

PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF EMIRATES NBD PJSC

Set out below is an unaudited pro forma condensed consolidated profit and loss statement and unaudited pro forma condensed consolidated balance sheet as at and for the nine months period ended 30 September 2007 (“pro forma financial information”) for Emirates NBD PJSC (“Emirates NBD”) prepared in accordance with the notes below to illustrate the impact of the acquisition by Emirates NBD of the share capital of Emirates Bank International PJSC (“EBI”) and The National Bank of Dubai PJSC (“NBD”) pursuant to the offer set out in the offer document dated 30 July 2007 (“the Merger”).

The pro forma financial information is based on the consolidated financial information of EBI as extracted (with reformatting) from the published unaudited condensed consolidated financial information of EBI for the nine months period ended 30 September 2007, the consolidated financial information of NBD as extracted (with reformatting) from the published unaudited condensed consolidated financial information of NBD for the nine months period ended 30 September 2007, and the unaudited management accounts of Emirates NBD as at 30 September 2007.

The pro forma financial information has been prepared in accordance with IFRS. Under *IFRS 3 – Business Combinations*, Emirates NBD will account for the Merger as an acquisition of NBD and will be required to fair value the assets (including intangible assets), liabilities and contingent liabilities acquired at the date of acquisition and to reflect the difference between their fair values and that of the consideration paid and expenses of the Merger as goodwill. The fair value exercise, which has yet to be completed, may result in different values being attributed to the assets (including intangibles), liabilities and contingent liabilities acquired than those shown below and those differences may be material.

For the purposes of presentation of the pro forma financial information:

- the pro forma condensed consolidated income statement has been prepared as if the merger had occurred on 1 January 2007; and
- the pro forma condensed consolidated balance sheet has been prepared as if the merger had occurred on 30 September 2007.

The pro forma financial information has been prepared for illustrative purposes only and because of its nature, does not represent what the results of operations or the financial position would actually have been if the Merger had occurred on the dates indicated, nor does it project the results of operations for any future period. Neither the potential synergy benefits nor the costs incurred or expected to be incurred, directly or indirectly, as part of the Merger have been included within the pro forma financial information.

EMIRATES NBD PJSC

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED PROFIT AND LOSS STATEMENT

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007

	Emirates NBD AED 000	EBI AED 000	NBD AED 000	Pro forma adjustments¹ AED 000	Pro forma consolidated AED 000
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Interest income	-	4,370,115	3,276,244	-	7,646,359
Income from Islamic financing and investment products	-	485,795	-	-	485,795
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Total interest income and income from Islamic products	-	4,855,910	3,276,244	-	8,132,154
Interest expense	-	(2,925,868)	(2,080,939)	-	(5,006,807)
Distribution to depositors	-	(245,006)	-	-	(245,006)
Profit paid to Sukuk holders	-	(22,668)	-	-	(22,668)
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Net interest income and income from Islamic products net of distribution to depositors	-	1,662,368	1,195,305	-	2,857,673
Other income	-	1,224,036	741,337	(7,050)	1,958,323
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Total income	-	2,886,404	1,936,642	(7,050)	4,815,996
General and administration expenses	-	(1,109,075)	(766,909)	-	(1,875,984)
Amortisation of intangible assets	-	-	-	(179,566)	(179,566)
Net impairment of loans and receivables	-	(248,902)	(115,117)	-	(364,019)
Impairment of investment securities	-	-	(80,320)	-	(80,320)
Share of profits of associated companies	-	249,807	-	-	249,807
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Group profit for the period	-	1,778,234	974,296	(186,616)	2,565,914
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<u>Attributable to:</u>					
Equity holders of Emirates NBD	-	1,778,004	974,296	(233,331)	2,518,969
Minority interests	-	230	-	46,715	46,945
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Group profit for the period	-	1,778,234	974,296	(186,616)	2,565,914
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The pro forma consolidated condensed profit and loss statement should be read in conjunction with notes 1 to 9 below, which set out the key assumptions made and limitations inherent in the pro forma illustrative financial information.

