

Synergising to Excel



Emirates NBD

Annual Report 08

Emirates NBD's Vision:

*To be globally recognised as the leading
and most dynamic financial services
provider based in the Middle East*



**H.H.
Sheikh Khalifa Bin Zayed Al Nahyan**
President of the United Arab Emirates



**H.H.
Sheikh Mohammed Bin Rashid Al Maktoum**
Vice President and Prime Minister
of the United Arab Emirates and Ruler of Dubai



**H.H.
Sheikh Hamdan Bin Mohammed
Bin Rashid Al Maktoum**
Crown Prince of Dubai



**H.H.
Sheikh Hamdan Bin Rashid Al Maktoum**
Deputy Ruler of Dubai
Minister of Finance



**H.H.
Sheikh Maktoum Bin Mohammed
Bin Rashid Al Maktoum**
Deputy Ruler of Dubai

Emirates NBD merger was honoured as the “Deal of the Year”
in the UAE and the Middle East by The Banker Magazine.



UNITED ARAB EMIRATES
\$11.3bn Merger of
Emirates Bank International and
National Bank of Dubai

MIDDLE EAST
\$11.3bn Merger of
Emirates Bank International and
National Bank of Dubai

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H.E. Ahmed Humaid Al Tayer
Chairman
Emirates NBD



Chairman's Message

More than two years have passed since Emirates NBD was formed and almost 18 months since the bank was listed on the Dubai Financial Market (DFM). Over this time, we have leveraged the excellent resources and reputation of the two legacy banks to capture domestic and regional opportunities and to facilitate growth.

For the past two years, we have combined our expertise to deliver outstanding value to our employees, shareholders and customers, to establish Emirates NBD as a major regional banking group and to play a leading role in the economic development of the United Arab Emirates (UAE) as a regional and international financial centre.

The UAE is an open market and we are not insulated from the effects of the global financial crisis. However, the political leadership of the UAE has been working relentlessly to overcome the challenges that this unprecedented global crisis is imposing and several measures have been taken to ensure the stability of the banking and finance sector in the country. We remain committed to supporting the various measures and initiatives taken by the government.

Our key focus during 2008 has been on preserving shareholder value and liquidity management. Our Asset Liability Management (ALM) desks provided support and advice to the Asset and Liability Committee while Group Market Risk worked closely with Global Markets and Treasury and other business units to robustly monitor and mitigate risk.

In an increasingly turbulent financial environment, Emirates NBD has performed well, delivering good profit growth. The Bank's net profit for the 12 months to 31 December 2008 was AED 3.7 billion.

Key financial highlights for the year 2008 included:

- Total income of AED 8.447 billion
- Earnings per Share AED 0.73
- Proposed cash dividend of 20% and stock dividend of 10%
- Total assets at AED 282.4 billion
- Customer loans at AED 208.9 billion
- Customer deposits at AED 162.3 billion

While 2009 is expected to be a difficult year for the banking and financial sectors, we are entering this challenging time in a strong position. Following our robust performance in 2008 and with an exceptional and dedicated management team, we are optimistic about Emirates NBD's prospects for the current financial year.

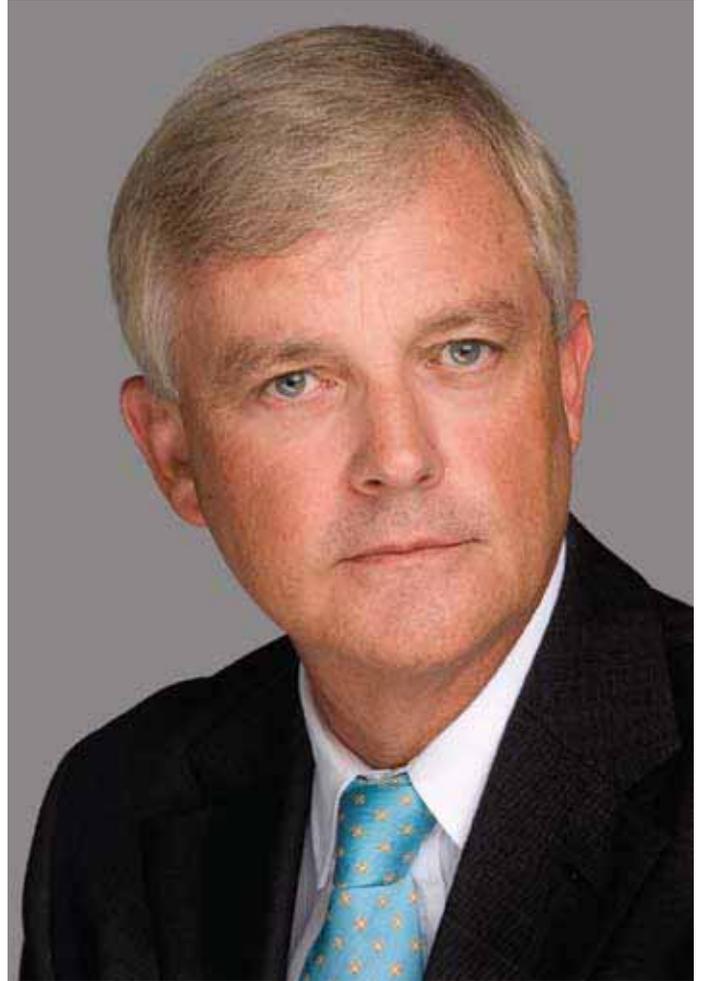
Our strength, as the largest banking group in the Middle East by assets, will enable us to continue to pursue our long term strategy and we are confident that in spite of uncertainty in global markets, we will continue to achieve our goals.

The year 2009 will be a time for caution, and the Board of Directors and Executive Management's first priority will be to maintain Emirates NBD's financial position and the momentum we have gathered to strengthen our core businesses.

I would like to thank the bank's shareholders and Board of Directors for their cooperation and valued support.

Finally, I would like to recognise the hard work and professionalism of Emirates NBD's management team and employees and to thank our customers for their continued support and trust.

Rick Pudner
Chief Executive Officer
Emirates NBD



CEO's Message

It gives me great pleasure to be reporting on Emirates NBD's performance for the second year. Following a very strong start in 2007, the Bank has focused its efforts on integrating the two legacy banks and building on the realised synergies resulting from this process.

Establishing and enhancing our regional presence and acting on the Bank's growth plans were also a key focus during the year. In spite of significant volatility in the international financial markets during the second half of 2008, we have, again, delivered solid results, and the Bank's strong vision remains "to be globally recognised as the leading and most dynamic financial services provider based in the Middle East."

The year 2008 will be remembered as one of the most challenging for financial institutions across the globe, and the UAE, as an open market economy, has been affected by the ongoing volatility in financial markets and economies worldwide. However, the strong and dynamic National economy and the wise leadership of the UAE government and regulators have taken the necessary preventative measures to ensure the stability and security of the banking and finance sectors.

Emirates NBD has entered this period of uncertainty in a strong position and with robust risk management initiatives in place to monitor and measure credit, market and operational risk.

During the year, we continued with the integration of our two legacy banks, and achieved some major milestones. These included:

- The successful integration of our Automated Teller Machines (ATMs) and Smart Deposit Machines (SDMs) which now form by far the largest network in the UAE.
- The integration of our Mobile and Online Banking services.

- Completion of Emirates NBD culture workshops, 'My Bank, our Values', the largest corporate culture creation program in the financial services sector regionally, attended by more than 5,000 employees in over 100 workshops.

- In 2009, we expect to complete the implementation of our new core banking system, Finacle, to Emirates Bank and National Bank of Dubai branches, the completion of the integration of both legacy banks into one entity and the full re-branding across all branches and channels displaying the Bank's new name, logo and corporate colours.

Following our activities in 2008, the Bank now has 120 branches and over 650 ATMs and SDMs. Our enhanced online banking platform offers more powerful functionalities and customers can make payments to any of our 13 payment partners. Finally, with our combined expertise, we have a broader choice of products, and enhanced financial consultancy for our customers.

Emirates NBD's international presence extends to the Kingdom of Saudi Arabia, Qatar, the United Kingdom and Jersey, India, Singapore and Iran. In 2009, our efforts will be directed towards increasing our representation in India and China.

Emirates NBD's ability to deliver the strong performance we saw in 2008 would not have been possible without the dedication of all employees. I continue to be impressed by the commitment and skill sets we have across the Bank.

It is an honour to lead this great financial institution, and with our solid business fundamentals, strong management team and dedicated members of staff, I am confident we can continue to deliver value for our customers and stakeholders into the future and emerge stronger from the current financial climate.



Reaching new heights together

As the region's leading bank, we are proud to offer significant benefits to our customers. With nearly 120 branches and 650 ATMs and SDMs across the UAE, we are never too far from our customers. We are more accessible. Our enhanced online banking platform offers more powerful functionalities and 13 payment partners, more than any other bank. We have combined our expertise to create a broader choice of products and even better financial advice. Together we are reaching new heights.



Values to be treasured

Emirates NBD represents trustworthy and reliable banking. Our strong values – customer focus, service excellence, innovation, integrity, passion for performance and teamwork – help us to maintain the highest standards of quality and service. By encouraging fresh thinking and innovative ideas, we challenge ourselves to not only meet our customers' needs, but to exceed their expectations.

As a regional leader, we act with openness and sincerity in everything we do. We build mutual trust and respect by delivering on our promises and achieving results we can be proud of together.



Uniting to strive for excellence

By uniting two of the UAE's most prominent banks, Emirates NBD, a National banking champion was created. This merger has resulted in a groundbreaking union that continues to set and achieve its goals. Our knowledge, experience and skills enable us to provide service and advice that is second to none and our customers enjoy a wide range of innovative products and some of the most dynamic financial services in the Middle East.

Emirates NBD is at the forefront of the banking industry and we continue to enhance our capabilities regionally and globally. With our combined expertise, together we will overcome any banking challenge.



