

EMIRATES NBD PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011



EMIRATES NBD PJSC

GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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Independent Auditors' Report on review of condensed consolidated interim financial information

The Shareholders
Emirates NBD PJSC

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Emirates NBD PJSC ("the Bank") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2011 and related condensed consolidated statement of comprehensive income (comprising a condensed consolidated statement of comprehensive income and separate condensed consolidated statement of income), condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period then ended ("the condensed consolidated interim financial information"). Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated 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 condensed consolidated 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 condensed consolidated interim financial information as at 31 March 2011 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG
Vijendra Nath Malhotra
Registration No.: 48 B

24 APR 2011

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011 (UNAUDITED)

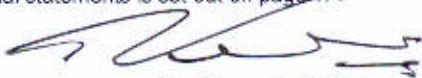
		Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
ASSETS	Notes		
Cash and deposits with Central Bank	3	40,438,329	37,682,944
Due from banks	4	25,778,714	13,850,467
Loans and receivables	5	176,823,883	178,971,313
Islamic financing and investment products	6	17,621,310	18,124,376
Trading securities	8	1,448,164	1,329,907
Investment securities	9	13,955,328	13,631,203
Investments in associates and joint ventures	11	2,202,673	1,411,687
Positive fair value of derivatives		2,361,053	2,445,559
Investment properties		1,901,004	1,907,291
Property and equipment		2,373,763	2,336,860
Goodwill and intangibles	13	5,901,413	5,924,878
Customer acceptances		5,929,901	4,632,810
Other assets		3,598,478	3,138,764
Assets held for sale	10	-	827,829
TOTAL ASSETS		300,334,013	286,215,888
LIABILITIES			
Due to banks		18,440,019	18,856,725
Customer deposits		174,791,214	162,782,309
Islamic customer deposits		37,228,562	37,189,699
Repurchase agreements with banks		871,767	892,309
Debt issued and other borrowed funds	14	19,252,826	19,415,809
Sukuk payable		1,267,185	1,267,185
Negative fair value of derivatives		1,904,589	1,969,346
Customer acceptances		5,929,901	4,632,810
Other liabilities		6,660,524	4,976,389
Liabilities held for sale	10	-	483,717
TOTAL LIABILITIES		266,346,587	252,466,298
EQUITY			
Issued capital		5,557,775	5,557,775
Treasury shares		(46,175)	(46,175)
Tier I capital notes	15	4,000,000	4,000,000
Share premium reserve		12,270,124	12,270,124
Legal and statutory reserve		2,198,205	2,198,205
Other reserves		2,869,533	2,869,533
Fair value reserve		107,165	105,899
Retained earnings		6,936,991	6,700,409
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	16	33,893,618	33,655,770
Non-controlling interest		93,808	93,820
TOTAL EQUITY		33,987,426	33,749,590
TOTAL LIABILITIES AND EQUITY		300,334,013	286,215,888

The notes set out on pages 7 to 27 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


 Chief Executive Officer

24 APR 2011

EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011 (UNAUDITED)

	Notes	Unaudited three months period ended 31 Mar 2011 AED 000	Unaudited three months period ended 31 Mar 2010 AED 000
Interest income		2,762,002	2,749,897
Interest expense		(1,189,664)	(1,162,112)
Net interest income		1,572,338	1,587,785
Income from Islamic financing and investment products		336,288	317,773
Distribution to depositors and profit paid to Sukuk holders		(260,272)	(176,905)
Net income from Islamic financing and investment products		76,016	140,868
Net interest income and income from Islamic financing and investment products net of distribution to depositors		1,648,354	1,728,653
Fee and commission income		486,104	646,466
Fee and commission expense		(66,247)	(173,022)
Net fee and commission income		419,857	473,444
Net gain on trading securities		10,323	59,559
Other operating income		181,507	294,746
Total operating income		2,260,041	2,556,402
General and administrative expenses		(807,903)	(862,495)
Net impairment loss on financial assets	7	(1,368,977)	(554,722)
Total operating expenses		(2,176,880)	(1,417,217)
Operating profit		83,161	1,139,185
Amortisation of intangibles		(23,465)	(23,465)
Impairment and share of loss of associates and joint ventures		(477,297)	(1,564)
Gain on disposal of partial stake (49%) in subsidiary	12	978,761	-
Fair value gain on retained interest (51%) in subsidiary	11	856,217	-
Taxation charge		(4,752)	(4,093)
Group profit for the period		1,412,625	1,110,063
Attributable to:			
Equity holders of the Group		1,412,637	1,110,934
Non-controlling interest		(12)	(871)
Group profit for the period		1,412,625	1,110,063
		=====	=====
		Unaudited three months period ended 31 Mar 2011 AED	Unaudited three months period ended 31 Mar 2010 AED
<u>Earnings per share</u>	18	0.24	0.19
		=====	=====

