



EMIRATES NBD PJSC

**GROUP CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009



EMIRATES NBD PJSC

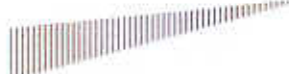
GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Contents	Page
Independent auditors' report on review of Group condensed consolidated interim financial statements	1
Group consolidated interim balance sheet	2
Group consolidated interim income statement	3
Group consolidated interim statement of comprehensive income	4
Group consolidated interim statement of cash flows	5
Group consolidated interim statement of changes in equity	6
Notes to the Group condensed consolidated interim financial statements	7 - 29



P.O. Box 3800
Level 32
Emirates Tower
Sheikh Zayed Road
Dubai
United Arab Emirates

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



ERNST & YOUNG

P.O. Box 9267
28th Floor
Al Attar Business Tower
Sheikh Zayed Road
Dubai
United Arab Emirates

Telephone +971 (4) 332 4000
Fax +971 (4) 332 4004
Website www.dubai.uae@ae.ey.com
www.ey.com/me

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 30 June 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 six-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 six-month period ended 30 June 2009 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

Edward B Quinlan
93

Ernst & Young
Dubai
United Arab Emirates

26 JUL 2009

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2009 (UNAUDITED)

	Notes	Unaudited 30 June 2009 AED 000	Audited 31 December 2008 AED 000
ASSETS			
Cash and deposits with Central Bank	3	12,799,147	16,707,194
Due from banks	4	15,045,847	8,128,342
Loans and receivables	5	196,620,858	188,006,789
Islamic financing and investment products	6	20,011,284	20,923,373
Trading securities	8	613,826	244,445
Investment securities	9	16,853,416	19,390,801
Investments in associates and joint ventures	11	2,998,217	2,924,808
Investment properties		753,282	796,107
Property and equipment		3,086,967	2,792,618
Goodwill and intangibles	12	6,092,401	6,139,331
Positive fair value of derivatives		2,140,949	6,323,494
Customer acceptances		1,974,907	2,860,654
Other assets		2,902,421	7,175,720
TOTAL ASSETS		281,893,522	282,413,676
LIABILITIES			
Customer deposits		148,097,378	139,979,804
Islamic customer deposits		22,443,389	22,335,137
Due to banks		45,308,504	48,425,638
Repurchase agreements with banks		159,478	3,260,419
Debt issued and other borrowed funds	13	24,978,211	28,802,830
Sukuk payable		1,267,185	1,267,185
Negative fair value of derivatives		1,623,927	5,754,487
Customer acceptances		1,974,907	2,860,654
Other liabilities		4,895,585	3,965,621
TOTAL LIABILITIES		250,748,564	256,651,755
EQUITY			
Issued capital		5,557,775	5,052,523
Treasury shares		(46,175)	(46,175)
Tier I capital notes	14	4,000,000	-
Share premium reserve		12,270,124	12,270,124
Legal and statutory reserves		1,629,205	1,629,205
Other reserves		2,819,133	3,324,385
Cumulative changes in fair value		(476,997)	(757,979)
Retained earnings		5,293,605	4,193,062
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	15	31,046,670	25,665,145
Minority interests		98,288	96,776
TOTAL EQUITY		31,144,958	25,761,921
TOTAL LIABILITIES AND EQUITY		281,893,522	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 statements is set out on page 1.