Aiming for the highest standards

Through working together, this unparalleled union combines superior standards along with state-of-the-art technology and practices. Our highly sophisticated banking and IT operations have allowed us to exceed the expectations of both our customers and our employees. We continue to accelerate in our field by utilising our human resources and wisely investing in the banking arena. Together we remain ahead in the race and we strive to perform and deliver at the height of excellence.



Power for performance

At Emirates NBD, we take extra measures to ensure that our performance and our services are nothing short of outstanding. It is our meticulous approach to detail and our strategic planning that have made us the banking champion we are today. We are committed to providing easy, safe and reliable banking services for our customers, and with our combined expertise, we look forward to fueling further advancements in the local, regional and global banking arena.

Emirates NBD's values:

Customer Focus

Service Excellence

Innovation

Integrity

Passion for Performance

Teamwork



Integration Milestones

16 March 2008

The first Wholesale Banking dinner is held with customers of both banks, a great success!

23 March 2008

Emirates NBD's inaugural Annual General Meeting takes place.

7 April 2008

The first Culture Workshop 'My Bank, Our Values' is held for Emirates NBD employees.

29 April 2008

The successful integration of 92 smart deposit machines is completed.

9 July 2008

The first employees move to Emirates NBD's new IT and Operations Processing Centre at Al Barsha.

10 July 2008

Emirates NBD's Large Corporate Unit (LCU) is inaugurated.

14 July 2008

485 Automated Teller Machines (ATMs) are integrated, creating the largest network in the UAE.

15 July 2008

All Emirates NBD branch managers gather for the first time.



H.E. Ahmed Humaid Al Tayer inaugurating the Emirates NBD Large Corporate Unit.

18 August 2008

Emirates NBD's Treasury team is integrated in one location and begins working as a single FX trading entity.

27 August 2008

The first phase of Emirates NBD's 'My Bank, Our Values' culture workshops is completed – 107 workshops and 5,000 employees.

7 September 2008

Emirates NBD launches the 'Closer Than You Think' ATM campaign.

8 October 2008

Emirates NBD launches the 'Reaching New Heights Together' merger campaign.

11 October 2008

Emirates NBD's mobile and online banking services are integrated, offering enhanced functionalities and 13 payment partners to all customers.

17 December 2008

Branch Simulation started end-to-end testing of systems and processes with Finacle, Emirates NBD's new core banking system.



Emirates NBD branch managers meet to set plans and strategies for the implementation of the new core banking system.



Emirates NBD's Mission Statement:

Emirates NBD provides innovative financial products and services to fulfill the financial goals of our customers throughout the world.

We win and keep stakeholder trust by:

- Delivering a personal and superior customer experience
- Offering an exciting place to work that encourages career development and rewards superior performance
- Contributing to the growth and prosperous development of the UAE and the region
- Creating consistent, exceptional, long-term shareholder value

My Bank, Our Values

During 2008, Emirates NBD began fostering a new organisational culture of superior customer experience through the 'My Bank, Our Values' workshops. The culture workshops initiative was held in partnership with GENYX, a UAE based consulting company.

The aim of the program was to create and share the new Emirates NBD culture with all staff members. GENYX helped with designing and facilitating the culture workshops to commit staff members from all levels to the bank's aim to be a leading player in the financial services sector. Emirates NBD has set a strong vision, clear mission, and inspiring ambition to be a regional ambassador to the world.

More than 5,000 Emirates NBD members of staff participated in the workshops throughout 2008. More than 108 workshops were conducted in Dubai, Abu Dhabi, Al Ain, Riyadh and the UK. No other Bank in the Middle East has undertaken such an extensive culture creation initiative.

The 'My Bank, Our Values' culture workshops focused on aligning the direction of the Group, understanding a set of corporate values, cultivating a performance of culture among the Group's employees and engaging them in team creation activities.



More than 5,500 Emirates NBD employees participated in the 'My Bank, Our Values' workshops, successfully completing a bank-wide culture creation initiative

2009 Strategy

Emirates NBD's vision is 'to be globally recognised as the leading and most dynamic financial services provider based in the Middle East'. During 2009 and 2010, the Bank will be working to build upon its current position of strength and maximise the benefits of the merger of two well-known and successful banks.

Our business strategy for 2009 will focus on the seven cornerstones of future growth as outlined in the 2008 strategy. The Bank will concentrate on further diversifying its income sources and strengthening and expanding its major business lines: Retail Banking, Wealth Management, Corporate, Investment and Islamic Banking.

Reflecting the recent developments in the macro-economic environment and recognising the global financial crisis, the Group's Executive Committee has adjusted the overarching business strategy to ensure clear focus on margin optimisation. Considering tightened capitalisation levels, the efficient allocation of capital has become more important and is reflected in business decisions.

The Group aims to first capitalise on local opportunities by expanding into under-penetrated areas in the United Arab Emirates, for instance, Abu Dhabi and under-penetrated segments, like Private Banking and the small and medium enterprises business. Across the Group, our objective is to further increase fee-based income to international best-practice levels and to leverage internal product capabilities in Asset Management, Investment Banking, and in the Treasury and Markets area.



H.H. Sheikh Ahmed Bin Saeed Al Maktoum and H.E. Ahmed Humaid Al Tayer with leading dignitaries during a reception for Mr. Lloyd Blankfein, Chairman and Chief Executive Officer of Goldman Sachs.

Emirates NBD aims to capture opportunities in Islamic Banking through its subsidiary Emirates Islamic Bank and selling Islamic products through its conventional branch network.

A major goal of the merger between Emirates Bank and National Bank of Dubai was to integrate organisational resources and build a scalable platform for future growth. Implementing the new core banking system across the Group to optimise processes is a key priority for 2009.

Beyond strengthening its presence in existing markets, Emirates NBD will work to exploit the Group's financial strength and scale and pursue growth through strategic acquisitions in the chosen geographies.

Strategic imperatives for 2009

The current global economic situation with scarce liquidity, pressure on profitability and potentially deteriorating asset quality has led to three strategic imperatives for 2009:

- Optimise balance sheet
- Drive profitability
- Manage risk

Emirates NBD aims to cautiously grow its asset book while focusing on funding, especially deposit gathering. While improving customer profitability through re-pricing and cross-selling, the aim is to improve the overall cost position significantly, driving a performance improvement program and increasing process efficiency across the organisation.

Group-wide risk taking is governed by risk limits set out in the Group's risk appetite statement. The Risk Strategy translates, while recognising the ambitions of Emirates NBD, the risk appetite in quantifiable measures. This allows monitoring, controlling and managing the Group's risk profile in terms of businesses and portfolios.

Review of Performance

Financial Overview

The merger of Emirates Bank (EBI) and National Bank of Dubai (NBD) has created a true regional banking champion which is reflected by the robust results of Emirates NBD during 2008.

Total income for 2008 grew 19% to AED 8.4 billion. Growth was primarily driven by a continued strong performance in loans and deposits, strong fees and commission income and effective cross selling and productivity initiatives.

The net interest margin for 2008 increased to 2.01% compared to 1.89% in 2007 as increased funding costs were more than offset by increased asset yields across both corporate and retail banking and the impact of differential USD and AED interbank rates and hedging on Treasury positions. Growth in income was partly offset in the latter part of the year by slower economic activity globally and by write-downs of AED 1.25 billion (2007: AED 0.2 billion gain) arising from the revaluation of the Group's investment and other securities following the global and regional declines in asset valuations. Excluding the impact of these mark to market write-downs, core income during 2008 increased by 41% over 2007 pro forma income.

Operating costs amounted to AED 3.4 billion in 2008, an increase of 23% over 2007 pro forma costs of AED 2.7 billion. The increase in costs was primarily to support growth in business volumes during the year as well as continued investment in information technology, operations and the risk management infrastructure. While the reported cost to income ratio increased by 1.4% to 39.7% for the year, core business efficiency improved significantly with the core cost to income ratio declining by 4.8% to 34.6%. This improvement was attributable to the successful



Rick Pudner, CEO Emirates NBD, was named 'CEO of the Year 2008' by Banker Middle East magazine.



H.E. Ahmed Humaid al Tayar, during the signing ceremony with Emirates Identity Authority to announce Emirates NBD's plans to provide unique ID integrated banking services.

achievement of merger synergies as well as an emphasis on cost control during the latter part of 2008.

Credit quality remains good across our corporate and retail portfolios and aggregate non performing loan and delinquency trends remain stable with the Non Performing Loans (NPL) ratio, excluding impaired investment securities, remaining at 1.0%. As a measure of prudence in the current environment, an additional AED 211 million was added to portfolio impairment provisions during 2008 raising the NPL coverage ratio on credit portfolios to 120% from 105% in 2007.

The impairment allowance on financial assets for 2008 grew by 125% to AED 1.7 billion compared to 2007, primarily due to impairment on investment and other securities of AED 1.0 billion during 2008 (2007: AED 0.3 billion). Excluding these security impairments, the impairment allowance increased by 36% to AED 642 million, broadly in line with lending growth. The bank remains confident that the underlying credit quality of Emirates NBD's investment securities is strong.

Net profits for the Group were AED 3.7 billion for the year ended 31 December 2008, a decrease of 7% over 2007 pro forma. Core business net profits increased by 49% to AED 5.9 billion compared to the year ended 31 December 2007. Earnings Per Share (EPS) in the year declined 7% to AED 0.73 per share, compared with AED 0.78 in 2007 and return on average shareholders equity in respect of the year to 31 December 2008 was 19.1% (2007: 25.1%).

The Board of Directors' recommendation to shareholders at their Annual General Meeting (AGM) is a 20% cash dividend and 10% stock dividend for the 2008 financial year.

Review of Performance

Total assets at the end of 2008 reached AED 282.4 billion, an increase of 11% compared to the end of 2007 of which customer loans, including Islamic financing, reached AED 208.9 billion, an increase of 26% over 2007.

Customer deposits as at 31 December 2008 reached AED 162.3 billion, an increase of 15% over 2007.

