

EMIRATES NBD PJSC

**GROUP CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009

EMIRATES NBD PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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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 2009, 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 2009 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting'.

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28 APR 2009

EMIRATES NBD PJSC

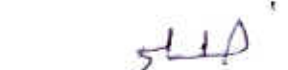
GROUP CONSOLIDATED INTERIM BALANCE SHEET
AS AT 31 MARCH 2009 (UNAUDITED)

	Notes	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
ASSETS			
Cash and deposits with Central Bank	3	12,965,885	16,707,194
Due from banks	4	11,894,643	8,128,342
Loans and receivables	5	194,220,098	188,006,789
Islamic financing and investment products	6	20,177,917	20,923,373
Trading securities	8	713,271	244,445
Investment securities	9	18,157,090	19,390,801
Investment in associates and joint ventures	11	2,970,209	2,924,808
Investment properties		794,045	796,107
Property and equipment		2,919,740	2,792,618
Goodwill and intangibles	12	6,115,866	6,139,331
Positive fair value of derivatives		4,291,586	8,323,494
Customer acceptances		2,691,512	2,860,654
Other assets		3,516,961	7,175,720
TOTAL ASSETS		281,428,823	282,413,676
LIABILITIES			
Customer deposits		146,956,143	139,979,804
Islamic customer deposits		23,537,933	22,335,137
Due to banks		46,031,970	48,425,638
Repurchase agreements with banks		330,196	3,260,419
Debt issued and other borrowed funds	13	25,760,587	28,802,830
Sukuk payable		1,267,185	1,267,185
Negative fair value of derivatives		4,200,653	5,754,467
Customer acceptances		2,691,512	2,860,654
Other liabilities		4,732,745	3,965,621
TOTAL LIABILITIES		255,508,924	256,651,755
EQUITY			
Issued capital		5,052,523	5,052,523
Treasury shares		(46,175)	(46,175)
Share premium reserve		12,270,124	12,270,124
Legal and statutory reserves		1,629,205	1,629,205
Other reserves		3,324,385	3,324,385
Cumulative changes in fair value		(848,552)	(757,979)
Retained earnings		4,441,543	4,193,062
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	14	25,823,053	25,665,145
Minority interests		96,846	96,776
TOTAL EQUITY		25,919,899	25,761,921
TOTAL LIABILITIES AND EQUITY		281,428,823	282,413,676

The notes set out on pages 7 to 29 form part of these Group condensed consolidated interim financial statements.
The independent auditors' report on review of Group condensed consolidated interim financial information is set out on page 1.



Chairman



Director



Chief Executive Officer

28 APR 2009

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009 (UNAUDITED)

	Notes	Unaudited three months period ended 31 March 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
Interest income		3,192,651	2,959,957
Interest expense		(1,425,905)	(1,674,660)
Net interest income		1,766,746	1,285,297
Income from Islamic financing and investment products		346,090	241,635
Distribution to depositors and profit paid to Sukuk holders		(185,295)	(147,937)
Net income from Islamic financing and investment products		160,795	93,698
Net interest income and income from Islamic financing and investment products net of distribution to depositors		1,927,541	1,378,995
Fee and commission income		570,357	736,006
Fee and commission expense		(104,049)	(173,031)
Net fee and commission income		466,308	562,975
Net gain/(loss) on trading securities		10,051	(2,192)
Other operating income		208,373	243,404
Total operating income		2,612,273	2,183,182
General and administrative expenses		(911,290)	(820,120)
Net impairment loss on financial assets	7	(462,050)	(262,929)
Total operating expenses		(1,373,340)	(1,083,049)
Operating profit		1,238,933	1,100,133
Amortisation of intangibles		(23,465)	(20,465)
Share of profit of associates & joint ventures		43,588	116,594
Group profit for the period		1,259,056	1,196,262
Attributable to:			
Equity holders of the Group		1,258,986	1,196,047
Minority interests		70	215
Group profit for the period		1,259,056	1,196,262
		=====	=====
		Unaudited three months period ended 31 March 2009 AED	Unaudited three months period ended 31 March 2008 AED
Earnings Per Share	16	0.25	0.24
		===	===