Chairman



Director

26 JUL 2009



Chief Executive Officer

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

	Notes	Unaudited three months period ended 30 June 2009 AED 000	Unaudited three months period ended 30 June 2008 AED 000	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
Interest income		3,028,076	2,450,910	6,220,727	5,410,867
Interest expense		(1,479,213)	(1,226,458)	(2,905,118)	(2,901,118)
Net interest income		1,548,863	1,224,452	3,315,609	2,509,749
Income from Islamic financing and investment products		337,565	283,171	683,655	524,806
Distribution to depositors and profit paid to Sukuk holders		(170,789)	(144,723)	(356,084)	(292,660)
Net income from Islamic financing and investment products		166,776	138,448	327,571	232,146
Net interest income and income from Islamic financing and investment products net of distribution to depositors		1,715,639	1,362,900	3,643,180	2,741,895
Fee and commission income		501,823	723,366	1,072,180	1,459,372
Fee and commission expense		(95,762)	(186,781)	(199,811)	(359,812)
Net fee and commission income		406,061	536,585	872,369	1,099,560
Net gain/ (loss) on trading securities		132,229	(7,785)	142,280	(9,977)
Other operating income		634,453	603,811	842,826	847,215
Total operating income		2,888,382	2,495,511	5,500,655	4,678,693
General and administrative expenses		(896,110)	(931,027)	(1,807,400)	(1,751,147)
Net impairment loss on financial assets	7	(1,149,275)	(248,738)	(1,611,325)	(511,667)
Total operating expenses		(2,045,385)	(1,179,765)	(3,418,725)	(2,262,814)
Operating profit		842,997	1,315,746	2,081,930	2,415,879
Amortisation of intangibles		(23,465)	(20,465)	(46,930)	(40,930)
Share of profit of associates & joint ventures		32,472	156,363	76,060	272,957
Group profit for the period		852,004	1,451,644	2,111,060	2,647,906
Attributable to:					
Equity holders of the Group		852,062	1,451,306	2,111,048	2,647,353
Minority interests		(58)	338	12	553
Group profit for the period		852,004	1,451,644	2,111,060	2,647,906
		=====	=====	=====	=====
		Unaudited three months period ended 30 June 2009 AED	Unaudited three months period ended 30 June 2008 AED	Unaudited six months period ended 30 June 2009 AED	Unaudited six months period ended 30 June 2008 AED
Earnings Per Share	17	0.15	0.26	0.38	0.48
		===	===	===	===

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 statements is set out on page 1.

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
AS AT 30 JUNE 2009 (UNAUDITED)

	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----
Group profit for the period	2,111,060	2,647,906
Other comprehensive income		
Cash flow hedges:		
- Effective portion of changes in fair value	(241,389)	21,829
Fair value reserve (available-for-sale investment securities):		
- Net change in fair value	485,791	215,994
- Net amount transferred to profit or loss	36,580	(82,406)
	-----	-----
Other comprehensive income for the period	280,982	155,417
	-----	-----
Total comprehensive income for the period	2,392,042	2,803,323
	=====	=====
Attributable to:		
Equity holders of the Bank	2,392,030	2,802,770
Minority interest	12	553
	-----	-----
Total recognised income and expense for the period	2,392,042	2,803,323
	=====	=====

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 statements is set out on page 1.

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

	Note	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----	-----
<u>OPERATING ACTIVITIES</u>			
Group profit for the period		2,111,060	2,647,906
<u>Adjustment for non cash items</u>			
Impairment loss on loans and receivables		1,550,821	571,351
Impairment loss on Islamic financing and investment products		108,893	27,858
Impairment loss on investment securities		109,584	-
Impairment loss on due from banks		13,774	-
Amortisation of intangibles		46,930	40,930
Depreciation of property and equipment		109,998	88,281
Share of profit of associates and joint ventures		(76,060)	(272,957)
Operating profit before changes in operating assets and liabilities		<u>3,975,000</u>	<u>3,103,369</u>
Decrease/(increase) in statutory deposits		1,147,117	(469,898)
Decrease in due from banks maturing after 3 months		1,591,114	1,287,341
(Decrease)/Increase in due to banks maturing after 3 months		(1,031,933)	1,136,275
Net change in other liabilities/other assets		5,203,263	4,284,827
Net change in fair value of derivatives		(189,384)	(421,736)
Increase in customer deposits		8,225,826	18,413,337
Increase in loans and receivables		(10,164,890)	(17,966,535)
Decrease/(increase) in Islamic financing and investment products		803,196	(3,655,483)
Net cash flows from operating activities		<u>9,559,309</u>	<u>5,711,497</u>
<u>INVESTING ACTIVITIES</u>			
Decrease/(increase) in trading and investment securities (net)		2,580,791	(4,156,472)
Sale of investments in joint venture		-	18,083
Increase in investment in associates and joint ventures		2,651	95,505
Decrease/(increase) in investment properties (net)		42,825	(67,464)
Additions to property and equipment (net)		(404,347)	(542,489)
Net cash flows from/(used in) investing activities		<u>2,221,920</u>	<u>(4,652,837)</u>
<u>FINANCING ACTIVITIES</u>			
(Decrease)/increase in debt issued and other borrowed funds (net)		(3,824,619)	4,461,456
Decrease in deposits under repurchase agreements		(3,100,941)	(4,439,143)
Increase in minority interest		1,500	94,205
Issue of Tier I capital notes		4,000,000	-
Dividends paid		(1,010,505)	(1,537,724)
Net cash flows used in financing activities		<u>(3,934,565)</u>	<u>(1,421,206)</u>
Increase/(decrease) in cash and cash equivalents	20	<u>7,846,664</u>	<u>(362,546)</u>

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 statements is set out on page 1.

