

EMIRATES NBD PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010



EMIRATES NBD PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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P O Box 3800
Level 32, Emirates Towers
Sheikh Zayed Road
Dubai
United Arab Emirates

Telephone +971 (4) 403 0300
Fax +971 (4) 330 1515
Website www.ae-kpmg.com

Report on review of condensed consolidated interim financial information

The Shareholders
Emirates NBD PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Emirates NBD PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2010, and the condensed consolidated interim statement of comprehensive income (comprising a condensed consolidated income statement and a condensed consolidated statement of other comprehensive income), condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the three-month period then ended (the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the three-month period ended 31 March 2010 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Name: Vijendra Nath Malhotra
Registration No: 48 B

KPMG
Dubai
United Arab Emirates

25 APR 2010

EMIRATES NBD PJSC

**GROUP CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010 (UNAUDITED)**

	Notes	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
		-----	-----
ASSETS			
Cash and deposits with Central Bank	3	20,641,603	19,670,666
Due from banks	4	18,805,668	10,046,949
Loans and receivables	5	192,418,180	194,702,689
Islamic financing and investment products	6	19,538,130	19,911,611
Trading securities	8	1,411,452	611,093
Investment securities	9	15,685,006	16,152,520
Investments in associates and joint ventures	11	2,442,986	2,444,550
Positive fair value of derivatives		2,697,050	2,819,686
Investment properties		1,614,893	1,707,611
Property and equipment		2,340,353	2,301,115
Goodwill and intangibles	12	6,022,006	6,045,471
Customer acceptances		3,125,641	2,562,869
Other assets		2,980,466	2,599,652
TOTAL ASSETS		289,723,434	281,576,482
		=====	=====
LIABILITIES			
Due to banks		30,444,022	29,995,062
Customer deposits		167,761,538	157,976,541
Islamic customer deposits		23,542,309	23,185,850
Repurchase agreements with banks		3,755,987	3,615,441
Debt issued and other borrowed funds	13	19,121,247	24,072,172
Sukuk payable		1,267,185	1,267,185
Negative fair value of derivatives		2,095,750	2,424,224
Customer acceptances		3,125,641	2,562,869
Other liabilities		4,976,845	4,506,494
TOTAL LIABILITIES		256,090,524	249,605,838
		-----	-----
EQUITY			
Issued capital		5,557,775	5,557,775
Treasury shares		(46,175)	(46,175)
Tier I capital notes	14	4,000,000	4,000,000
Share premium reserve		12,270,124	12,270,124
Legal and statutory reserve		1,964,205	1,964,205
Other reserves		2,869,533	2,869,533
Cumulative changes in fair value		(112,069)	(728,772)
Retained earnings		7,036,243	5,989,809
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	15	33,539,636	31,876,499
Non-controlling interest		93,274	94,145
TOTAL EQUITY		33,632,910	31,970,644
		-----	-----
TOTAL LIABILITIES AND EQUITY		289,723,434	281,576,482
		=====	=====

The notes set out on pages 7 to 28 form part of these Group condensed consolidated interim financial statements. The independent auditors' report on the Group condensed consolidated interim financial statements is set out on page 1.


 Chairman


 Director

25 APR 2010


 Chief Executive Officer

EMIRATES NBD PJSC

 GROUP CONSOLIDATED INTERIM INCOME STATEMENT
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)

	Notes	Unaudited three months period ended 31 March 2010 AED 000	Unaudited three months period ended 31 March 2009 AED 000
Interest income		2,749,897	3,192,651
Interest expense		(1,162,112)	(1,425,905)
Net interest income		1,587,785	1,766,746
Income from Islamic financing and investment products		317,773	346,090
Distribution to depositors and profit paid to Sukuk holders		(176,905)	(185,295)
Net income from Islamic financing and investment products		140,868	160,795
Net interest income and income from Islamic financing and investment products net of distribution to depositors		1,728,653	1,927,541
Fee and commission income		646,466	653,307
Fee and commission expense		(173,022)	(186,999)
Net fee and commission income		473,444	466,308
Net gain on trading securities		59,559	10,051
Other operating income		294,746	208,373
Total operating income		2,556,402	2,612,273
General and administrative expenses		(866,588)	(911,290)
Net impairment loss on financial assets	7	(554,722)	(462,050)
Total operating expenses		(1,421,310)	(1,373,340)
Operating profit		1,135,092	1,238,933
Amortisation of intangibles		(23,465)	(23,465)
Share of (loss)/profit of associates and joint ventures		(1,564)	43,588
Group profit for the period		1,110,063	1,259,056
Attributable to:			
Equity holders of the Group		1,110,934	1,258,986
Non-controlling interest		(871)	70
Group profit for the period		1,110,063	1,259,056
		Unaudited three months period ended 31 March 2010	Unaudited three months period ended 31 March 2009
<u>Earnings per share</u>	17	0.20	0.23