The notes set out on pages 7 to 27 form part of these Group condensed consolidated interim financial statements.

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EMIRATES NBD PJSC

 GROUP CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011 (UNAUDITED)

	Unaudited three months period ended 31 March 2011 AED 000 -----	Unaudited three months period ended 31 March 2010 AED 000 -----
Group profit for the period	1,412,625	1,110,063
Other comprehensive income		
Cash flow hedges:		
- Effective portion of changes in fair value	(126,201)	309,596
Fair value reserve (available-for-sale investment securities):		
- Net change in fair value	147,104	308,696
- Net amount transferred to profit or loss	(19,637)	(1,589)
	-----	-----
Other comprehensive income for the period	1,266	616,703
	-----	-----
Total comprehensive income for the period	1,413,891 =====	1,726,766 =====
Attributable to:		
Equity holders of the Group	1,413,903	1,727,637
Non-controlling interest	(12)	(871)
	-----	-----
Total recognised income for the period	1,413,891 =====	1,726,766 =====

The notes set out on pages 7 to 27 form part of these Group condensed consolidated interim financial statements.

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EMIRATES NBD PJSC

GROUP CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011 (UNAUDITED)

	Unaudited three months period ended 31 March 2011 AED 000	Unaudited three months period ended 31 March 2010 AED 000
<u>OPERATING ACTIVITIES</u>		
Group profit for the period	1,412,625	1,110,063
<u>Adjustment for non cash items</u>		
Impairment loss on loans and receivables	1,250,750	449,770
Impairment loss on Islamic financing and investment products	98,007	60,362
Impairment loss on investment securities	20,221	55,152
Impairment allowances on Investments in associates and joint ventures	426,000	-
Amortisation of intangibles	23,465	23,465
Depreciation of property and equipment	60,732	64,243
Share of loss of associates and joint ventures	51,538	1,564
Gain on disposal of partial stake (49%) in subsidiary	(978,761)	-
Fair value gain on retained interest (51%) in subsidiary	(856,217)	-
Revaluation of investment properties	10,500	-
Operating profit before changes in operating assets and liabilities	1,518,860	1,764,619
Change in statutory deposits with Central Bank	1,072,335	(1,511,704)
Change in certificate of deposits with Central Bank	(4,000,000)	-
Change in amounts due from banks maturing after 3 months	(1,011,226)	(322,409)
Change in amounts due to banks maturing after 3 months	(666,521)	516,144
Net change in other liabilities/other assets	(566,023)	89,537
Net change in fair value of derivatives	(106,450)	103,758
Change in customer deposits	12,047,768	10,141,456
Change in loans and receivables	896,680	1,834,739
Change in Islamic financing and investment products	405,059	313,119
Net cash flows from operating activities	9,590,482	12,929,259
<u>INVESTING ACTIVITIES</u>		
Increase in trading and investment securities (net of fair value movements)	(335,137)	(80,890)
Increase in investments in associates and joint ventures	13,262	-
Sale of investment in subsidiary	1,551,300	-
(Increase)/decrease in investment properties (net)	(4,213)	92,718
Additions to property and equipment (net)	(97,635)	(103,481)
Net cash flows from/(used in) investing activities	1,127,577	(91,653)
<u>FINANCING ACTIVITIES</u>		
Change in deposits under repurchase agreements	(20,542)	140,546
Decrease in debt issued and other borrowed funds (net)	(162,982)	(4,950,925)
Interest on tier I capital notes	(64,500)	(64,500)
Net cash flows used in financing activities	(248,024)	(4,874,879)
Increase in cash and cash equivalents [refer note 21]	10,470,035	7,962,727