The notes set out on pages 7 to 29 form part of these Group condensed consolidated interim financial statements.
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EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 MARCH 2009 (UNAUDITED)

	Unaudited three months period ended 31 March 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
Profit for the period	1,259,056	1,196,262
Other comprehensive income		
Cash flow hedges:		
- Effective portion of changes in fair value	37,453	88,064
Fair value reserve (available-for-sale of financial assets):		
- Net change in fair value	(109,756)	(81,922)
- Net amount transferred to profit or loss	(18,270)	(143,454)
Other comprehensive income for the period	(90,573)	(137,312)
Total comprehensive income for the period	1,168,483	1,058,950
	=====	=====
Attributable to:		
Equity holders of the Bank	1,168,413	1,058,735
Minority interest	70	215
Total recognised income and expense for the period	1,168,483	1,058,950
	=====	=====

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EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009 (UNAUDITED)

	Note	Unaudited three months period ended 31 March 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
	-----	-----	-----
<u>OPERATING ACTIVITIES</u>			
Group profit for the period		1,259,056	1,196,262
<u>Adjustment for non cash items</u>			
Impairment allowance on loans and receivables		476,643	321,255
Impairment allowance on Islamic financing and investment products		29,772	7,858
Impairment allowances on Investment securities		(109,294)	-
Amortisation of intangibles		23,465	20,465
Depreciation of property and equipment		35,557	43,389
Share of profit of associates and joint ventures		(43,588)	(116,594)
Operating profit before changes in operating assets and liabilities		1,671,611	1,472,635
Decrease/(increase) in statutory deposits		1,818,210	(874,353)
Decrease/(increase) in due from banks maturing after 3 months		358,791	(5,392,698)
(Decrease)/increase in due to banks maturing after 3 months		(1,570,697)	21,117,998
Net change in other liabilities/other assets		4,425,883	119,985
Net change in fair value of derivatives		515,547	(849,230)
Increase in customer deposits		8,179,135	8,671,484
Increase in loans and receivables		(6,689,952)	(6,228,812)
Decrease/(increase) in Islamic financing and investment products		715,684	(3,102,849)
Net cash flows from operating activities		9,424,212	14,934,160
		-----	-----
<u>INVESTING ACTIVITIES</u>			
Decrease/(increase) in trading and investment securities (net)		746,153	(384,075)
Increase in investment in associates and joint ventures		(1,813)	-
Decrease/(increase) in investment properties (net)		2,062	(491,231)
Additions to property and equipment (net)		(162,679)	163,271
Net cash flows from/(used in) investing activities		583,723	(712,035)
		-----	-----
<u>FINANCING ACTIVITIES</u>			
(Decrease)/increase in debt issued and other borrowed funds (net)		(3,042,243)	2,635,997
Decrease in deposits under repurchase agreement		(2,930,223)	-
Dividends paid		(1,010,505)	-
Net cash flows (used in)/from financing activities		(6,982,971)	2,635,997
		-----	-----
Increase in cash and cash equivalents	19	3,024,964	16,858,122
		=====	=====

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EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009 (UNAUDITED)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP									
	Issued capital AED 000	Treasury shares AED 000	Share premium reserve AED 000	Legal and statutory reserve AED 000	Other reserves AED 000	Cumulative changes in fair value AED 000	Retained earnings AED 000	Total AED 000	Minority interests AED 000	Group total AED 000
Balance as at 1 January 2008	4,393,498	(46,175)	12,270,124	1,260,205	3,917,410	863,890	2,497,919	25,156,871	1,903	25,158,774
Total comprehensive income for the period	-	-	-	-	-	(137,312)	1,196,047	1,058,735	215	1,058,950
Dividends paid	-	-	-	-	-	-	(1,537,724)	(1,537,724)	-	(1,537,724)
Balance as at 31 March 2008	4,393,498	(46,175)	12,270,124	1,260,205	3,917,410	726,578	2,156,242	24,677,882	2,118	24,680,000
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

Note: No allocation to legal and statutory and other reserves has been made for the three months period ended 31 March 2009 as this will be effected at the year end.

The notes set out on pages 7 to 29 form part of these Group condensed consolidated interim financial statements.

