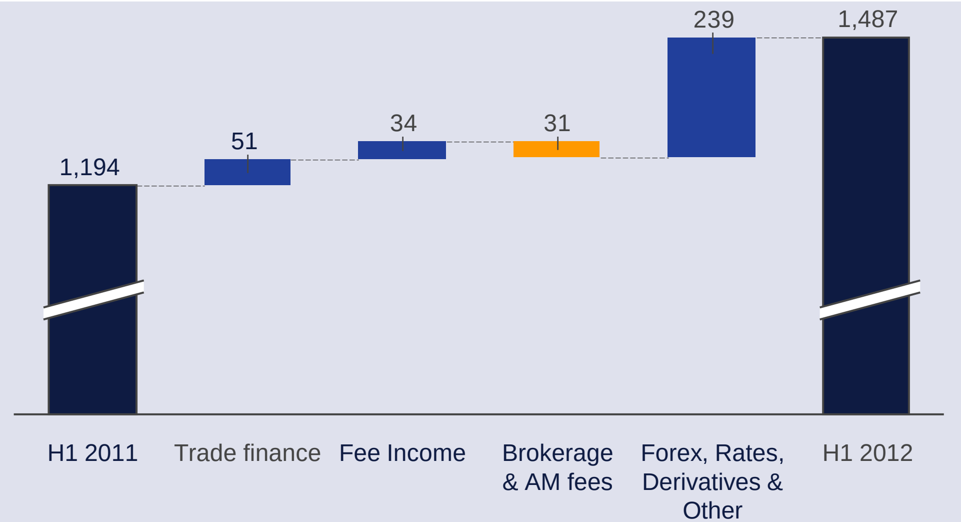
Highlights

- **H1 2012 Non interest income increased** by 22% from H1 2011 due to higher core fee income of 24%
- **H1 2012 Core fee income improved** by 24% from H1 2011 due to
  - pickup in forex, rates, derivatives and other income (+74%)
  - improvement in trade finance income (+20%)
  - improvement in fee income (+6%)
  - Offset by decrease in brokerage and asset management fees (-40%)
  - Offset by increase in fee and commission expense (+37%)

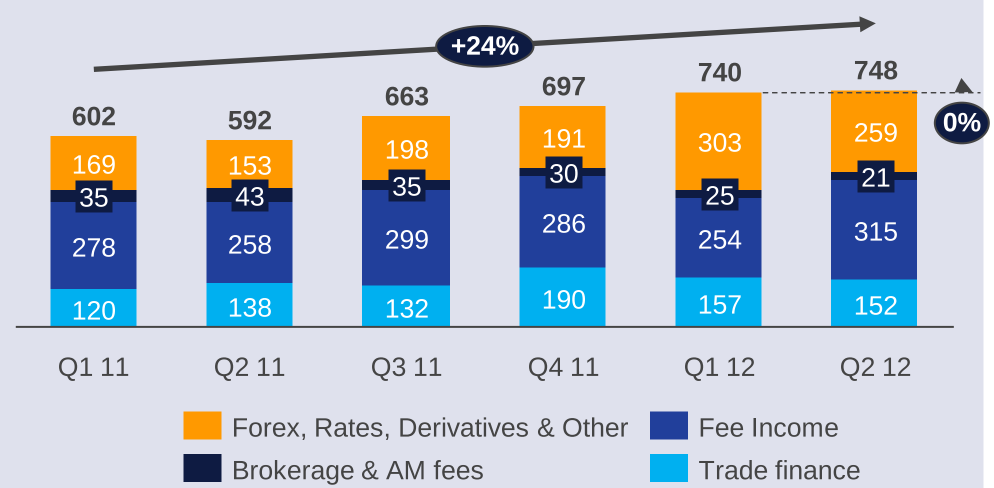
Composition of Non Interest Income (AED million)

AED million	H1 12	H1 11	Change (%)	Q2 12	Q1 12	Change (%)
Core gross fee income	1,487	1,194	+25%	748	740	+1%
Fees & commission expense	(58)	(42)	+37%	(20)	(39)	-48%
Core fee income	**1,429**	**1,152**	**+24%**	**728**	**701**	**+4%**
Investment properties	19	(3)	-846%	5	14	-65%
Investment securities	321	145	+121%	127	194	-34%
Non-recurring Treasury gain	-	160	-100%	-	-	n/a
Total Non Interest Income	**1,769**	**1,455**	**+22%**	**860**	**909**	**-5%**

Core Gross Fee Income Trends (AED million)



Core Gross Fee Income Trends (AED million)

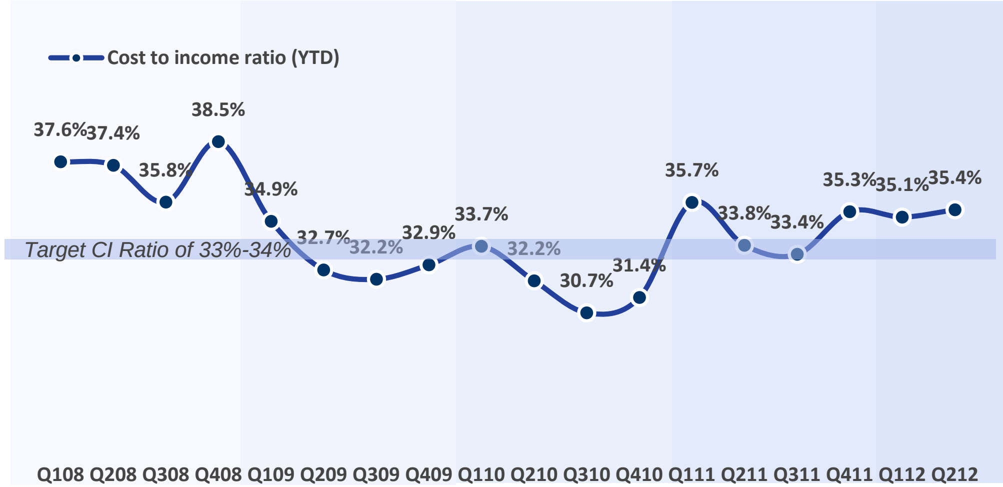


Operating Costs and Efficiency

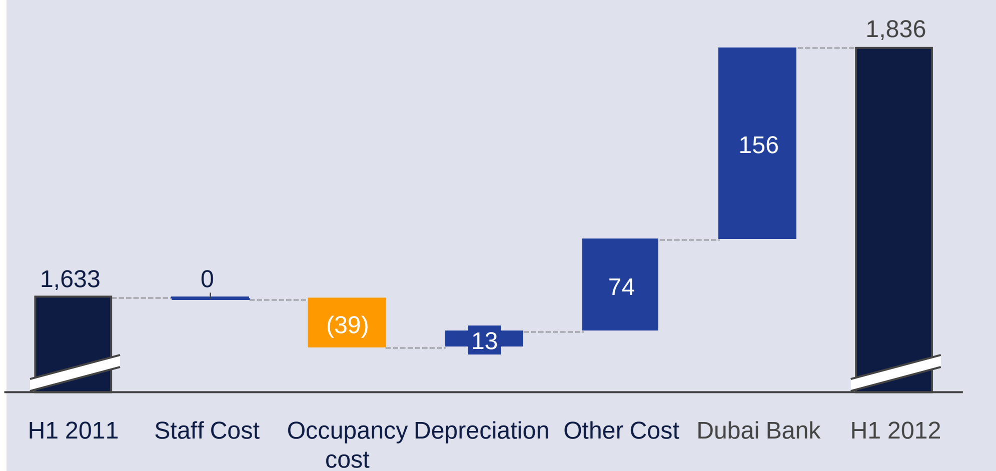
Highlights

- **Costs increased by AED 203 million or +12% y-o-y** to AED 1,836 million in H1 2012 resulting from:
  - AED 156 million Dubai Bank costs
  - AED 87 million increase in other costs and depreciation
  - Offset by AED 39 million occupancy costs
- **Costs improved by AED 48 million or -5% q-o-q** to AED 894 million in Q2 2012 resulting from:
  - AED 42 million reduction in staff costs
  - AED 13 million reduction in other costs
  - partly offset by AED 12 million increase in occupancy costs
- The Cost to Income ratio for H1 2012 stood at 35.4%
- The cost to Income ratio will be managed to the longer term target range of c.33%-34%

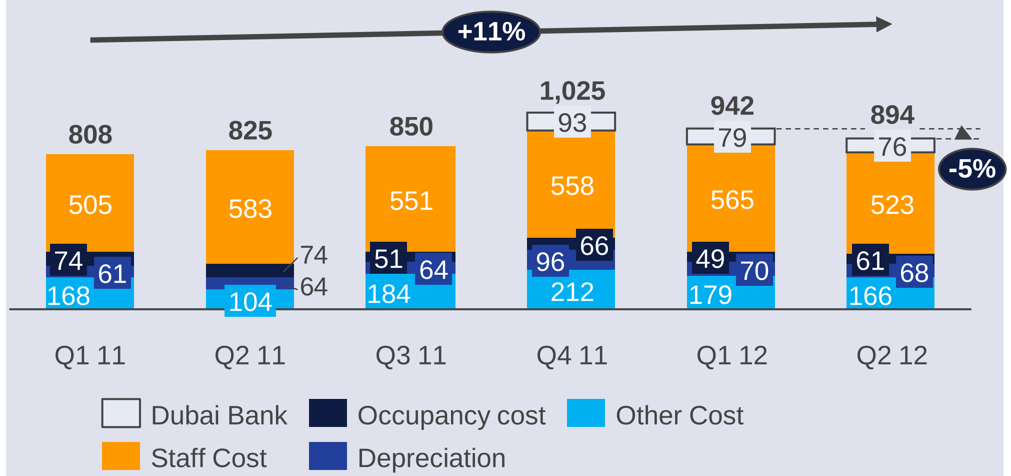
Cost to Income Ratio Trends



Operating Cost Trends (AED million)