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP										
	Issued capital AED 000	Treasury shares AED 000	Tier I capital notes 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	-	-	-	-	-	-	155,417	2,647,353	2,802,770	553	2,803,323
Dividends paid	-	-	-	-	-	-	-	(1,537,724)	(1,537,724)	-	(1,537,724)
Issue of bonus shares	659,025	-	-	-	-	(659,025)	-	-	-	-	-
Investment in subsidiaries	-	-	-	-	-	-	-	-	-	94,205	94,205
Balance as at 30 June 2008	5,052,523	(46,175)	-	12,270,124	1,260,205	3,258,385	1,019,307	3,607,548	26,421,917	96,661	26,518,578
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	-	-	-	-	-	-	280,982	2,111,048	2,392,030	12	2,392,042
Issue of Tier I capital notes	-	-	4,000,000	-	-	-	-	-	4,000,000	-	4,000,000
Increase in minority interest	-	-	-	-	-	-	-	-	-	1,500	1,500
Dividends paid	-	-	-	-	-	-	-	(1,010,505)	(1,010,505)	-	(1,010,505)
Issue of bonus shares	505,252	-	-	-	-	(505,252)	-	-	-	-	-
Balance as at 30 June 2009	5,557,775	(46,175)	4,000,000	12,270,124	1,629,205	2,819,133	(476,997)	5,293,605	31,046,670	98,288	31,144,958

Note: No allocation to legal and statutory and other reserves has been made for the six months period ended 30 June 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.

The independent auditors' report on review of Group condensed consolidated interim financial statements is set out on Page 1.

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 six months period ended 30 June 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.

(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 six months period ended 30 June 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 558 million.

3 CASH AND DEPOSITS WITH CENTRAL BANK

	Unaudited 30 June 2009 AED 000	Audited 31 December 2008 AED 000
Cash	1,860,845	1,780,638
Interest free statutory and special deposits with Central Bank	9,280,660	10,401,849
Interest bearing certificates of deposit with Central Bank	1,657,642	4,524,707
	12,799,147	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 30 June 2009 AED 000	Audited 31 December 2008 AED 000
Due from local banks	1,534,575	322,727
Due from foreign banks	13,511,272	7,805,615
	15,045,847	8,128,342
	=====	=====

