

CONFIDENTIAL

Emirates NBD

Creating a Banking Leader in the Middle East



Index

- **Rationale for the merger**
- Financial overview and key indicators
- Strategy

Merger context and aspirations

What merger has led to so far ...

Creation of UAE champion

- Largest UAE bank by assets and market capitalisation
- Enhanced distribution network and business mix strengthening competitive position

Increased financial strength/ scale

- Largest bank in GCC by assets and Top 5 player by market capitalisation
- Increased regional presence

Superior value creation potential

- Significant cost and revenue synergies driving value creation

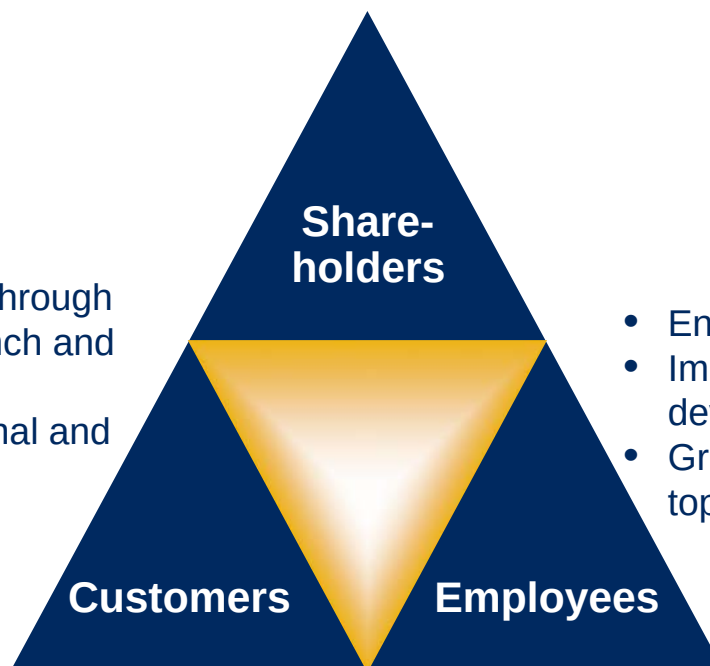
What merger should allow going forward ...

- 1** To become the **leading regional financial institution**, with an increasing international presence
- 2** **Leverage financial strength, scale and market positioning** to capture domestic and regional opportunities
- 3** To become the **partner of choice** for corporate and retail clients seeking financial services in the GCC

The merger will provide significant benefits to all the bank's stakeholders

- Enhanced regional and international expansion opportunities
- Increasing financial strength and capital position to support future growth
- Value creation through established management expertise and best practices

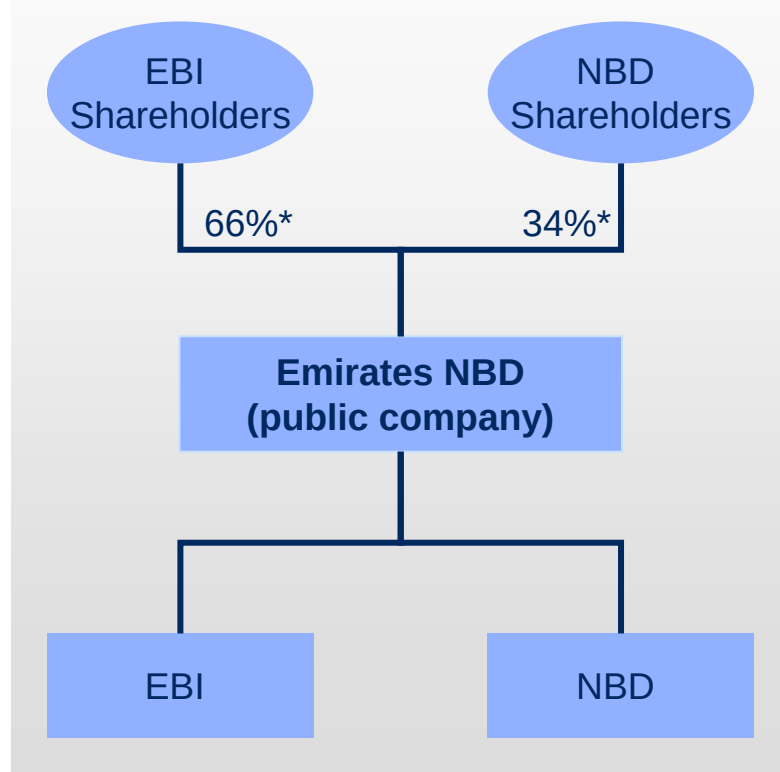
- Greater convenience through broader domestic branch and ATM networks
- Wider access to regional and inter-national markets
- Broader product suite



- Enhanced career opportunities
- Improved training and career development capacity
- Greater ability to attract and retain top talent

Structuring of merger

Emirates NBD offered to buy shares in EBI and NBD by way of a share for share exchange through an unregulated contractual offer