The notes set out on pages 7 to 28 form part of these Group condensed consolidated interim financial statements. The independent auditors' report on the Group condensed consolidated interim financial statements is set out on page 1.

EMIRATES NBD PJSC

**GROUP CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)**

	Unaudited three months period ended 31 March 2010 AED 000 -----	Unaudited three months period ended 31 March 2009 AED 000 -----
Group profit for the period	1,110,063	1,259,056
Other comprehensive income		
Cash flow hedges:		
- Effective portion of changes in fair value	309,596	37,453
Fair value reserve (available-for-sale investment securities):		
- Net change in fair value	308,696	(109,756)
- Net amount transferred to profit or loss	(1,589)	(18,270)
Other comprehensive income/(expense) for the period	616,703	(90,573)
Total comprehensive income for the period	<u>1,726,766</u>	<u>1,168,483</u>
Attributable to:		
Equity holders of the Group	1,727,637	1,168,413
Non-controlling interest	(871)	70
Total recognised income for the period	<u>1,726,766</u>	<u>1,168,483</u>

The notes set out on pages 7 to 28 form part of these Group condensed consolidated interim financial statements.

The independent auditors' report on the Group condensed consolidated interim financial statements is set out on page 1.

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)

	Unaudited three months period ended 31 March 2010 AED 000	Unaudited three months period ended 31 March 2009 AED 000
	-----	-----
<u>OPERATING ACTIVITIES</u>		
Group profit for the period	1,110,063	1,259,056
<u>Adjustment for non cash items</u>		
Impairment loss on loans and receivables	449,770	476,643
Impairment loss on Islamic financing and investment products	60,362	29,772
Impairment loss on investment securities	55,152	109,294
Amortisation of intangibles	23,465	23,465
Depreciation of property and equipment	64,243	35,557
Share of loss/(profit) of associates and joint ventures	1,564	(43,588)
	-----	-----
Operating profit before changes in operating assets and liabilities	1,764,619	1,890,199
(Increase)/decrease in statutory deposits	(1,511,704)	1,818,210
(Increase)/decrease in amounts due from banks maturing after 3 months	(322,409)	358,791
Increase/(decrease) in amounts due to banks maturing after 3 months	516,144	(1,570,697)
Net change in other liabilities/other assets	89,537	4,425,883
Net change in fair value of derivatives	103,758	515,547
Increase in customer deposits	10,141,456	8,179,135
Decrease/(increase) in loans and receivables	1,834,739	(6,689,952)
Decrease in Islamic financing and investment products	313,119	715,684
	-----	-----
Net cash flows from operating activities	12,929,259	9,642,800
	-----	-----
<u>INVESTING ACTIVITIES</u>		
(Increase)/decrease in trading and investment securities (net of fair value movements)	(80,890)	527,565
Decrease/(increase) in investments in associates and joint ventures	-	(1,813)
Decrease in investment properties (net)	92,718	2,062
Additions to property and equipment (net)	(103,481)	(162,679)
	-----	-----
Net cash flows (used in)/from investing activities	(91,653)	365,135
	-----	-----
<u>FINANCING ACTIVITIES</u>		
Increase/(decrease) in deposits under repurchase agreements	140,546	(2,930,223)
Decrease in debt issued and other borrowed funds (net)	(4,950,925)	(3,042,243)
Interest on tier I capital notes	(64,500)	-
Dividends paid	-	(1,010,505)
	-----	-----
Net cash flows used in financing activities	(4,874,879)	(6,982,971)
	=====	=====
Increase in cash and cash equivalents [refer note 20]	7,962,727	3,024,964
	=====	=====

The notes set out on pages 7 to 28 form part of these Group condensed consolidated interim financial statements.