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1 LEGAL STATUS AND ACTIVITIES

Emirates NBD PJSC, ("ENBD" or "Emirates NBD" or the "Company") 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 Company was incorporated principally to give effect to the merger between Emirates Bank International PJSC ("EBI") and National Bank of Dubai PJSC ("NBD"). The Company acts as the holding company of both EBI and NBD (together referred to as the "Group"). The merger became effective from 16 October 2007.

The Company is listed on the Dubai Financial Market. The Company's principal business activity is investment holding.

The registered address of the Company is Post Box 2923, Dubai, United Arab Emirates ("UAE").

The ultimate parent 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 2008, except as detailed in note 2(c).

During the 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 income) 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)

The results for the three months period ended 31 March 2009 include the results of EBI and its subsidiaries and NBD and its subsidiaries.

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 2008.

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 2008.

(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 2008.

(c) Changes in accounting estimates

(i) Change in accounting estimate of fixed assets:

The policy for depreciation of property, plant and equipment remains the same as applied by the Group in the annual consolidated financial statements for the year ended 31 December 2008. In order to align the useful lives of the property, plant and equipment of EBI and NBD, the estimated useful lives of the current period have been revised as below:

Freehold premises	25 years
Freehold improvements	10 years
Leasehold improvements	7 years
Furniture, fixtures and office equipment	5 years
Computer hardware and software	4 years
Motor vehicles	3 years

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Changes in accounting estimates (continued)

(i) Change in accounting estimate of fixed assets (continued)

Freehold land and fixed assets not commissioned are not depreciated. Fixed assets not commissioned are stated at cost. When commissioned, they are transferred to the appropriate property and equipment category and depreciated in accordance with the Group's policies.

A change in the estimate of the useful life of property, plant and equipment is accounted for prospectively as a change in estimate by adjusting depreciation in the current and future periods.

The net effect in Q1 2009 due to changes in the accounting estimates is a net credit to the income statement of AED 5 million.

(ii) Change in accounting estimate of retail loan provisioning:

During the period, the Group has introduced a revised portfolio impairment provision ('PIP') methodology to cover the inherent risk of losses which, although not specifically identified, are known through experience to be present in the loan portfolio.

The PIP is set with reference to past experience using a flow rate methodology, as well as taking account of judgmental factors such as the economic environment and trends in portfolio indicators such as flow rates across all delinquency buckets and collections and recovery performance (including residential real estate price trends).

The PIP has been calculated to cover both loans for which payments are current and loans overdue for less than 180 days.

Following the introduction of the PIP, specific provisions booked on loans overdue for less than 180 days have been reversed. The impact for the three months period ended 31 March 2009 was a release of specific impairment allowances for retail loans of AED 111 million and an increase in collective impairment allowances for retail loans of AED 179 million.

3 CASH AND DEPOSITS WITH CENTRAL BANK

	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Cash	1,855,958	1,780,638
Interest free statutory and special deposits with Central Bank	9,172,814	10,401,849
Interest bearing certificates of deposit with Central Bank	1,937,113	4,524,707
	-----	-----
	12,965,885	16,707,194
	=====	=====

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 directives.

4 DUE FROM BANKS

	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Due from local banks	1,620,245	322,727
Due from foreign banks	10,274,398	7,805,615
	-----	-----
	11,894,643	8,128,342
	=====	=====

5 LOANS AND RECEIVABLES

	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Overdrafts	64,689,332	59,438,355
Time loans	121,457,204	119,039,605
Loans against trust receipts	4,501,378	5,508,583
Bills discounted	1,864,031	2,014,525
Others	2,812,551	2,744,403
	-----	-----
Gross loans and receivables	195,324,496	188,745,471
Other debt instruments	2,343,807	2,373,788
	-----	-----
Total loans and receivables	197,668,303	191,119,259
Less: Allowances for impairment	(3,448,205)	(3,112,470)
	-----	-----
	194,220,098	188,006,789
	=====	=====
Total of classified loans and receivables on which interest is not taken into income	3,581,955	3,084,995
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited 31 March 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
Analysis by economic activity -----		
Agriculture and allied activities	104,413	164,575
Mining and quarrying	400,924	397,739
Manufacturing	10,739,269	10,828,330
Construction	8,367,297	9,154,306
Trade	10,234,103	10,992,032
Transport and communication	5,842,034	7,313,519
Services	30,683,606	26,810,474
Sovereign	39,868,828	36,175,267
Personal – Retail	25,724,202	25,759,725
Personal – Corporate	12,552,526	14,341,194
Real estate	25,187,522	24,367,923
Banks	698,746	1,985,116
Financial institution and investment companies	19,515,824	17,083,619
Others	7,749,009	5,745,440
Total assets	197,668,303	191,119,259
Less: Allowances for impairment	(3,448,205)	(3,112,470)
	194,220,098 =====	188,006,789 =====

