

For immediate release

Emirates NBD Announces First Quarter 2010 Results

Robust first quarter performance

Total Income of AED 2.6 billion; Net Profit of AED 1.1 billion

Dubai, 26 April 2010

Emirates NBD (DFM: EmiratesNBD), the leading bank in the region, today announced its results for the quarter ended 31 March 2010.

Results Highlights

- ❑ **Q1 2010 total income of AED 2.6 billion**, broadly stable compared with Q1 2009 and Q4 2009
- ❑ **Operating profit before impairment allowances** for Q1 2010 of AED 1.7 billion, stable compared to Q1 2009 and up 4% from Q4 2009
- ❑ **Net profit for Q1 2010 down 12%** from the same period in 2009 to AED 1.1 billion and a significant improvement over Q4 2009 of AED178 million
- ❑ **Earnings per Share down 12%** to AED 0.20 (Q1 2009: 0.23)
- ❑ **Total assets up 3%** at **AED 289.8 billion** compared to AED 281.6 billion at the end of 2009
- ❑ **Customer loans at AED 211.9 billion, down 1%** from AED 214.6 billion at the end of 2009
- ❑ **Customer deposits at AED 191.3 billion, up 6%** from AED 181.2 billion at the previous year-end
- ❑ **Return on average shareholders' equity of 19.6% (Q1 2009: 25.7%)**
- ❑ **Lower cost to income ratio of 33.9% due to ongoing cost rationalisation** (Q1 2009: 34.9%, Q4 2009: 36.9%)
- ❑ **Capital adequacy ratio strengthened further to 21.9%** from 20.8% at end of 2009

Commenting on the Group's performance, His Excellency Ahmed Humaid Al Tayer, Chairman of Emirates NBD said: "Emirates NBD's continued robust performance during the first quarter of 2010 highlights the resilience and strength of the Bank and our historically conservative and prudent approach. Emirates NBD's core business remains strong and the successful completion of the merger at the end of 2009 positions the Bank to continue to realise more success and provides the ability to capitalise on value-adding opportunities for our shareholders."

Emirates NBD's Chief Executive Officer, Mr. Rick Pudner, said: "During the first quarter of 2010 we have continued to deliver stable and robust financial results. We have maintained revenues at similar levels to the same period in 2009 and have continued to reduce operating expenses from ongoing rationalisation and our ability to leverage off the completion of the integration in 2009. Credit metrics remain in line with our expectations and our focus on balance sheet optimisation has yielded a significant improvement in our funding profile while maintaining strong capitalisation levels. At the same time, 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	Period ended 31.03.10	Period ended 31.03.09	Change (%)
Total income	2,556	2,612	-2%
Operating expenses	(866)	(911)	-5%
Operating profit before impairment allowances	1,690	1,701	-1%
Impairment allowances	(555)	(462)	+20%
Operating profit	1,135	1,239	-8%
Amortisation of intangibles	(23)	(24)	-0%
Associates	(2)	44	-104%
Net profit	1,110	1,259	-12%
Cost to income ratio (%)	33.9%	34.9%	-1.0%
Net interest margin (%)	2.58%	3.01%	-0.43%
EPS (AED)	0.20	0.23	-12%
Return on average shareholders' equity (%)	19.6%	25.7%	-6.1%

AED billion	As at 31.03.10	As at 31.12.09	Change (%)
Total assets	289.8	281.6	+2.9%
Loans	211.9	214.6	-1.2%
Deposits	191.3	181.2	+5.6%
Capital Adequacy Ratio (%)	21.9%	20.8%	+1.1%
Tier 1 Ratio (%)	13.9%	13.3%	+0.6%

Total Income

Total income for the quarter declined by 2% to AED 2,556 million compared with AED 2,612 million in Q1 2009 and by 1% compared with AED 2,569 million in Q4 2009.

Net interest income for the quarter declined by 10% to AED 1,729 million from AED 1,928 million in Q1 2009 driven primarily by a reduction in the net interest margin to 2.58% from 3.01%. The margin decline resulted mainly from reduced loan and treasury spreads partly offset by increased deposit spreads.

Non-interest income recorded a year-on-year improvement of 21% to AED 827 million in Q1 2010. The increase was largely driven by a partial reversal during the quarter of mark to market losses on investment and other securities reported during 2008, offset to some extent by lower fees relating to trade finance and underwriting.

Total Costs

Costs in Q1 2010 amounted to AED 866 million, a reduction of 5% over Q1 2009 and 9% over Q4 2009 levels. The cost to income ratio decreased to 33.9% in Q1 2010 compared to 34.9% in Q1 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.

Asset Quality and Impairments

Emirates NBD's credit quality remains satisfactory across the Bank's corporate and retail portfolios, with the increase in delinquencies and non-performing loans increasing broadly within expected levels. The NPL ratio, excluding impaired investment securities, increased to 2.63% in Q1 2010 from 2.36% reported in Q4 2009.

The impairment allowance on financial assets in respect of 1Q 2010 grew to AED 555 million compared with AED 462 million in Q1 2009. This was driven by an expected increase in specific impairments across retail and corporate portfolios and the addition of AED 78 million to portfolio impairment provisions during Q1 2010 as a measure of prudence in the current environment, partly offset by lower impairments on investment and trading securities.