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EMIRATES NBD PJSC

 GROUP CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP										
	Issued capital	Treasury shares	Tier I capital notes	Share premium reserve	Legal and statutory reserve	Other reserves	Cumulative changes in fair value	Retained earnings	Total	Non-controlling interest	Group total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Balance as at 1 January 2009	5,052,523	(46,175)	-	12,270,124	1,629,205	3,324,385	(757,979)	4,193,062	25,665,145	96,776	25,761,921
Total comprehensive income for the period	-	-	-	-	-	-	(90,573)	1,258,986	1,168,413	70	1,168,483
Dividends paid	-	-	-	-	-	-	-	(1,010,505)	(1,010,505)	-	(1,010,505)
Balance as at 31 March 2009	5,052,523	(46,175)	-	12,270,124	1,629,205	3,324,385	(848,552)	4,441,543	25,823,053	96,846	25,919,899
Balance as at 1 January 2010	5,557,775	(46,175)	4,000,000	12,270,124	1,964,205	2,869,533	(728,772)	5,989,809	31,876,499	94,145	31,970,644
Total comprehensive income for the period	-	-	-	-	-	-	616,703	1,110,934	1,727,637	(871)	1,726,766
Interest on tier I capital notes	-	-	-	-	-	-	-	(64,500)	(64,500)	-	(64,500)
Balance as at 31 March 2010	5,557,775	(46,175)	4,000,000	12,270,124	1,964,205	2,869,533	(112,069)	7,036,243	33,539,636	93,274	33,632,910

Note: No allocation to legal and statutory and other reserves has been made for the three months period ended 31 March 2010 as this will be effected at the year end.

The notes set out on pages 7 to 28 form part of these Group condensed consolidated interim financial statements.

The independent auditors' report on the Group condensed consolidated interim financial statements is set out on page 1.

1 LEGAL STATUS AND ACTIVITIES

Emirates NBD PJSC, (“ENBD” or the “Bank”) was incorporated in the United Arab Emirates on 16 July 2007, under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended) as a Public Joint Stock Company. The bank was incorporated principally to give effect to the merger between Emirates Bank International PJSC (“EBI”) and National Bank of Dubai PJSC (“NBD”). The merger became effective from 16 October 2007, while the legal merger was completed on 4 February 2010. Post this date, EBI and NBD as banks, ceased to exist.

The Bank is listed on the Dubai Financial Market. The Company’s principal business activity is corporate, consumer, treasury and investment banking and asset management services.

The consolidated financial statements for the period ended 31 March 2010 comprise the bank and its subsidiaries (together referred to as the “Group”) and the Groups’ interest in associates and joint ventures.

The registered address of the bank is Post Box 777, Dubai, United Arab Emirates (“UAE”).

The ultimate parent company of the Group is Investment Corporation of Dubai, a company in which the Government of Dubai is the majority shareholder.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting”.

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied by the Group in the annual consolidated financial statements of the Group for the year ended 31 December 2009.

During the previous period, the Group has adopted the following standards effective for the annual periods beginning on or after 1 January 2009:

IAS 1 Presentation of Financial Statements (Revised)

The revised standard requires changes in equity arising from transactions with owners in their capacity as owners (i.e. owner changes in equity) to be presented in the statement of changes in equity. All other changes in equity (i.e. non-owner changes in equity) are required to be presented separately in a performance statement (consolidated statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity.

IFRS 8 Operating Segments

The new standard, which replaced IAS 14 ‘Segment Reporting’, requires a ‘management approach’ under which segment information is presented on the same basis as that used for internal reporting purposes. The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

These condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the financial statements as at and for the year ended 31 December 2009.

In preparing these condensed consolidated interim financial statements, significant judgments made by the management in applying the Group's accounting policies and the key sources of estimation were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009.

(a) Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

(b) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2009.

3 CASH AND DEPOSITS WITH CENTRAL BANK

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Cash	1,715,041	2,255,808
Interest free statutory and special deposits with Central Bank	12,226,562	10,714,858
Interest bearing certificates of deposit with Central Bank	6,700,000	6,700,000
	-----	-----
	20,641,603	19,670,666
	=====	=====

The reserve requirements are kept with the Central Bank of the UAE in AED and US Dollar, are not available for use in the Group's day to day operations and cannot be withdrawn without the Central Bank of the UAE's approval. The level of reserve required changes every month in accordance with the Central Bank of the UAE's directives.