5 LOANS AND RECEIVABLES (continued)

	Unaudited three months period ended 31 March 2009 AED 000 -----	Unaudited three months period ended 31 March 2008 AED 000 -----
<u>Movement in allowances for specific impairment</u>		
Balance as at 1 January	2,541,597	1,441,145
Allowances for impairment during the period	252,643	268,171
Write back/recoveries during the period	(140,135)	(51,858)
Amounts written off during the period	(773)	(20,004)
Balance as at 31 March	2,653,332 -----	1,637,454 -----
<u>Movement in allowances for collective impairment</u>		
Balance as at 1 January	570,873	372,911
Allowances for impairment during the period	224,000	53,084
Balance as at 31 March	794,873 -----	425,995 -----
	3,448,205 =====	2,063,449 =====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Murabaha	6,793,835	7,151,783
Ijara	5,138,665	5,254,283
Sukuk funds	1,285,550	1,285,550
Credit cards receivables	480,357	471,789
Wakala	4,287,183	4,403,500
Istissna'a	1,695,896	1,486,386
Others	1,496,062	1,929,316
	-----	-----
Total Islamic financing and investment products	21,177,548	21,982,607
Less: Deferred income	(772,632)	(857,914)
Less: Allowances for impairment	(226,999)	(201,320)
	-----	-----
	20,177,917	20,923,373
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited 31 March 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
<u>Analysis by economic activity</u>		
Agriculture and allied activities	1,846	1,698
Mining and Quarrying	6,304	382
Manufacturing	467,424	573,404
Construction	2,068,228	1,939,238
Trade	1,303,464	1,130,533
Transport and communication	699,264	594,246
Services	1,546,932	1,469,242
Sovereign	-	112,641
Personal - Retail	197,815	681,557
Personal - Corporate	1,671,357	1,303,754
Banks	552,452	72,429
Financial institutions and investment companies	2,218,497	3,055,328
Real estate	6,062,400	5,859,033
Others	4,381,565	5,189,122
Total	21,177,548	21,982,607
Less: Deferred income	(772,632)	(857,914)
Less: Allowances for impairment	(226,999)	(201,320)
	20,177,917	20,923,373
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited three months period ended 31 March 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
	-----	-----
Movement in allowances for impairment		

Balance as at 1 January	201,320	157,748
Allowances for impairment during the period	29,772	7,858
Write back/recoveries during the period	(1,501)	(2,855)
Amounts written off during the period	(2,592)	-
	-----	-----
Balance as at end of period	226,999	162,751
	=====	=====

7 NET IMPAIRMENT ALLOWANCES ON FINANCIAL ASSETS

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

	Unaudited three months period ended 31 March 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
	-----	-----
Net impairment of loans and receivables [refer note 5]	(336,508)	(269,397)
Net impairment of Islamic financing and investment products	(28,271)	(5,003)
Net impairment of investment securities	(109,294)	-
Net special asset recoveries	14,499	11,471
Bad debts written off	(2,476)	-
	-----	-----
Net impairment loss for the period	(462,050)	(262,929)
	=====	=====

8 TRADING SECURITIES

	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
31 March 2009	-----	-----	-----	-----
Government bonds	118,946	-	-	118,946
Corporate bonds	395,823	-	90,514	486,337
Equity	78,709	29,279	-	107,988
	-----	-----	-----	-----
	593,478	29,279	90,514	713,271
	=====	=====	=====	=====
31 December 2008	-----	-----	-----	-----
Government bonds	24,027	-	-	24,027
Corporate bonds	110,244	-	83,168	193,412
Equity	27,006	-	-	27,006
	-----	-----	-----	-----
	161,277	-	83,168	244,445
	=====	=====	=====	=====

Reclassifications out of trading securities

Under IAS 39 and IFRS 7 as amended, reclassifications were made with effect from 1 July 2008 at fair value at that date. The table below sets out the trading securities reclassified and their carrying and fair values.