The notes set out on pages 7 to 27 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 2011 (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	Fair value reserve	Retained earnings	Total	Non-controlling interest
	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 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
Total comprehensive income for the period	-	-	-	-	-	-	616,703	1,110,934	1,727,637	(871)
Interest on tier I capital notes	-	-	-	-	-	-	-	(64,500)	(64,500)	-
Dividends payable	-	-	-	-	-	-	-	(1,111,555)	(1,111,555)	-
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)	5,924,688	32,428,081	93,274
Balance as at 1 January 2011	5,557,775	(46,175)	4,000,000	12,270,124	2,198,205	2,869,533	105,899	6,700,409	33,655,770	93,820
Total comprehensive income for the period	-	-	-	-	-	-	1,266	1,412,637	1,413,903	(12)
Interest on tier I capital notes	-	-	-	-	-	-	-	(64,500)	(64,500)	-
Dividends payable	-	-	-	-	-	-	-	(1,111,555)	(1,111,555)	-
Balance as at 31 March 2011	5,557,775	(46,175)	4,000,000	12,270,124	2,198,205	2,869,533	107,165	6,936,991	33,893,618	93,808

Note: No allocation to legal and statutory and other reserves has been made for the three months period ended 31 March 2011 as this will be effected at the year end.

The notes set out on pages 7 to 27 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, (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 ceased to exist.

The consolidated financial statements for the period ended 31 March 2011 comprise the Bank and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and joint ventures.

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

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 for the year ended 31 December 2010.

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 2010.

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 were applied to the consolidated financial statements as at and for the year ended 31 December 2010.

(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 2010.

(c) New standards effective

IAS 24 – "Related party disclosures" (revised 2009) supersedes the IAS 24, "Related party disclosures" issued in 2003. The revised standard is effective for periods beginning on or after 1 January 2011 and has been applied by the Group in the Group condensed consolidated interim financial statements.

3 CASH AND DEPOSITS WITH CENTRAL BANK

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Cash	1,367,546	1,539,825
Interest free statutory and special deposits with Central Bank	10,820,783	11,893,119
Interest bearing certificates of deposit with Central Bank	28,250,000	24,250,000
	40,438,329	37,682,944
	=====	=====

The reserve requirements which 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 reserves required changes every month in accordance with the Central Bank of the UAE's directives as per circular no. 21/99 dated 22/11/1999.

4 DUE FROM BANKS

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Due from local banks	4,075,638	329,450
Due from foreign banks	21,703,076	13,521,017
	25,778,714	13,850,467
	=====	=====

5 LOANS AND RECEIVABLES

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Overdrafts	68,881,927	68,175,059
Time loans	108,780,003	110,659,870
Loans against trust receipts	2,688,759	2,564,316
Bills discounted	1,335,667	1,110,205
Credit card receivables	2,657,959	2,611,255
Others	640,929	690,773
Gross loans and receivables	184,985,244	185,811,478
Other debt instruments	569,219	659,562
Total loans and receivables	185,554,463	186,471,040
Less: Allowances for impairment	(8,730,580)	(7,499,727)
	176,823,883	178,971,313
	=====	=====
Total of impaired loans and receivables	19,324,650	18,902,512
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Analysis by economic activity		
-----	-----	-----
Agriculture and allied activities	31,980	36,076
Mining and quarrying	254,278	273,336
Manufacturing	7,073,296	7,755,030
Construction	5,276,708	5,510,423
Trade	6,710,487	6,840,720
Transport and communication	4,624,431	4,114,505
Services	18,041,978	17,553,754
Sovereign	54,329,662	54,015,057
Personal - Retail	21,444,509	21,310,040
Personal - Corporate	9,378,328	10,209,843
Real estate	24,936,178	25,926,913
Banks	44,290	44,737
Other financial institutions and investment companies	26,539,649	25,821,431
Others	6,868,689	7,059,175
	-----	-----
Total loans and receivables	185,554,463	186,471,040
Less: Allowances for impairment	(8,730,580)	(7,499,727)
	-----	-----
	176,823,883	178,971,313
	=====	=====