Net Profits

Net profits for the Group were AED 1,110 million for Q1 2010, 12% below the profits posted in Q1 2009 of AED 1,259 million.

Customer Loans and Deposits

Customer Loans as at 31 March 2010 (including Islamic financing) decline by 1% from end-2009 levels to AED 211.9 billion.

Customer Deposits as at 31 March 2010 were AED 191.3 billion, an increase of 6% over the customer deposit base as at 31 December 2009.

Capital

The Bank's total capital adequacy ratio has continued to strengthen to 21.9% from 20.8% at the end of 2009. The Bank's Tier 1 capital ratio also improved from 13.3% at 31 December 2009 to 13.9% at 31 March 2010. This increase in capitalisation was mainly due to the strong retained earnings generated during the period.

Business Performance

Consumer & Wealth Management (CWM)

The bank's CWM operation had a positive first quarter of 2010, achieving growth in the business and the customer base. The deposit base grew by 3% during the quarter while remaining cautious on new underwriting. Total income grew by 18% to AED 829 million from AED 700 million in Q1 2009.

During the first quarter of 2010, CWM continued to expand its Private Banking business which now deploys almost 60 relationship managers, recorded continued growth and was recognised as the "Best Private Bank in the UAE" by the 2010 Euromoney Private Banking Survey.

Emirates NBD's branch network, the largest in the country, grew further during the quarter with the addition of 2 new branches in the Emirate of Abu Dhabi, taking the total to 103.

Corporate Banking

The Corporate Banking arm of the bank witnessed a favourable Q1 2010 with financial and business growth over previous periods despite continued difficult economic conditions. In Q1 2010 Corporate Banking registered revenue growth of 16% driven by active re-pricing of loans and rigorous focus on fee generating business. The customer deposit base increased strongly by 8% from the end of 2009 while the advances portfolio decreased by 1% from 31 December 2009.

Corporate Banking's dedicated focus on liquidity management has resulted in sourcing an additional AED 6.7 billion of customer deposits in Q1 2010. Corporate Banking continued to enhance its product range through a host of banking products to add depth to client relationships. 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 'SmartBUSINESS' and 'Trade Online'.

Global Markets & Treasury (GMT)

GMT reported total income of AED 277 million for the first quarter of 2010 driven by good returns in equities and capital markets. With a return to normalisation of markets, there was a contraction in the spreads generated from interbank funding in the first quarter of 2010 compared to the same period in 2009 and this resulted in a

drop in net interest income for Treasury. The stabilisation of the equity and financial markets in the latter half of 2009 resulted in an improvement in fees, commissions and other income in the first quarter of 2010 compared to the same period of 2009. The Trading business had an excellent quarter, capitalising on favourable opportunities in the Middle East equity and credit markets.

Network International

Revenues for Network International, the Bank's market leading card acquiring and processing business, grew from Q1 2009 to reach AED 104 million in Q1 2010. The primary driver of revenue growth was a 14% increase in acquiring revenues and 9% growth in processing income.

2010 saw Network International announce the launch of key services in offering "pay in your currency" capability on the merchant acquiring end. The company has achieved to expand 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 31 March 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 160 million for Q1 2010, a decline of 16% from Q1 2009. Customer deposits remained broadly stable at AED 20.3 billion during the first quarter of 2010 while financing receivables declined 2% to AED 17.7 billion from end-2009.

As at 31 March 2010, EIB's branch network totaled 30 with an ATM and SDM network of 74 and 27 respectively.

IT and Operations (ITO)

The successful merger integration of IT and systems has brought Emirates NBD local and international accolades. Emirates NBD was the winner of the Financial Sector Technology (FST) "System Integration Project of The Year" award and the Al Barsha Data Center project received the "Best Banking and Finance Technology Implementation" award from Arabian Computer News (ACN).

Following the successful merger, ITO is focusing on consolidating its operations, realising synergies as well as improving quality and governance. ISO 9001-2008 quality standards certification was accredited by the British Standards Institution (BSI) for the Emirates NBD Group IT during Q1 2010.

Outlook

Q1 2010 has witnessed early signs of stability, increased economic activity and improved consumer sentiment and business confidence in the UAE resulting from improving economic fundamentals globally and the progress made locally in resolving market uncertainties. In particular, underlying economic activity in traditional trade, manufacturing and tourism sectors are showing signs of recovery and Emirates NBD is optimistic about the sustainability of the expected economic recovery.

The successful completion of the integration in 2009, together with recent investments made in the Bank's information technology and infrastructure capabilities, allow Emirates NBD to capitalise on value-added opportunities that may present themselves and provide platforms to further improve efficiency, increase customer service and extend the Bank's market reach and penetration.

END

Notes to editors:

Awards

Banker Middle East Products Award for Best Personal Loan	April 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, 740 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

For more information

Ibrahim Sowaidan
Head, Group External Communications
Emirates NBD
Telephone: +971 4 2092916

Ben Franz-Marwick
Head, Investor Relations
Emirates NBD
Telephone: +971 4 2012604 / +971 50 6581245

Ramy Lawand
Media Relations
Emirates NBD
Telephone: +971 4 2012204 / +971 56 675 9894

Kate Delahunty / James Madsen
Capital MS&L
Telephone: +971 50 114 1981 / +971 50 314 6012