Looking forward, in the face of more difficult economic conditions globally, growth in the UAE economy and banking sector is expected to slow down from previous years but remains strong in comparison to many of the developing and emerging economies and banking sectors outside of the region. While the environment brings new challenges, the Bank's fundamentals remain strong and Emirates NBD's scale and franchise strength position us to take advantage of opportunities that may present themselves.

Emirates NBD's principal focus in the near term is to preserve its leading market position and strong balance sheet by maintaining good customer service, a well-managed cost base and a cautious stance on credit. The Bank continues to work hard to achieve further efficiencies from the 2007 merger.

Business Review

Wholesale Banking

Emirates NBD's Wholesale Banking business recorded yet another year of very successful performance with substantial growth in income and assets over the previous year, despite the challenges posed by the global economic downturn during the second half. The Corporate Banking units, supported by other business and support units, contributed significantly to the overall performance of the bank.

The Structured Finance and Syndications division (SFS) continued to lead in the local syndications market with 10.58% market share as Mandated Lead Arranger (MLA) and 13.58% market share as Book Runners. SFS was the lead arranger for major local syndication deals including Bourse Dubai, Investment Corporation of Dubai (ICD), Dubai World, Nakheel and project financing facilities to Emirates Aluminium.

The Financial Institutions Division (FID) successfully

concluded several major international syndication deals, including MDM Bank, Black Sea Trade and Development Bank, Bank Uralsib, Promsvyazbank and Sekerbank. FID's strong growth during the first half of 2008 was consciously and tactically slowed down during the second half of the year due to the global financial crisis.

The Transaction Banking unit successfully launched several products and services during the year. Following the launch of its e-banking platform 'SmartBUSINESS', clients are now able to conduct trade finance transactions online. A direct debit solution for the collection of receivables was launched, enabling organisations to collect periodical receivables from their clients. In addition, the Management of Trust (Escrow) Accounts for property developers was centralised at Emirates NBD's Transaction Banking unit.

A new Trade Advisory and Business Development unit was formed to meet the growing demands of the industry with the objective of providing expertise in the structuring of trade lines and to grow fee-based income.

Consumer Banking and Wealth Management

Retail

The bank's retail division had another exceptional year in 2008. In spite of the global slowdown in the second half of the year, revenues increased by 48% and profits by 78%. As a result, the division now contributes 33% of group profit.

To further strengthen its market-leading position, the division introduced a series of new products including the Emirates Business Card, Twin Invest, High Yield Deposits, Motor Insurance Plan, online and SMS



Emirates NBD continued its robust expansion by opening new branches in 2008.



H.H. Sheikh Nahyan bin Mubarak Al Nahyan and H.E. Ahmed Humaid Al Tayer, signing a Memorandum of Understanding for Emirates NBD's "Student Sponsorship Program".

utility payments, and a new multi-purpose ID card. In addition, the bank's branch network was expanded; adding 15 new retail branches, bringing the total number of branches to 120 (including Emirates Islamic Bank), and increasing the number of ATMs, CDMs and SDMs to more than 650.

2008 saw a series of changes in the way the retail division operates. Mission 'Wildfire' was rolled out to improve front line productivity; a new 'Branch of the Future' concept was piloted, and the division commenced implementation of a state-of-the-art core banking system. During the year the retail business was further integrated through harmonisation of products and pricing, migration to a common internet banking platform, and integration of the two legacy banks' ATM networks.

EIS Asset Management

Despite the challenging environment in 2008, EIS Asset Management delivered record profit for the Group. The strength of the business is driven by a diversified product line up, the relatively strong performance of investment products, the loyalty and dedication of EIS Asset Management staff and the division's affiliation with Emirates NBD.

In 2008, EIS Asset Management laid the foundation for future growth by broadening its product range. To expand the reach of the business, international distribution agreements were signed and EIS Asset Management began offering its products through Emirates NBD Private Banking. Finally, the asset management staff from both legacy banks were merged and moved to a single location in the Dubai International Financial Centre (DIFC).

Private Banking

In 2008, Emirates NBD's 'Private Office' became 'Private Banking'. The division's service offering was enhanced and the Private Banking team was expanded; bringing on individuals with extensive experience at top financial institutions. In addition to the establishment of a Private Banking investment team and an investment committee, investment and structured product platforms were also developed. Additionally, the division's trading capabilities were enhanced and now cover all regional and international markets, including the Kingdom of Saudi Arabia (KSA).

Private Banking is well positioned to maintain its performance in 2009. The division will benefit from its ability to offer clients a 'one-stop-shop' for their private banking needs and its footprint in key markets, including the UAE, UK and Singapore and its access to Emirates NBD's client base.

Consumer Finance

Emirates Money was launched in 2008 to provide financing primarily to self employed consumers. Performance has exceeded expectations; the division captured 10% of the unsecured personal loan market, and is close to breaking even in the first year of operations.

Emirates Money focuses on three core products: unsecured personal loans offered primarily to self employed consumers, commercial vehicle financing for small businesses, and insurance products such as Credit Shield and Life Guard.

To ensure the effective risk management of financing non-salary transfer customers, Emirates Money has a dedicated credit middle and back office which adheres to Emirates NBD's best practices. In addition, Emirates



Emirates NBD received a token of appreciation from Lieutenant General Dhahi Khalfan Tamim, Chief of Dubai Police for the Bank's role in supporting the UAE community.

Review of Performance

Money has developed a proprietary risk model which enables the team to evaluate a customer's credit worthiness.

Investment Banking

NBD Investment Bank (NBD IB) was incorporated as an Investment Bank in the Dubai International Financial Centre (DIFC) and is less than two years old. During 2008, it doubled its revenues despite challenging market conditions, as well as coping with integration matters arising from the merger.

NBD IB has achieved a number two ranking in the IFR Bond and Sukuk league tables in the Middle East. During 2008, NBD IB was also able to complete financial closure in several debt and equity private placements for leading GCC corporations.

Other landmark transactions include lead management roles in AED 6.5 billion bond insurance and AED 6.5 billion Sukuk transaction for Nakheel.

NBD Sana Capital

NBD Sana Capital is one of the largest Shari'a compliant private equity funds with an innovative investment strategy and a high calibre investment team that has a proven track record of profitable private investments.

The Fund successfully closed its first tranche of fund raising in March 2008. NBD Sana Capital was able to attract some of the most prestigious global and regional investors.

The Fund is looking at a healthy pipeline of investment transactions in its targeted MENA and South Asia geographies and is well positioned to benefit from



H.E. Ahmed Humaid Al Tayer received many regional and international financial and economic delegations during the year who were interested in the unique experience of the creation of the largest bank in the Middle East.

lower asset valuations following the recent global financial crisis.

Global Markets and Treasury

During the year, Global Markets and Treasury enhanced its reputation in regional and global markets by improving service levels and offering tailored solutions to the Bank's customers. The product suite was broadened by offering regional equity derivatives and other new products resulting in an increased sales desk turnover. As a result, in 2008, Emirates NBD was awarded 'Best Foreign Exchange Bank in the UAE' by Global Finance magazine.

The division saw a substantial increase in both the treasury sales and trading businesses, especially Foreign Exchange and rates trading, during the fourth quarter of 2008, due to higher market volatility. The changes in regional market financial conditions opened attractive opportunities for strategic funding and cross border positions, enabling Global Markets and Treasury to offset the substantial widening of credit spreads and deterioration in global market conditions.

Three trading platforms – Emirates Bank Treasury and Markets, NBD Treasury and NBD Investment Bank Sales and Trading – were fully integrated and a new combined trading floor was created at Dubai Festival City. The division also successfully implemented the first two stages of the Calypso system for fixed income and credit products, which as one of the leading global markets systems, will be extended to all Treasury products over 2009.

Further changes were made to the Bank's Riyadh branch dealing room to facilitate better customer service and respond to growth opportunities in the Kingdom of Saudi Arabia. Preparatory work was also undertaken to establish a dealing room in Singapore. A new Economics unit was established with the objective of creating a globally recognised research product offering in the Gulf Cooperation Council (GCC) and Middle East and North Africa (MENA) economies and markets.

Despite a contraction in global capital markets, Global Markets and Treasury was able to issue US\$1.4 billion in senior and lower tier 2 subordinated debt format in AED and G7 currencies. The division also successfully



Emirates NBD lead-arranged several syndicated loans for international financial institutions during 2008, reinforcing its leadership position in the regional and international financial industry.

arranged AED 6.5 billion in fixed and floating rate bond issues for the Government of Dubai, and supported these issues in the secondary market. Through enhanced marketing, the division expanded its deposit gathering activities and new customer relationships were developed both within the region and into Europe.

In 2009, there will be substantial challenges in all markets, but opportunities may also come from structured deposits, higher market volatilities and increased activity in interest rate and FX hedging products from a low interest rate environment.

Global Markets and Treasury's strategy for the next 12 months will reflect the unprecedented changes that have taken place in the global and regional financial markets. The current climate is providing opportunities as well as challenges to the division.

Diversification and stabilising of the Bank's funding base will be a priority, and will be assisted by the Bank's substantial presence in the GCC region, and with a wide range of innovative funding structures. Global Markets and Treasury expects to see a greater proportion of plain vanilla hedging structures and transactions and the continued volatility in the markets provides excellent trading opportunities. The division's key focus is to be a regional specialist in local and regional equity markets, and fixed income markets in both the positioning and structuring or distribution roles.

As the largest bank in the region, Emirates NBD expects to increase its market share in non-UAE markets in 2009, particularly through its branch operations in KSA.

International

Emirates NBD's international presence extends to the Kingdom of Saudi Arabia (KSA), Qatar, United Kingdom, Jersey, India, Singapore and Iran. While all overseas locations contributed positively to the Group's performance in 2008, business was impacted by the deteriorating world economic conditions in the latter part of the year.

Business commenced in August at our newly licensed investment banking entity, Emirates Investment Services KSA LLC, in Saudi Arabia. New products are being introduced and recruitment is taking place to offer a full suite of investment banking services to be launched in 2009.