Operating Cost Components (AED million)



Credit Quality

Highlights

- The **impaired loans ratio deteriorated by 0.2% q-o-q to 14.3%** in Q2 2012
- **Provision coverage of impaired loans improved by 1% q-o-q to 46%** in Q2 2012
- Q2 2012 **impairment charge of AED 955 million** driven mainly by **specific provisions of AED 744 million, AED 39 million and AED 456 million** made in relation to the Corporate, Retail and Islamic financing portfolios respectively
- Total **portfolio impairment allowances** amount to **AED 3.65 billion** or 2.52% of credit RWAs

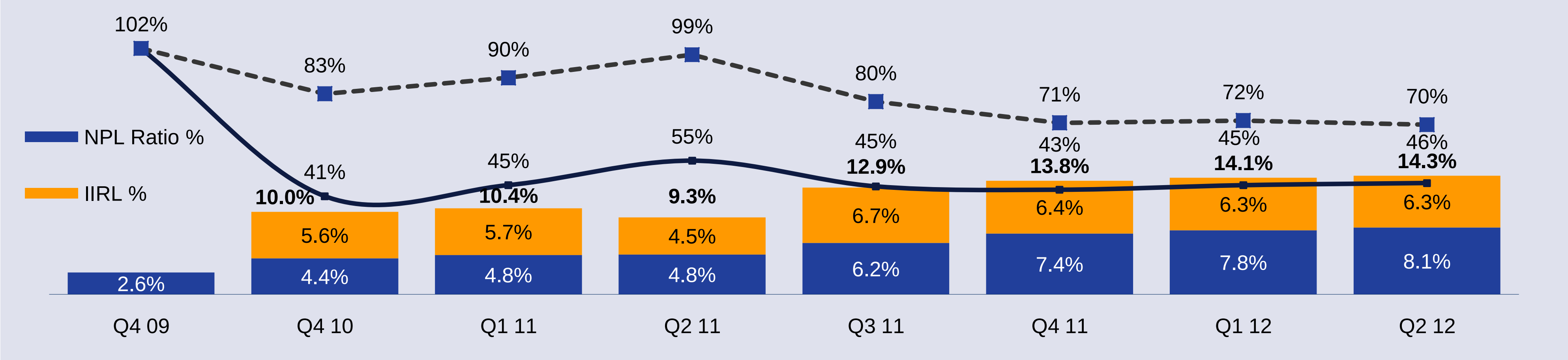
Management Targets for impaired loan coverage ratios:

80%-85% on underlying NPL portfolio

55%-60% on overall impaired loans by 2013

Target coverage ratios to be achieved through more conservative provisioning for, and recognition of, impaired loans

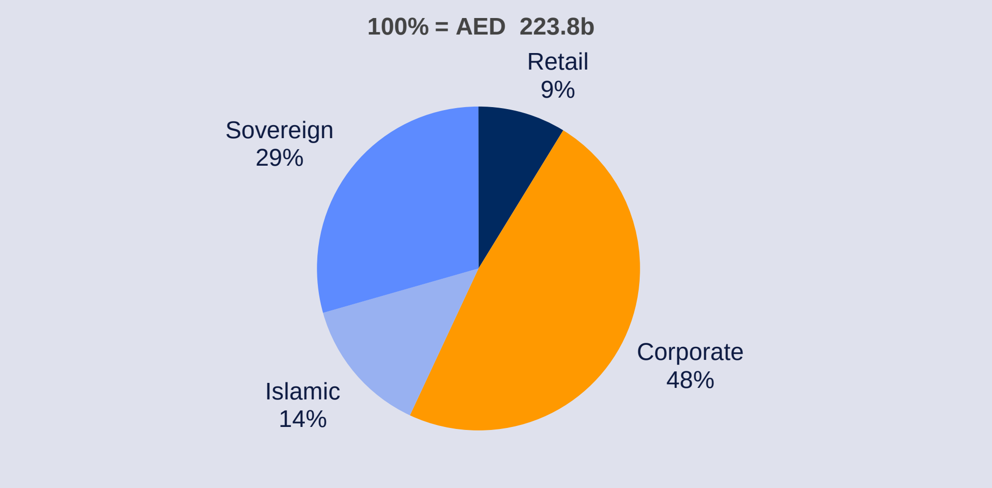
Impaired Loans & Coverage Ratios (%)



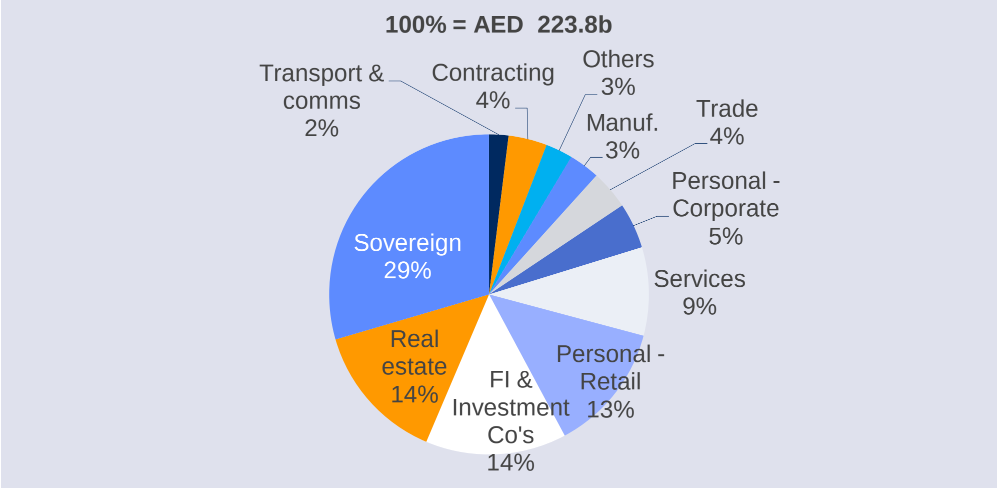
** IIRL = Interest Impaired Renegotiated Loans at Q2 2012 comprises D1 (exposure AED 9.3 billion ; provision AED 597 million) and D2B (exposure AED 4.6 billion; provision AED 1.47 billion)*

Credit Quality
Group

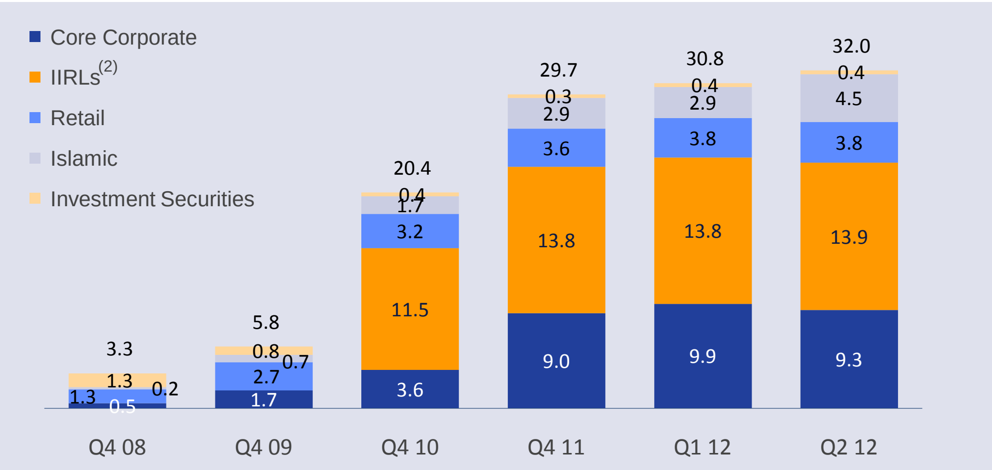
Loan Portfolio by Type (1)



