

29 April 2010

Mr. Ibrahim Obaid Al Zaabi,
Manager – Admin & Licensing Division,
Securities & Commodities Authority,
Abu Dhabi, U.A.E.

FINANCIALS FOR THE FIRST QUARTER ENDED 31st MARCH 2010

Dear Sir,

We hereby submit our Financial Statements reviewed by the auditors for the quarter ended 31st March 2010 for your kind information.

Kindly acknowledge receipt.

Thanking you.

Yours truly,



HAMOOD AL YASI
General Manager

Encl: Financials



EMIRATES NBD SECURITIES LLC
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2010

EMIRATES NBD SECURITIES LLC

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED 31 MARCH 2010**

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Report on review of condensed interim financial information

The Shareholders
Emirates NBD Securities LLC

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Emirates NBD Securities LLC ("the Company") as at 31 March 2010 and the condensed interim statement of comprehensive income (comprising a condensed interim income statement and a condensed statement of other comprehensive income), condensed interim statement of changes in equity and condensed interim statement of cash flows for the three-month period then ended (the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the three-month period ended 31 March 2010 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

27 APR 2010

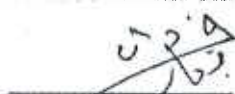
Emirates NBD Securities LLC
Condensed interim statement of financial position
As at 31 March 2010


| | Note | Unaudited 31 March 2010 AED '000 | Audited 31 December 2009 AED '000 |
|------------------------------------|------|--|---|
| Assets | | | |
| Non-current assets | | | |
| Plant and equipment | | 6,135 | 6,680 |
| Investment securities | 6 | 9,577 | 9,478 |
| Total non-current assets | | 15,712 | 16,158 |
| Current assets | | | |
| Investment securities | 6 | 4,521 | 4,146 |
| Trade and other debtors | 7 | 192,123 | 235,972 |
| Other receivables | | 2,187 | 1,129 |
| Due from holding company | 8 | 109,383 | 64,822 |
| Cash and cash equivalents | | 81,668 | 80,668 |
| Total current assets | | 389,882 | 386,737 |
| Current liabilities | | | |
| Other payables | | 8,513 | 5,939 |
| Total current liabilities | | 8,513 | 5,939 |
| Net current assets | | 381,369 | 380,798 |
| Net assets | | 397,081 | 396,956 |
| Represented by | | | |
| Share capital | | 36,000 | 36,000 |
| Statutory reserve | | 18,804 | 18,804 |
| Fair value reserve | | 4,295 | 4,196 |
| Capital Contribution Reserve | | 50,000 | 50,000 |
| Retained earnings | | 287,982 | 287,956 |
| Total equity holders' funds | | 397,081 | 396,956 |

The notes on pages 7 to 11 are an integral part of these financial statements.

The report of the independent auditors is set out on page 1.

These financial statements were approved by the Board of Directors on


Chairman


General Manager

27 APR 2010

Emirates NBD Securities LLC
Condensed interim income statement
For the three months period ended 31 March 2010 (Unaudited)

| | Note | Unaudited 31 March 2010 AED '000 | Unaudited 31 March 2009 AED '000 |
|---|------|--|--|
| Commission income | | 4,737 | 4,753 |
| Administrative and general expenses | 9 | (6,215) | (9,165) |
| Operating profit/(loss) | | (1,478) | (4,412) |
| Other income | 10 | 2,880 | 3,765 |
| (Allowance for) / Reversal of impairment losses | | (219) | (60) |
| Interest (paid) / received from Holding Company (net) | 8 | 93 | 270 |
| Profit for the period | | 1,276 | (437) |

The notes on pages 7 to 11 are an integral part of these financial statements.

The report of the independent auditors is set out on page 1.

Emirates NBD Securities LLC
Condensed interim statement of comprehensive income
For the three months period ended 31 March 2010 (Unaudited)

| | Note | Unaudited 31 March 2010 AED '000 | Unaudited 31 March 2009 AED '000 |
|--|------|--|--|
| Profit for the period | | <u>1,276</u> | <u>(437)</u> |
| Other comprehensive Income: | | | |
| Net change in fair value of AFS investments | | <u>99</u> | <u>(99)</u> |
| Total comprehensive income | | <u>1,375</u> ===== | <u>(536)</u> ===== |