Emirates NBD's branch in KSA had a successful year with the launch of new products and services and growth in Treasury and Corporate banking.

The merger between the two legacy banks in the United Kingdom is on track including the upgrade of the core banking system and move to a larger office in progress. A Strategic Business Review is currently underway to raise the profile of the Group and enhance revenues. Additional products and services to be offered from Jersey are also being examined.

The bank has consolidated its two representative offices into one in Iran; however, due to ongoing United Nations sanctions, activity was limited.

A branch license application has been submitted in India. The current representative office has moved to larger premises in Andheri, Mumbai and business growth is expected to continue in 2009.

The license to upgrade the Singapore representative



H.E. Ahmed Humaid Al Tayer received H.H. Sheikh Nahyan bin Mubarak Al Nahyan at the Emirates NBD Pearl Museum.

Review of Performance

office to a Wholesale Banking Branch was received from the regulators and plans are on track for opening later in 2009. Corporate lending and trade finance activities developed strongly during the year.

In Qatar, the Bank's marketing efforts to promote the new office in the Qatar Financial Centre are beginning to take shape.

An application to open a representative office in China has been submitted to the China Banking Regulatory Commission (CBRC).

Information Technology and Operations

2008 was a year of integration for the Information Technology and Operations divisions of the Bank. All key functions, services, people and processes were integrated, with core services still undergoing process improvements as we move into 2009. 2008 also witnessed the implementation of critical applications for the Bank, in particular a loan management system, FinnOne, a new core banking platform, Finacle, as well as the launch of a revamped general ledger system, Oracle Financials.

A state-of-the-art data centre was commissioned in September 2008, and its design based on the leading international telecommunications standard TIA 942. Stringent physical and logical security was also implemented. The Barsha Data Centre is one of the largest and most technologically advanced data centres in the region.

Integration activities are expected to be completed in the second half of 2009, following the launch of the new core banking application system. This would ensure that complete synergy is obtained in terms of applications, systems and processes in the merged



Emirates NBD was awarded the 'Retail Bank of the Year' by Arabian Business magazine.



H.E. Ahmed Humaid Al Tayer attending the launch of "Project UniFi"

entity. This would also set up the business to meet any anticipated growth needs for the next five years at the least.

Human Resources

In 2008, the Human Resources (HR) department's key objective was to provide strategic support to the management, facilitating the smooth integration of the people and cultures of the two legacy banks. The department achieved effective delivery of integration initiatives relating to pay policies, recruitment for new roles and the launch of Emirates NBD's core values. The smooth transition of the people side of the business has enabled employees to focus on the bank's new aspiration and strategy.

The HR team took advantage of the opportunity presented by the merger to embrace a new 'HR Service Delivery' model. The new world-class model provided the team with a vehicle for closer business partnership while strengthening the professional expertise and operational efficiency of HR services. As part of building new capabilities under the new HR model, several strategic initiatives relating to talent management, leadership development, performance management, business-focused learning and development programs were launched.

Emirates NBD continues to build on the success of the legacy practices on National Development. New trainee programs – Program for Accelerated Learning (PAL), Al Misha'al and Al Shehab were launched to make Emirates NBD an 'employer of choice' for young Nationals. Around 400 UAE Nationals were inducted into these development programs during 2008, enabling them to train as future bankers and leaders of the business.



The Emirates NBD merger was recognised as the 'Deal of the Year' by The Banker Magazine

Network International

Revenues for Network International (NI) continued on an upward trend in 2008. The company achieved growth in operating revenues of 36% over 2007, to AED 263 million, through a 29% increase in acquiring income and a 39% increase in processing income.

NI consolidated net profit increased by 115% in 2008 to AED 209 million, with an operating net profit of AED 121 million as against AED 98 million in 2007, a growth of 24%. Acquiring income growth is a result of a 51% increase in transaction sales volume and at the end of the year, market share in this business stream was approximately 65% with acquiring services provided to over 8,455 merchants.

In the Processing Business stream, overall net revenue grew 39% over 2007. The number of institutions NI supports on the processing end grew to 42 from 36 as of 2007. NI's Egyptian subsidiary, Network Processing Company (NPC) reported net profit of AED 7.6 million (included in the consolidated net profit above).

Strategic alliances identified in 2008 have positioned NI's acquiring business as a market leader in the UAE. The Company's acquiring portfolio grew during the year, to include prestigious brands such as the Atlantis, Palm Jumeirah, as well as the exclusive rights to the complete chain of Emke group and all Starwood Hotel properties in Dubai plus Emaar retail outlets, with merchants such as Sofitel JBR, Dubai Insurance, Aswaq and Palm Residence. Acquiring and acceptance of Japanese Credit Bureau (JCB) cards was an important milestone for 2008 that was completed at major NI retailers.

The Processing Business added to its portfolio prominent bank relationships for card processing and management services: Al Hilal, Samba, United Bank (Egypt), BNP Paribas (Egypt), JCB and Ajman Bank. NI continued in its endeavor to actively pursue strategic alliances and ventures with leading players in the MENA and GCC regions to complement and enhance its product and service offerings.

NI successfully concluded its joint venture (JV) SINNAD in Bahrain with JV partner The BENEFIT Company; this would facilitate NI's processing business expansion into Bahrain, KSA and Qatar. On the card personalisation side, Obernet, a NI JV with Oberthur, France, one of the world leaders in secure card-based processing solutions, was also concluded in 2008.

On the integration front, the acquiring integration initiative aimed at achieving benefits through system rationalisation and merging of NBD's acquiring business with NI was initiated in 2008. Migration planning for NBD's card portfolio to NI's card management system is complete with a live date of Q1 2009. Leveraging on integration efforts, NI has embarked upon setting up a Merchant Contact Centre to work as a single merchant contact point.

NI's operations centre has been consolidated into a dedicated site for streamlining client operational services. Significant investment in IT was made in 2008 to strength NI's infrastructure and platforms in order to augment NI's product offerings and manage NI's growth initiatives.

Network International has been awarded ISO 27001 UKAS (United Kingdom Accredited Services) certification as recommended by BSI Management System on concluding certification audit since



Emirates NBD held several business performance review meetings during 2008.

Review of Performance

September, 2006. This certification remains under surveillance audit on an annual basis.

NI had a stronger focus on client relationship building in 2008, through involvement in several social and community initiatives such as high-end entertainment events and niche sport sponsorships. Offering comprehensive end-to-end card management solutions and potential strategic alliances within the region remains NI's focus for 2009, which will further strengthen its position as the region's market leader in providing merchant acquiring and card payment services.

Emirates International Securities

The year began with a lot of promise for Emirates NBD's brokerage subsidiary, Emirates International Securities (EIS), but the momentum slowed down towards the end of the year due to weak market conditions. In spite of this, EIS managed to perform well above the benchmark set for the top performers in the market. The company was successful in 2008, recording a profit of AED 35 million at the year end (prior to provisions) due to its prudent business strategy which is reflective of market conditions. EIS's market share has been maintained with overall market share at 4.08% on the Dubai Financial Market (DFM) and at 2.36% on the Abu Dhabi Securities Exchange (ADX).

During the year, EIS was the first entity to introduce online trading to facilitate trading on NASDAQ Dubai (earlier known as DIFX). EIS also signed up institutional clients including EIS-KSA, MENA Opportunities Fund, Arabian Securities LLC and Emaar Properties LLC.

The company hired three additional full time resources for database administration, network support and



Emirates NBD signed a Direct Debit MoU with Dubai Electricity and Water Authority further widening its range of value-added services.

technical support to enhance the response time in addressing issues, improve the efficiency of the overall system applications and to further engage in product development.

Emirates NBD's Global Training Centre provided anti-money laundering training for all EIS staff during October and November 2008. EIS's Head of Trading was appointed as CEO of National Bank of Dubai Securities (NBDS) during the interim period to oversee the operations of NBDS.

Brokerage integration is currently progressing and is expected to be completed in the first quarter of 2009. To date, EIS has experienced significant cost benefits arising out of initial brokerage merger activities, with considerable business volumes being routed through EIS.

Going forward, EIS will utilise NBD's licence to access the Dubai Gold and Commodities Exchange (DGCCX) as a new addition to its overall product line.

Union Properties

Overall, 2008 was a good year. Union Properties achieved good results compared to 2007 and the overall market with its profit before and after contracting provisions increasing by 85% and 12% respectively. The last quarter of 2008 was the most challenging as liquidity constraints affected the UAE market and caused the real estate market to slow down. Despite this, property sales across all Union Properties' projects were healthy.

The company continued to follow the conservative approach of recognising revenue in accordance with International Financial Reporting Standards where revenue from sale of properties is measured by handover of units sold and not according to sale and construction progress. All Union Properties projects moved along in accordance with project and handover dates and handover of sold properties in MotorCity and DIFC is on schedule to start in 2009.

2008 saw Union Properties set up a mortgage unit within the company to help clarify the mortgage procedures to all potential buyers of its properties. The company also launched Control Tower, a 38 storey state-of-the-art office complex offered on 100% freehold ownership basis.



H.E. Ahmed Humaid Al Tayer inaugurating one of several UAE National Projects financed by Al Tomooh Finance Scheme during 2008.

Union Properties' key achievements in 2008 included:

- MotorCity, a Union Properties development, was awarded 'Best Stand Award' at the Autosport International Show in Birmingham, UK.
- Attending exhibitions locally in Dubai, Abu Dhabi and internationally in Birmingham, Cannes, Munich and Hong Kong to enhance brand awareness of the company and its developments.
- Launching the exciting F1-X brand at a Dubai Grand Racing event.
- Receiving the MRM Business Award for Real Estate Development.
- F1 in Schools partner with Union Properties to broaden regional academic curriculum.
- Sponsoring the Motor Sport Business Forum in Bahrain.
- Supporting Emirates Environmental Group's 'One Million Tree' campaign by planting trees in schools across the UAE.
- Completing the concreting and super-structure of INDEX, Union Properties' 80 storey mixed-use tower.
- Sponsoring Emirates Environmental Group's 'Clean Up UAE' campaign.