4 DUE FROM BANKS

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Due from local banks	3,703,342	559,775
Due from foreign banks	15,102,326	9,487,174
	-----	-----
	18,805,668	10,046,949
	=====	=====

5 LOANS AND RECEIVABLES

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Overdrafts	71,805,273	72,354,260
Time loans	118,832,136	120,671,472
Loans against trust receipts	2,936,574	2,717,347
Bills discounted	2,089,043	1,511,562
Others	1,155,146	1,288,548
Gross loans and receivables	196,818,172	198,543,189
Other debt instruments	1,121,806	1,568,821
Total loans and receivables	197,939,978	200,112,010
Less: Allowances for impairment	(5,521,798)	(5,409,321)
	192,418,180	194,702,689
	=====	=====
Total of impaired loans and receivables	5,324,733	5,148,407
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited 31 March 2010 AED 000 -----	Audited 31 December 2009 AED 000 -----
<u>Analysis by economic activity</u>		
Agriculture and allied activities	107,097	93,637
Mining and quarrying	341,699	343,671
Manufacturing	8,329,496	8,542,742
Construction	7,420,615	7,391,491
Trade	7,791,214	8,252,355
Transport and communication	6,121,411	6,262,372
Services	19,550,558	19,387,761
Sovereign	49,622,617	49,021,516
Personal - Retail	23,329,650	24,497,978
Personal - Corporate	11,716,855	11,785,532
Real estate	27,144,085	27,056,045
Banks	310,048	376,098
Other financial institutions and investment companies	26,514,129	27,369,574
Others	9,640,504	9,731,238
Total loans and receivables	197,939,978	200,112,010
Less: Allowances for impairment	(5,521,798)	(5,409,321)
	192,418,180	194,702,689
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited three months period ended 31 March 2010 AED 000	Unaudited three months period ended 31 March 2009 AED 000
Movement in allowances for specific impairment		
-----	-----	-----
Balance as at 1 January	3,745,448	2,541,597
Allowances for impairment made during the period	364,770	252,643
Write back /recoveries made during the period	(6,373)	(140,135)
Amounts written off during the period	(330,920)	(773)
Balance as at 31 March	3,772,925	2,653,332
-----	-----	-----
Movement in allowances for collective impairment		

Balance as at 1 January	1,663,873	570,873
Allowances for impairment made during the period	85,000	224,000
Balance as at 31 March	1,748,873	794,873
	-----	-----
	5,521,798	3,448,205
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Murabaha	5,084,327	5,264,249
Ijara	6,633,676	6,627,114
Sukuk funds	1,285,550	1,285,550
Credit card receivables	527,365	529,520
Wakala	3,678,621	3,804,343
Istissna'a	1,740,827	1,946,817
Others	1,788,447	1,677,884
	-----	-----
Total Islamic financing and investment products	20,738,813	21,135,477
Less: Deferred income	(620,520)	(684,852)
Less: Allowances for impairment	(580,163)	(539,014)
	-----	-----
	19,538,130	19,911,611
	=====	=====
 Total of impaired Islamic financing and investment products	 758,960	 682,194
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Agriculture and allied activities	1,600	1,503
Mining and quarrying	5,489	4,240
Manufacturing	377,736	432,372
Construction	1,532,447	1,638,712
Trade	685,188	806,986
Transport and communication	465,050	532,503
Services	1,927,838	1,967,000
Personal - Retail	646,139	656,319
Personal - Corporate	1,718,805	1,575,740
Real estate	7,303,115	7,468,050
Banks	38,684	39,421
Other financial institutions and investment companies	1,703,483	1,832,326
Others	4,333,239	4,180,305
	-----	-----
Total Islamic financing and investment products	20,738,813	21,135,477
Less: Deferred income	(620,520)	(684,852)
Less: Allowances for impairment	(580,163)	(539,014)
	-----	-----
	19,538,130	19,911,611
	=====	=====

EMIRATES NBD PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited three months period ended 31 March 2010 AED 000	Unaudited three months period ended 31 March 2009 AED 000
Movement in allowances for specific impairment		
-----	-----	-----
Balance as at 1 January	344,966	201,320
Allowances for impairment made during the period	60,362	29,772
Write back/recoveries during the period	(11,983)	(1,501)
Amounts written off during the period	-	(2,592)
Balance as at 31 March	393,345	226,999
	-----	-----
Movement in allowances for collective impairment		