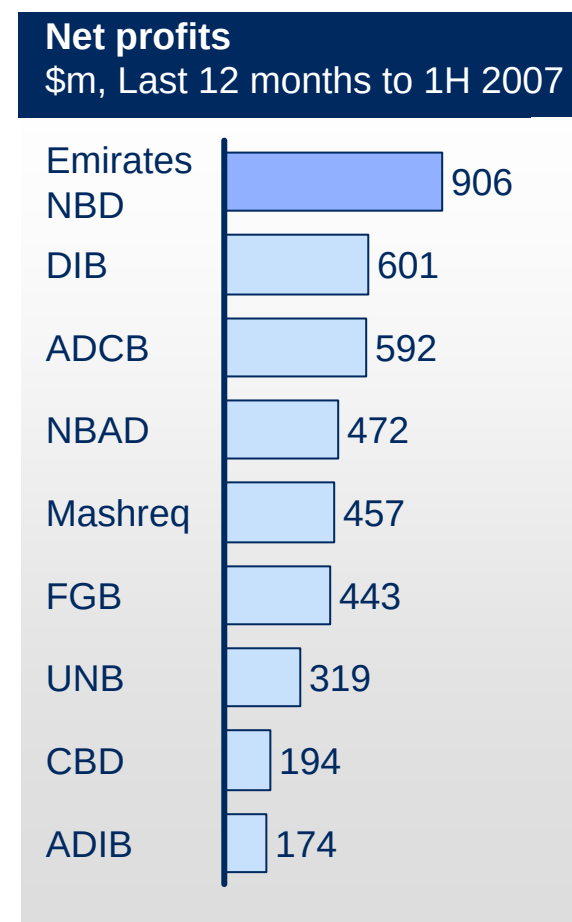
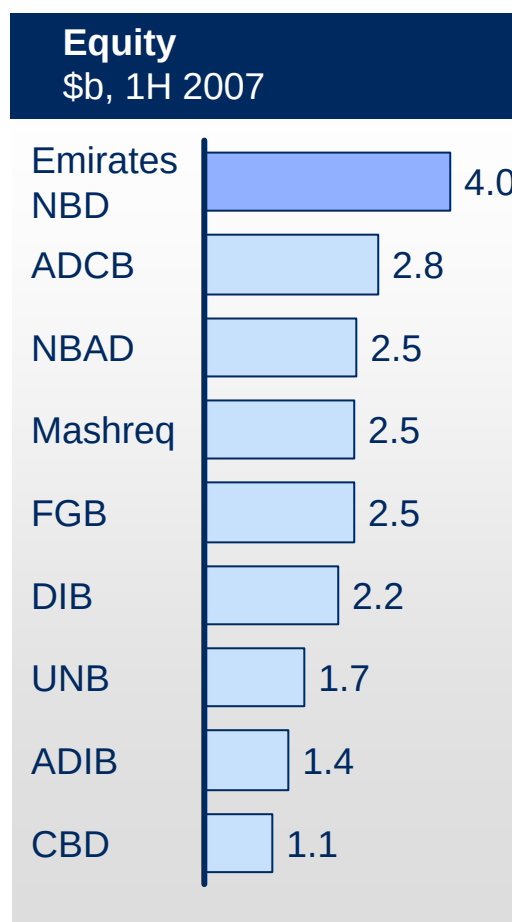
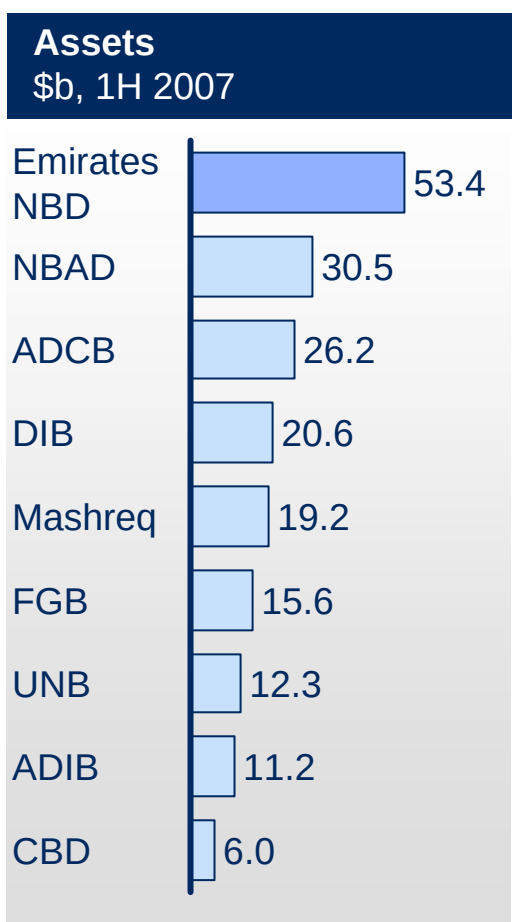
Equal representation on Board and management Committee of 2 banks working side- by-side

- 6 members from EBI and 6 members of NBD appointed to Board of Emirates NBD, under Chairmanship of H.E Ahmed Humaid Al Tayer and Deputy Chairman Abdullah Mohammad Saleh
- Executive Management Committee of Emirates NBD comprises of senior appointments from both EBI and NBD reflecting the new group's intention of bringing in best practice from both banks - key appointments upon announcement of merger:
 - Rick Pudner, CEO
 - Sanjay Uppal, CFO
 - Douglas Dowie, Advisor to the Board, Board member and Chairman of Investment Bank
 - Shahzad Shahbaz, CEO Investment Bank

* Assumed 100% acceptance of EBI and NBD shareholders
Source: Merger Offer Document

Emirates NBD will become the dominant player in the UAE . . .