5 LOANS AND RECEIVABLES (continued)

	Unaudited three months period ended 31 March 2011 AED 000	Unaudited three months period ended 31 March 2010 AED 000
Movement in allowances for specific impairment		
Balance as at 1 January	5,548,939	3,745,448
Allowances for impairment made during the period	617,086	364,770
Write back /recoveries made during the period	(9,142)	(6,373)
Amounts written off during the period	(2,838)	(330,920)
Transfer to Islamic financing	(8,393)	-
Exchange and other adjustments	7,033	-
Balance as at 31 March	6,152,685	3,772,925
Movement in allowances for collective impairment		
Balance as at 1 January	1,950,788	1,663,873
Allowances for impairment made during the period	765,107	85,000
Write back /recoveries made during the period	(138,000)	-
Balance as at 31 March	2,577,895	1,748,873
	8,730,580	5,521,798

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Murabaha	4,778,548	4,895,949
Ijara	6,423,105	6,407,413
Sukuk funds	1,285,550	1,285,550
Credit card receivables	521,896	531,474
Wakala	3,251,139	3,499,905
Istissna'a	1,503,012	1,570,624
Others	1,324,037	1,332,913
Total Islamic financing and investment products	19,087,287	19,523,828
Less: Deferred income	(552,492)	(577,119)
Less: Allowances for impairment	(913,485)	(822,333)
	17,621,310	18,124,376
	=====	=====
Total of impaired Islamic financing and investment products	1,958,789	1,659,860
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Analysis by economic activity		
-----	-----	-----
Agriculture and allied activities	504	629
Mining and quarrying	-	46
Manufacturing	343,608	390,499
Construction	701,688	773,486
Trade	798,099	714,382
Transport and communication	175,303	196,906
Services	1,475,023	1,482,603
Personal - Retail	2,662,663	2,639,612
Personal - Corporate	1,806,421	1,845,320
Real estate	8,206,071	8,512,940
Financial institutions and investment companies	2,713,663	2,779,243
Others	204,244	188,162
	-----	-----
Total Islamic financing and investment products	19,087,287	19,523,828
Less: Deferred income	(552,492)	(577,119)
Less: Allowances for impairment	(913,485)	(822,333)
	-----	-----
	17,621,310	18,124,376
	=====	=====

6 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Unaudited three months period ended 31 March 2011 AED 000	Unaudited three months period ended 31 March 2010 AED 000
Movement in allowances for specific impairment		
Balance as at 1 January	580,485	344,966
Allowances for impairment made during the period	82,389	60,362
Write back / recoveries made during the period	(630)	(11,983)
Amount transferred from loans and receivables	8,393	-
Balance as at 31 March	670,637	393,345
Movement in allowances for collective impairment		
Balance as at 1 January	241,848	194,048
Allowances for impairment made during the period	1,000	-
Write back / recoveries made during the period	-	(7,230)
Balance as at 31 March	242,848	186,818
	913,485	580,163
	=====	=====

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 three months period ended 31 March 2011 AED 000	Unaudited three months period ended 31 March 2010 AED 000
Net impairment of loans and receivables	(1,235,051)	(443,397)
Net impairment of Islamic financing and investment products	(82,759)	(41,149)
Net impairment of investment securities	(34,850)	(55,152)
Bad debt written off	(16,317)	(15,024)
Net impairment loss for the period	<u>(1,368,977)</u>	<u>(554,722)</u>