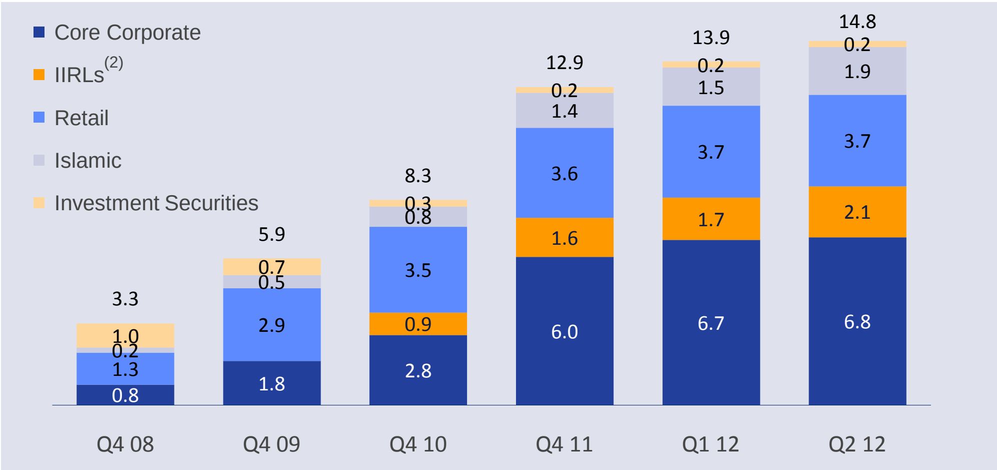
Loan Portfolio by Type (1)



Impaired Loans Composition (AED billion)



Impairment Allowance Composition (AED billion)



1) *Gross Loans and receivables before provisions and deferred income*
2) *IIRL = Interest Impaired Renegotiated Loans at Q2 2012 comprises D1 (exposure AED 9.3 billion ; provision AED 597 million) and D2B (exposure AED 4.6 billion; provision AED 1.47 billion)*

Credit Quality

Retail and Corporate Loans & Receivables

Corporate & Sovereign Lending Portfolio

Corporate Credit Quality

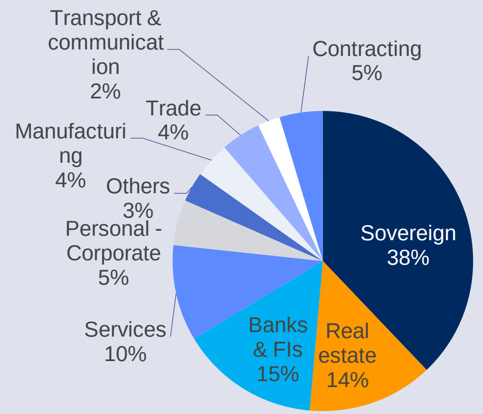
- Impaired loan ratio 13.5% at Q2 2012 vs. 14.1% at Q1 2012
- 97.35% of the portfolio is to UAE customers where the Bank has long-standing relationships
- Exposure is mainly to top tier names with diversified business interests and multiple sources of repayment
- Environment necessitates renegotiation of certain customer accounts;
  - these reflect renegotiated repayment terms in line with underlying cash flows; and
  - without sacrificing interest or principal
- Of the total wholesale banking funded exposure, 98% is in the UAE; 0.5% is KSA; 0.5% Qatar and 1% other countries

Real Estate & Contracting

- Exposures to Real Estate and Contracting Sector are AED 23.5b (13.5%) and AED 8b (4.7%) respectively
- Selectively financing real estate sector; extent of finance is generally limited to:
  - 70% of construction cost excluding land; and
  - land and cost overruns to be financed by the owner
- Real Estate financing is restricted to Emirates of Dubai & Abu Dhabi
- Exposures to these sectors are mainly to diversified businesses having multiple repayment sources of repayment
- Repayment experience is satisfactory
- Approximately 48% of the Real Estate portfolio has a repayment maturity of < 3 years

By Sector[1]

100% = AED 173.72 b



Retail Lending Portfolio

Personal loans

- Portfolio AED 7.6b (38.6%)
- 55% of value is to UAE nationals; 62% of value is to government employees
- Personal loans are only granted subject to salary assignment
- Personal Loans losses well within original expectations
- Delinquency trends for 90+ are trending downwards
- Delinquency trends continue to improve in Q2 2012

Credit Cards

- Portfolio AED 2.9b (14.6%)
- Product with highest yield in Retail Portfolio
- 90+ delinquencies better than industry benchmarks
- Policy corrections undertaken to enhance portfolio quality
- Delinquency trends continue to improve in Q2 2012

Car loans

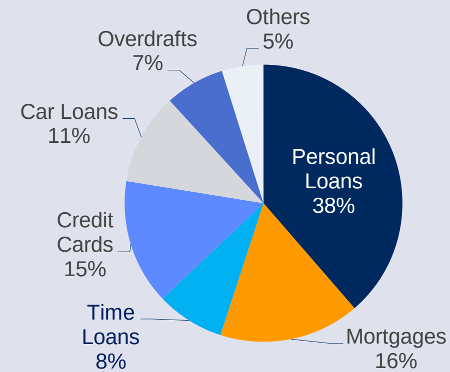
- Portfolio AED 2.1b (10.7%)
- Portfolio shoring signs of stability
- Down payment of 20% mandatory
- Delinquency trends continue to improve in Q2 2012

Mortgages

- Portfolio AED 3.2b (16.4%)
- Only offered for premium developers
- Completed properties account for 91% of the portfolio
- Average LTV is 75% on original value
- > 75% of the customers have only one loan from Emirates NBD
- Delinquency trends continue to improve in Q2 2012

By Sector[1]

100% = AED 19.6b



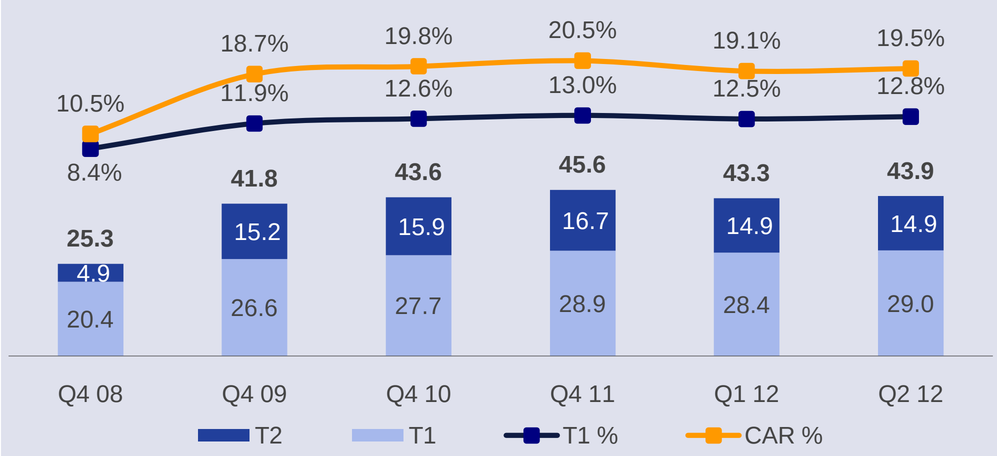
1) Loans and advances before provisions; Corporate & Sovereign Lending sectoral breakdown as per "Analysis by Economic Activity for Assets" in note 5, page 11 of the Q2 2012 Financial statements

Capital Adequacy

Highlights

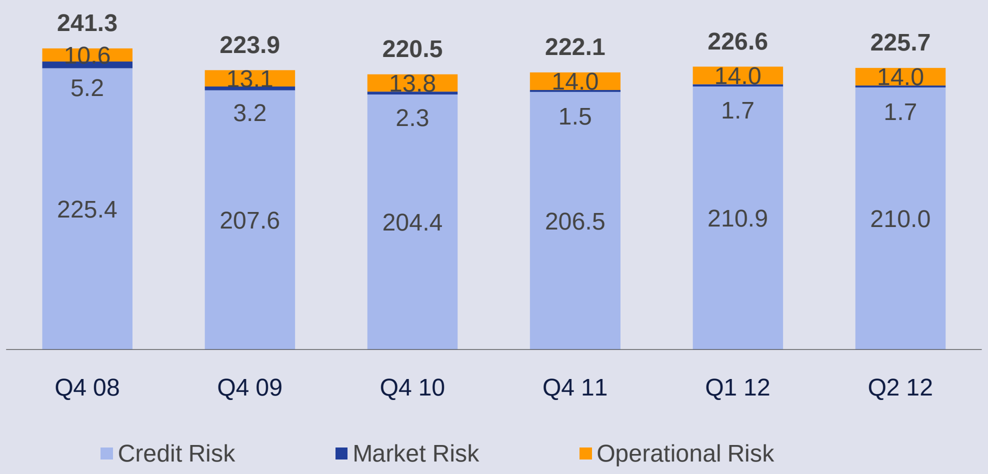
- **Capital adequacy showed strengthening to CAR 19.5% and T1 12.8%** resulting from an increase in Tier 1 capital by AED 0.1 billion in H1 2012 due to net profit generation for the quarter.
- **Tier 2 capital decreased by AED 1.8 billion in H1 2012** as the amortisation of the MOF T2 deposits commenced.
- **Risk Weighted Assets increased by 2%** from AED 222.1 million at Q4 2011 to AED 225.7 billion at Q2 2012

Capital Ratios - Basel II (AED billion)



Note: Core Tier 1 Ratio as at Q2 2012 is 11.1%

Risk Weighted Assets – Basel II (AED billion)



Capital Movement Schedule – Basel II (AED billion)