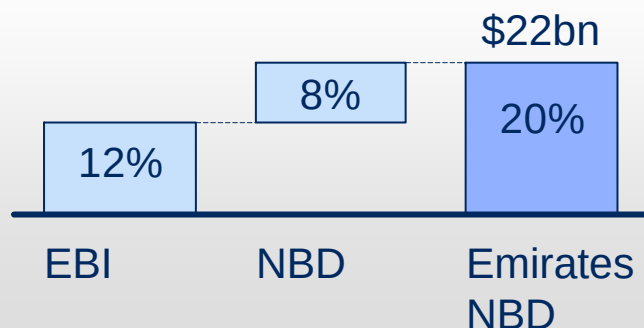
Last 12 months to 1H 2007



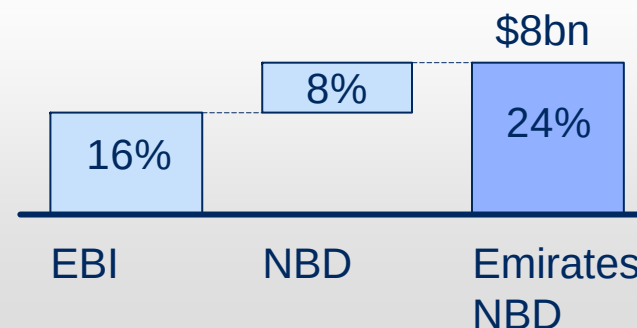
Source: Bank websites; Press releases; Zawya; team analysis

... with largest domestic market share...

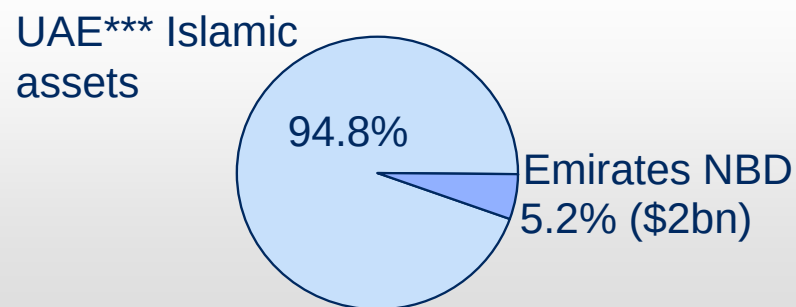
2006 Corporate loans market share*



2006 Personal loans market share**



2006 Islamic assets market share



* Includes government loans; Islamic loans; gross of provisions; excludes interbank loans

** Includes Islamic loans; gross of provisions

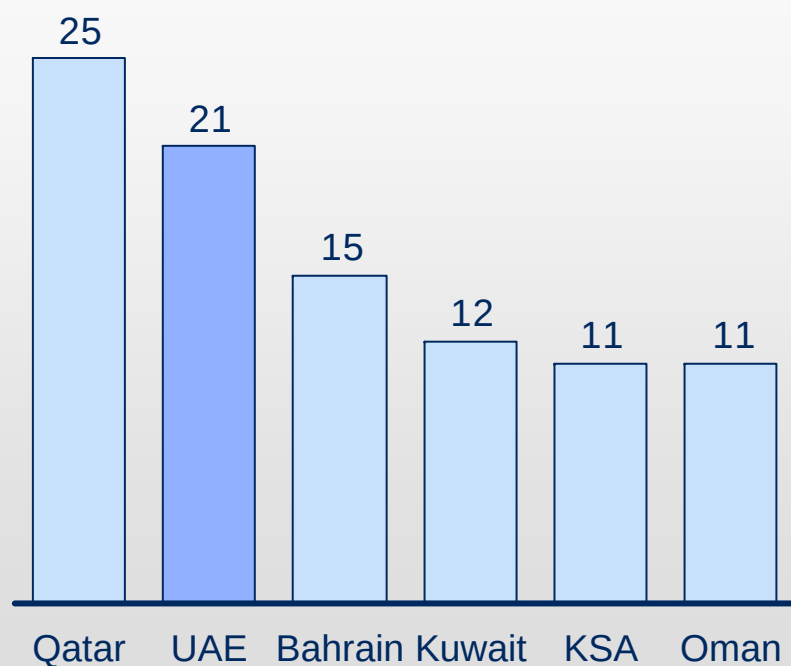
*** Based on 2006 assets for Tamweel, Amlak, SIB, DIB, ADIB and EIB based on 2006 Annual Reports

Source: Retail and corporate loans are included net of provisions

... in a fast growing but highly competitive market

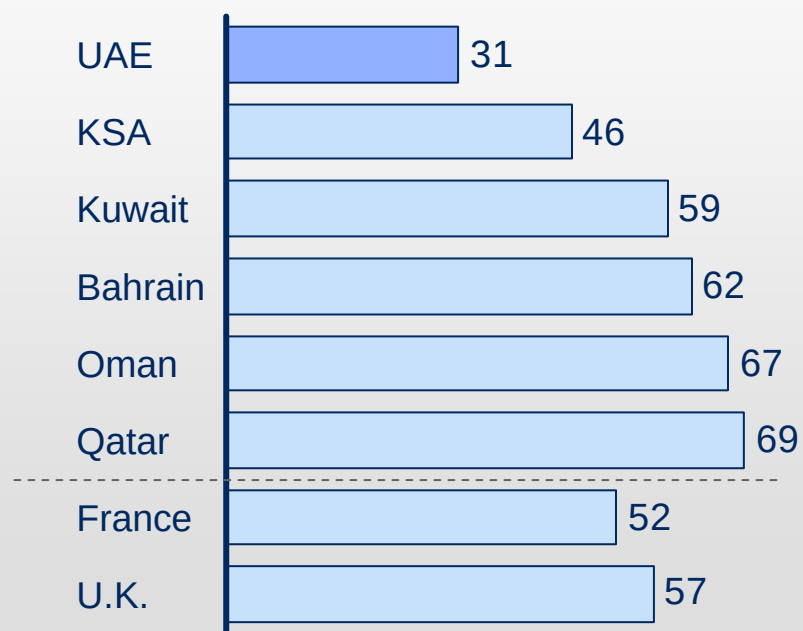
UAE has seen high growth in the recent past ...