Balance as at 1 January	194,048	-
Write back during the period	(7,230)	-
Balance as at 31 March	186,818	-
	-----	-----
	580,163	226,999
	=====	=====

7 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

The charge to the income statement for the net impairment loss on financial assets is made up as follows:

	Unaudited 31 March 2010 AED 000	Unaudited 31 March 2009 AED 000
Net impairment of loans and receivables	(443,397)	(336,508)
Net impairment of Islamic financing and investment products	(41,149)	(28,271)
Net impairment of investment securities	(55,152)	(109,294)
Bad debt (written off)/recovered	(15,024)	12,023
Net impairment loss for the period	(554,722)	(462,050)
	=====	=====

8 TRADING SECURITIES (continued)

The table below sets out the amounts recognised in the income statement and equity in respect of financial assets reclassified out of trading securities into available-for-sale investment securities:

	Income statement AED 000	Equity AED 000
	-----	-----
Period before reclassification (30 June 2008)		
Net trading loss	(16,661)	-
	-----	-----
	(16,661)	-
	=====	=====
Period after reclassification (1 July 2008 – 31 March 2010)		
Interest income	98,840	-
Net change in fair value	-	25,162
	-----	-----
	98,840	25,162
	=====	=====

The table below sets out the amounts that would have been recognised for the period ended 31 March 2010 had the reclassifications not been made:

	Period after reclassification AED 000

Net trading profit	83,463
	=====

EMIRATES NBD PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)
9 INVESTMENT SECURITIES

<u>31 March 2010</u>	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
	-----	-----	-----	-----
<u>HELD TO MATURITY:</u>				
Government bonds	-	99,797	-	99,797
Corporate bonds	140,798	149,717	71,612	362,127
	-----	-----	-----	-----
	140,798	249,514	71,612	461,924
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	633,547	-	2,213,498	2,847,045
Corporate bonds	2,954,954	690,379	3,333,971	6,979,304
Equity	529,626	1,286,458	873,060	2,689,144
Others	148,593	283,099	926,572	1,358,264
	-----	-----	-----	-----
	4,266,720	2,259,936	7,347,101	13,873,757
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Equity	74,327	106,027	11,506	191,860
Hybrid instruments	-	-	29,077	29,077
Others	794,686	1,427	332,275	1,128,388
	-----	-----	-----	-----
	869,013	107,454	372,858	1,349,325
	-----	-----	-----	-----
	5,276,531	2,616,904	7,791,571	15,685,006
	=====	=====	=====	=====

9 INVESTMENT SECURITIES (continued)

<u>31 December 2009</u>	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
	-----	-----	-----	-----
<u>HELD TO MATURITY:</u>				
Government bonds	-	99,714	-	99,714
Corporate bonds	153,042	251,141	71,699	475,882
	-----	-----	-----	-----
	153,042	350,855	71,699	575,596
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	637,663	-	1,987,812	2,625,475
Corporate bonds	2,854,539	713,796	3,819,630	7,387,965
Equity	554,519	1,403,061	831,847	2,789,427
Others	86,633	293,952	964,980	1,345,565
	-----	-----	-----	-----
	4,133,354	2,410,809	7,604,269	14,148,432
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Equity	43,339	110,396	-	153,735
Hybrid instruments	-	-	28,704	28,704
Others	855,139	1,427	389,487	1,246,053
	-----	-----	-----	-----
	898,478	111,823	418,191	1,428,492
	-----	-----	-----	-----
	5,184,874	2,873,487	8,094,159	16,152,520
	=====	=====	=====	=====

Investment securities include investments in real estate funds as follows:

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Designated at fair value through profit or loss	269,920	284,852
Available-for-sale	1,013,161	1,006,782
	-----	-----
	1,283,081	1,291,634
	=====	=====

10 INVESTMENT IN / SALE OF SUBSIDIARIES**(i) Merger of Emirates International Securities and NBD Securities LLC**

On 8 November 2009, Emirates International Securities LLC ("EIS"), a subsidiary of the Group, received regulatory approval to merge with NBD Securities LLC, another subsidiary of the Group and changed its name from Emirates International Securities LLC to Emirates NBD Securities LLC.

On 21 November 2009 (the effective date), NBD Securities LLC transferred all its assets and liabilities to EIS to complete the merger of the two entities.

(ii) Liquidation of Al Watani Al Islamic PJSC

During the month of September 2009, Al Watani Al Islamic PJSC, a subsidiary of the Group, was liquidated and the assets and liabilities have been settled.