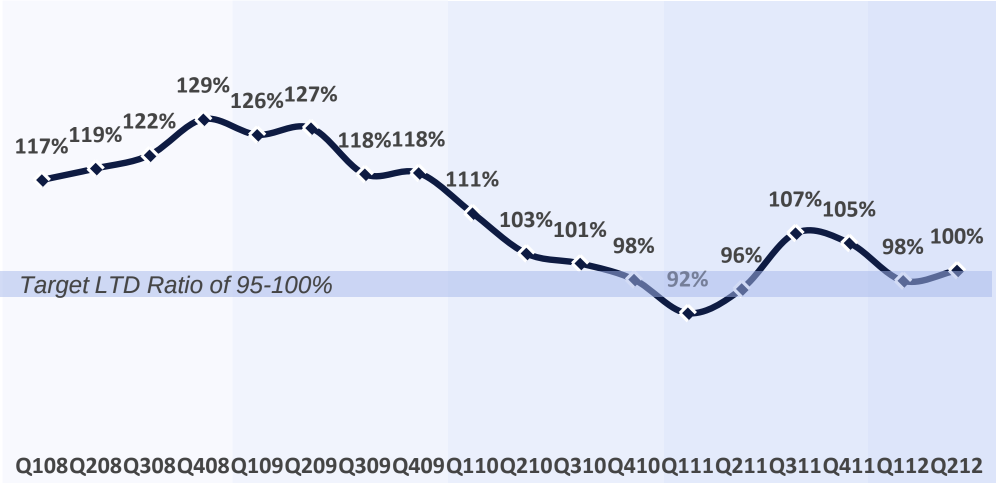
31 Dec 2011 to 30 Jun 2012	Tier 1	Tier 2	Total
Capital as at 31 Dec 2011	**28.9**	**16.7**	**45.6**
Net profits generated	1.3	-	1.3
FY 2011 dividend payable	(1.1)	-	(1.1)
Interest on T1 securities	(0.1)	-	(0.1)
Change in general provisions	-	0.7	0.7
Amortisation of MOF T2	-	(2.5)	(2.5)
Capital as at 30 Jun 2012	**29.0**	**14.9**	**43.9**

Funding and Liquidity

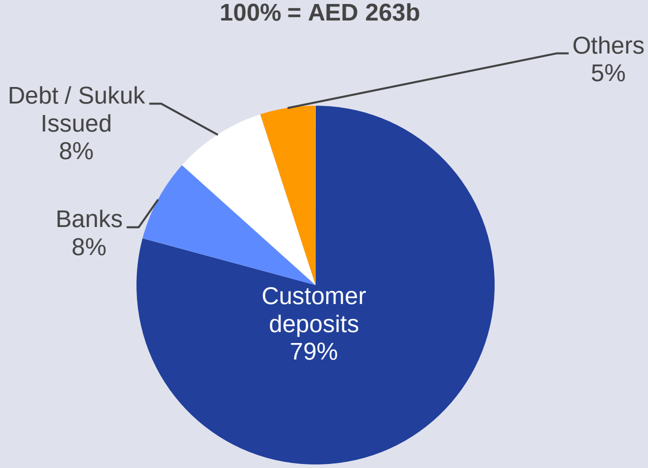
Highlights

- **Headline LTD ratio of 100%** at Q2 2012
- The LTD ratio is being managed to the target range of c.95%-100%
- **Liquid assets** (excl. Investments) of **AED 48.8 billion** as at 30 June 2012 (16% of total assets)
- Debt maturity profile well within existing funding capacity
- **Issued AED 8.8 billion medium term debt** in H1 2012

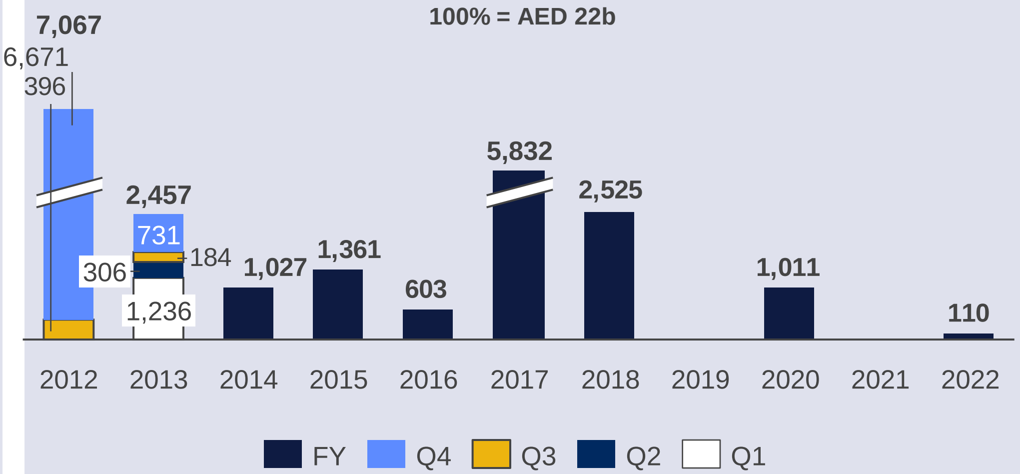
Headline Loan to Deposit Ratio (%)



Composition of Liabilities



Maturity Profile: Debt Issued (AED million)



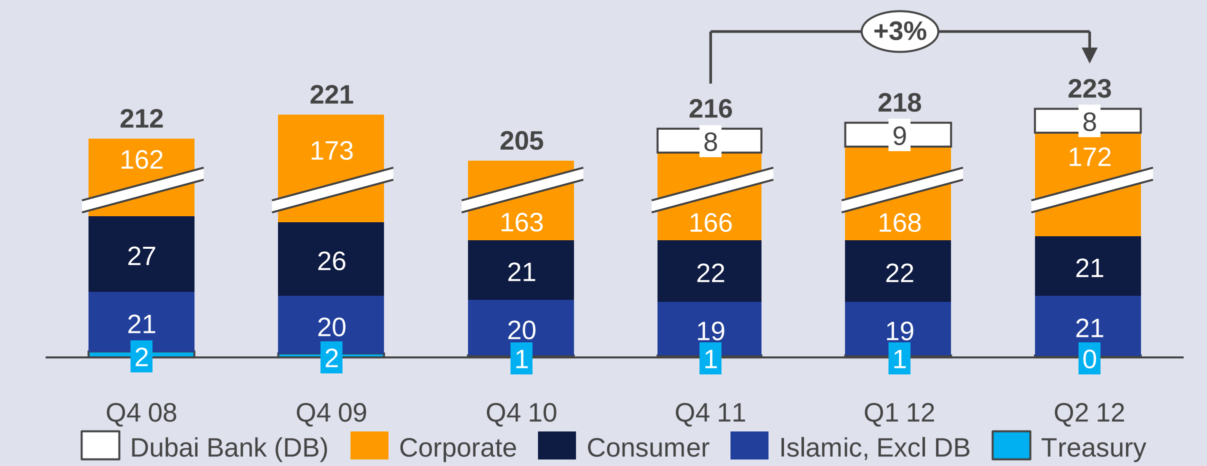
Note: Debt Issued includes EMTNs of AED 13 billion, syndicated borrowings from banks of AED 5.5 billion and borrowings raised from loan securitisations of AED 1.7 billion and Sukuk issued of 1.8 billion

Loan and Deposit Trends

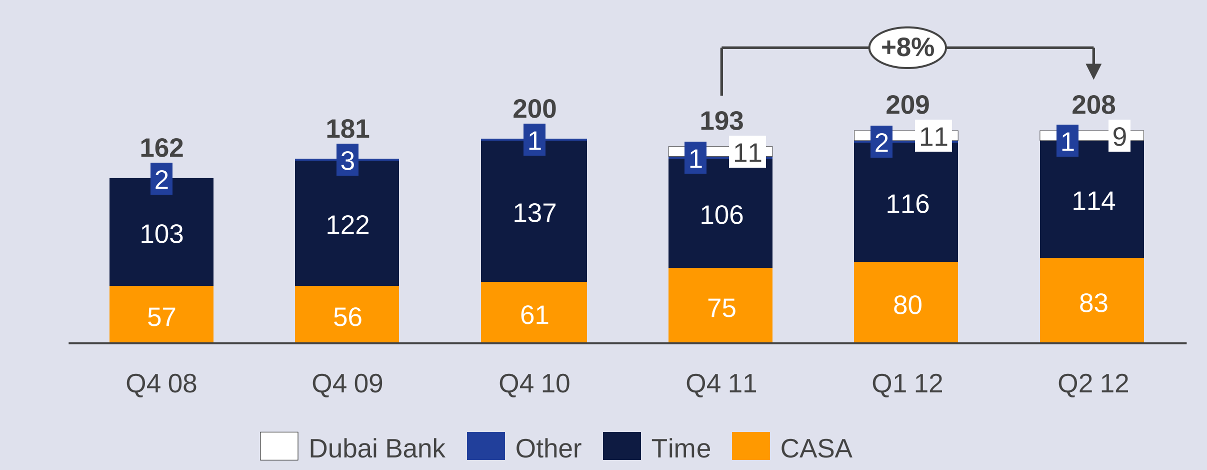
Highlights

- Modest **pickup in new underwriting** in H1 2012 with 3% growth in gross loans and an annualised organic growth in gross loans of 5% from H1 2011 to H2 2012 (excl. Dubai Bank Impact)
- Balance sheet optimisation initiatives successful in **improving deposit mix:**
  - CASA organic growth of AED 22 billion from end-2010 (excl. Dubai Bank Impact)
  - CASA % age of total deposits 42% at H1 2012 vs. 31% at end-2010