2000–06 bank assets CAGR, %



... but the market remains relatively fragmented

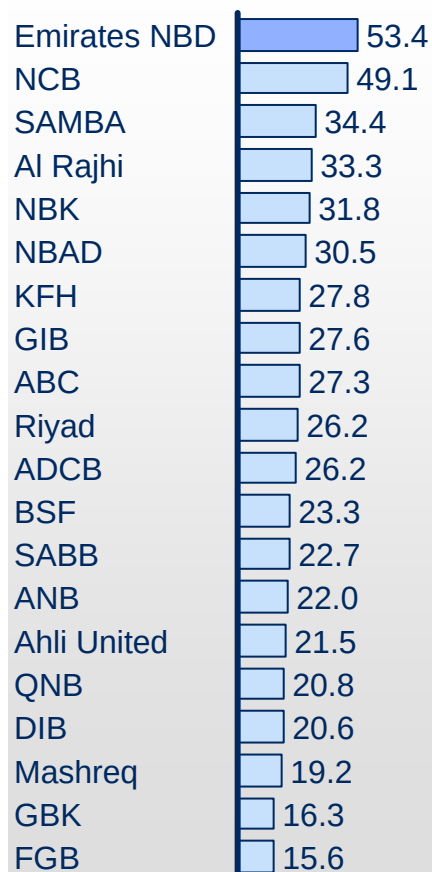
Market share of top 3 banks (by assets, %)*



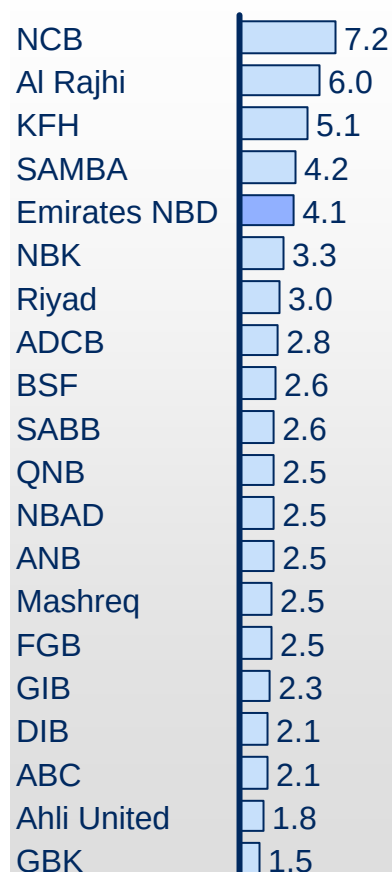
Emirates NBD will also become the largest bank in the GCC by assets