Union Properties has been a driving force in the UAE market for more than 21 years and is known for its unique, innovative and high-quality property projects in the residential, commercial and leisure segments.

National General Insurance

National General Insurance (NGI) achieved revenues of AED 365 million in 2008, growth of 26% on the previous year. The company has shown excellent performance in all classes of insurance in terms of revenue and underwriting profit. Underwriting profit for the year reached AED 66 million.

NGI witnessed a growth of 19% on General insurance

and 34% on Life and Medical insurance as compared with 2007.

In 2009, the company envisages new product lines in the Life business such as Unit Linked Plan, Critical Illness, and Mortgage insurance. The benefit of cross selling is also expected to increase growth in business during 2009.

The company is in the final stages of an agreement with Aviva to market Bancassurance products through the Emirates NBD branch network, thereby enabling greater distribution and customer penetration.

NGI's company website was redesigned to make it more user-friendly and informative, and IT network systems, database systems and access systems were enhanced in consistence with the growth of business during 2008.

During the year, technical managers, risk surveyors and technical staff were recruited in line with the growth of business. NGI hired a number of bilingual employees to attend to customer enquiries and intends to increase the number of customer service staff in the coming year.

Following the merger of Emirates Bank and National Bank of Dubai, NGI expects to see continued growth in all lines of business in 2009.



H.E. Dr. Hanif Hassan, UAE Minister of Education, lauded Emirates NBD's Pearl Museum for its role in preserving the UAE culture and heritage.

Group Risk Management

Risk Management

In 2008, Emirates NBD continued to proactively advance its risk management as well as its compliance capabilities. A number of initiatives supported Emirates NBD to weather the prevailing market conditions. Both the Board Risk Committee and the Executive Committee have encouraged the Group's risk management to foster and continue with the advancements.

The ongoing financial crisis led to distressed market conditions in the financial sector worldwide. The Group's risk management and controlling capabilities were tested and proved together with the strong risk culture instrumental to ensure the standing of Emirates NBD.

GCD - Corporate Credit – Asset Quality

Asset quality in the Corporate Credit portfolio has remained good despite a substantial growth in assets (22%) during the year, due to conservative credit policies, independent approval process and close monitoring. This is evidenced by the very low (0.11%) corporate impaired loans as at 31st of December 2008. Despite the good quality of the corporate loan book, a collective impairment provision was also made in 2008 to guard against any adversities in the future.

The Corporate Credit Portfolio is well diversified across all economic sectors, with only service, sovereign and real estate sectors exceeding 10% of the portfolio. Exposure to the real estate and construction sectors stands at 13.93% and 4.56% respectively of the total corporate lending book as of 2008. All sector exposures are well within the approved internal economic sector ceilings and regulatory ceiling on real estate exposures of 20% of total deposits.

The real estate development sector and construction related exposures remain good as such exposures have been considered mainly to top tier names with diversified business interests and multiple sources of repayment.

GCD - Credit Risk Management and Control

Careful adherence to the credit policies maintained by the Group Risk Management and selection of creditworthy borrowers keeps the risk-reward relationship in balance. Adherence to credit policy and procedures are regulated and cross verified by two levels of audits, one of which reports to the Chairman and the Board of Directors of the Bank direct. Formulating Credit policies and procedures, and monitoring their implementation and compliance is

the responsibility of the Group Credit Department (GCD). Apart from these core functions, the GCD is also responsible for establishing delegated limits as approved by the Board, sanctioning credit approvals post analysis of thorough quantitative and qualitative assessment of risk and reward, monitoring large exposures exceptions, ceilings and concentrations and credit control.

The Credit Risk is also mitigated by the Asset Distribution desk where the credit assets are distributed on funded/non-funded, disclosed/undisclosed basis to purchases/ participants.

The Bank further limits risk through diversification of its assets by economic sectors, thus reducing the likelihood of loss in the event of a downturn in any one segment. Limits are also set for financial institutions and other counterparties as well as for each country to which the Group has exposure. These limits are regularly monitored to prevent undue exposures to any single customer, institution or country.

Collateral and documentation was given due emphasis with implementation of legal vetting for most of the corporate documentation prior to release of credit. Adequate collateral as a secondary source of repayment has been viewed as important. Acceptability of collateral is categorized into three segments depending on its realisability, serving as the cushion of comfort the Bank may have in the light of any extreme situations such as a default. Further, collaterals are revalued frequently as per a pre specified time table enabling the Bank to assess the fair value of the collateral from time to time and adjust loan books appropriately.

Apart from the general delegation of authority, the Chairman and Board Credit and Investment Committee (BCIC) are vested with powers to delegate specific authority to each individual to facilitate and effectively manage the business.

Exposures to individual customers are controlled by reviews conducted by the Group's Credit Department; also subject to a limit structure managed under the supervision of the BCIC, which itself reviews larger exposures. These reviews are refreshed periodically to ensure that assets quality is maintained.

Key initiatives and achievements during 2008:

- Integration of Credit Management staff under Emirates NBD GCD for efficiency.

- Integration of credit management policies and procedures of the two legacy banks.
- Commenced common review of corporate customer accounts having borrowings with both the legacy banks.
- Selective new lending and prudence in renewing existing facility.
- Maintained low Non Performing Assets (NPA).
- Proactive monitoring of past dues and strengthening of credit controls in anticipation of general downturn in business.
- Closer review of securities to ensure quality and adequacy of coverage.

Group Retail Credit (GRC)

This year has been a very successful year in terms of integration, portfolio growth and risk containment. GRC drove the integration of retail credit policies and processes and successfully harmonised credit policies for retail products in the Bank. GRC worked closely with business on risk containment and taking express measures to mitigate any kind of additional risk. The team has been proactive in identifying portfolio trends, making necessary portfolio corrections, and devising sourcing strategies for profitable business growth. In the current credit scenario, GRC has driven critical criteria changes to ensure prudent lending and mitigate the risk of any untoward and additional defaults.

The key achievements in 2008 to date were:

- Auto loans and personal loans harmonised credit policies signed off by BCIC and implemented across Emirates NBD.
- Harmonised employer approval policy and target market listing for the combined bank.
- System implementation of an integrated income and loss recognition policy for mass retail products is currently being tested and will be ready to go live before the end of the year.
- The Finnone system implemented for Emirates Bank portfolios.
- Active involvement in strategic launches of various new products.

- Contribution to the development of application and behavioural score cards for various retail products.
- Active monitoring of portfolios and initiating corrections, where required.

An end to end workflow driven system was implemented for processing of retail loan products. The implementation was done in a phased manner and complete implementation was managed within the first quarter of the year. Existing loans were migrated to the loan management system in the second quarter. As one of its objectives, the unit will ensure that credit policies and procedures will also be updated for NBD as and when the loan management system is implemented for NBD retail loans.

The unit successfully fulfilled its integration objectives including harmonisation of retail credit policies. The unit took over the Retail risk management function for the combined bank and has been successful in implementing uniform and consistent credit policies on its retail products. Integration of policies and systems has been the area of focus and also posed some of the biggest challenges throughout 2008.

Group Compliance

Overall, 2008 saw a number of successes for Group Compliance with the key driver being to increase the level of compliance awareness across the Group. The integrated Group Compliance team structure was revised to have a dedicated Regulatory Compliance unit alongside the existing Anti Money Laundering (AML) unit.

This has resulted in an increased focus on the respective Compliance disciplines. The integration activities for 2008 were largely focused on securing viable automated solutions for the Anti Money Laundering (AML) monitoring of customer accounts and transactions as well as on rolling out Group-wide Emirates NBD Compliance policies. Along with finalising new policies, the Emirates NBD Compliance Plan was finalised.

2008 saw two key projects for Group Compliance:

Payment Screening System

Once successfully finalised, the Payment Screening System is expected to enhance the efficiency of the current manual screening process and protect the Group from the regulatory risks of effecting prohibited payments.

Group Risk Management

Automated AML System

The implementation of an automated AML monitoring system (ERASE) was initiated in May 2008 and is now well underway with implementation expected in January 2009 for UAE operations and during the second quarter 2009 for international operations. This system will replace the current limited monitoring of customer transactions through manual reports and outdated systems and should significantly enhance the quality of monitoring of customer transactions. As a result, the Group will be much better placed to meet its regulatory obligations with respect to reporting suspicious transactions to the regulators.

The key achievements in 2008 were:

- Building an integrated Group Compliance function following the merger.
- Initiation of key Compliance systems to protect the Group from reputational and regulatory risks.
- Issue of key Emirates NBD policies (e.g. High Risk Accounts Policy and Sanctions Policy) aimed at achieving consistent and robust compliance risk management across the Group.
- Finalisation of an Emirates NBD Group Compliance plan which received approval from Chief Risk Officer (CRO), Operational Risk and Compliance Committee (ORCC) and Board Risk Committee (BRC).
- Completing AML branch reviews of all Emirates Bank branches and commencing with AML branch reviews of NBD branches.

Group Risk Control

During 2008, Group Risk Control continued a number of edge initiatives in the areas of measurement and management of credit, market and operational risk as well as commenced on Group-wide Economic Capital. These measures are providing competitive advantage to the businesses and preparing for overall Basel II compliance.

The implementation of Basel II has far reaching effects and is gradually transforming the way the Bank manages its risks. The Bank successfully completed the parallel runs for Pillar 1 under the auspices of the UAE Central Bank and published the first Pillar 2 Risk Assessment Report in time. The bank has also progressed the Pillar 3 'Risk' disclosures in conjunction with other related departments.

The development of PD-based application and behaviour scorecards as well as Loss Given Default (LGD)/ Exposure at Default (EAD) scorecards for personal loans, car loans and credit cards was completed in 2008. The advancement of an application scorecard for mortgage loans was completed to ring-fence the retail portfolio in terms of Basel II compliance.

