For immediate release

Emirates NBD Announces 2010 Third Quarter Results

Robust financial performance for the year to date

Total Income of AED 7.5 billion; Net Profit of AED 1.9 billion

Dubai, 25 October 2010

Emirates NBD (DFM: EmiratesNBD), the leading bank in the region, today announced its results for the 9 months ended 30 September 2010.

Results Highlights

- **Total income of AED 7.5 billion** for the 9 months ended 30 September 2010, down 10% compared with the corresponding period in 2009
  - Net interest income for the period of AED 5.2 billion, down 6% versus 2009
  - Core non-interest income down 4% compared with 2009
- **Cost rationalisation initiatives proving successful:**
  - Operating expenses of AED 2.3 billion in the first 9 months of 2010, a 14% improvement from the corresponding period in 2009
  - Improved cost to income ratio of 30.9% for the period (Q3 2009 year-to-date: 32.4%)
- **Credit quality pro-actively managed and trends remain within expectation:**
  - NPL ratio of 3.66% at Q3 2010 compared with 2.30% at the end of 2009
  - Prudent addition to portfolio impairment allowances of AED 708 million in the first 9 months of 2010, taking total portfolio impairments to AED 2.6 billion
  - Required specific provision for Dubai World exposure made in full in Q3 2010
- **Continued progress on balance sheet optimisation initiatives:**
  - Customer deposits at AED 198.8 billion, up 10% from AED 181.2 billion at the previous year-end
  - Customer loans at AED 201.1 billion, down 6% from AED 214.6 billion at the end of 2009
  - Headline loan to deposit ratio of 101% as at 30 September 2010 compared with 118% at end-2009
  - Capital adequacy ratio further strengthened to 20.1% compared with 18.7% at the end of 2009
- **Net profit of AED 1.9 billion** for the 9 months ended 30 September 2010, down 39% from the same period in 2009
- **Earnings per Share of AED 0.31** for the 9 months ended 30 September 2010 (Q3 2009 year-to-date: 0.56)

Commenting on the Group's performance, His Excellency Ahmed Humaid Al Tayer, Chairman of Emirates NBD said: "In the light of the economic conditions and challenges that faced the banking sector globally and locally, Emirates NBD delivered a robust performance in the first 9 months of 2010, reflecting the strength and resilience of the Bank and its position as the region's leading banking group. The UAE has witnessed early signs of stability and increased economic activity, confidence and credit appetite. Emirates NBD remains optimistic about the sustainability of the expected economic recovery both globally and regionally and we are confident about our ability to take advantage of value-adding opportunities for our shareholders."

Emirates NBD's Chief Executive Officer, Mr. Rick Pudner, said: "During the first 9 months of 2010 we have continued to make significant progress toward the achievement of our strategic objectives. Due to our dedicated focus on liquidity and capital management, our funding profile has improved significantly while capitalisation levels have further strengthened to extremely comfortable levels. In addition, operating expenses have declined significantly from the previous year from ongoing rationalisation and our ability to leverage off the completion of the integration in 2009. Finally, we have continued to invest in selected platforms for growth such as our Private Banking business and Abu Dhabi expansion and are well positioned to capitalise on expected improvements in economic activity."

Financial Review

AED million	9 months ended 30 Sept 2010	9 months ended 30 Sept 2009	Change (%)
Total income	7,459	8,298	-10%
Operating expenses	(2,308)	(2,687)	-14%
Operating profit before impairment allowances	**5,151**	**5,611**	**-8%**
Impairment allowances	(2,988)	(2,374)	+26%
Operating profit	**2,163**	**3,237**	**-33%**
Amortisation of intangibles	(70)	(70)	-
Associates	(156)	(3)	n/m
Net profit	**1,937**	**3,164**	**-39%**
Cost to income ratio (%)	30.9%	32.4%	-1.5%
Net interest margin (%)	2.55%	2.79%	-0.24%
EPS (AED)	0.31	0.56	-44%
Return on average shareholders' equity (%)	11.6%	20.2%	-8.6%

AED billion	As at 30 Sept 2010	As at 31 Dec 2009	Change (%)
Total assets	284.2	281.6	+1%
Loans	201.1	214.6	-6%
Deposits	198.8	181.2	+10%
Capital Adequacy Ratio – Basel II (%)	20.1%	18.7%	+1.4%
Tier 1 Ratio – Basel II (%)	12.8%	11.9%	+0.9%

Total Income

Total income for the 9 months of 2010 declined by 10% to AED 7,459 million compared with AED 8,298 million in the corresponding period of 2009. In the third quarter of 2010, total income reached AED 2,589 million, a 7% decline from Q3 2009 (AED 2,799 million) and a 12% increase from Q2 2010 (AED 2,314 million).