Last 12 months to 1H 2007

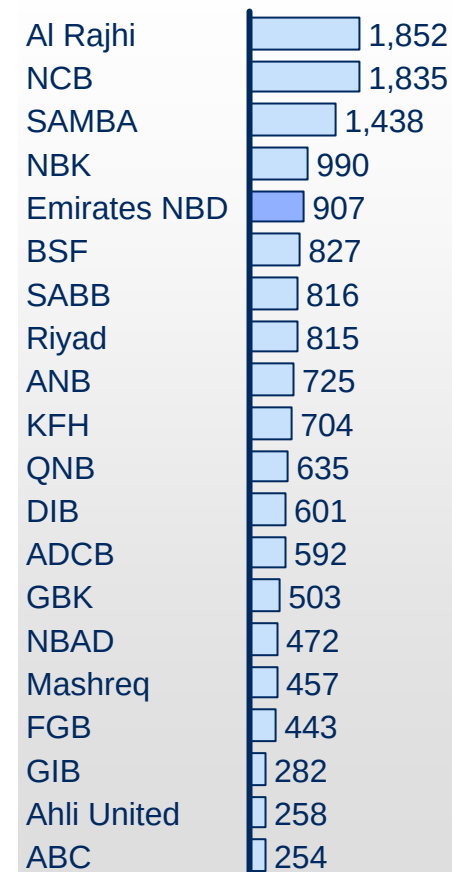
GCC ranking by assets
\$b, 1H 2007



Equity
\$b, 1H 2007

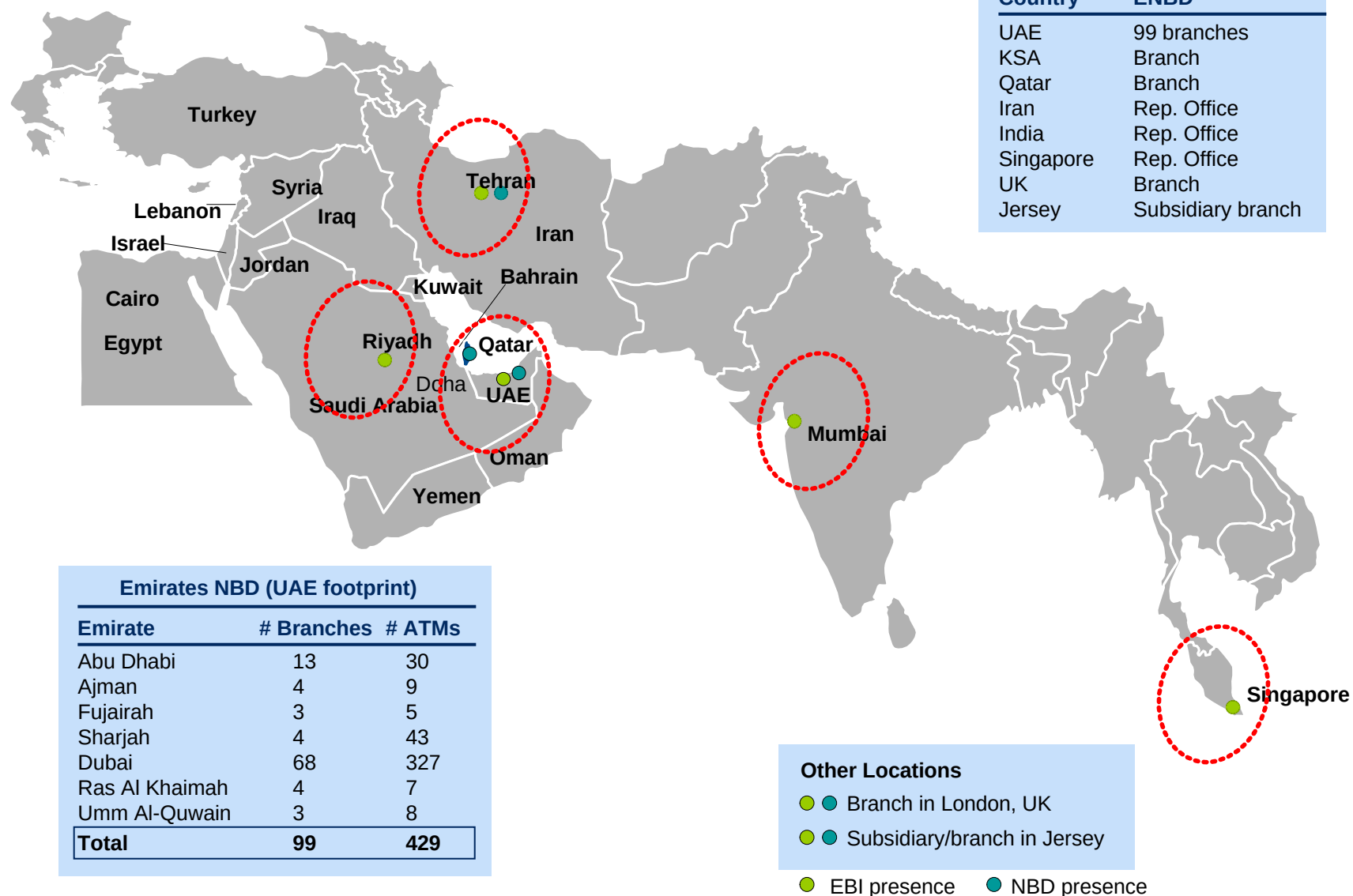


GCC ranking by profits
\$m, Last 12 months to 1H 2007



Source: Bank websites; Press releases; team analysis

... with significantly enhanced representation in the region's key markets



Current position of Emirates NBD by geography

2006

Geographies	UAE	GCC	MENA*	MENA+Asia**	Global
Rankings					
• Assets	# 1	# 1	# 3	# 23	# 209
• Profits	# 1	# 5	# 9	# 21	# 160

* Including Turkey

** Including Turkey and excluding China and Japan

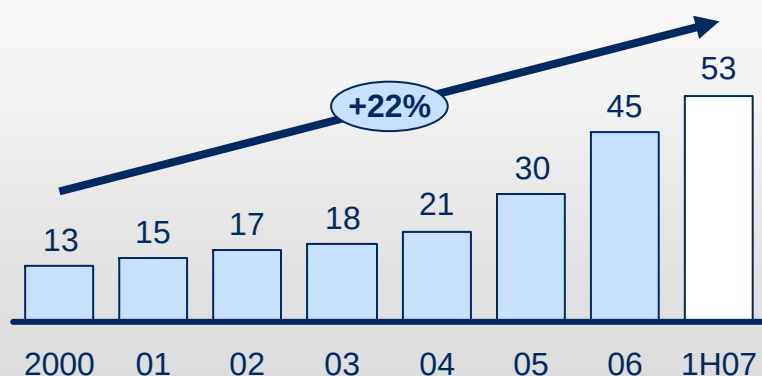
Source: The Banker (Top 1000 rankings), team analysis

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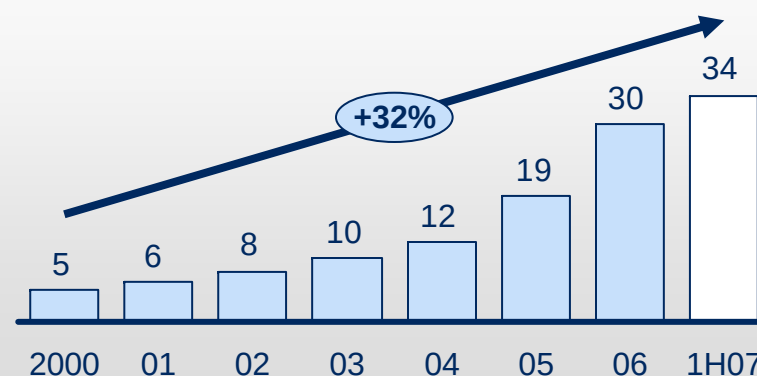
- Rationale for the merger
- **Financial overview & key indicators**
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Emirates NBD has experienced very strong growth in the last 6 years