	1 July 2008 AED 000		31 December 2008 AED 000		31 March 2009 AED 000	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
	-----	-----	-----	-----	-----	-----
Trading securities reclassified to available-for-sale investment securities	993,491	993,491	1,025,804	1,025,804	983,576	983,576
	-----	-----	-----	-----	-----	-----
	993,491	993,491	1,025,804	1,025,804	983,576	983,576
	=====	=====	=====	=====	=====	=====

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 2009)		
Interest income	13,875	-
Net change in fair value	-	(306,123)
	-----	-----
	13,875	(306,123)
	=====	=====

The table below sets out the amounts that would have been recognised during the period ended 31 March 2009, had the reclassifications not been made:

	Period ended 31 March 2009 AED 000 -----
Net trading loss	(35,092)
	=====

9 INVESTMENT SECURITIES

31 March 2009	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
-----	-----	-----	-----	-----
<u>HELD TO MATURITY:</u>				
Government bonds	-	100,260	31,428	131,688
Corporate bonds	110,174	272,841	104,054	487,069
	-----	-----	-----	-----
	110,174	373,101	135,482	618,757
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	606,757	78,091	604,610	1,289,458
Corporate bonds	4,055,214	663,549	5,186,057	9,904,820
Equity	529,920	1,558,490	1,232,902	3,321,312
Others	99,036	41,147	416,472	556,655
	-----	-----	-----	-----
	5,290,927	2,341,277	7,440,041	15,072,245
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Government bonds	19,152	-	-	19,152
Corporate bonds	103,440	-	-	103,440
Equity	320,366	140,545	40,098	501,009
Hybrid instruments	183,650	-	28,149	211,799
Others	904,758	2,010	723,920	1,630,688
	-----	-----	-----	-----
	1,531,366	142,555	792,167	2,466,088
	-----	-----	-----	-----
	6,932,467	2,856,933	8,367,690	18,157,090
	=====	=====	=====	=====

9 INVESTMENT SECURITIES (continued)

31 December 2008 -----	Domestic AED 000 -----	Regional AED 000 -----	International AED 000 -----	Total AED 000 -----
<u>HELD TO MATURITY:</u>				
Government bonds	-	100,076	31,734	131,810
Corporate bonds	133,452	261,822	105,801	501,075
	-----	-----	-----	-----
	133,452	361,898	137,535	632,885
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	593,480	79,431	614,866	1,287,777
Corporate bonds	4,085,288	643,458	5,752,750	10,481,496
Equity	557,741	1,432,251	1,501,020	3,491,012
Others	113,167	43,064	451,311	607,542
	-----	-----	-----	-----
	5,349,676	2,198,204	8,319,947	15,867,827
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Government bonds	19,331	-	-	19,331
Corporate bonds	89,174	-	-	89,174
Equity	156,651	169,539	38,645	364,835
Hybrid instruments	183,650	-	28,149	211,799
Others	965,069	94,318	1,145,563	2,204,950
	-----	-----	-----	-----
	1,413,875	263,857	1,212,357	2,890,089
	-----	-----	-----	-----
	6,897,003	2,823,959	9,669,839	19,390,801
	=====	=====	=====	=====

Investment securities include investments in real estate funds as follows:

	Unaudited 31 March 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
Designated at fair value through profit or loss	388,011	420,939
Available-For-Sale	192,461	188,530
	-----	-----
	580,472	609,469
	=====	=====

10 INVESTMENT IN / SALE OF SUBSIDIARIES

On 9 June 2008, Emirates Islamic Bank PJSC ("EIB"), a subsidiary of the Group, set up and subscribed to a 40% stake in Ithmar Real Estate Development PSC ('Ithmar'), a company engaged in real estate development, for a consideration of AED 62 million. Ithmar is being consolidated with the Group's financial statements under IAS 27 'Consolidated and Separate Financial Statements' (as the Group has the majority of the votes in the Board of Directors, which signifies management control).