Net interest income declined 6% to AED 5,175 million in the first 9 months of 2010 compared with AED 5,488 million in the comparable period of 2009 due to a reduction in the net interest margin to 2.55% from 2.79%. The margin decline was attributable primarily to contraction of spreads generated from interbank funding and the margin impact of the Bank's improved liquidity profile. Net interest income for the third quarter of 2010 was however stable at AED 1,723 million compared with Q2 2010.

Non-interest income recorded a year-on-year decline of 19% to AED 2,285 million in the 9 months ended 30 September 2010. The decrease was largely driven by a lower income from investment and other securities as well as lower fees relating to trade finance and underwriting. Core non-interest income in the first 9 months of 2010 declined by 4% compared with the corresponding period in 2009.

Total Costs

Costs in the last 3 quarters amounted to AED 2,308 million, an improvement of 14% over the same period in 2009. The cost to income ratio improved to 30.9% in 2010 year-to-date compared with 32.4% in the comparable period of 2009 which was achieved through proactive cost management and the continued realisation of integration synergies while maintaining substantial investment in the bank's distribution and technology infrastructure as well as in the governance and control environment.

Credit Quality and Impairments

Emirates NBD continues to pro-actively manage credit quality and delinquencies and non-performing loans across the Bank's corporate and retail portfolios have increased within previously expected levels. The NPL ratio, excluding impaired investment securities, increased to 3.66% in Q3 2010 from 2.30% reported in Q4 2009.

The impairment allowance on financial assets in respect of the first 9 months of 2010 grew to AED 2,988 million compared with AED 2,374 million in the comparable period in 2009. This was driven by a previously expected increase in specific impairments across retail and corporate portfolios and the addition of AED 708 million to portfolio impairment provisions during the period as a measure of prudence in the current environment, partly offset by lower impairments on investment securities. In addition, the Bank's specific provision for its exposure to Dubai World was taken in Q3 2010.

Net Profits

Net profits for the Group were AED 1,937 million for the 9 months ended 30 September 2010, 39% below the profits posted in the first 9 months of 2009 of AED 3,164. Net profits for Q3 2010 rose by 5% to AED 424 million from AED 403 million reported in Q2 2010.

Customer Loans and Deposits

Customer Loans as at 30 September 2010 (including Islamic financing) declined by 6% from end-2009 levels to AED 201.1 billion.

Customer Deposits as at 30 September 2010 were AED 198.8 billion, an increase of 10% over the customer deposit base as at 31 December 2009.

Capital

The Bank's total capital adequacy ratio on a Basel II basis continued to strengthen to 20.1% from 18.7% at the end of 2009. The Bank's Tier 1 capital ratio also improved from 11.9% at 31 December 2009 to 12.8% at 30 September 2010. This increase in capitalisation was mainly due to continued retained earnings generation during the period and a reduction in risk weighted assets of 4%.

Business Performance

Consumer & Wealth Management (CWM)

The Consumer Banking & Wealth Management division of the bank continued to grow and strengthen its position in challenging market conditions.

Income for the division declined by 2% in first 3 quarters of 2010 to AED 2,464 million from AED 2,515 million in the same period of 2009, principally driven by an 8% decline in net interest income. Fee income, however, increased by 18% to AED 699 million for the first 9 months of 2010. CWM continued to focus on deposit growth during 2010, resulting in an annualised growth of 13% from end-2009 levels to reach AED 59.8 billion.

Key highlights of the third quarter include the first ever auto loan portfolio securitization deal in the Middle East with Japan Bank for International Cooperation (JBIC) worth USD 220 million. The division also re-launched Gold Savings Certificates for its existing retail customers, which allows them to access the buoyant gold market with ease across our entire network in the UAE. In addition, we continue to gain market share in the credit cards and the liabilities business, driven by the launch of innovative products.

CWM continued its focus on reducing costs and increasing productivity and have also initiated several initiatives that will the efficiency of its processes and improve customer service.

Furthermore, Emirates NBD's branch network, the largest in the country, remained unchanged from the beginning of the year with 102 branches. However, it was complemented by growth in our ATM network with an addition of 15 new ATMs across the Emirates.

Corporate Banking

The Corporate Banking arm of the bank witnessed a positive first 9 months of 2010 with financial and business growth over previous periods despite continued subdued economic conditions. In Q3 2010 Corporate Banking reported income growth of 6% over Q2 2010 due to active re-pricing of loans and a streamlined focus on fee generating business. Corporate Banking's customer deposit base increased strongly by 10% from 31 December 2009 while its loan portfolio decreased by 5% during the first 3 quarters of 2010.