8 TRADING SECURITIES

	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
31 March 2011				
Government bonds	43,195	-	-	43,195
Corporate bonds	1,089,267	47,171	115,188	1,251,626
Equity	90,500	16,247	46,596	153,343
	<u>1,222,962</u>	<u>63,418</u>	<u>161,784</u>	<u>1,448,164</u>
	=====	=====	=====	=====
31 December 2010				
Government bonds	187,101	-	-	187,101
Corporate bonds	772,424	46,273	186,762	1,005,459
Equity	114,035	12,177	11,135	137,347
	<u>1,073,560</u>	<u>58,450</u>	<u>197,897</u>	<u>1,329,907</u>
	=====	=====	=====	=====

8 TRADING SECURITIES (continued)

Reclassifications out of trading securities

Under IAS 39 as amended, the reclassifications were made with effect from 1 July 2008 at fair value at that date. In addition, some trading securities purchased after 1 July 2008 were subsequently identified for reclassification. The table below sets out the trading securities reclassified and their carrying and fair values.

	1 July 2008 AED 000		31 December 2010 AED 000		31 March 2011 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	378,518	378,518	388,336	388,336
	993,491	993,491	378,518	378,518	388,336	388,336
	=====	=====	=====	=====	=====	=====

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 2011)		
Interest income	89,195	-
Net change in fair value	-	(15,148)
	-----	-----
	89,195	(15,148)
	=====	=====

The table below sets out the amounts that would have been recognised for the period ended 31 March 2011 had the reclassifications not been made:

	Period after reclassification AED 000

Net trading profit	18,371
	=====

9 INVESTMENT SECURITIES

31 March 2011	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
-----	-----	-----	-----	-----
<u>HELD TO MATURITY:</u>				
Government bonds	55,095	113,402	-	168,497
Corporate bonds	18,365	165,140	34,556	218,061
	-----	-----	-----	-----
	73,460	278,542	34,556	386,558
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	1,453,867	964,233	875,208	3,293,308
Corporate bonds	2,217,353	975,586	2,263,378	5,456,317
Equity	508,674	907,403	936,459	2,352,536
Others	237,541	296,926	934,177	1,468,644
	-----	-----	-----	-----
	4,417,435	3,144,148	5,009,222	12,570,805
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Equity	46,333	92,057	-	138,390
Others	742,839	2,377	114,359	859,575
	-----	-----	-----	-----
	789,172	94,434	114,359	997,965
	-----	-----	-----	-----
	5,280,067	3,517,124	5,158,137	13,955,328
	=====	=====	=====	=====

9 INVESTMENT SECURITIES (continued)

31 December 2010	Domestic AED 000	Regional AED 000	International AED 000	Total AED 000
-----	-----	-----	-----	-----
<u>HELD TO MATURITY:</u>				
Government bonds	55,095	114,389	-	169,484
Corporate bonds	18,365	165,135	34,643	218,143
	-----	-----	-----	-----
	73,460	279,524	34,643	387,627
	-----	-----	-----	-----
<u>AVAILABLE-FOR-SALE:</u>				
Government bonds	1,121,929	841,548	701,662	2,665,139
Corporate bonds	2,585,558	793,017	2,441,473	5,820,048
Equity	509,208	848,785	847,576	2,205,569
Others	228,836	297,528	970,288	1,496,652
	-----	-----	-----	-----
	4,445,531	2,780,878	4,960,999	12,187,408
	-----	-----	-----	-----
<u>DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS:</u>				
Equity	47,974	98,845	-	146,819
Others	765,372	2,377	141,600	909,349
	-----	-----	-----	-----
	813,346	101,222	141,600	1,056,168
	-----	-----	-----	-----
	5,332,337	3,161,624	5,137,242	13,631,203
	=====	=====	=====	=====

Investment securities include investments in real estate funds as follows:

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
	-----	-----
Designated at fair value through profit or loss	169,612	204,599
Available-for-sale	1,042,941	982,429
	-----	-----
	1,212,553	1,187,028
	=====	=====

10 ASSETS AND LIABILITIES HELD FOR SALE

The assets and liabilities of Network International L.L.C, a subsidiary of the Group, were disclosed as assets held for sale under IFRS 5 – Non-current assets held for sale and discontinued operations as at 31 December 2010 in the Group's consolidated Financial Statements following signing of the share purchase agreement in respect of the sale of 49% shareholding of Network International L.L.C by Emirates NBD to a strategic investor.