Trend in Gross Loans by Type (AED billion)



Trend in Deposit by Type (AED billion)



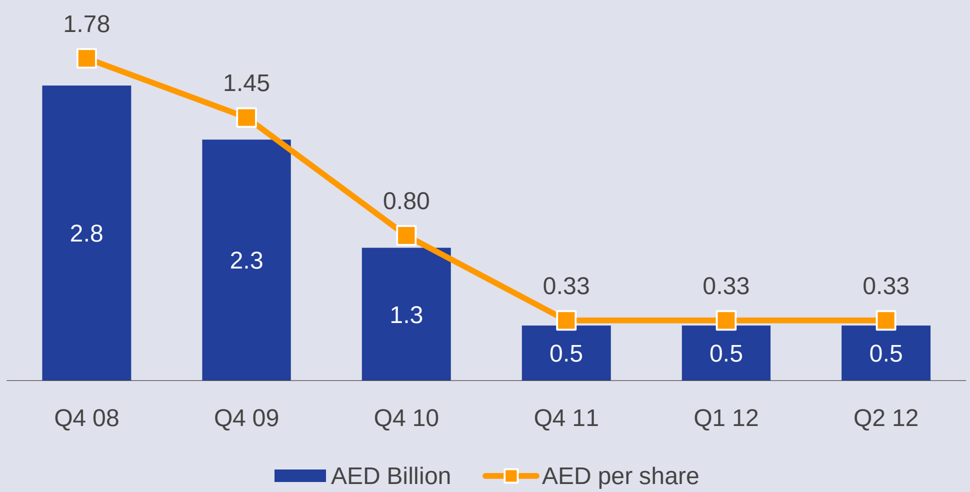
Associates and Joint Ventures

Composition of Balances

Highlights

- **Significant de-risking** of investment in **Union Properties (UP) since 2009:**
  - **UP investment reduced by AED 0.5 billion in 2009, AED 1.0 billion in 2010 and AED 750 million in 2011** through recognition of share of losses and impairment
  - Further downside risk on UP limited as carrying value is close to market value
- **Network International** accounted for as a **jointly controlled entity** from the start of 2011 with a carrying value of AED 1.4 billion at the end of Q2 2012
- 24.8% stake in **Bank Islami Pakistan** acquired as part of **Dubai Bank**

Investment in Union Properties



Composition of Associates & Joint Ventures (AED million)

Income Statement AED million	H1 12	H1 11	Change %	Q2 12	Q1 12	Change %
Union Properties	-	(500)	-100%	-	-	n/a
- Share of losses*	-	(74)	-100%	-	-	n/a
- Impairment of investment	-	(426)	-100%	-	-	n/a
National General Insurance	7	15	-53%	(0)	7	-102%
Network International	36	40	-11%	19	16	+18%
Bank Islami Pakistan	3	-	n/a	2	1	+82%
Total	**46**	**(445)**	**-110%**	**21**	**24**	**-13%**

Balance Sheet AED million	30-Jun-12	31-Dec-11	Change %	31-Mar-12	Change %
Union Properties	532	532	-	532	-
National General Insurance	135	129	+5%	134	+1%
Network International	1,338	1,363	-2%	1,380	-3%
Bank Islami Pakistan	19	18	+7%	23	-14%
Total	**2,024**	**2,042**	**-1%**	**2,068**	**-2%**

Network International

Strategic Partnership with Abraaj Capital

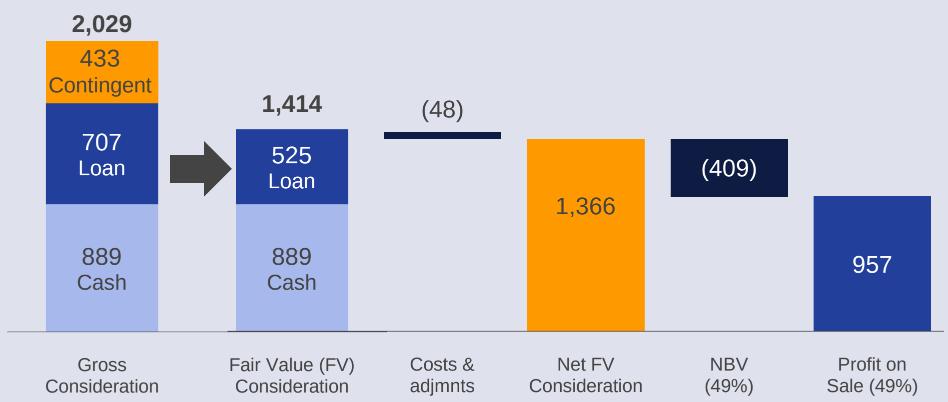
Transaction Summary & Strategic Rational

- On 22 December 2010, **Network International** (NI) entered into a **strategic partnership with Abraaj Capital (Abraaj)** to accelerate expansion of the company
- **Abraaj acquired a 49% stake** in NI for a price of around **AED 2 billion** which included a sum contingent upon attainment of profitability targets and a portion financed by Emirates NBD
- All **relevant regulatory approvals were obtained** during Q1 2011 and the **transaction closed on 31 March 2011**
- NI is at a **strategic junction** where **significant growth opportunities** are available both organically and inorganically and has developed a focused strategy to expand into other high-growth geographies in the Middle East and Africa and the Indian Subcontinent
- In this context, the strategic partnership with **Abraaj will bring significant expertise and value** to the business
  - Accelerate the growth trajectory of NI through leveraging Abraaj's industry expertise and access to their portfolio companies
  - Extend NI's geographic presence (e.g. Pakistan, India, Turkey and Levant)
  - Develop global distribution and strategic alliances
  - Advance and execute successful acquisition strategies
  - Work with CEOs and CTOs to optimise technology strategy and processes

Financial Impact on Emirates NBD

- In **2010**, the assets and liabilities were disclosed as **assets held for sale**
- **In H1 2011**:
  - **Profit of AED 957 million on sale** of 49% stake recognised
  - Due to effective **joint control post-closing** NI ceased to be a subsidiary of the Group and was **accounted for as a jointly controlled entity**
  - The **remaining 51%** retained was **fair valued** at 31 March 2011, resulting in an **unrealised profit of AED 856 million**
  - **Contingent earn-out** will be **recognised as income once receipt is virtually certain**

Calculation of Initial Profit on the Transaction (AED million)