11 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES**Joint ventures:**

On 28 January 2009, Network International LLC ("NI"), a subsidiary of the Group, set up Sinnad W.L.L., a joint venture with Bahrain Electronic Network, to provide third party ATM and card processing services for banks in Bahrain and the Gulf Cooperation Council States. NI holds 49% of the share capital and exercises joint control of the management of the company.

EMIRATES NBD PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)
12 GOODWILL AND INTANGIBLES

	Goodwill	Intangibles		Total	
	AED 000	Software AED 000	Customer relationships AED 000	Core deposit intangibles AED 000	AED 000
31 March 2010					
<u>Cost</u>					
Balance as at 1 January	5,527,578	9,281	157,490	564,760	6,259,109
<u>Amortisation and impairment</u>					
Balance as at 1 January	4,903	5,735	69,000	134,000	213,638
Amortisation and impairment for the period	-	465	7,750	15,250	23,465
Balance as at 31 March	4,903	6,200	76,750	149,250	237,103
NET	5,522,675	3,081	80,740	415,510	6,022,006
31 December 2009					
<u>Cost</u>	5,527,578	9,281	157,490	564,760	6,259,109
<u>Amortisation and impairment</u>	4,903	5,735	69,000	134,000	213,638
NET	5,522,675	3,546	88,490	430,760	6,045,471

13 DEBT ISSUED AND OTHER BORROWED FUNDS

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Medium term note programme	13,612,497	18,563,422
Syndicated borrowings from banks	5,508,750	5,508,750
	-----	-----
	19,121,247	24,072,172
	=====	=====

The Group has outstanding medium term borrowings totalling AED 19,121 million (2009: AED 24,072 million) which will be repaid as follows:

	Unaudited 31 March 2010 AED million	Audited 31 December 2009 AED million
	-----	-----
2010	3,842	7,239
2011	3,022	4,090
2012	7,601	7,760
2013	1,043	1,052
2014	227	220
2016	2,038	2,332
2018	1,348	1,379
	-----	-----
	19,121	24,072
	=====	=====

14 TIER I CAPITAL NOTES

In June 2009, the Group issued regulatory tier I capital notes amounting to AED 4 billion. The notes are perpetual, subordinated, unsecured and have been issued at a fixed interest rate for the first five years and on a floating rate basis thereafter. The bank can elect not to pay a coupon at its own discretion. Note holders will not have a right to claim the coupon and the event is not considered an event of default. The notes carry no maturity date and have been classified under equity.

15 EQUITY HOLDERS' FUNDS

At the Annual General Meeting held on 24 March 2010, the following were approved and issued/paid subsequently, based on the share register on 4 April 2010.

Payment of a cash dividend of 20% of the issued and paid up capital amounting to AED 1,112 million (2009: AED 1,011 million).

16 COMMITMENTS AND CONTINGENCIES

At 31 March 2010, the Group's commitments and contingencies are as follows:

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Letters of credit	10,249,283	11,263,371
Guarantees	35,521,545	36,079,962
Liability on risk participations	1,432,450	1,201,415
Irrevocable loan commitments	7,894,450	10,092,483
	-----	-----
	55,097,728	58,637,231
	=====	=====

17 EARNINGS PER SHARE

The basic earnings per share is based on earnings of AED 1,111 million, being the profit attributable to the equity holders for the period ended 31 March 2010 (2009: AED 1,259 million), divided by 5,557,774,724 shares, outstanding as at the reporting date.

The earnings per share of AED 0.23 as reported for the period ended 31 March 2009 has been adjusted for the effect of the bonus shares issued in 2009.

18 BUSINESS SEGMENT REPORTING

The Group is organised into the following main businesses:

- (a) Corporate banking represents structured financing, current and savings accounts, customer deposits, overdrafts, trade finance and term loans for government, corporate and commercial customers.
- (b) Consumer banking represents retail loans and deposits, private banking and wealth management, consumer financing, card services and call center operations.
- (c) Treasury activities comprises of managing the Group's portfolio of investments, funds management, and interbank treasury operations.
- (d) Islamic banking activities represent the income and fees earned and expenses paid by the Islamic banking subsidiary.
- (e) Cards processing represents business pertaining to merchant acquiring and cards processing.
- (f) Other operations of the Group include investment banking, asset management, equity broking services, property management, certain overseas branches, operations and support functions.