The sale of the 49% shareholding of Emirates NBD has since been completed on 31 March 2011 and the entity is now subject to joint management control as per the terms of the agreement. The fair value of the shareholding retained by Emirates NBD in Network International L.L.C is disclosed under Investment in Associates and Joint Ventures [refer note 11].

11 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

As referred to in note 12, post completion of the sale transaction, Network International L.L.C is now subject to joint management control as per the terms of the sale agreement.

The fair value of the 51% shareholding retained by Emirates NBD in Network International L.L.C as Investment in Joint venture is AED 1,282 million as at 31 March 2011.

The fair value gain on measurement of the 51% shareholding retained by the Group in Network International L.L.C is AED 856 million, which is recognised in the income statement.

12 SALE OF PARTIAL STAKE IN SUBSIDIARY

On 31 March 2011, the Group completed the sale of 49% shareholding in Network International L.L.C, a subsidiary of the Group, for a net consideration of AED 1,388 million. The gross assets and liabilities of Network International L.L.C were earlier disclosed as held for sale as at 31 December 2010 under IFRS 5 – Non-current assets held for sale and discontinued operations following the signing of the share purchase agreement with a strategic investor.

The consideration for the sale has been part financed in cash and part by a term loan of AED 707 million from the Group to the purchaser. The sale transaction gave rise to a gain on disposal of AED 979 million.

The term loan of AED 707 million has been discounted at the cost of equity of Emirates NBD group as at 31 Dec 2010, resulting in an un-amortised gain which will be recognised in the income statement over the tenor of the loan (5 years).

	AED million
Net consideration received	1,388
Carrying value of share of net assets on date of disposal	(409)
Realised gain on disposal of 49% shareholding in subsidiary	979
	====

13 GOODWILL AND INTANGIBLES

	Goodwill	Intangibles			Total
		Software	Customer	Core deposit	
	AED 000	AED 000	relationships	intangibles	AED 000
			AED 000	AED 000	
31 March 2011					
<u>Cost</u>					
Balance as at 1 January	5,500,845	9,281	157,490	564,760	6,232,376
<u>Amortisation and impairment</u>					
Balance as at 1 January	4,903	7,595	100,000	195,000	307,498
Amortisation and impairment for the period	-	465	7,750	15,250	23,465
Balance as at 31 March	4,903	8,060	107,750	210,250	330,963
NET	5,495,942	1,221	49,740	354,510	5,901,413
31 December 2010					
<u>Cost</u>	5,500,845	9,281	157,490	564,760	6,232,376
<u>Amortisation and impairment</u>	4,903	7,595	100,000	195,000	307,498
NET	5,495,942	1,686	57,490	369,760	5,924,878

14 DEBT ISSUED AND OTHER BORROWED FUNDS

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Medium term note programme	10,925,142	10,856,743
Syndicated borrowings from banks	5,508,750	5,508,750
Borrowings raised from loan securitisations	2,818,934	3,050,316
	19,252,826	19,415,809
	=====	=====

The Group has outstanding medium term borrowings totalling AED 19,253 million (2010: AED 19,416 million) which will be repaid as follows:

	Unaudited 31 March 2011 AED million	Audited 31 December 2010 AED million
2011	3,894	3,799
2012	8,030	8,051
2013	1,036	1,036
2014	243	244
2015	1,912	2,193
2016	1,888	1,892
2018	1,344	1,344
2020	906	857
	19,253	19,416
	=====	=====

15 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 will not be considered an event of default. The notes carry no maturity date and have been classified under equity.