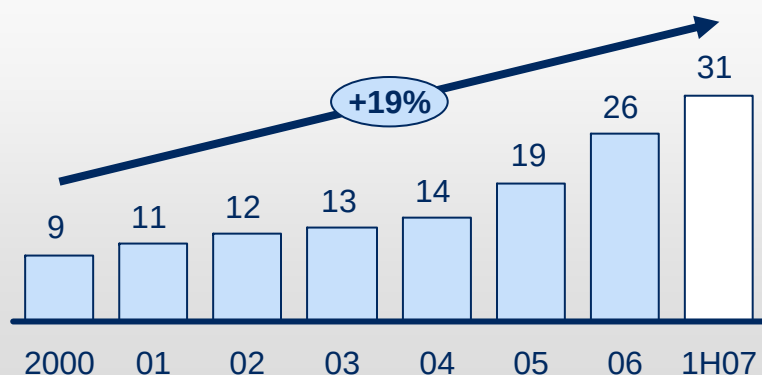
Assets, \$b



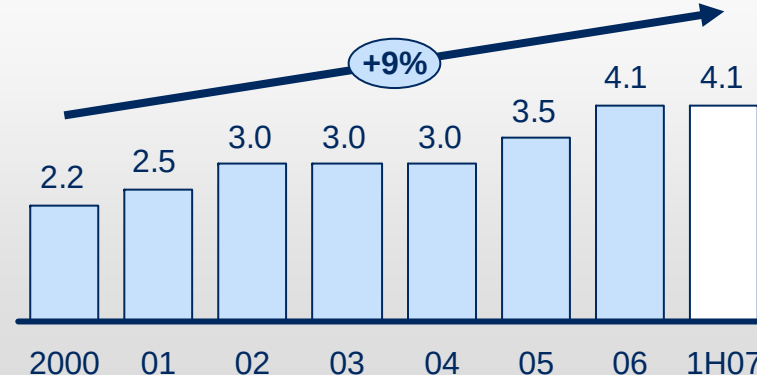
Loans, \$b



Deposits, \$b

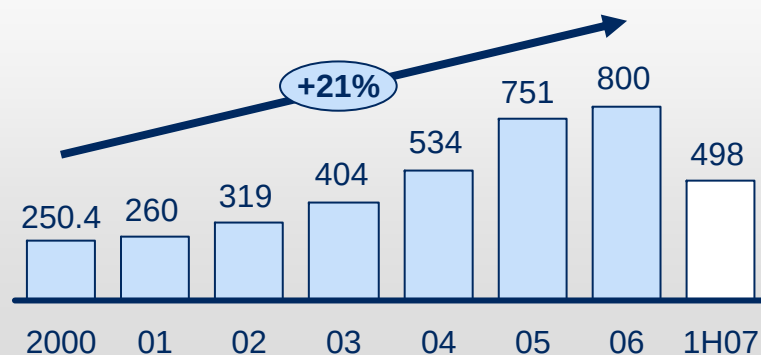


Equity, \$b

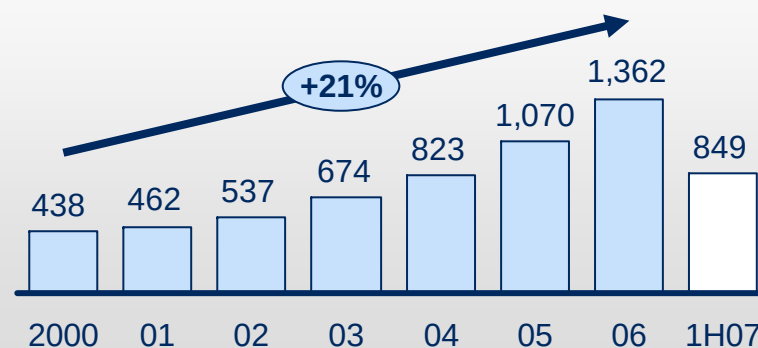


Profits have increased accordingly

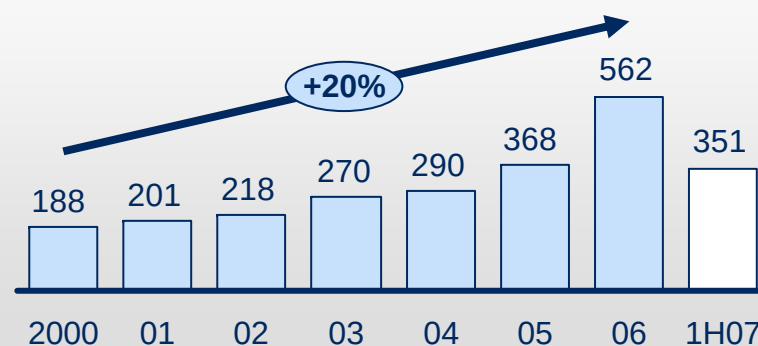
Net Profits, \$m



Revenues, \$m



Costs, \$m

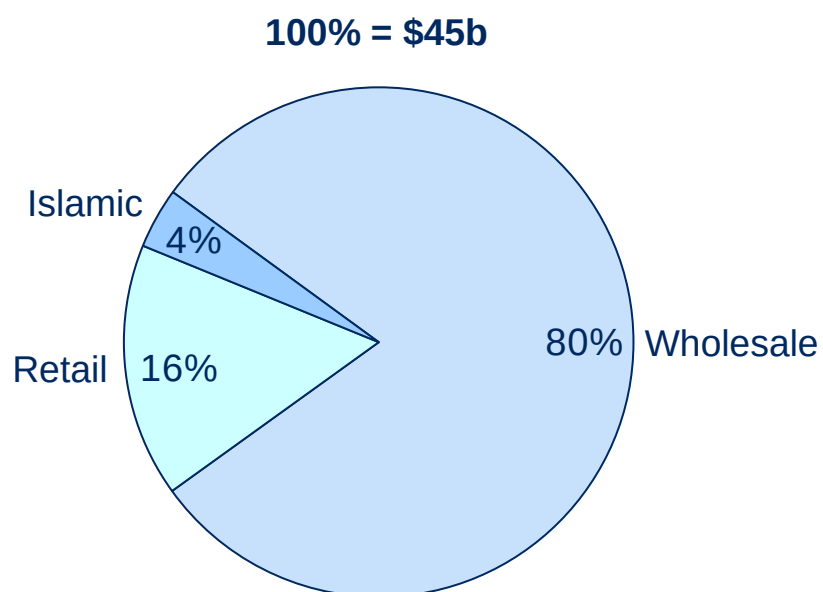


Source: Bloomberg; aggregated for EBI and NBD

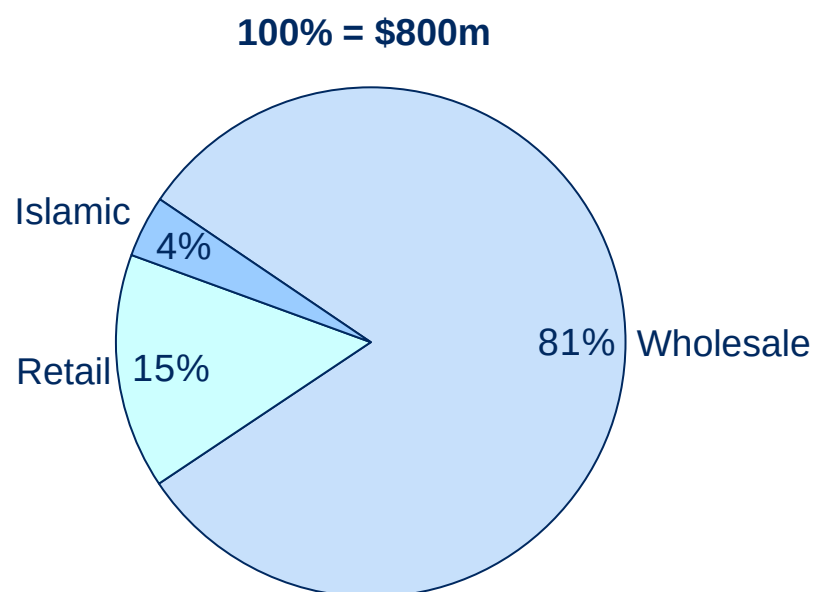
Diversified Business mix with growth in each segment...

2006, %

Assets



Net Profits

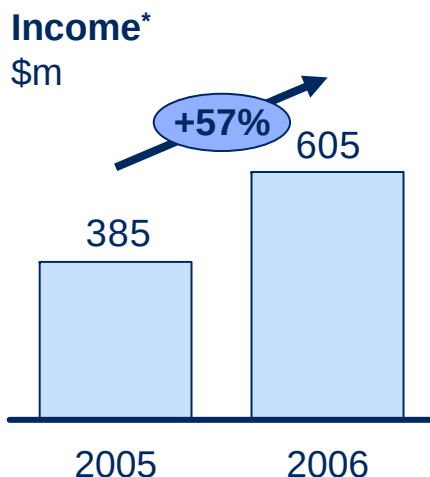
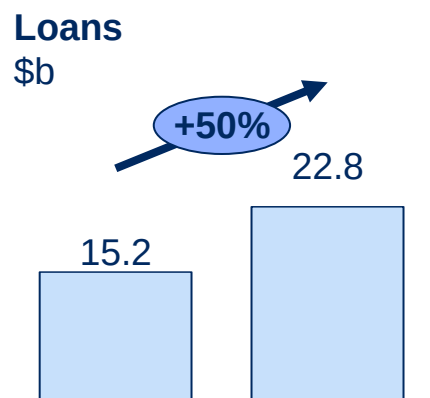


* Wholesale include corporate banking, investment banking and investment management and treasury

Source: 2006 annual results

Wholesale Banking and in particular Corporate Banking has been a driver of growth in the past

CAGR



Highlights