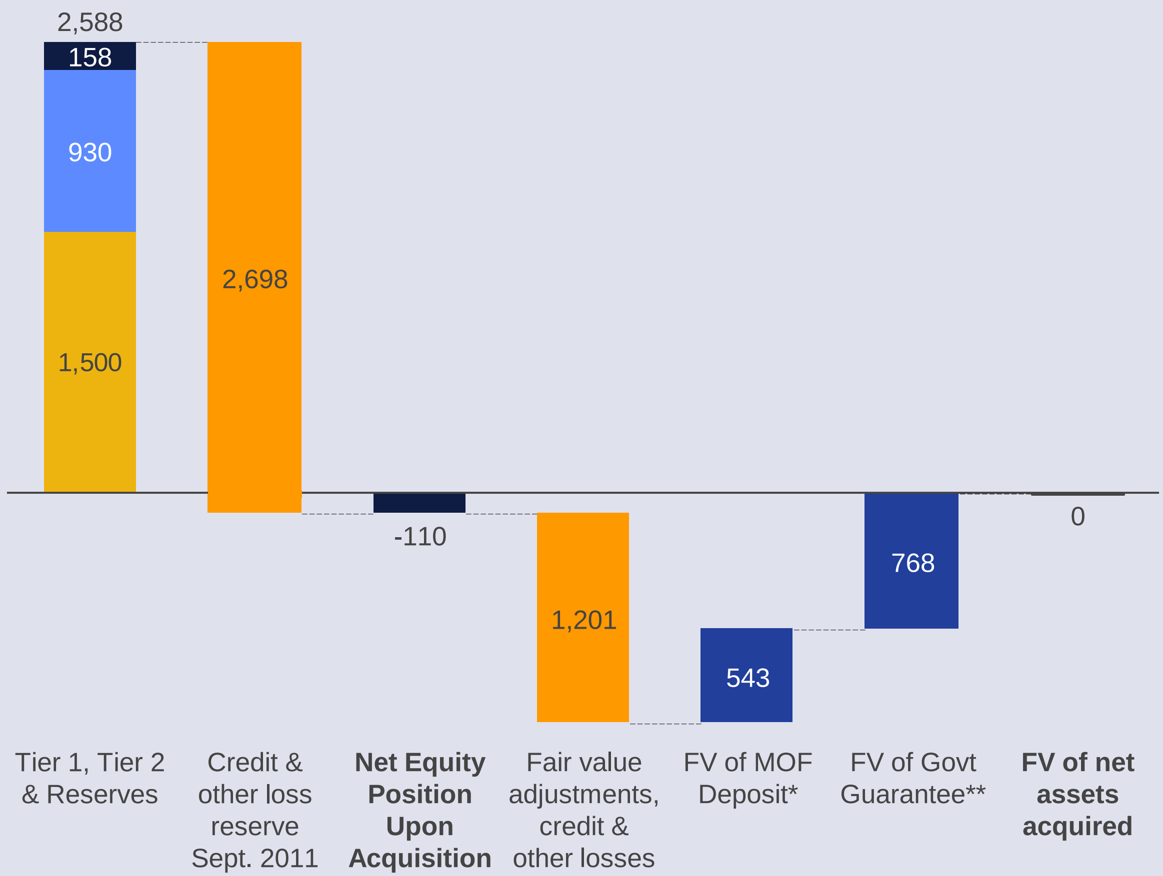


Acquisition of Dubai Bank

Highlights

- As per the decree issued by the Ruler of Dubai **on 11 October 2011, Emirates NBD acquired a 100% stake in Dubai Bank**
- The **consideration was AED 10** which equates to the fair value of net assets acquired
- As on the date of acquisition, there was a **zero NPL and P&L impact** by virtue of the transaction structure and the fair value process of assets and liabilities upon initial consolidation
- The **fair value** of the assets and liabilities was **determined by an external expert**
- A **unified Executive Committee** was appointed to manage both banks
- EIB and Dubai Bank will be merged into **one Islamic banking franchise**
- **Integration** expected to **be completed by the end of 2012**
- As at Q2 2012, Dubai Bank added the following to the Group:
  - 21 Branches
  - 40 ATMs and 16 CDMs and
  - 626 employees

Financial Impact Upon Acquisition (AED million)



** In connection with the transaction, the Group has received a deposit from the UAE Ministry of Finance amounting to AED 2.8 billion at a discount comparable to market rates. This liability was recognised at fair value resulting in a fair value gain of AED 543 million and will be amortised over the term of the deposit (8 years)*

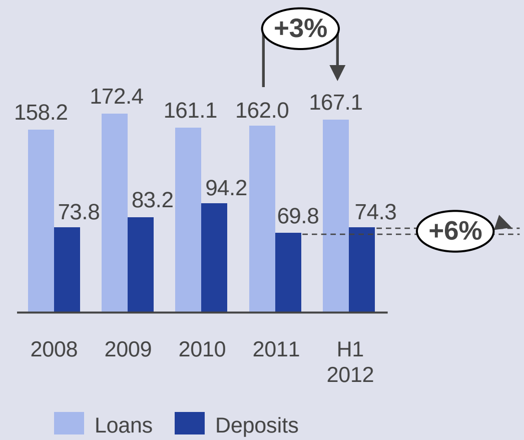
*** In connection with the transaction, the Government of Dubai has provided a guarantee for any losses at the date of acquisition and any future losses relating to the assets and liabilities on the date of acquisition for the next 7 years; an amount of AED 768 million represents the fair value of the Guarantee as at the date of acquisition*

Divisional Performance

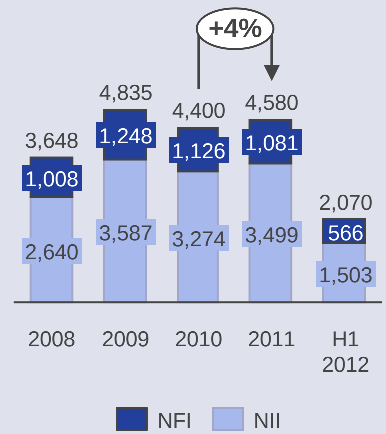
Wholesale Banking

- **Key focus** during H1 2012 was on strategy re-alignment to ensure enhanced future customer service quality and share of wallet, increased cross-sell of Treasury and Investment Banking income and increased Cash Management and Trade Finance penetration
- **Revenue declined 2% y-o-y** (from H1 2011 to H1 2012) resulting from lower net interest income due to asset spread compression
- **Loans rose by 3%** from end-2011 as new underwriting more than offset normal loan repayments
- **Deposits grew by 6%** from end-2011

Balance Sheet Trends
AED billion



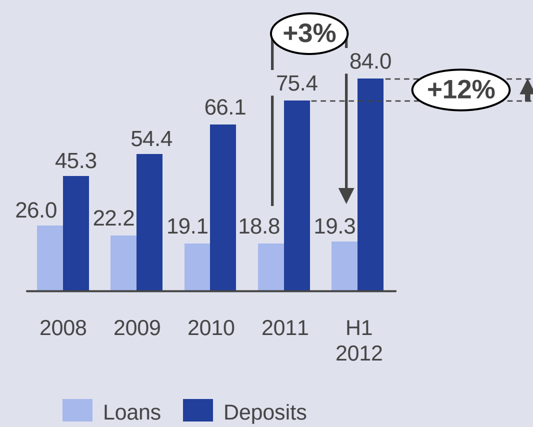
Revenue Trends
AED million



Consumer Banking & Wealth Management

- CWM continued to improve its position during the quarter
- **Revenue grew by 20% y-o-y** (from H1 2011 to H1 2012)
- **Deposits grew 12%** during H1 2012 from end 2011
- **Loans grew 3%** during H1 2012 from end 2011 driven by strong growth in the SME segment
- **Channel optimisation strategy** being pursued to enhance efficiency across all distribution channels, resulting in a net reduction of 7 branches and 50 ATM/SDMs during H1 2012 to 105 and 580 respectively

Balance Sheet Trends
AED billion



Revenue Trends
AED million

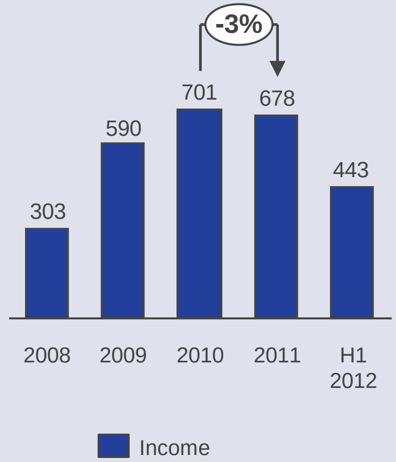
All P&L numbers are YTD, all Balance Sheet numbers are at end of period

Divisional Performance

Global Markets & Treasury

- **Revenue improved 35% y-o-y** (from H1 2011 to H1 2012) to AED 443 million
- **Treasury sales recorded a good performance** during H1 2012 as the low interest rate scenario encouraged some clients to lock in rates through vanilla hedge structures; revenue from fixed income sales improved during H1 2012
- The **foreign exchange flow business** performed well during the quarter due to volatility in the foreign exchange markets; in addition, the business was able to capture short windows of trading opportunities in the Euro zone which aided foreign exchange income

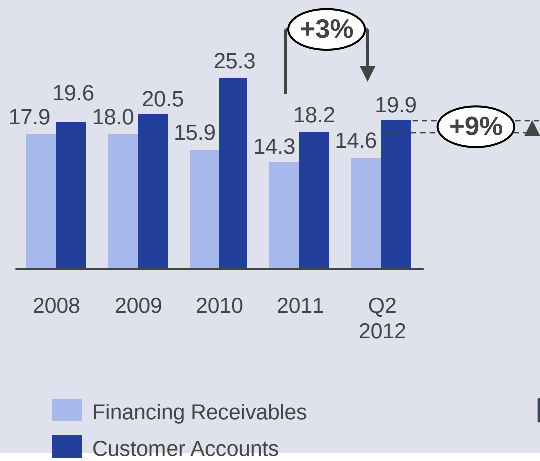
Revenue Trends
AED million



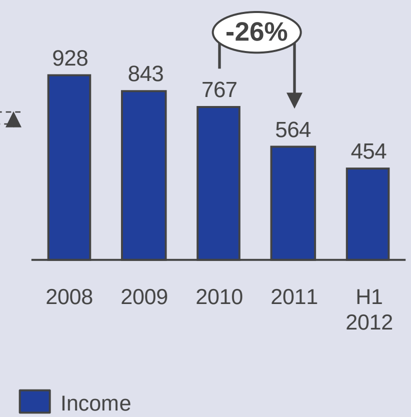
Emirates Islamic Bank

- **EIB revenue improved 20% y-o-y** (from H1 2011 to H1 2012) to AED 454 million in (net of customers' share of profit), primarily due to growth in net funded income
- **Financing receivables rose 3%** to AED 14.6 billion from end-2011
- **Customer accounts increased by 9%** to AED 19.9 billion from end-2011
- As at H1 2012, EIB branches totals 35 while the ATM & SDM network totals 105

Balance Sheet Trends
AED billion



Revenue Trends
AED million



Note: Stand-alone Financial Statements for Emirates Islamic Bank may differ from these results due to consolidation adjustments