On 6 February 2008, NBD Investment Bank Limited, a subsidiary of the Group, set up and subscribed to a 56.2% stake in NBD Sana Capital Limited, a DIFC registered company engaged in Private Equity management, for an initial cash consideration of AED 1.5 million.

On 31 July 2008, the Group sold its investment by way of capital notes in AbAcAs, an SIV registered in the Cayman Islands. The bank realised a gain of AED 4.1 million on the sale.

11 INVESTMENT IN ASSOCIATES AND JOINT VENTURE

On 28 January 2009, Network International LLC ("NI"), a subsidiary of the Group, set up eSNNAD 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.

On 23 November 2008, Network International LLC ("NI"), a subsidiary of the Group, set up Obernet L.L.C., a joint venture with Oberthur Cards Systems. NI holds 51% of the share capital and exercises joint control of the management of the company.

On 5 May 2008, the Group completed the sale of its investment in a joint venture, Mena Factors Limited, for a total consideration of AED 19.3 million. A profit of AED 0.6 million, being the proceeds received on sale less the carrying value of the investment was recognised.

12 GOODWILL AND INTANGIBLES

	Goodwill	Intangibles			Total
			Core deposit intangibles	Customer relationships	
	AED 000	Software AED 000	AED 000	AED 000	AED 000
31 March 2009					
<u>Cost</u>					
Balance as at 1 January	5,527,578	9,281	564,760	157,490	6,259,109
<u>Amortisation and impairment</u>					
Balance as at 1 January	4,903	3,875	74,000	37,000	119,778
Amortisation and impairment for the period	-	465	8,000	15,000	23,465
Balance as at 31 March	4,903	4,340	82,000	52,000	143,243
NET	5,522,675	4,941	482,760	105,490	6,115,866
	=====	=====	=====	=====	=====
31 December 2008					
<u>Cost</u>					
	5,527,578	9,281	564,760	157,490	6,259,109
<u>Amortisation and impairment</u>					
	4,903	3,875	74,000	37,000	119,778
NET	5,522,675	5,406	490,760	120,490	6,139,331
	=====	=====	=====	=====	=====

13 DEBT ISSUED AND OTHER BORROWED FUNDS

	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Medium term note programme	20,251,087	23,293,330
Syndicated borrowings from banks	5,509,500	5,509,500
	-----	-----
	25,760,587	28,802,830
	=====	=====

The Group has outstanding medium term and syndicated borrowings totalling AED 25,761 million (2008 – AED 28,803 million) which will be repaid as follows:

	Unaudited 31 March 2009 AED million	Audited 31 December 2008 AED million
	-----	-----
2009	2,753	5,837
2010	6,642	5,929
2011	2,670	2,941
2012	7,384	7,384
2013	1,077	1,408
2014	207	213
2016	3,588	3,651
2018	1,440	1,440
	-----	-----
	25,761	28,803
	=====	=====

14 EQUITY HOLDERS' FUNDS

At the Annual General Meeting held on 25 March 2009, the following were approved and issued/paid subsequently; based on the share register at 5 April 2009.

- (a) Issue of bonus shares for 2008 of 10% of the issued and paid up capital amounting to AED 505 million.
- (b) Payment of a cash dividend of 20% of the issued and paid up capital amounting to AED 1,020 million.

15 COMMITMENTS AND CONTINGENCIES

At 31 March 2009 the Group's contingent liabilities and commitments were as follows:

	Unaudited 31 March 2009 AED 000	Audited 31 December 2008 AED 000
Letters of credit	14,602,418	17,955,417
Guarantees	49,718,185	50,693,534
Liability on risk participation	2,103,741	2,938,259
Irrevocable loan commitments	20,105,208	24,126,946
	-----	-----
	86,529,552	95,714,156
	=====	=====

16 EARNINGS PER SHARE

Earnings per share is computed by dividing the profit attributable to the shareholders by the weighted average number of shares outstanding during the period of 5,052,522,477 (2007: 5,052,522,477) of AED 1 each.