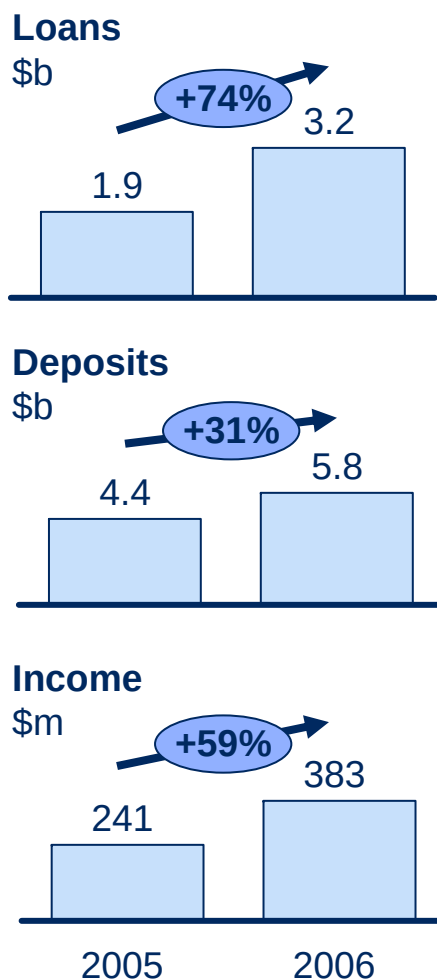
- Wholesale Banking comprises of services provided to Multinational, Large Local and Local Corporate as well as Government linked institutions, Financial Institutions and Investment Institutions
- Product offering comprises mainly Corporate Banking Lending, Deposits, Trade Finance, Syndications, Structuring as well as increasingly Treasury and Investment Banking
- Historically, Corporate Banking has been a major contributor to the growth of the bank with Corporate lending and deposits growth far in excess of GDP growth
- Emphasis increasingly placed on providing tailored Treasury and Investment Banking solutions

* Including fee income and IPO income, excludes investment management

Source: Commercial due diligence pack; figures converted to \$ at 1\$ = 3.67 AED

Retail Banking – The merged entity has the largest distribution network and market share