16 EQUITY HOLDERS' FUNDS

At the Annual General Meeting held on 23 March 2011, shareholders approved payment of a cash dividend of 20% of the issued and paid up capital. A liability for the dividend payable amounting to AED 1,112 million has been recognised in the interim financial statements as of 31 March 2011. The dividend amount was subsequently paid based on the share register on 3 April 2011.

17 COMMITMENTS AND CONTINGENCIES

At 31 March 2011, the Group's commitments and contingencies are as follows:

	Unaudited 31 March 2011 AED 000	Audited 31 December 2010 AED 000
Letters of credit	8,144,232	8,760,513
Guarantees	31,931,291	32,001,466
Liability on risk participations	1,263,779	1,179,009
Irrevocable loan commitments	8,461,289	9,301,142
	49,800,591	51,242,130
	=====	=====

18 EARNINGS PER SHARE

The basic earnings per share is based on the profit attributable to equity holders of AED 1,413 million (further adjusted for interest on tier I capital notes amounting to AED 64.5 million), for the period ended 31 March 2011 (2010: AED 1,110 million [further adjusted for interest on tier I capital notes amounting to AED 64.5 million]), divided by 5,557,774,724 shares outstanding as at the reporting date.

19 BUSINESS SEGMENT REPORTING

The Group is organised into the following main businesses:

- Corporate banking represents structured financing, current and savings accounts, customer deposits, overdrafts, trade finance and term loans for government, corporate and commercial customers.
- Consumer banking represents retail loans and deposits, private banking and wealth management, consumer financing, card services and call center operations.
- Treasury activities comprises of managing the Group's portfolio of investments, funds management, and interbank treasury operations.
- Islamic banking activities represents the income and fees earned and expenses paid by the Islamic banking subsidiary.
- 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 2011 (UNAUDITED)

19 BUSINESS SEGMENT REPORTING (continued)

31 March 2011 -----	Corporate banking	Consumer banking	Treasury	Islamic banking	Others	Total
	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	784,163	614,905	31,745	158,067	59,474	1,648,354
Net fee, commission and other income	240,276	254,332	116,337	25,559	(24,817)	611,687
Total operating income	1,024,439	869,237	148,082	183,626	34,657	2,260,041
General and administrative expenses	(86,439)	(314,026)	(18,219)	(95,200)	(294,019)	(807,903)
Net specific impairment loss on financial assets	(363,127)	(255,354)	(20,221)	(97,007)	(5,161)	(740,870)
Net collective impairment loss on financial assets	(105,107)	90,000	-	(1,000)	(612,000)	(628,107)
Amortisation of intangibles	-	-	-	-	(23,465)	(23,465)
Impairment and share of loss of associates and joint ventures	-	-	-	-	(477,297)	(477,297)
Gain on disposal of partial stake (49%) in subsidiary	-	-	-	-	978,761	978,761
Fair value gain on retained interest (51%) in subsidiary	-	-	-	-	856,217	856,217
Taxation charge	(1,500)	(2,818)	(434)	-	-	(4,752)
Group profit for the period	468,266 =====	387,039 =====	109,208 =====	(9,581) =====	457,693 =====	1,412,625 =====
Segment assets	176,322,646 =====	27,928,289 =====	71,274,646 =====	21,145,708 =====	3,662,724 =====	300,334,013 =====
Segment liabilities and equity	108,320,527 =====	77,560,351 =====	48,326,746 =====	32,233,013 =====	33,893,376 =====	300,334,013 =====

EMIRATES NBD PJSC

NOTES TO THE GROUP CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2011 (UNAUDITED)