Development of Basel II compliant rating tools for corporate and SME customers as well as for banks and financial institutions was also completed during 2008. The Group implemented a Rating Masterscale which provides a group-wide harmonised and unified rating-scale across all portfolios.

The Masterscale development was accompanied with the alignment of Basel II compliant definition of default harmonised across all portfolios. The Group is in the process of developing internal rating models and scorecards for the remaining conventional and Islamic portfolios. These models will be forming the integral basis of adequate Risk Measurement, Limit Setting, Portfolio Allocation and Risk Adjusted Pricing to steer the entire credit portfolio resulting in a huge added value for the Group.

Given the extreme systemic market turbulence throughout the year, the key focus during 2008 was on preserving shareholder value and liquidity management. Assets and Liability Management (ALM) desks within the Risk Control function continues to provide timely support and advice to the Assets and Liability Committee (ALCO). Group Market Risk worked closely with Global Markets and Treasury, and other business units to robustly monitor and mitigate risk.

One other key achievement for 2008 was the smooth and seamless integration of Market Risk functions of the three legacy banks – Emirates Bank, NBD, and NBD IB. By the end of the year, a consolidated Value at Risk (VaR) for all trading desks was being calculated. Back testing results for the Trading Book remain within the Basel II "Green Zone" definition. During 2008 the Bank, for the first time, introduced VaR-based trading limits. The year also saw the implementation of VaR models for the Banking Book.

Group Operational Risk continued working closely with all of the Bank's business lines and subsidiaries during the year to raise awareness of operational risk. A policy for the structured collection of operational

risk Events was introduced early 2008 and training on the identification and classification of risks was provided throughout the Group. The practice of running a 'Control-Risk Self Assessment' prior to the launch of any new or amended initiative supported the Bank's units in identifying and assessing embedded risks in 2008.

Furthermore, Group Operational Risk played a major role in reviewing processes related to the integration of Emirates Bank and NBD and proved to be successful in introducing the adequate mitigating controls.

The Group recognises risk models as powerful instruments for risk control and to support business decisions. Taking the initial model development validations as a starting point, the Group reviewed its model validation procedures and successfully fostered its Group-wide Risk Model Governance in 2008.

Quantification of Economic Capital for all material risk types was initiated in 2008 leveraging the Pillar 1 developments. Economic Capital is a key component of the Internal Capital Adequacy Assessment Process (ICAAP), which supports the stable risk position of the bank. Going forward Economic Capital will be an integral part of Value Based Management. The comprehensive Economic Capital framework enables the bank to achieve a higher integration of business, capital and risk planning.

The Board and its Committees

Board of Directors

Emirates NBD's Board of Directors meets on a monthly basis and is comprised of 12 prominent members of the local business community, all leaders in their industries. Mr. Saeed Yousuf is the Company Secretary for the Board and its Committees.

The Board's mandate covers a formal agenda consisting of overall strategy and management, corporate structure, financial reporting and controls, internal controls, approval of the Annual Report, approval of dividends and Group risk management. There are independent non-executive directors on the Emirates NBD Board. The Group defines 'independent' as having no perceived or real conflicts of interest with any shareholder group or business partner. (Refer to page 40 for the Board of Directors)

There are another four Board Committees that meet regularly to govern the Group's activities on behalf of its stakeholders:

Board Audit Committee

Name	Position
1) Mr. Khalid Jassim Kalban	Chairman
2) Mr. Fardan Ali Fardan Al Fardan	Member
3) Mr. Hamad Mubarak Buamim	Member
4) Mr. Hussain Hassan Mirza Al Sayegh	Member
5) Mr. R. Douglas Dowie	Member

This Committee meets quarterly, or more frequently when required, ahead of the General Board meetings. The Committee has the responsibility for ensuring quality control in the Group's financial reporting and compliance process. The Audit Committee manages internal financial reporting control systems and the associated auditing process. It is also the Group's committee for monitoring legal and regulatory compliance as well as the internal codes of conduct.

Board Credit and Investment Committee

Name	Position
1) H.E. Ahmed Humaid Al Tayer	Chairman
2) Mr. Fardan Ali Fardan Al Fardan	Member
3) H.E. Abdulla Ahmed Lootah	Member
4) Mr. Khalid Jassim Kalban	Member
5) Mr. R. Douglas Dowie	Member

This Committee meets weekly to review and manage the credit exposure and investment portfolio of the Group.

Board Risk Committee

Name	Position
1) Mr. R. Douglas Dowie	Chairman
2) Mr. Hamad Mubarak Buamim	Member
3) Mr. Hussain Hassan Mirza Al Sayegh	Member
4) H.E. Abdulla Sultan Mohamed Al Owais	Member
5) Mr. Butti Obaid Butti Al Mulla	Member

The overall corporate governance framework of the Emirates NBD Group is directed by this Committee. The Committee also has responsibility for all risk management procedures. The Committee, which meets at least quarterly, oversees Basel II related activities and provides guidelines for capital management and allocation.

Board Follow Up and Remuneration Committee

Name	Position
1) Mr. Hamad Mubarak Buamim	Chairman
2) H.E. Abdulla Ahmed Lootah	Member
3) Mr. Khalid Jassim Kalban	Member
4) Mr. Butti Obaid Butti Al Mulla	Member
5) Mr. R. Douglas Dowie	Member

The review of strategic Human Resources decisions made by the Group, including remuneration issues, are the focus of this Committee which conducts its meetings on a quarterly basis.

Executive Committee Team

The Executive Committee (EXCO) team collectively monitors the performance of the Group and makes Group level decisions within authority limits delegated by the Board of Directors (BoD). Such decisions involve the day-to-day running of the Group, its strategic growth and the implementation of any decisions by the Board. This senior management team meets twice a month. (Please refer to page 42 for the Executive Committee Team)

Beyond Banking

In 2008, Emirates NBD stepped up its Corporate Social Responsibility (CSR) activities, furthering its role in supporting the community it operates within. This is a role Emirates NBD takes very seriously and considers it beyond a merely philanthropic angle. The Group is actively involved in leading initiatives, both internally and externally.

Throughout the year, the Group continued its efforts to support its priority causes: charity, education, environment, culture, art, social and sport. These areas guide all Emirates NBD CSR activities. Such activities in 2008 included participation in charitable donations and supporting sponsored events, awareness campaigns, mentoring and knowledge sharing programs. Emirates NBD supports a number of local charities and community welfare organisations, such as Rashid Paediatric Therapy Centre, Al Noor Centre for Children with Special Needs, Dubai Autism Centre, Beit Al Kheir Society and Foresight. The Group is also a founding member of the Emirates Environmental Group, and in 2008, Emirates NBD continued its support to these organisations among others.

Consistently a supporter to local educational initiatives, in 2008, Emirates NBD signed strategic Memoranda of Understanding (MoU) with a number of local universities for student "Sponsorship Programs". These MoUs aim to create a UAE National generation capable of leading the local and regional banking and finance industry through career development, scholarships and work opportunities upon their graduation.

In addition, internally, the bank celebrated the graduation of more than 150 of its employees in university level studies and workshops thereby, further enhancing their professional and leadership skills.

The Group also continued its efforts to boost its Emiratisation drive and launched numerous campaigns to attract potential UAE National talents, train them and retain them in line with its strategy to support the local community and fulfill its role as an employer of choice among UAE Nationals. Emirates NBD continued to identify skills and potential career development by designing custom training and development programs fitted to further develop its human resources skills.

Emirates NBD's high profile Al Tomooh Finance Scheme went from strength to strength in 2008. Al Tomooh supports local entrepreneurs and small businesses and has achieved significant progress during the year through expanding the reach of its financial services to cover all the emirates of the UAE. The program has also signed a MoU with the Mohamed Bin Rashid Establishment for cooperation in supporting the National SME's sector. So far, more than AED 38 million worth of financing has helped in establishing over 100 new UAE National-owned businesses.

The Emirates NBD Pearl Museum continued to receive high profile delegations throughout the year from around the world and is continuously receiving students from various educational institutions who are seeking an informative experience of one of the most important aspects of the UAE history, culture and heritage.

The Group also ended the year with a landmark celebration when it organised the Emirates NBD 2008 annual Staff Gala Dinner and Mass Wedding ceremony where more than 214 UAE National and expatriate grooms and brides celebrated their weddings. The event was attended by more than 7,000 people including dignitaries, management and staff.



More than 214 UAE National and expatriate brides and grooms celebrated their wedding at the Emirates NBD 2008 Staff Gala Dinner and Mass Wedding ceremony.