5 LOANS AND RECEIVABLES

	Unaudited 30 June 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Overdrafts	69,557,048	59,438,355
Time loans	121,294,045	119,039,605
Loans against trust receipts	3,782,400	5,508,583
Bills discounted	1,745,366	2,014,525
Others	2,406,365	2,744,403
	-----	-----
Gross loans and receivables	198,785,224	188,745,471
Other debt instruments	2,331,893	2,373,788
	-----	-----
Total loans and receivables	201,117,117	191,119,259
Less: Allowances for impairment	(4,496,259)	(3,112,470)
	-----	-----
	196,620,858	188,006,789
	=====	=====
Total of classified loans and receivables on which interest is not taken into income	4,308,397	3,084,995
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited 30 June 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
Analysis by economic activity -----		
Agriculture and allied activities	106,690	164,575
Mining and quarrying	351,851	397,739
Manufacturing	10,528,307	10,828,330
Construction	8,610,037	9,154,306
Trade	9,587,434	10,992,032
Transport and communication	6,478,085	7,313,519
Services	32,132,536	26,810,474
Sovereign	42,885,416	36,175,267
Personal – Retail	25,942,811	25,759,725
Personal – Corporate	13,280,779	14,341,194
Real estate	26,087,936	24,367,923
Banks	811,788	527,258
Financial institutions and investment companies	19,881,421	18,541,477
Others	4,432,026	5,745,440
	-----	-----
Total loans and receivables	201,117,117	191,119,259
Less: Allowances for impairment	(4,496,259)	(3,112,470)
	-----	-----
	196,620,858	188,006,789
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited six months period ended 30 June 2009 AED 000 -----	Unaudited six months period ended 30 June 2008 AED 000 -----
<u>Movement in allowances for specific impairment</u>		
Balance as at 1 January	2,541,596	1,441,145
Allowances for impairment during the period	819,821	495,235
Write back/recoveries during the period	(166,182)	(54,682)
Amounts written off during the period	(850)	(59,852)
Balance as at 30 June	3,194,385 -----	1,821,846 -----
<u>Movement in allowances for collective impairment</u>		
Balance as at 1 January	570,874	372,911
Allowances for impairment during the period	731,000 -----	76,116 -----
Balance as at 30 June	1,301,874 ----- 4,496,259 =====	449,027 ----- 2,270,873 =====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	Unaudited 30 June 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Murabaha	6,082,581	7,151,783
Ijara	6,215,154	5,254,283
Sukuk funds	1,285,550	1,285,550
Credit cards receivables	502,397	471,789
Wakala	4,144,490	4,403,500
Istissna'a	1,901,046	1,486,386
Others	919,831	1,929,316
	-----	-----
Total Islamic financing and investment products	21,051,049	21,982,607
Less: Deferred income	(734,310)	(857,914)
Less: Allowances for impairment	(305,455)	(201,320)
	-----	-----
	20,011,284	20,923,373
	=====	=====
 Total of classified Islamic financing and investment products on which profit is not taken into income	 389,554 =====	 207,320 =====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited 30 June 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
<u>Analysis by economic activity</u>		
Agriculture and allied activities	1,551	1,698
Mining and Quarrying	3,114	382
Manufacturing	376,196	573,404
Construction	1,592,998	1,939,238
Trade	734,388	1,130,533
Transport and communication	650,269	594,246
Services	2,272,185	1,469,242
Sovereign	-	112,641
Personal - Retail	666,745	681,557
Personal - Corporate	1,344,521	1,303,754
Banks	227,334	72,429
Financial institutions and investment companies	1,925,455	3,055,328
Real estate	6,464,823	5,859,033
Others	4,791,470	5,189,122
Total Islamic financing and investment products	21,051,049	21,982,607
Less: Deferred income	(734,310)	(857,914)
Less: Allowances for impairment	(305,455)	(201,320)
	20,011,284	20,923,373
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----
Movement in allowances for impairment		

Balance as at 1 January	201,320	157,748
Allowances for impairment during the period	108,893	27,858
Write back/recoveries during the period	(4,758)	(11,543)
	-----	-----
Balance as at 30 June	305,455	174,063
	=====	=====

7 NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

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

	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----
Net impairment of loans and receivables	(1,384,639)	(516,669)
Net impairment of Islamic financing and investment products	(104,135)	(16,315)
Net impairment of investment securities	(109,585)	8,800
Net impairment of due from banks	(13,774)	-
Net special asset recoveries	11,009	12,517
Bad debts written off	(10,201)	-
	-----	-----
Net impairment loss for the period	(1,611,325)	(511,667)
	=====	=====

8 TRADING SECURITIES

30 June 2009	Domestic AED 000	International AED 000	Total AED 000
-----	-----	-----	-----
Government bonds	54,390	-	54,390
Corporate bonds	374,272	93,755	468,027
Equity	86,982	4,427	91,409
	-----	-----	-----
	515,644	98,182	613,826
	=====	=====	=====
31 December 2008	Domestic AED 000	International AED 000	Total AED 000
-----	-----	-----	-----
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		30 June 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	983,070	983,070
	-----	-----	-----	-----	-----	-----
	993,491	993,491	1,025,804	1,025,804	983,070	983,070
	=====	=====	=====	=====	=====	=====

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 – 30 June 2009)		
Interest income	16,266	-
Net change in fair value	-	(65,740)
	-----	-----
	16,266	(65,740)
	=====	=====

The table below sets out the amounts that would have been recognised during the period ended 30 June 2009, had the reclassifications not been made:

	Period ended 30 June 2009 AED 000

Net trading loss	(49,474)
	=====

9 INVESTMENT SECURITIES

30 June 2009 -----	Domestic AED 000 -----	Regional AED 000 -----	International AED 000 -----	Total AED 000 -----
<u>HELD TO MATURITY:</u>				
Government bonds	-	100,744	-	100,744
Corporate bonds	110,190	270,477	79,710	460,377
	-----	-----	-----	-----
	110,190	371,221	79,710	561,121
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	681,448	-	322,984	1,004,432
Corporate bonds	4,227,150	745,480	4,276,116	9,248,746
Equity	643,762	1,716,023	486,841	2,846,626
Others	119,462	306,782	904,847	1,331,091
	-----	-----	-----	-----
	5,671,822	2,768,285	5,990,788	14,430,895
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Government bonds	19,533	-	-	19,533
Corporate bonds	98,255	-	-	98,255
Equity	40,532	117,838	45,976	204,346
Hybrid instruments	-	-	28,155	28,155
Others	923,305	1,427	586,379	1,511,111
	-----	-----	-----	-----
	1,081,625	119,265	660,510	1,861,400
	-----	-----	-----	-----
	6,863,637	3,258,771	6,731,008	16,853,416
	=====	=====	=====	=====

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	122,433	272,841	105,801	501,075
	-----	-----	-----	-----
	122,433	372,917	137,535	632,885
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	593,480	79,431	614,866	1,287,777
Corporate bonds	4,132,855	779,541	5,752,750	10,665,146
Equity	652,419	1,710,870	1,240,766	3,604,055
Others	140,898	43,064	451,311	635,273
	-----	-----	-----	-----
	5,519,652	2,612,906	8,059,693	16,192,251
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Government bonds	19,331	-	-	19,331
Corporate bonds	89,174	-	-	89,174
Equity	34,242	151,174	38,645	224,061
Hybrid instruments	-	-	28,149	28,149
Others	965,070	94,318	1,145,562	2,204,950
	-----	-----	-----	-----
	1,107,817	245,492	1,212,356	2,565,665
	-----	-----	-----	-----
	6,749,902	3,231,315	9,409,584	19,390,801
	=====	=====	=====	=====

Investment securities include investments in real estate funds as follows:

	Unaudited 30 June 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
Designated at fair value through profit or loss	307,697	420,826
Available-For-Sale	999,852	994,585
	-----	-----
	1,307,549	1,415,411
	=====	=====

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 INVESTMENTS IN ASSOCIATES AND 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.

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
	-----	-----	-----	-----	-----
	AED 000	Software AED 000	Core deposit intangibles AED 000	Customer relationships AED 000	AED 000
	-----	-----	-----	-----	-----
30 June 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	-	930	30,000	16,000	46,930
Balance as at 30 June	4,903	4,805	104,000	53,000	166,708
NET	5,522,675	4,476	460,760	104,490	6,092,401
	=====	=====	=====	=====	=====
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 30 June 2009 AED 000	Audited 31 December 2008 AED 000
	-----	-----
Medium term note programme	19,468,711	23,293,330
Syndicated borrowings from banks	5,509,500	5,509,500
	-----	-----
	24,978,211	28,802,830
	=====	=====

The Group has outstanding medium term and syndicated borrowings totalling AED 24,978 million (2008 – AED 28,803 million) which will be repaid as follows:

	Unaudited 30 June 2009 AED million	Audited 31 December 2008 AED million
	-----	-----
2009	2,184	5,837
2010	6,648	5,929
2011	3,064	2,941
2012	7,615	7,384
2013	1,054	1,408
2014	216	213
2016	2,765	3,651
2018	1,432	1,440
	-----	-----
	24,978	28,803
	=====	=====

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 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 1,010 million.

16 COMMITMENTS AND CONTINGENCIES

At 30 June 2009 the Group's contingent liabilities and commitments were as follows:

	Unaudited 30 June 2009 AED 000	Audited 31 December 2008 AED 000
Letters of credit	12,512,914	17,955,417
Guarantees	43,450,773	50,693,534
Liability on risk participation	1,762,650	2,938,259
Irrevocable loan commitments	18,741,523	24,126,946
	<u>76,467,860</u>	<u>95,714,156</u>
	=====	=====

17 EARNINGS PER SHARE

Earnings per share is computed by dividing the profit attributable to the shareholders by the number of shares outstanding during the period of 5,557,774,725.