¹ Refer note 6

EMIRATES NBD PJSC
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	Emirates NBD AED 000	EBI AED 000	NBD AED 000	Pro forma adjustments ¹ AED 000	Pro forma consolidated AED 000
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ASSETS					
Cash and deposits with Central Bank	300	12,504,877	6,641,917	-	19,147,094
Due from banks	-	11,505,848	4,596,878	-	16,102,726
Loans and receivables	-	75,221,997	56,866,787	-	132,088,784
Islamic financing and investment products	-	11,351,428	-	-	11,351,428
Investment securities	-	13,167,807	17,978,737	(64,413)	31,082,131
Investments in associate companies	-	2,546,514	-	-	2,546,514
Investment properties	-	316,647	157,136	-	473,783
Property and equipment	-	630,650	359,732	-	990,382
Goodwill and intangibles	-	39,367	-	6,964,981	7,004,348
Other assets	-	6,035,909	1,445,555	-	7,481,464
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Total assets	300	133,321,044	88,046,742	6,900,568	228,268,654
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LIABILITIES					
Customer deposits	-	63,094,194	58,684,272	-	121,778,466
Islamic customer deposits	-	11,878,751	-	-	11,878,751
Due to banks	-	27,722,158	11,611,357	-	39,333,515
Deposits under repurchase agreement	-	355,087	-	-	355,087
Medium term borrowing	-	13,091,017	9,922,110	-	23,013,127
Other liabilities	-	7,147,841	1,211,550	-	8,359,391
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Total liabilities	-	123,289,048	81,429,289	-	204,718,337
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EQUITY					
Issued capital	300	2,914,870	1,556,135	(151,618)	4,319,687
Share premium reserve	-	-	-	11,984,461	11,984,461
Treasury shares	-	-	-	(63,232)	(63,232)
Legal and statutory reserve	-	982,205	648,390	(661,664)	968,931
Other reserves	-	3,711,510	3,617,506	(3,667,666)	3,661,350
Cumulative changes in fair value	-	418,569	(265,668)	260,830	413,731
Retained earnings	-	225,042	86,794	(89,835)	222,001
Profit for the current period	-	1,778,004	974,296	(1,000,325)	1,751,975
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Total equity attributable to equity holders	300	10,030,200	6,617,453	6,610,951	23,258,904
Minority interests	-	1,796	-	289,617	291,413
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Total equity	300	10,031,996	6,617,453	6,900,568	23,550,317
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Total liabilities and equity	300	133,321,044	88,046,742	6,900,568	228,268,654
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The pro forma consolidated condensed balance sheet should be read in conjunction with notes 1 to 9 below, which set out the key assumptions made and limitations inherent in the pro forma illustrative financial information.

¹ Refer note 6

EMIRATES NBD PJSC

NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

1. Emirates NBD adopts the purchase method of accounting under IFRS 3 - Business Combinations. IFRS 3 requires that an acquirer be identified in any business combination and acquisition accounting principles be applied. EBI has been identified as the “deemed acquirer” in this transaction. A new company, Emirates NBD, has been incorporated for the purpose of the Merger and the principles of reverse acquisition accounting have been used to reflect the acquisition of EBI by Emirates NBD. As such, no adjustment has been made to the fair value of EBI’s assets and liabilities in the pro forma consolidated balance sheet. The reverse acquisition was effected by a capital issue of 2,875.5 million shares of AED 1.00 in Emirates NBD to the shareholders of EBI in a share swap transaction at the rate of 1 share in EBI for 1 share in Emirates NBD.
2. The financial information of EBI has been extracted (after reformatting) from the published unaudited condensed consolidated financial information of EBI for the nine months period ended 30 September 2007. No account has been taken of trading by or changes in the financial position of EBI after 30 September 2007.
3. The financial information of NBD has been extracted (after reformatting) from the published unaudited condensed consolidated financial information of NBD for the nine months period ended 30 September 2007. No account has been taken of trading by or changes in the financial position of NBD after 30 September 2007.
4. The financial information of Emirates NBD has been extracted from the unaudited management accounts of Emirates NBD as at 30 September 2007. No account has been taken of trading by or changes in the financial position of Emirates NBD after 30 September 2007.
5. In preparing the pro forma financial information set out above, Emirates NBD is deemed to have completed the following share swap transaction:

	No. of shares as at 30 September 2007 (‘000)	Share swap ratio	% acceptances	Total shares to be issued by Emirates NBD (‘000)	% ownership
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EBI	2,914,870	1.00	98.65 %	2,875,477	66.6
NBD	1,556,135	0.95	97.67 %	1,443,910	33.4
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				4,319,387	100.0
				=====	=====

This percentage of acceptances reflects actual acceptances of the share swap offer as at 23 October 2007.

6. Adjustments have been made for the following items:

(a) Acquisition of NBD by Emirates NBD as follows:

	AED million -----
<u>Acquisition cost:</u>	
Issue of 1,443.9 million shares in Emirates NBD of AED 1.00 each to the ordinary shareholders of NBD at an issue price of AED 9.30 each reflected as follows:	
Capital	1,444
Share premium	11,984

Total cost of acquisition	13,428
<u>Net assets acquired:</u>	
Net tangible assets of NBD as at 30 September 2007	(6,617)
Minority share of net assets	154

Goodwill and intangible assets arising on acquisition	6,965
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The acquisition cost has been calculated on the basis of EBI's closing price of AED 9.30 per share on the Dubai Financial Market on 7 October 2007, being the last trading day prior to the suspension from trading.

- (b) The ratio of goodwill and intangible assets arising from the Merger has been assumed to be within a range of 15:85 to 25:75 in line with the directors' assessment of similar historical transactions within the financial services industry. Intangible assets have been assumed to have a useful economic life ranging from 5 - 8 years for the purpose of estimating the amortisation charge for the nine months period. These assumptions indicate a range of annual intangible asset impairment charge of AED 130,593,000 to AED 348,249,000. The median point of this range is AED 239,421,000 annualised, this has been reflected on a pro rata basis (being AED 179,566,000) in the pro forma condensed consolidated profit and loss statement for illustrative purposes. The actual results from the purchase price allocation exercise may be materially different from these assumptions.
- (c) The existing 7,156,985 NBD shares held by EBI as at 30 September 2007 have been swapped for 6,799,135 new shares of Emirates NBD and have been presented as treasury shares of Emirates NBD in the pro forma condensed consolidated balance sheet.
- (d) An adjustment has been made in the pro forma condensed consolidated profit and loss statement to eliminate trading profits reported by EBI for the nine months period earned from its holding of shares in NBD. No adjustment has been made for the unrealised profit or loss arising from EBI's holding of NBD shares as at 1 January 2007 that would have been recognised had the transaction completed on that date.

- (e) Minority interests in the net assets and profit and loss statement of Emirates NBD represent:
- Holders of a minority stake in the subsidiaries of EBI
 - 1.35% of shares held by shareholders of EBI who have not accepted the share swap offer as at 23 October 2007.
 - 2.33% of shares held by shareholders of NBD who have not accepted the share swap offer as at 23 October 2007.
7. The carrying amounts have been assumed as the fair values of the assets and liabilities of NBD as at 30 September 2007. A full fair value exercise will be undertaken as at the date of acquisition.
- The resultant goodwill arising on acquisition has not been assessed for impairment purposes. A full assessment will be undertaken as part of a purchase price allocation exercise as at the date of acquisition.
8. The pro forma consolidated financial information does not include any adjustment to reflect transaction costs in connection with the Merger. The costs, charges and expenses of and incidental to the Merger, including the fees payable to financial advisers of the respective entities and the cost of the application for listing, are estimated to be approximately AED 66 million.
9. The pro forma consolidated balance sheet and the pro forma profit and loss statement do not include any adjustments to eliminate any balances, income or expense between EBI and NBD arising as a result of inter-bank transactions in the normal course of business.