Board of Directors



H.E. Ahmed Humaid Al Tayer
Chairman



H.E. Easa Saleh Al Gurg
Board Member



Fardan Bin Ali Al Fardan
Board Member



H.E. Abdulla Ahmed Lootah
Board Member



H.E. Abdulla Sultan Mohamed Al Owais
Board Member



Omar Abdullah Al Futtaim
Board Member



Butti Obaid Butti Al Mulla
Board Member



Abdullah Mohamed Saleh
Vice Chairman



Khalid Jassim Kalban
Board Member



Hamad Mubarak Buamim
Board Member



**Hussain Hassan
Mirza Al Sayegh**
Board Member



R. Douglas Dowie
Board Member

Executive Management



Rick Pudner
Chief Executive Officer
Emirates NBD



Abdul Wahed Al Fahim
General Manager
Wholesale Banking



Abdulla Qassem
General Manager IT,
Operations and Administration



John Eldredge
General Manager
Global Markets and Treasury



Suvo Sarkar
General Manager
Retail Banking



Kevin Flannery
General Manager International



Jan Hendrik Kraus
General Manager
Integration and
Head of Group Strategy



Husam Al Sayed
General Manager
Human Resources



Jamal Bin Ghalaita
General Manager
Consumer Banking
and Wealth Management



Sulaiman Al Mazroui
General Manager
Marketing and
Corporate Communications



Sanjay Uppal
Group Chief Financial Officer



Joachim Block
Group Chief Risk Officer

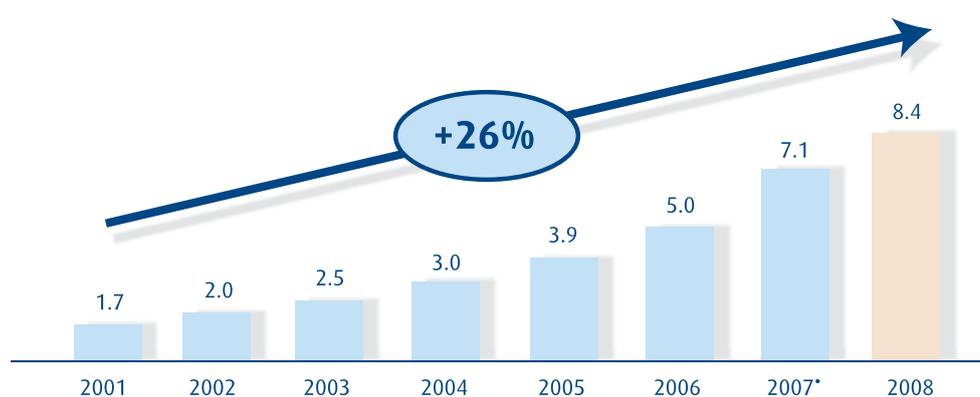


Saeed Yousuf
Company Secretary
and General Manager
Corporate Services

Financial Highlights

Delivered strong profit growth in recent years - AED

Revenues, AED billion



Net Profits, AED billion



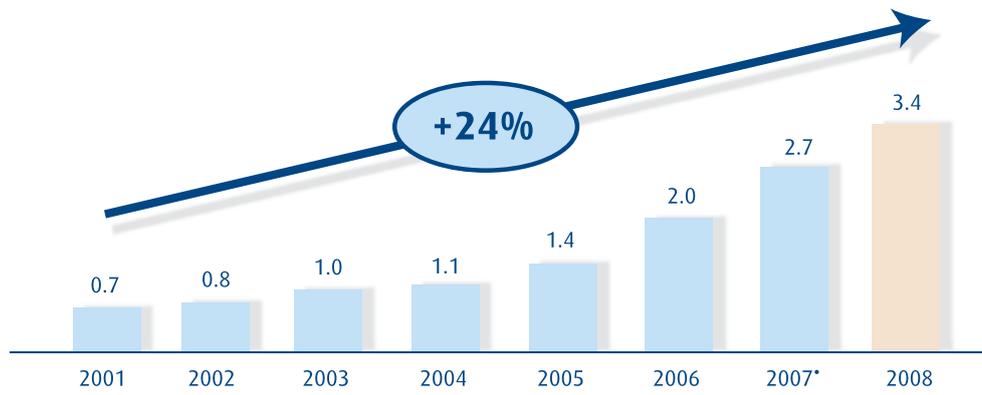
Source: Financial Statements, Aggregation of Emirates Bank International and NBD results

*The comparative results for 2007 were prepared on a pro forma basis, which assumed that the merger occurred on 1 January 2007

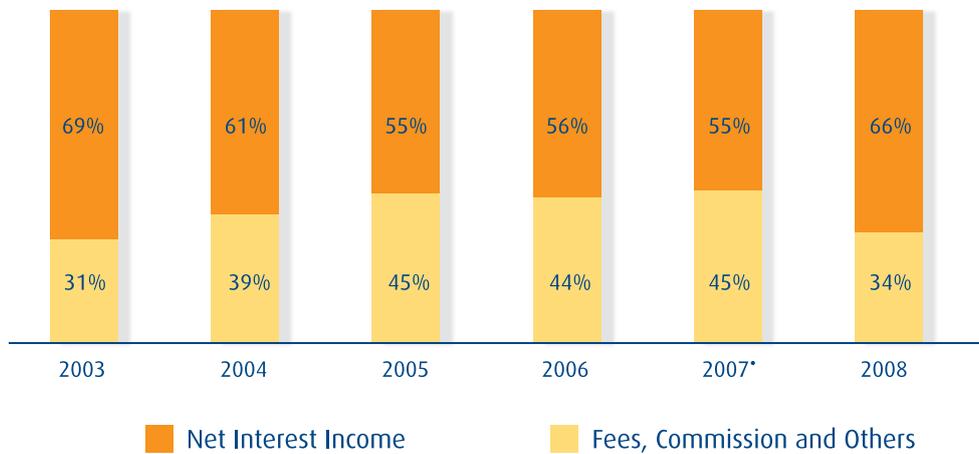
1 Prior Year 2002 - 2006 is the aggregation of Emirates Bank International and NBD

2 Year 2007 & 2008 excludes amortisation of intangibles

Costs, AED billion



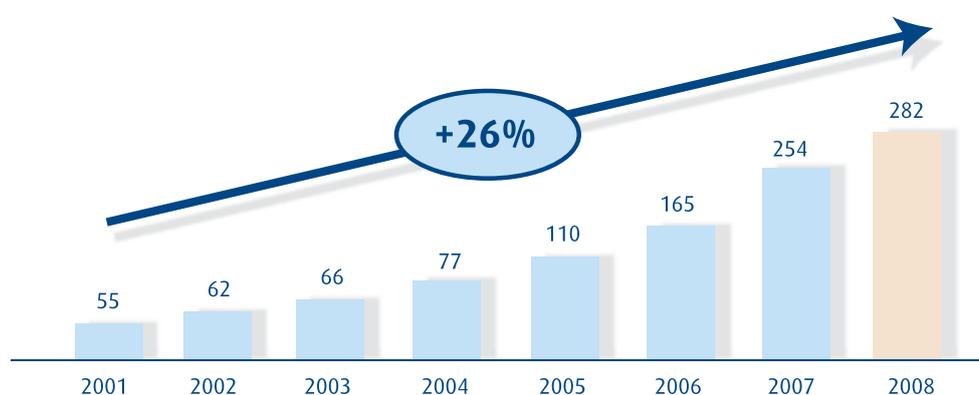
Sources of Operating Income



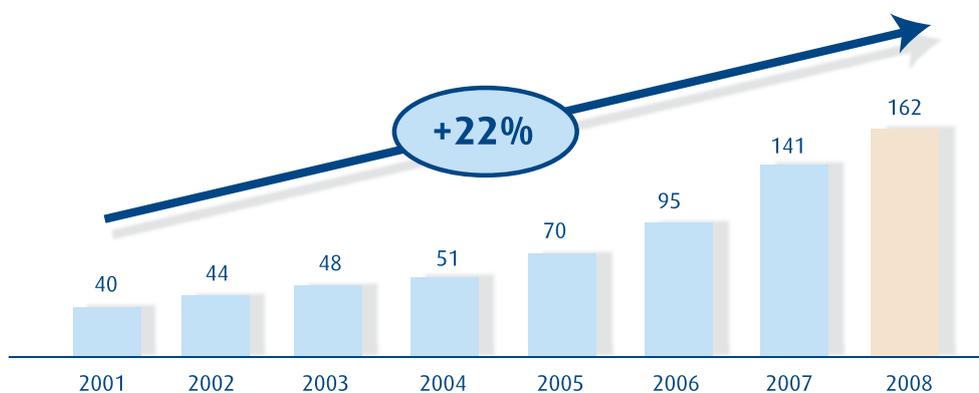
Financial Highlights

Balance Sheet growth in recent years - AED

Assets, AED billion

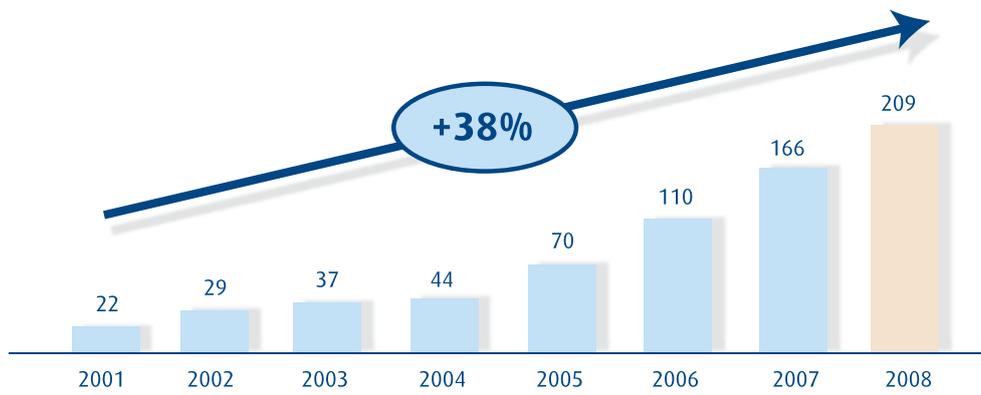


Deposits, AED billion

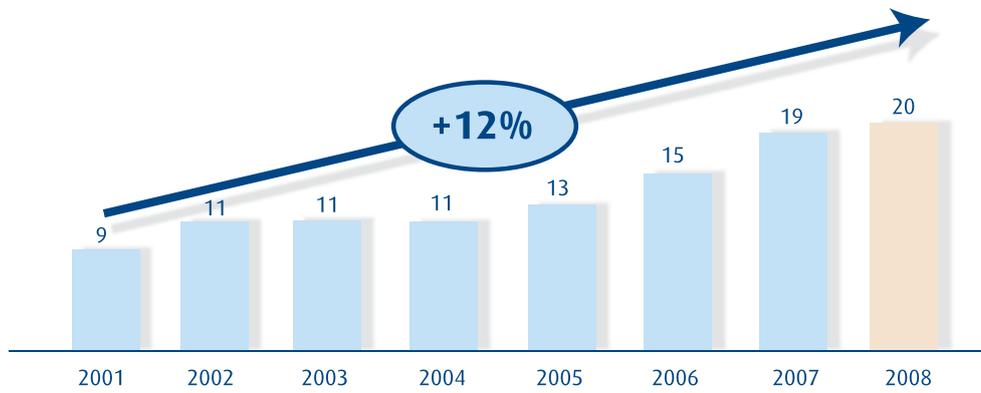


• Equity for 2007 and 2008 is Tangible Shareholder's Equity which excludes Goodwill and intangibles
Source: Financial Statements, Aggregation of Emirates Bank International and NBD results
Prior Year 2001 - 2006 is the aggregation of Emirates Bank International and NBD