EMIRATES NBD PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)
18 BUSINESS SEGMENT REPORTING (continued)

31 March 2009	Corporate banking	Consumer banking	Treasury	Islamic banking	Cards processing	Others	Total
-----	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
-----	-----	-----	-----	-----	-----	-----	-----
Net interest income and income from Islamic products net of distribution to depositors	686,388	526,485	487,861	148,612	9	78,186	1,927,541
Net fee, commission and other income	266,674	173,188	149,764	41,899	64,491	(11,284)	684,732
Total operating income	953,062	699,673	637,625	190,511	64,500	66,902	2,612,273
General and administrative expenses	(94,917)	(278,501)	(14,091)	(98,111)	(23,838)	(401,832)	(911,290)
Net specific impairment loss on financial assets	(1,372)	(63,913)	(144,294)	(27,419)	(894)	(158)	(238,050)
Net collective impairment loss on financial assets	(45,000)	(179,000)	-	-	-	-	(224,000)
Amortisation of intangibles	-	-	-	-	-	(23,465)	(23,465)
Share of profit of associates and joint ventures	-	-	-	-	-	43,588	43,588
Group profit for the period	811,773	178,259	479,240	64,981	39,768	(314,965)	1,259,056
	=====	=====	=====	=====	=====	=====	=====
Segment assets	172,621,029	29,728,567	35,531,639	26,079,319	461,779	17,006,490	281,428,823
Segment liabilities and equity	84,707,684	49,080,294	67,570,883	25,540,370	156,917	54,372,675	281,428,823
	=====	=====	=====	=====	=====	=====	=====

The segmental results for the period ended 31 March 2009 have not been restated to reflect the revised funds transfer methodology adopted by the Group for the period ended 31 March 2010.

19 RELATED PARTY TRANSACTIONS

The Group has entered into transactions with certain related parties. Such transactions were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with third parties and do not involve more than a normal amount of risk.

Related party transactions are as follows:

	Unaudited 31 March 2010 AED 000	Audited 31 December 2009 AED 000
	-----	-----
Loans to the majority shareholder of the ultimate parent	49,583,579	48,982,478
Deposits from the majority shareholder of the ultimate parent	464,013	606,285
Investment in bonds of the majority shareholder of the ultimate parent	757,114	598,830
Loans to the ultimate parent	918,253	920,386
Deposits by the ultimate parent	6,826,926	6,736,377
Loans to directors and related companies	1,656,893	1,713,817
Loans to associates	3,822,093	3,782,210
Loans to and investments in funds managed by the Group	1,703,188	1,661,145

EMIRATES NBD PJSC

 NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010 (UNAUDITED)
19 RELATED PARTY TRANSACTIONS (continued)

	Unaudited three months period ended 31 March 2010 AED 000	Unaudited three months period ended 31 March 2009 AED 000
	-----	-----
Payments made to associates	5,397	10,006
Fees received in respect of funds managed by the Group	10,572	19,152

The total amount of compensation paid to directors and key management personnel of the Group during the period was as follows:

	Unaudited three months period ended 31 March 2010 AED 000	Unaudited three months period ended 31 March 2009 AED 000
	-----	-----
Short term and post employment benefits	10,624	7,956

Key management personnel are those persons, including non-executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relations at the period end.

20 NOTES TO THE GROUP CONSOLIDATED CASH FLOW STATEMENT

	Unaudited three months period ended 31 March 2010 AED 000 -----	Unaudited three months period ended 31 March 2009 AED 000 -----
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of year	(16,813,335)	(33,217,421)
Net cash inflow	7,962,727	3,024,964
Balance at end of period	(8,850,608) =====	(30,192,457) =====
(b) Analysis of cash and cash equivalents		
Cash and deposits with Central Bank	20,641,603	12,965,885
Due from banks	18,805,668	11,894,643
Due to banks	(30,444,022)	(46,031,970)
	9,003,249	(21,171,442)
Less : deposits with Central Bank for regulatory purposes	(18,926,562)	(7,958,193)
Less : amounts due from banks maturing after three months	(630,884)	(1,964,167)
Add : amounts due to banks maturing after three months	1,703,589	901,345
	(8,850,608) =====	(30,192,457) =====

21 COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated where appropriate to conform with the presentation and accounting policies adopted in these financial statements.