EMIRATES NBD PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009 (UNAUDITED)

17 BUSINESS SEGMENT REPORTING

	Government, corporate and commercial AED 000	Retail AED 000	Investment & funds management AED 000	Islamic banking activities AED 000	Other AED 000	Total AED 000
31 March 2009	-----	-----	-----	-----	-----	-----
Net interest income & income from Islamic products net of distribution to depositors	978,654	570,510	217,331	160,795	251	1,927,541
Net fee, commission and other income	316,577	173,461	112,164	57,121	25,409	684,732
Total income	1,295,231	743,971	329,495	217,916	25,660	2,612,273
General and administrative expenses						(911,290)
Net impairment loss on financial assets						(462,050)
Amortisation of intangibles						(23,465)
Share of profit of associates and joint ventures						43,588
Group profit for the period						1,259,056
						=====
Segment assets	177,034,309	28,581,757	40,834,222	22,232,949	12,745,586	281,428,823
	=====	=====	=====	=====	=====	=====
Segment liabilities and equity	102,171,029	49,093,329	93,894,281	25,569,589	10,700,595	281,428,823
	=====	=====	=====	=====	=====	=====

Included in segment liabilities are equity holders' funds which have been allocated to the different segments based on the relative size of the segment assets.

EMIRATES NBD PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2009 (UNAUDITED)

17 BUSINESS SEGMENT REPORTING (continued)

	Government, corporate and commercial	Retail	Investment & funds management	Islamic banking activities	Other	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
31 March 2008	-----	-----	-----	-----	-----	-----
Net interest income & income from Islamic products net of distribution to depositors	640,519	447,893	170,699	119,884	-	1,378,995
Net fee, commission and other income	321,163	140,731	(67,053)	110,950	298,396	804,187
Total income	961,682	588,624	103,646	230,834	298,396	2,183,182
General and administrative expenses						(820,120)
Net impairment loss on financial assets						(262,929)
Amortisation of intangibles						(20,465)
Share of profit of associates and joint ventures						116,594
Group profit for the period						1,196,262
						=====
Segment assets	160,383,260	32,998,312	48,557,374	23,619,928	11,908,781	277,467,655
	=====	=====	=====	=====	=====	=====
Segment liabilities and equity	98,495,786	45,094,644	104,013,065	23,827,156	6,037,004	277,467,655
	=====	=====	=====	=====	=====	=====

Included in segment liabilities are equity holders' funds which have been allocated to the different segments based on the relative size of the segment assets.

18 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 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Loans to the majority shareholder of the ultimate parent	38,727,705	34,780,551
Deposits from the majority shareholder of the ultimate parent	5,943,818	229,467
Investment in bonds of the majority shareholder of the ultimate parent	632,889	528,979
Loans to the ultimate parent	921,389	927,669
Deposit by the ultimate parent	9,505,894	6,747,215
Loans to directors and related companies	3,222,095	3,637,679
Loans to associates	2,071,039	3,296,387
Loans to and investments in funds managed by the Group	1,729,015	1,791,057

18 RELATED PARTY TRANSACTIONS (continued)

	Unaudited three months period ended 31 March 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
	-----	-----
Payments made to associates	10,006	7,559
Fees received in respect of funds managed by the Group	19,152	20,104

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 2009 AED 000	Unaudited three months period ended 31 March 2008 AED 000
	-----	-----
Short term and post employment benefits	7,956	7,861

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.

19 NOTE TO THE CASH FLOW STATEMENT

	Unaudited three months period ended 31 March 2009 AED 000 -----	Unaudited three months period ended 31 March 2008 AED 000 -----
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of period	(33,217,421)	(9,772,240)
Net cash inflow	3,024,964	16,858,122
	-----	-----
Balance at end of period	(30,192,457)	7,085,882
	=====	=====
(b) Analysis of cash and cash equivalents		
Cash and deposits with Central Bank	12,965,885	37,649,617
Due from banks	11,894,643	16,449,078
Due to banks	(46,031,970)	(48,821,032)
	-----	-----
	(21,171,442)	5,277,663
Less : deposits with Central Bank for regulatory purposes	(7,958,193)	(7,473,802)
Less : amounts due from banks maturing after 3 months	(1,964,167)	(7,771,016)
Add : amounts due to banks maturing after 3 months	901,345	17,053,037
	-----	-----
	(30,192,457)	7,085,882
	=====	=====

20 COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated wherever appropriate. The reclassifications and restatements have been carried out in the financial statements for better presentation.