CAGR

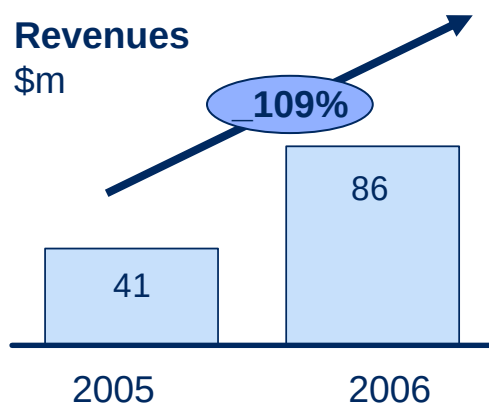
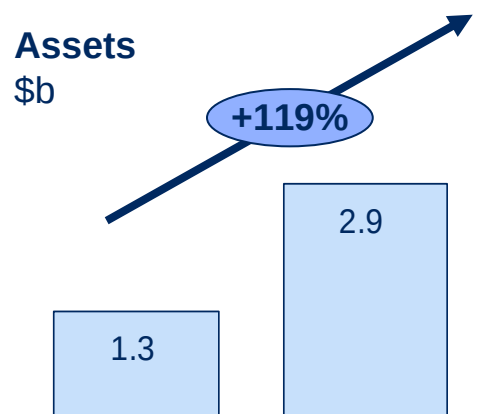


Highlights

- The combined entity has the largest distribution network in UAE and highest market share in terms of Personal Loans and Deposits
- Investment on service has been a key focus for both banks, which coupled with the branch and ATM footprint, is expected to be a real differentiator for the UAE customer base going forward
- The retail business of both banks have shown robust growth and have won numerous awards between them including Best Retail Bank and Best e-Banking awards. Combining best practice will be a key success criteria and is a management focus.
- Retail banking contributed 30% of the merged entity revenues
- The merger provides an opportunity to generate significant cost and revenue synergies in Retail Banking - US\$ 30mn
- Core Retail products include: Current and Savings Accounts, Credit Cards, Personal Loans, Auto Loans, Mortgages and Investment Products

Islamic Banking business has achieved the fastest growth in UAE

CAGR



Highlights

- Emirates Islamic Bank has become the fastest growing Islamic bank in the UAE, since its inception in 2004
- The business has been more than doubling assets and income every year and is rapidly increasing its market share of Islamic banking traditionally dominated by two other banks
- NBD had recently entered Islamic banking business and would now capitalize on the strengths of Emirates Islamic Bank
- Significant market opportunities still exist for the combined group to significantly grow its Islamic footprint
- A broad product range is on offer for Islamic financing which includes:
 - Retail: Vehicle & Goods Murabaha financing, Credit Cards, Home Finance, Finance for Services (e.g. rent), Investments and Current, Savings and Investment Deposit Accounts
 - Corporate: Murabaha, Ijara, Real Estate Financing, Trade Finance, Secured Overdraft, Syndications, Sukuks and Islamic Investment Products

Strong Credit Ratings - Emirates NBD will be engaging rating agencies for a single rating in 2008

Current Ratings	<u>EBI</u>	<u>NBD</u>
Moody's¹	• A1/P-1	• A1/P-1
S&P²	• A/Positive/A-1	• A/Positive/A-1
Fitch³	• AA-	• -
Capital Intelligence⁴	• AA-	• AA-

1 Moody's Long-term rating/Short-term rating

2 S&P Credit rating

3 EBI's Long term Issuer Default rating is AA-; NBD has not been rated by Fitch. Support rating available by both EBI and NBD is '1'

4 Capital Intelligence Foreign currency long term rating for EBI recently upgraded to AA-. This will be published soon.

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- **Strategy**

Emirates NBD strategy

- 1 Pursue profitable growth in Retail Banking
- 2 Establish a distinctive Wealth Management offering
- 3 Consolidate and enhance market position in Corporate Banking
- 4 Develop a leading regional Investment Banking franchise
- 5 Expand Islamic Banking
- 6 Pursue expansion in the GCC and other key strategic markets
- 7 Integrate organisational resources to build a scalable platform

Emirates NBD Strategic Priorities

Emirates NBD Strategy

1

Retail

- Create and exploit the largest distribution network in the UAE
- Increase share-of-wallet
- Develop a strong brand
- Leverage best practice
- Offer superior service
- Operational efficiency

2

Wealth Management

- Leverage platforms of EBI's Al Shaheen and NBD's Suhail
- Expand to other countries in the GCC region
- Increase share of wallet
- Grow the existing private banking business
- Leverage investment banking, asset management, structured product, real estate, trust and family office product capabilities

3

Corporate and SME

- Increase share of wallet from large corporate and institutional clients
- Enhance Mid Cap/ SME customer base
- Enhance trade finance, cash management and treasury offering
- Leverage balance sheet and capital to win larger deals
- Expand the financial institution business on an international basis

Emirates NBD strategic priorities

Emirates NBD Strategy

4

Investment Banking

- Create a world class platform in terms of people and product capability
- Enhance cross-selling to the corporate and institutional clients base
- Leverage Dubai's development as a regional financial centre

5

Islamic Banking

- Expand Emirates Islamic Bank branch network
- Cross-sell to broader customer base
- Develop innovative Shariah compliant products

6

Strategic Expansion

- Strengthen presence in Saudi Arabia, Qatar and expand/enter selected strategic markets
- Exploit the financial strength and scale in the GCC and the wider region

7

IT and Operations

- Integrate the back-office operations of EBI and NBD
- Maintain investment in technology
- Develop best-in-class corporate governance and risk management