Due to incentives offered for online banking to enhance efficiency, an increased number of customers are expected to shift from bank counters to alternative delivery channels like 'Smart BUSINESS' and 'Trade Online'.

Global Markets & Treasury (GMT)

GMT reported total income of AED 490 million for the first 3 quarters of 2010 compared to AED 655 million reported for the corresponding period of 2009. The decline in Treasury income was primarily due to the contraction of spreads generated from interbank funding.

GMT's Trading Business had an excellent first half, capitalizing on favorable opportunities in the Middle East equity and credit markets but third quarter income was impacted by increased volatility in the global markets and reduced risk appetite of foreign investors for the region. Furthermore, an extended lower interest rate environment has discouraged clients to hedge their interest rate exposure which impacted income from sales of hedging products while on the other hand increased foreign exchange volatility induced clients to hedge more which resulted in more foreign exchange flow business as compared to the previous years.

The Bank continued to widen its funding investor base and completed the first ever securitization initiative of the Group's auto loan assets for USD 220 million as well as a single USD 25 million issuance under the EMTN programme.

Network International

Operating revenues for Network International, the Bank's market leading card acquiring and processing business, reported growth of 3% to reach AED 282 million for the first 9 months of 2010 compared with same period last year. The primary driver of revenue growth was a 9% increase in processing revenues.

2010 saw Network International signing a cooperation agreement with China UnionPay (CUP) to extend the latter's CUP card services to more than 20 countries in the Middle East, Africa and Western Asia. Further, Network International launched key service offerings of "pay in your currency" and "e-Top up" capability on the merchant acquiring end. The company has achieved an expansion of its service offering on the processing business side to offering processing for prepaid and gift cards through a strategic technology partnership with M2 Financials Limited.

As at 30 September 2010 Network International remains the region's largest payment and processing service provider of credit and debit cards, providing services to more than 10,000 merchants and processing cards for 49 banks and financial institutions in the region.

Emirates Islamic Bank (EIB)

Total income (net of customers' share of profit) for EIB was AED 589 million for the 9 months ended 30 September 2010, a decline of 7% from corresponding period in 2009. Customer accounts grew strongly by 21% from the end of 2009 to reach AED 24.7 billion at Q3 2010 while financing receivables declined 7% to AED 16.8 billion from end-2009.

As at 30 September 2010, EIB's branch network totaled 30 with an ATM and SDM network of 75 and 28 respectively.

IT and Operations (ITO)

With the Al Barsha Data Center project receiving the "Best Banking and Finance Technology Implementation" award from Arabian Computer News (ACN), ITO is on target to consolidate its remaining data centers and realize further cost synergies.

The pursuit of the international framework for information technology governance, COBIT (Control OBjectives for Information and related Technology), continues and is resulting more robust and efficient processes as well as positively impacting application development projects.

In Q3 2010, key application deliveries were focused on business enhancement and risk management, with key achievements including the FinnOne securitization system for the retail lending portfolio, the implementation of the payment screening application in the production environment, the operational risk application for capturing and monitoring risk events and the certification of online brokerage system as compliant with regulatory requirements.

Outlook

Although economic activity during the first 9 months of 2010 remained relatively subdued, the UAE has witnessed early signs of stability and increased economic activity, confidence and credit appetite. Emirates NBD remains optimistic about the sustainability of the expected economic recovery both globally and regionally. Furthermore, the UAE financial sector is now showing signs of emerging from the deleveraging process which commenced at the end of 2008.

Emirates NBD will continue to focus its strategic efforts on balance sheet optimisation, improving profitability and enhancing risk management. At the same time, the Bank continues to invest selectively in platforms for growth and is well-placed to take advantage of the expected improving economic fundamentals.

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Notes to editors:

Awards

Banker Middle East Award 2010 in the **Best Use of Technology**	June 2010
Banker Middle East Products Award for **Best Personal Loan**	April 2010
Sh. Mohammed bin Rashid Al Maktoum "Supporters of the Arts Award"	March 2010
2010 FST London award for **"Systems Integration Project of the Year"**	March 2010
"Best Private Bank in the UAE" by the **2010 Euromoney Private Banking Survey**	February 2010
The number one banking brand in the Middle East by **The Banker**	February 2010

About Emirates NBD

Emirates NBD (DFM: Emirates NBD) is a leading bank in the region.

Emirates NBD has a leading retail banking franchise in the UAE, with 133 branches and over 750 ATMs and SDMs. It is a major player in the UAE corporate banking arena, and has a strong Islamic banking, investment banking, private banking, asset management and brokerage operations.

The bank has operations in the UAE, the Kingdom of Saudi Arabia, Qatar, the United Kingdom and Jersey (Channel Islands), and representative offices in India, Iran and Singapore. For more information, please visit: www.emiratesnbd.com

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