All P&L numbers are YTD, all Balance Sheet numbers are at end of period

Contents

Strategic Imperatives

1	2012 Objectives	Evidence of Success in H1 2012
Optimise Balance Sheet and Capital allocation	▪ Maintain **headline LTD ratio within 95% - 100%** target range ▪ Continue to focus on **liabilities growth** including CASA and long term FDs ▪ Target raising **medium - long term funding** at acceptable pricing ▪ **Increase lending activity** to select sectors i.e. consumer finance, mid corporate & SME, and large corporate sector in Dubai and Abu Dhabi ▪ Continue to **streamline and consolidate subsidiaries** and decide on further **divestment opportunities**	▪ **Headline LTD ratio** of 98% in Q1 2012 and 100% in Q2 2012 from 105% in Q4 2011 ▪ **Strong CASA growth** of 11% or AED 8.8 billion during H1 2012, particularly in Retail banking, bringing Group wide CASA:FD portfolio mix to a healthy 42:58 ▪ In addition **launched "Deposit Carnival "** to attract additional funds with ongoing promotion across all key media ▪ Raised **AED 8.8 billion medium – long term funding** at attractive pricing ▪ **Consolidated Private Banking, Asset Management and brokerage** under a newly created "Wealth Management" unit to realise further synergies and cross-fertilise between the units

Strategic Imperatives

2

	2012 Objectives	Evidence of Success in H1 2012
Drive Profitability	▪ Revenue growth – Increase **cross-sell** and bolster **fee based business** within the Consumer Banking and Wealth Management segment; e.g. FX, bancassurance, investments, etc. – Extend **key account management model** across wholesale banking segment; e.g. drive treasury sales and investment banking services to existing corporate relationships – Roll out **sales effectiveness program** across branches and direct sales force ▪ Cost management – Continue to focus on cost and operate in a **target cost income ratio of 33% to 34%** – **Efficiency gains** through **merging operational activities into Tanfeeth**, and **centralising procurement** activities	▪ **CWM fee income up 30%** in H1 2012 vs. H1 2011 ▪ Developed a **strategic plan and roadmap for the wholesale bank** to transform into a regional powerhouse; The strategic plan involves a large scale transformation of the wholesale banking unit encompassing among others: – Detailed Key account planning which will be extended across all key accounts over 2012 – 2013 – Enhancement of our transaction banking capabilities – Renewed focus on offering leading investment banking services – Increased investments in treasury and expanding our solution offerings – Vigorously pursuing international expansion plans – Development of superior credit processes – Enhancement of operational efficiencies ▪ Run a Group wide **cost optimisation program**; Q2 2012 cost base AED 48 million and AED 131 million below Q1 2012 and Q4 2011 respectively

Strategic Imperatives

3	2012 Objectives	Evidence of Success in H1 2012
Enhance Support Functions and Strengthen Platforms	▪ **Continue to upgrade and enhance IT platforms** – undertake implementation of the lean transformation initiative which was initiated in 2011 ▪ **Further enhance the scope of Tanfeeth** by migrating additional banking support and back office processes ▪ **Further enhance the customer service proposition** through focused initiatives to be undertaken by Group Service Quality / "Tamayyuz" ▪ **Implement Core banking and Private banking systems in KSA and Singapore** (PB only) in addition to enabling online banking	▪ **Lean transformation in second wave** with focus on IT portfolio rationalisation to focus on IT developments on key strategic priorities and optimise return on IT investment ▪ **Expanded Tanfeeth (our shared services provider) scope** with on-boarding of the **Operations and Call Center** at the beginning of the year ▪ **Completed the integration of Emirates NBD's HR Services, Finance & Accounting and Collections back office units** into Tanfeeth and started the integration of Emirates NBD's Trade Finance operating unit ▪ **Customer service excellence program** rolled-out across all branches and key processes reengineered. Major improvements include – NPS (Net promotor scores) in branches increased by 60+ % – Service requests in major process like cheque book delivery and issuance of liability letters reduced by 60% and 80% respectively ▪ **Development of Group wide Business Process Management (BPM) program** aiming at process streamlining and automation to realise further efficiencies end to end from branches to back office and enhancing the customer experience

Strategic Imperatives

3	2012 Objectives	Evidence of Success in H1 2012
Undertake Measured Investments in Growth Areas	▪ **Exploit domestic opportunities** – **Continue to enhance domestic distribution network** through selecting, and implementing the most optimal channel mix – Push for **regional leadership in private banking** through increased capacity and market penetration – Focus on **building SME asset book** by leveraging improved infrastructure and increased credit appetite – Further **grow our market share in Abu Dhabi** ▪ **Exploit international opportunities** – Undertake **organic expansion initiatives in current international locations,** e.g. setup SME business in KSA – Continue **small scale international expansion**, e.g. representative offices in target markets – Identify and pursue meaningful **international acquisitions** in select target markets, e.g. KSA, Turkey, etc.	▪ **Optimised distribution set-up** – Further optimised branch set-up (elimination of duplication) – Continued to enhance online banking offering – Launched enhanced mobile banking for EIB, next version for Emirates NBD due in Q4 ▪ **Enhanced the international footprint with launch of China Representative Office** in Beijing in May

Outlook

Emirates NBD

- During H1 2012 the UAE economy continued to display resiliency and modest growth with oil output rising 4.1% and modest private sector expansion
- Continued strength and growth witnessed in Dubai's traditional trade, logistics, tourism and retail sales sectors and signs of green shoots in the Dubai property market
- For the remainder of 2012 the external environment remains challenging in the context of weaker expected global growth resulting from recessionary risks in the Eurozone, downgrades to US growth and an expected slowdown in Asia
- Nevertheless, the UAE remains well-positioned to enjoy modest GDP growth of 2.5% in 2012 underpinned by rising oil production and continued modest private sector expansion
- Despite a cautious and uncertain outlook, Emirates NBD is resilient and well placed to take advantage of growth opportunities in selected areas
  - Capitalisation and liquidity continue to be extremely strong, offering resilience and flexibility for the future
  - Significantly de-risked and strengthened balance sheet offers strong platform for capturing future growth opportunities
  - The Bank has a clear strategy in place and is focused on relentless execution

Summary

Emirates NBD

- **Strong operating performance** with 52% y-o-y growth in operating profit to AED 1.3 billion in H1 2012
- **Top-line trends for H1 2012 encouraging** with 7% y-o-y growth in total income to AED 5.2 billion
- **Operating expenses increased by 12% in H1 2012 vs H1 2011, but improved 5% q-o-q** and will be managed to a longer term cost income ratio target of 33%-34%
- **NPL formation and provisioning trends** in line with expectations
- **Capitalisation and liquidity** continue to be **extremely strong**, offering resilience and flexibility for the future
- The **outlook remains challenging** but Emirates NBD has a **clear strategy** in place to take advantage of selected growth opportunities

APPENDIX A

Awards

2012 Awards

	Emirates NBD wins “Dubai Award for sustainable transport” fourth edition.
S&P/Hawkamah ESG Pan Arab Index	Emirates NBD is Rated Amongst 50 top Regional Companies in the Hawkamah ESG Pan Arab Index.
	Emirates NBD wins “Best Trade Finance Bank” Award for 2012 from Global Finance.
	Emirates NBD wins “Best Foreign Exchange Providers in the UAE” Award for 2012 from Global Finance.

2012 Awards

	Emirates NBD Asset Management named 'Best Islamic Wealth Management Service Provider' at the 2012 Sukuk Summit - Islamic Finance Awards of Excellence
	Emirates NBD Asset Management named 'MENA Sukuk Manager' of the year at the 2012 Global Investor/ISF Investment Excellence Awards
	Emirates NBD wins award for ‘Best Corporate Card’ at Smart Card Awards Middle East
	Emirates NBD Asset Management named ‘Best Asset Management Company’ at Arab Achievement Awards 2012

2012 Awards

Best Bank in UAE", "Best Trade Finance Bank in UAE" and "Best Foreign Exchange Provider in the UAE"

Emirates NBD wins "Best Bank Brand" and award for leading PR and marketing company

Emirates NBD wins "Best Customer Attraction" and "Best Overall Customer Experience"

Emirates NBD wins "Best Bank in UAE" Award for 2012 from Global Finance.

2012 Awards

Emirates NBD wins Banker Middle East "Best SME insurance product" award.

Emirates NBD Asset Management wins "Specialist Fund of the Year" at the 2012 MENA Fund Manager Performance Awards for its Emirates Global Sukuk Fund.

Emirates NBD wins "Best Foreign Exchange Providers in the UAE" Award for 2012 from Global Finance.