Loans, AED billion



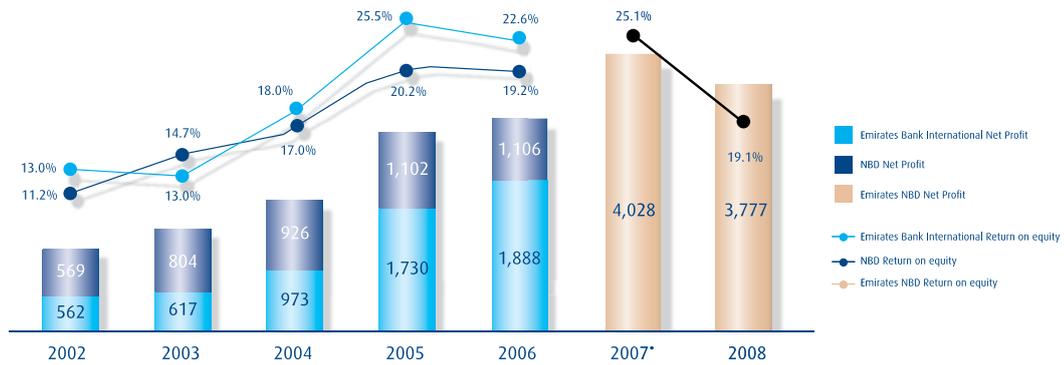
Equity, AED billion*



Financial Highlights

Robust returns and capitalisation - AED

Return on Equity (Profit AED million)



Capitalisation (Capital AED billion)

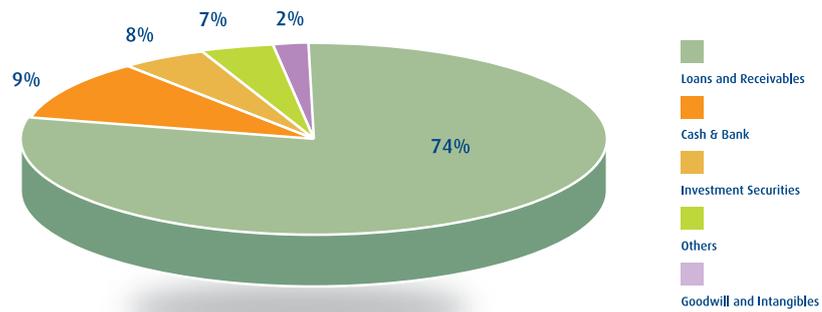


Source: Financial Statements, Aggregation of Emirates Bank International and NBD results

*The comparative results for 2007 were prepared on a pro forma basis, which assumed that the merger occurred on 1 January 2007
1 Year 2007 & 2008 excludes amortisation of intangibles

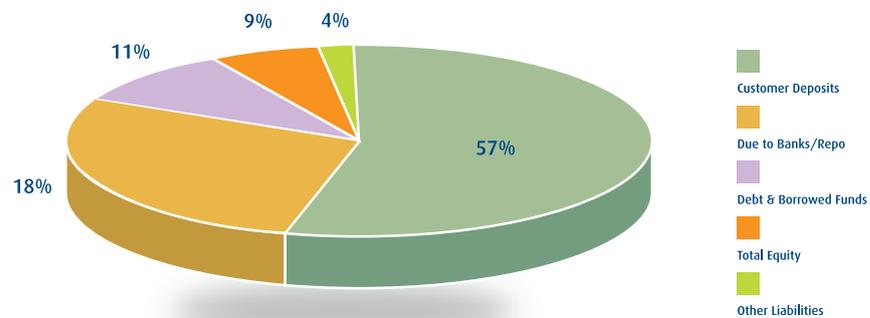
Emirates NBD - AED

Balance Sheet Analysis: 2008



Total Assets: 282.4 AED billion

Balance Sheet Analysis: 2008



Total Liabilities and Equity: 282.4 AED billion

Emirates NBD Branches and Contacts

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(Corporate Communications)

Reuters Dealing Code: EBIU

Internet: www.emiratesnbd.com

Wholesale Banking Units in the UAE

1 Large Corporate Banking Unit in Dubai

10 Corporate Banking Units:

- 7 in Dubai

- 1 in Abu Dhabi

- 1 in Al Ain

- 1 in Sharjah

1 Business Banking Unit in Dubai

1 Liability Management Unit in Dubai

3 Specialised Business Units in Dubai:

- International Banking

- Structured Finance and Syndications

- Financial Institutions

1 Transaction Banking Unit in Dubai:

- Trade Finance

- Cash Management

- Factoring

1 Trade Finance Processing Centre (ETFS)

in Dubai

Branches in the UAE

Abu Dhabi (NBD)

Abu Dhabi Branch (EBI)

Ajman (NBD)

Ajman (EBI)

Al Ain (NBD)

Al Ain (EBI)

Al Ain Mall (EBI)

Al Barsha (EBI)

Al Faheedi (NBD)

Al Maktoum (NBD)

Al Muroor (EBI)

Al Quoz (EBI)

Al Ras (EBI)

Baniyas Square (EBI)

Burj Al Arab (EBI)

Burjuman (NBD)

Convention Centre (NBD)

Dubai Courts (NBD)

Dubai Airline Centre (NBD)

Dubai Airport Free Zone (NBD)

Dubai Festival City (EBI)

Dubai Free Zone (EBI)

Dubai Main (EBI)

Dubai Media City (NBD)

Fujairah (NBD)

Fujairah (EBI)

Galleria (EBI)

Green Community (EBI)

Hamriya (NBD)

Hatta (NBD)

Ittihad (NBD)

Jebel Ali (NBD)

Jebel Ali Free Zone (EBI)

Jumeirah (NBD)

Jumeirah (EBI)

Karama (EBI)

Karama Shopping Complex (EBI)

Khalidiya (NBD)

Khalidiya (EBI)

Khalifa (EBI)

Main (NBD)

Maktoum (EBI)

Mankhool (EBI)

Mirdiff (EBI)

Mizhar Mall (EBI)

Mussaffah (EBI)

Nad Al Sheba (NBD)

Najdah (EBI)

Oud Metha (NBD)

Qiyadah (EBI)

Qusais (EBI)

Ramoul (EBI)

Ras Al Khaimah (NBD)

Ras Al Khaimah (EBI)

Ras Al Khaimah Corniche (EBI)

Rashidiya (NBD)

Samnan (NBD)

Satwa (EBI)

Sharjah (NBD)

Sharjah Industrial (EBI)

Sharjah Main (EBI)

Sheikh Zayed Road (NBD)

Souk (EBI)

Tower (EBI)

Umm Al Quwain (NBD)

Umm Suqeim (NBD)

World Trade Centre (EBI)

Priority Banking Locations

Abu Dhabi

Khalifa

Khalidiya

Musaffah

Muroor

Najdah

Al Ain

Al Ain Branch

Ajman

Ajman Branch

Dubai

Al Barsha

Al Maktoum

Al Souq

Al Ras

Burj Al Arab

Dubai Festival City

Dubai Main

Galleria

Green Community

Jebel Ali

Jumeirah

Jumeirah Beach Walk

Mankhool

Mizhar Mall

Qusais

Tower

Uptown Mirdiff

Fujairah

Fujairah Branch

Ras Al Khaimah

Ras Al Khaimah Branch

Ras Al Khaimah Corniche

Sharjah

Sharjah Industrial

Channels Branches in the UAE

Al Mizhar (NBD)

Al Shindaga Market (EBI)

Burjuman (EBI)

Deira City Centre (NBD)

Dubai Festival City (NBD)

Dubai Healthcare City (EBI)

Dubai International Airport (NBD)

Dubai Mall (EBI)

Dubai Marina (NBD)

Dubai Media City (EBI)

Dubai Outlet Mall (EBI)

Emirates Airline Headquarters (NBD)

Emirates Towers (NBD)

Ibn Batuta Mall (NBD)

Ibn Batuta Mall (EBI)

Internet City (EBI)

Jumeirah Beach Walk (EBI)

Mall of the Emirates (NBD)

Mall of the Emirates (EBI)

Mamzar (EBI)

Muhaisnah (NBD)

Old Town (EBI)

Ras Al Khor (NBD)

Sharjah City Centre (EBI)

Silicon Oasis (NBD)

Souq Madinat Jumeirah (NBD)

Umm Suqeim (EBI)

Pay Offices

Dubai Airport (EBI)

Dubai Airport (NBD)

Enoc (EBI)

Jimi Mall (EBI)

Port Rashid (EBI)

Sahara Mall (EBI)

Second Hand Market (EBI)

Tasjeel (EBI)

meBANK Representative Locations

Abu Dhabi

Galleria

Karama

Private Bank Locations

Abu Dhabi

Burj Al Arab

Dubai Festival City

London

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Natasha Jane Coleman, Manager Trust

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Hamid Shawarby, Chief Executive Officer

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Ajman
Al Ain
Al Diyafa Road
Al Garhoud
Al Khaleej Center
Al Khalidiya
Al Riqqa
Al Twar
Bur Dubai
Fujairah
Halwaan
Jebel Ali
Jumeira Villa
Jumeirah Beach Residence
Khorfakan
Main Branch
Oud Metha
Qasimiyah
Ras Al Khaimah
Sharjah
Sharjah Court
Sheikh Zayed Road
Tourist Club Area
Umm Al Quwain
Umm Suqeim

Corporate Banking Units in the UAE

Dubai
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Jebel Ali
Abu Dhabi
Al Ain
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Call Centre Tel: +971 3160405
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