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Emirates NBD Securities LLC
Condensed interim statement of changes in equity
For the three months period ended 31 March 2010 (Unaudited)

| | Share Capital | Statutory reserve | Fair value reserve | Capital Contribution reserve | Retained earnings | Total |
|-------------------------------|------------------|----------------------|-----------------------|------------------------------------|----------------------|---------|
| | AED'000 | AED '000 | AED '000 | AED '000 | AED '000 | AED'000 |
| Balance at 1 January 2009 | 30,000 | 18,804 | 1,086 | 50,000 | 293,841 | 393,731 |
| Directors Fees | - | - | - | - | (1,250) | (1,250) |
| Other Comprehensive Income | - | - | (99) | - | (437) | (536) |
| Balance at 31 March 2009 | 30,000 | 18,804 | 987 | 50,000 | 292,154 | 391,945 |

| | Share Capital | Statutory reserve | Fair value reserve | Capital Contribution reserve | Retained earnings | Total |
|-------------------------------|------------------|----------------------|-----------------------|------------------------------------|----------------------|---------|
| | AED'000 | AED '000 | AED '000 | AED '000 | AED '000 | AED'000 |
| Balance at 1 January 2010 | 36,000 | 18,804 | 4,196 | 50,000 | 287,956 | 396,956 |
| Directors' Fees | - | - | - | - | (1,250) | (1,250) |
| Other Comprehensive income | - | - | 99 | - | 1,276 | 1,375 |
| Balance at 31 March 2010 | 36,000 | 18,804 | 4,295 | 50,000 | 287,982 | 397,081 |

In accordance with the Ministry of Economy and Planning Interpretation of Article 118 of Commercial Companies Law No. 8 of 1984, Directors' fees have been treated as an appropriation from equity.

The notes on pages 7 to 11 are an integral part of these financial statements.

The report of the independent auditors is set out on page 1.

Emirates NBD Securities LLC
Condensed interim statement of cash flows
For the three months period ended 31 March 2010 (Unaudited)

| | Unaudited 31 March 2010 (AED '000) | Unaudited 31 March 2009 (AED '000) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit for the period | 1,276 | (437) |
| Adjustments: | | |
| Change in fair value of current investments | (375) | (384) |
| Reversal of provision for expenses | (1,129) | - |
| Allowance/(recoveries) for impairment losses | 219 | 60 |
| Depreciation | 638 | 558 |
| | <u>629</u> | <u>(203)</u> |
| Change in unsettled trade debtors | 43,630 | 25,907 |
| Change in other receivables | (1,058) | (10) |
| Change in due from Holding Company | (44,561) | (29,810) |
| Change in other payables | 3,703 | 737 |
| | <u>2,343</u> | <u>(3,379)</u> |
| Net cash flows from operating activities | | |
| Cash flow from investing activity | | |
| Acquisition of plant and equipment | (93) | (388) |
| | <u>(93)</u> | <u>(388)</u> |
| Cash used in investing activity | | |
| Cash flow from financing activity | | |
| Director's fees | (1,250) | (1,250) |
| | <u>(1,250)</u> | <u>(1,250)</u> |
| Cash used in financing activity | | |
| Net movement in cash and cash equivalents | <u>1,000</u> | <u>(5,017)</u> |
| Cash and cash equivalents at the beginning of the period | <u>80,668</u> | <u>66,184</u> |
| Cash and cash equivalents at the end of the period | <u><u>81,668</u></u> | <u><u>61,167</u></u> |

The notes on pages 7 to 11 are an integral part of these financial statements.

The report of the independent auditors is set out on page 1.

Emirates NBD Securities LLC
Notes to the condensed interim financial statements
For the three months period ended 31 March 2010 (Unaudited)

1 Legal status and principal activities

Emirates International Securities LLC ("the Company") is a limited liability company incorporated in the Emirate of Dubai on 10 November 2001 under the Federal Law No 8 of 1984 (as amended) applicable to commercial companies. On 8 November 2009, the Company received regulatory approval to merge with NBD Securities LLC ("acquired entity") and changed its name from Emirates International Securities LLC to Emirates NBD Securities LLC.

On 21 November 2009 (the effective date), NBD Securities LLC transferred all its assets and liabilities to the Company to complete the merger of the two entities.

The share holding pattern in the Company is as follows:

| Name of equity holders | Shareholding (%) |
|--|-------------------------|
| Emirates NBD Bank PJSC ("holding company") | 99% |
| Emirates Financial Services PSC | 1% |

Following the merger of Emirates Bank International PJSC and the National Bank of Dubai PJSC during 2007, the Company's ultimate holding company is Emirates NBD PJSC, a Company in which the Investment Corporation of Dubai is the majority shareholder.

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and securities. The Company also trades on its own account.

The registered address of the Company is P.O. Box 2923, Dubai, United Arab Emirates.

2 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards ("IFRS") promulgated by the International Accounting Standards Board ("IASB"), interpretations thereof issued by the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB and the requirements of Federal Law No 8 of 1984 (as amended). They do not include all the information required for full annual financial statements, and should be read in conjunction with the financial statements as at and for the year ended 31 December 2009.

3 Significant accounting policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2009.

Emirates NBD Securities LLC
Notes to the condensed interim financial statements
For the three months ended 31 March 2010 (Unaudited)

4 Estimates

The preparation of interim financial statements requires the management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2009.