19 BUSINESS SEGMENT REPORTING (continued)

31 March 2010 -----	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	784,797	615,502	49,660	162,861	1,416	114,417	1,728,653
Net fee, commission and other income	322,317	213,174	227,216	(2,429)	102,692	(35,221)	827,749
Total operating income	1,107,114	828,676	276,876	160,432	104,108	79,196	2,556,402
General and administrative expenses	(91,303)	(314,195)	(15,528)	(86,311)	(56,495)	(298,663)	(862,495)
Net specific impairment loss on financial assets	(72,267)	(319,765)	(21,028)	(62,651)	-	(1,241)	(476,952)
Net collective impairment loss on financial assets	(85,000)	-	-	7,230	-	-	(77,770)
Amortisation of intangibles	-	-	-	-	-	(23,465)	(23,465)
Impairment and share of loss of associates and joint ventures	-	-	-	-	(210)	(1,354)	(1,564)
Taxation charge	-	-	-	-	-	(4,093)	(4,093)
Group profit for the period	858,544 =====	194,716 =====	240,320 =====	18,700 =====	47,403 =====	(249,620) =====	1,110,063 =====
Segment assets	178,845,106 =====	28,779,198 =====	33,481,475 =====	23,352,487 =====	568,897 =====	24,696,271 =====	289,723,434 =====
Segment liabilities and equity	97,731,453 =====	61,009,666 =====	49,225,923 =====	23,066,865 =====	309,059 =====	58,380,468 =====	289,723,434 =====

20 RELATED PARTY TRANSACTIONS

Emirates NBD Group is owned by Investment Corporation of Dubai (55.6%), a company in which the Government of Dubai is the majority shareholder.

Deposits and loans to Government related entities other than those that have been individually disclosed amount to 12% & 16% of the total deposits and loans of the Group.

These entities are independently run business entities, and all financial dealings with the Group are on an arms-length basis.

The Group has also entered into transactions with certain other related parties who are non government related entities. Such transactions were also 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 2011 AED 000	Audited 31 December 2010 AED 000
	-----	-----
Loans and receivables:		
To majority shareholder of the ultimate parent	54,329,662	54,015,057
To ultimate parent	918,250	918,250
To directors and related companies	2,839,322	2,969,728
To associates and joint ventures	4,012,273	3,908,633
	-----	-----
	62,099,507	61,811,668
	=====	=====
Customer and Islamic deposits:		
From majority shareholder of the ultimate parent	202,230	235,297
From ultimate parent	6,845,973	7,523,703
From associates and joint ventures	76,392	-
	-----	-----
	7,124,595	7,759,000
	=====	=====
Investment in Government of Dubai bonds	762,476	900,636
Loans to and investment in funds managed by the Group	998,447	1,011,126
Commitments to associates	2,572,039	3,022,827
Purchase of property from associate	-	406,072

20 RELATED PARTY TRANSACTIONS (continued)

	Unaudited three months period ended 31 March 2011 AED 000	Unaudited three months period ended 31 March 2010 AED 000
Payments made to associates and joint ventures	32,925	5,397
Fees received in respect of funds managed by the Group	11,807	10,572
Interest paid to funds managed by the Group	4,707	3,232
Gain on transfer of shares from joint venture	41,043	-

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 2011 AED 000	Unaudited three months period ended 31 March 2010 AED 000
Short term and post employment benefits	34,313	16,844

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. The compensation paid to directors and key management personnel includes four additional members who have been inducted as key management personnel in 2011 compared to the previous year.

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.

21 NOTES TO THE GROUP CONSOLIDATED CASH FLOW STATEMENT

	Unaudited three months period ended 31 March 2011 AED 000 -----	Unaudited three months period ended 31 March 2010 AED 000 -----
(a) Analysis of changes in cash and cash equivalents during the period		
Balance at beginning of year	(1,760,630)	(16,813,335)
Net cash inflow	10,470,035	7,962,727
Balance at end of period	8,709,405 =====	(8,850,608) =====
(b) Analysis of cash and cash equivalents		
Cash and deposits with Central Bank	40,438,329	20,641,603
Due from banks	25,778,714	18,805,668
Due to banks	(18,440,019)	(30,444,022)
	47,777,024	9,003,249
Less : deposits with Central Bank for regulatory purposes	(10,820,783)	(12,226,562)
Less : certificates of deposits with Central Bank	(28,250,000)	(6,700,000)
Less : amounts due from banks maturing after three months	(1,240,092)	(630,884)
Add : amounts due to banks maturing after three months	1,243,256	1,703,589
	8,709,405 =====	(8,850,608) =====

22 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.