The earnings per share of AED 0.48 as reported for the period ended 30 June 2008 has been adjusted for the effect of the bonus shares issued in 2009.

EMIRATES NBD PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)

18 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
30 June 2009	-----	-----	-----	-----	-----	-----
Net interest income & income from Islamic products net of distribution to depositors	2,008,640	1,089,867	217,102	327,571	-	3,643,180
Net fee, commission and other income	773,398	375,177	435,365	95,136	178,399	1,857,475
Total income	2,782,038	1,465,044	652,467	422,707	178,399	5,500,655
General and administrative expenses						(1,807,400)
Net impairment loss on financial assets						(1,611,325)
Amortisation of intangibles						(46,930)
Share of profit of associates and joint ventures						76,060
Group profit for the period						2,111,060
						=====
Segment assets	178,946,749	26,047,515	43,496,413	20,445,718	12,957,127	281,893,522
	=====	=====	=====	=====	=====	=====
Segment liabilities and equity	99,077,721	53,110,296	89,414,057	28,544,014	11,747,434	281,893,522
	=====	=====	=====	=====	=====	=====

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 SIX MONTHS PERIOD ENDED 30 JUNE 2009 (UNAUDITED)**18 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
30 June 2008	-----	-----	-----	-----	-----	-----
Net interest income & income from Islamic products net of distribution to depositors	1,329,980	1,041,981	137,788	232,146	-	2,741,895
Net fee, commission and other income	914,339	308,216	(16,517)	302,082	428,678	1,936,798
Total income	2,244,319	1,350,197	121,271	534,228	428,678	4,678,693
General and administrative expenses						(1,751,147)
Net impairment loss on financial assets						(511,667)
Amortisation of intangibles						(40,930)
Share of profit of associates and joint ventures						272,957
Group profit for the period						2,647,906
						=====
Segment assets	163,248,698	30,834,569	54,298,056	24,809,658	12,326,229	285,517,210
	=====	=====	=====	=====	=====	=====
Segment liabilities and equity	104,154,870	46,395,254	98,244,006	28,249,820	8,473,260	285,517,210
	=====	=====	=====	=====	=====	=====

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.

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 30 June 2009 AED 000 -----	Audited 31 December 2008 AED 000 -----
Loans to the majority shareholder of the ultimate parent	42,375,074	34,780,551
Deposits from the majority shareholder of the ultimate parent	559,369	229,467
Investment in bonds of the majority shareholder of the ultimate parent	650,938	528,979
Loans to the ultimate parent	918,250	927,669
Deposit by the ultimate parent	5,916,797	6,747,215
Loans to directors and related companies	2,344,454	3,637,679
Loans to associates	3,197,975	3,296,387
Loans to and investments in funds managed by the Group	1,741,270	1,791,057

19 RELATED PARTY TRANSACTIONS (continued)

	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----
Payments made to associates	18,401	37,746
Fees received in respect of funds managed by the Group	25,118	60,217
Interest paid to funds managed by the Group	6	111

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

	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----
Short term and post employment benefits	32,960	16,239

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.

20 NOTE TO THE CASH FLOW STATEMENT

	Unaudited six months period ended 30 June 2009 AED 000	Unaudited six months period ended 30 June 2008 AED 000
	-----	-----
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of period	(33,217,421)	(11,802,558)
Net cash inflow/(outflow)	7,846,664	(362,546)
	-----	-----
Balance at end of period	(25,370,757)	(12,165,104)
	=====	=====
(b) Analysis of cash and cash equivalents		
Cash and deposits with Central Bank	12,799,147	28,431,204
Due from banks	15,045,847	18,472,238
Due to banks	(45,308,504)	(55,776,715)
	-----	-----
	(17,463,510)	(8,873,273)
Less : deposits with Central Bank for regulatory purposes	(8,629,286)	(7,069,347)
Less : amounts due from banks maturing after 3 months	(718,070)	(1,090,977)
Add : amounts due to banks maturing after 3 months	1,440,109	4,868,493
	-----	-----
	(25,370,757)	(12,165,104)
	=====	=====

21 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.