6 Investment securities

These comprise of the following:

| | Unaudited 31 March 2010 AED '000 | Audited 31 December 2009 AED '000 |
|---------------------------------------|--|---|
| Equity securities : | | |
| Non-Current: | | |
| Available-for-sale (refer note below) | 9,577 | 9,478 |
| Current: | | |
| Held for trading | 4,521 | 4,146 |
| | <u>14,098</u> | <u>13,624</u> |

Included in available-for-sale are:

- a) AED 9,379,040 (31 December 2009: AED 9,280,313) representing 4,936,337 shares in Dubai Financial Market ("DFM"). The Company in 2006 has acquired the shares relating to DFM's IPO as per the allocation set by DFM for brokerage companies. On 16th April 2009, the restrictions over sale or trading of the shares were lifted in accordance with the original conditions of allocation.
- b) AED 198,000 (31 December 2009: AED 198,000) representing 1% equity interest in Egyptian Company for Electronic System Development ("NPC"). The remaining 99% equity interest in NPC is collectively owned by Network International LLC and Emirates Financial Services PSC, who are fellow subsidiaries of the Company.

Emirates NBD Securities LLC
Notes to the condensed interim financial statements
For the three months ended 31 March 2010 (Unaudited)

7 Trade and other debtors

Trade debtors include the following:

- The net balance of trades which have been executed with the market but have yet to be settled. Settlement periods for the Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX) are T+2. Execution only customer trades are settled through their respective investment accounts that exist with Emirates NBD PJSC.
- Customer receivables are arising due to exposures on account of margin trading (MT). The Securities and Commodities Authority (SCA) has decided to postpone the implementation of the draft MT resolution. The Company has assessed its current practices against the proposed regulation and, once the final SCA rules are promulgated, will develop an action plan to address any gaps in compliance.

| | Unaudited 31 March 2010 AED '000 | Audited 31 December 2009 AED '000 |
|-------------------------------------|---|--|
| Customer receivables | 209,497 | 253,127 |
| Less: allowance for impairment loss | (17,374) | (17,155) |
| | 192,123 | 235,972 |

8 Related party transactions

The Company, in the normal course of business, carries out transactions with entities that fall within the definition of a related party contained in International Accounting Standard 24. The transactions and balances with the related parties, other than those already disclosed elsewhere in the financial statements, are as follows:

| | Unaudited 31 March 2010 AED '000 | Audited 31 December 2009 AED '000 |
|--|---|--|
| Due from Holding Company | 109,383 | 64,822 |
| Due from key management personnel (included in unsettled trade debtors) | 2,030 | 2,296 |

A number of functions are centralized and the costs of these are borne by the holding company and not recharged to the Company.

Emirates NBD Securities LLC
Notes to the condensed interim financial statements
For the three months ended 31 March 2010 (Unaudited)

8 Related party transactions (continued)

| | Unaudited 31 March 2010 AED '000 | Unaudited 31 March 2009 AED '000 |
|--|--|--|
| Interest income from Holding Company | 93 | 270 |
| Expenses borne by the Holding Company (refer note 9) | 1,089 | - |
| Insurance premium paid to associate of Holding Company | 149 | 140 |
| Call center charges paid to a fellow subsidiary of the Holding company | - | 12 |
| | ===== | ===== |

9 Administrative and general expenses

Due to restructuring of the equipment lease lines after the merger of NBD Securities LLC and Emirates International Securities LLC, it was agreed that expenses pertaining to 2009 amounting to AED 1.1 million will be borne by the Holding Company and will not be recharged to the Company. Therefore, the provision made in the year 2009 to this extent has been reversed in the three months ended 31 March 2010 (2009: nil).

10 Other income

| | Unaudited 31 March 2010 AED '000 | Unaudited 31 March 2009 AED '000 |
|--|--|--|
| Change in fair value of Fair Value through Profit and Loss investments | 375 | 384 |
| Interest income (net) | 2,505 | 3,381 |
| | 2,880 | 3,765 |
| | ===== | ===== |

11 Contingent liabilities

| | Unaudited 31 March 2010 AED '000 | Audited 31 December 2009 AED '000 |
|--|--|---|
| Letters of guarantee (Issued by the Holding Company in favor of DFM and ADX) | 450,000 | 800,000 |
| | ===== | ===== |

Emirates NBD Securities LLC
Notes to the condensed interim financial statements
For the three months ended 31 March 2010 (Unaudited)

12 Capital commitments

During the three months ended 31 March 2010, the Company entered into a contract for installation of additional security and authentication measures on their online trading platform for AED 350,963 (2009: nil) as mandated by SCA. The work will be completed in 2010.

13 Comparative figures

Certain comparative figures have been reclassified where appropriate to conform to the presentation and accounting policies adopted in these condensed interim financial statements.

The prior period comparatives have hence been restated so as to include the consolidated numbers of Emirates International Securities LLC and NBD Securities LLC since both the entities were under common control for the prior period.