Emirates NBD tops "Brand Simplicity Index" as region's No.1 Retail Banking Brand by Siegel+Gale

APPENDIX B

Key Deals

Large Deals Concluded 2012

January 2012

EMIRATES ISLAMIC BANK

USD 500,000,000

5 YEAR SUKUK

Joint Lead Arranger

Emirates NBD

March 2012

EMIRATES NBD BANK PJSC

RMB 750,000,000

3 YEAR SUKUK

Joint Lead Arranger & Bookrunner

Emirates NBD

March 2012

EMIRATES NBD BANK PJSC

USD 1,000,000,000

5 YEAR SUKUK

Joint Lead Arranger & Bookrunner

Emirates NBD

January 2012

PALM DISTRICT COOLING LLC

AED 1,140,000,000

CONVENTIONAL AND ISLAMIC FACILITY

Mandated Lead Arranger

Emirates NBD

February 2012

IFA HOTELS AND RESORTS FZE

AED 173,750,000

TERM LOAN FACILITY

Mandated Lead Arranger

Emirates NBD

February 2012

SAMPATH BANK

USD 62,500,000

TERM LOAN SYNDICATED FACILITY

Initial Mandated Lead Arranger & Bookrunner

Emirates NBD

July 2012

EMIRATES ISLAMIC BANK

USD 500,000,000

5 YEAR SUKUK

Guaranteed by

Emirates NBD

June 2012

ARKAN BUILDING MATERIALS

AED1,400,000,000

SYNDICATED FACILITY

Initial Mandated Lead Arranger

Emirates NBD

April 2012

BANK ASYA

USD 201,000,000,000

& EUR 96,500,000

DUAL CURRENCY SYNDICATED MURABAHA FACILITY

Initial Mandated Lead Arranger & Bookrunner

Emirates NBD

June 2012

DIFC INVESTMENTS

USD 1,035,000,000

ISLAMIC SYNDICATED FACILITY

Initial Mandated Lead Arranger

Emirates NBD

Large Deals Concluded 2012 (cont'd)

May 2012

MAF PROPERTIES

MAJID AL FUTTAIM PROPERTIES

USD 290,000,000

LOAN FACILITIES

Mandated Lead Arranger & Bookrunner

Emirates NBD

June 2012

HORIZON EMIRATES TERMINALS LLC

USD 75,000,000

& EUR 96,500,000

LOAN FACILITIES

Mandated Lead Arranger

Emirates NBD

Large Deals Concluded 2011

June 2011

GOVERNMENT OF DUBAI

DEPARTMENT OF FINANCE

USD 500,000,000 5.591% BEARER NOTES DUE 2016

Joint Bookrunner

Emirates NBD

June 2011

EMIRATES AIRLINES

USD 1,000,000,000 5.125% NOTES DUE 2016

Joint Bookrunner

Emirates NBD

June 2011

NATIONAL BANK OF FUJAIRAH

USD 235,000,000 CLUB TERM LOAN FACILITY

Initial Mandated Lead Arrangers & Bookrunners

Emirates NBD

July 2011

IS BANK

USD 500,000,000 TERM LOAN FACILITY

Mandated Lead Arranger

Emirates NBD

August 2011

EMIRATES AIRLINES

USD 645,000,000 MULTI TRANCHE AIRCRAFT FINANCING

Mandated Lead Arranger

Emirates NBD

August 2011

OLAM

USD 1,250,000,000 SYNDICATED TERM LOAN FACILITY

Mandated Lead Arranger & Bookrunner

Emirates NBD

September 2011

PORTS AND FREE ZONE WORLD FZE

USD 850,000,000 SECURED TERM LOAN FACILITY

Mandated Lead Arrangers, Underwriters and BookRunners

Emirates NBD

September 2011

URALSIB BANK

USD 110,000,000 SYNDICATED TERM LOAN FACILITY SEPTEMBER 2011

Mandated Lead Arrangers and BookRunners

Emirates NBD

September 2011

ALBARAKA GROUP

USD 350,000,000 DUAL-CURRENCY SYNDICATED MURABAHA FINANCING FACILITY

Initial Mandated Lead Arranger & Bookrunner

Emirates NBD

APPENDIX C

Asset Quality Disclosures

Additional Asset Quality Disclosures

Investment /CDS Income and Impairments

AED million	Q1 08	Q2 08	Q3 08	Q4 08	FY 08	Q1 09	Q2 09	Q3 09	Q4 09	FY 09	Q1 10	Q2 10	Q3 10	Q4 10	FY 10	Q1 11	Q2 11	Q3 11	Q4 11	FY 11	Q1 12	Q2 12
Income:																						
Investment Securities	103	(74)	148	(601)	(690)	6	241	120	54	421	172	(7)	143	48	356	9	76	47	(5)	127	177	117
CDS	(111)	21	(107)	(258)	(455)	(70)	248	157	(105)	230	71	1	42	61	176	13	47	(10)	36	78	17	9
Total Income Impact	(8)	(53)	41	(859)	(1145)	(64)	489	277	(51)	651	243	(6)	185	110	532	22	123	37	31	205	194	127
Impairments:																						
Investment Securities	(193)	(140)	(207)	(471)	(1011)	(144)	(58)	(64)	(82)	(348)	(35)	(44)	(76)	(105)	(261)	(35)	(57)	(27)	(102)	(222)	(22)	(50)
Total P&L Impact	(201)	(193)	(166)	(1330)	(2156)	(208)	431	213	(133)	303	208	(50)	109	5	271	(13)	66	10	(71)	(17)	171	77
Balance Sheet:																						
Fair Value Reserves	(225)	359	(465)	(1479)	(1810)	(128)	523	197	324	916	307	35	(329)	751	764	38	113	(16)	(11)	125	176	36
Total Balance Sheet Impact	(225)	359	(465)	(1479)	(1810)	(128)	523	197	324	916	307	35	(329)	751	764	38	113	(16)	(11)	125	176	36
Overall Impact:																						
Total Investment Securities	(315)	145	(524)	(2551)	(3511)	(266)	706	253	296	989	444	(16)	(262)	694	860	12	132	4	(118)	30	330	103
CDS	(111)	21	(107)	(258)	(455)	(70)	248	157	(105)	230	71	1	42	61	176	13	47	(10)	36	78	17	9
Total Impact	(426)	166	(631)	(2809)	(3966)	(336)	954	410	191	1219	515	(16)	(220)	756	1035	25	179	(6)	(82)	108	347	113

Note: Investments/CDS income includes dividend income and realised /unrealised gains/(losses) on investment, trading and CDS securities

Additional Asset Quality Disclosures (cont'd)

Credit Metrics

AED million	Q1 08	Q2 08	Q3 08	Q4 08	FY 08	Q1 09	Q2 09	Q3 09	Q4 09	FY 09	Q1 10	Q2 10	Q3 10	Q4 10	FY 10	Q1 11	Q2 11	Q3 11	Q4 11	FY 11	Q1 12	Q2 12
P&L Impairment Allowances:																						
Credit – Specific	32	99	58	242	431	94	584	473	533	1,684	442	481	1,203	469	2,595	706	(57)	1,668	871	3,187	844	1,239
Credit – PIP	38	10	33	130	211	224	507	226	330	1,287	78	468	(338)	127	335	628	981	(124)	76	1,562	234	(336)
Other - PIP	0	0	0	0	0	0	0	0	0	0	0	200	300	(500)	0	0	0	0	0	0	0	0
Investment Securities	193	140	207	471	1,011	144	58	64	82	348	35	44	76	105	260	35	57	27	102	221	22	50
Total Impairment	263	249	298	843	1,653	462	1,149	762	945	3,319	555	1,193	1,241	201	3,190	1,369	981	1,571	1,049	4,970	1,101	954
Balance Sheet Impairment Allowances:																						
Credit – Specific	1,452	1,472	1,523	1,762	1,762	1,864	2,428	2,904	3,417	3,417	3,756	4,205	5,404	5,864	5,864	6,554	6,481	8,128	8,906	8,906	9,698	10,878
Credit – PIP	317	418	441	571	571	795	1,301	1,528	1,858	1,858	1,936	2,403	2,066	2,193	2,193	2,821	3,802	3,678	3,752	3,752	3,986	3,650
Other - PIP	0	0	0	0	0	0	0	0	0	0	0	200	500	0	0	0	0	0	0	0	0	0
Investment Securities	0	0	10	981	981	1,016	1,073	1,068	674	674	411	326	268	265	265	270	267	263	240	240	246	245
Total Impairment	1,769	1,890	1,973	3,314	3,314	3,675	4,802	5,499	5,948	5,948	6,102	7,134	8,238	8,322	8,322	9,644	10,550	12,069	12,898	12,898	13,931	14,773
Impaired Loans:																						
Credit	1,723	1,816	1,847	1,976	1,976	2,548	3,382	4,060	5,041	5,041	5,717	6,087	16,670	20,063	20,063	20,913	18,655	26,581	29,373	29,373	30,390	31,621
Investment Securities	262	220	233	1,316	1,316	1,316	1,316	1,201	789	789	526	435	363	361	361	371	369	360	341	341	369	364
Total Impaired Loans	1,984	2,035	2,081	3,292	3,292	3,864	4,698	5,261	5,831	5,831	6,243	6,522	17,034	20,425	20,425	21,283	19,024	26,941	29,714	29,714	30,759	31,985
Loans & Receivables, gross of impairment allowances:																						
Credit	174,050	186,560	201,542	209,866	209,866	215,729	219,082	220,427	218,968	218,968	216,966	209,882	208,105	203,886	203,886	203,831	203,400	208,068	215,536	215,536	217,556	222,501
Investment Securities	3,145	2,720	2,597	2,378	2,378	2,344	2,352	2,183	1,605	1,605	1,093	779	779	660	660	569	567	576	502	502	505	426
Total Loans &	177,195	189,280	204,139	212,244	212,244	218,073	221,434	222,610	220,573	220,573	218,058	210,662	208,883	204,546	204,546	204,400	203,968	208,644	216,038	216,038	218,061	222,927

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