

**Emirates NBD
Public Joint Stock Company**

Pro forma Income Statement

31 DECEMBER 2007

PRO FORMA INCOME STATEMENT OF EMIRATES NBD PJSC

Set out below is an unaudited pro forma consolidated income statement for the year ended 31 December 2007 (“pro forma income statement”) 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 income statement is based on the consolidated income statement of EBI as extracted from the audited consolidated financial statements of EBI for the year ended 31 December 2007, and the consolidated income statement of NBD as extracted from the audited consolidated financial statements of NBD for the year ended 31 December 2007.

The pro forma income statement has been prepared in accordance with IFRS. Under *IFRS 3 – Business Combinations*, Emirates NBD has accounted for the Merger as an acquisition of NBD and is required to fair value the assets (including intangible assets), liabilities and contingent liabilities acquired at the date of acquisition and to reflect the excess of their fair values over the consideration paid and expenses of the Merger as goodwill.

For the purposes of presentation, the pro forma income statement has been prepared as if the proposed combination occurred on 1 January 2007.

The pro forma income statement has been prepared for illustrative purposes only and because of its nature, does not represent what the results of operations 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. The potential synergy benefits of the Merger have not been included within the pro forma income statement.

This unaudited pro forma consolidated income statement should be read in conjunction with the audited statutory financial statements of Emirates NBD for the year ended 31 December 2007. A reconciliation pro forma group profit for the year to statutory group profit for the year is attached in Note 7.

EMIRATES NBD PJSC
PRO FORMA INCOME STATEMENT FOR THE YEAR ENDED 31 DEC 2007 (12 months)

	EBI AED'000	NBD AED'000	Consolidation Adjustments AED'000	Proforma Adjustments AED'000	Proforma Consolidated AED'000
Interest income	6,260,461	4,584,120	(15,426)		10,919,238
Interest expense	(4,034,691)	(2,921,006)	15,426	90,083	(6,941,395)
				(1,124)	
Net Interest Income	2,225,770	1,663,114	-	88,959	3,977,843
Income from Islamic financing and investing products	540,382	44,731	-	-	585,113
Distribution to depositors	(446,192)	(36,566)	-	-	(482,758)
Total interest income and income from Islamic financing and investment products	2,319,960	1,671,279	-	88,959	4,080,198
Fees, commission and other income	1,159,474	665,014	-	-	1,824,488
Fees, commission and other expenses	(340,496)	(49,013)	-	-	(389,509)
Net fee and commission income	818,978	616,001	-	-	1,434,979
Net gain or loss on trading securities	246,793	175,054	(21,455)	-	400,392
Other operating income	843,942	356,864	(9,208)	-	1,191,598
Total income	4,229,673	2,819,198	(30,663)	88,959	7,107,167
General and administrative expenses	(1,671,054)	(1,026,584)	-	(21,147)	(2,718,785)
Impairment loss on financial assets	(540,650)	(195,195)	-	-	(735,845)
Total operating expenses	(2,211,704)	(1,221,779)	-	(21,147)	(3,454,630)
Operating profit	2,017,969	1,597,419	(30,663)	67,812	3,652,537
Share of profit of associate companies	374,387	(280)	1,442	-	375,549
Operating profit (Including Share of profits from associate companies)	2,392,356	1,597,139	(29,221)	67,812	4,028,086
Amortisation of intangibles	(2,015)	-	-	(80,000)	(82,015)
Group profit for the year	2,390,341	1,597,139	(29,221)	(12,188)	3,946,071
Attributable to:					
Equity holders of the Bank	2,389,960	1,597,139	(29,221)	(12,188)	3,945,690
Minority interests	381	-	-	-	381
Group profit for the year	2,390,341	1,597,139	(29,221)	(12,188)	3,946,071

EMIRATES NBD PJSC

NOTES TO THE UNAUDITED PRO FORMA INCOME STATEMENT

1. Emirates NBD has adopted 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. The principles of reverse acquisition accounting have been used to reflect the acquisition of EBI by Emirates NBD.
2. The financial information of EBI has been extracted (after reformatting) from the audited consolidated financial statements of EBI for the year ended 31 December 2007.
3. The financial information of NBD has been extracted (after reformatting) from the audited consolidated financial statements of NBD for the year ended 31 December 2007.
4. Emirates NBD did not incur any profit or loss during the pro forma year.
5. Adjustments have been made for the following items:
 - (a) Elimination of intra-group expenses:

Adjustments have been made in the pro forma income statement to eliminate:

 - i) Intra-group interest income/expenses derived from intra-group borrowings amounting to AED 15.4 million
 - ii) Unrealised gains reported by NBD from its holdings in Union Properties shares amounting to AED 9.2 million.
 - iii) Unrealised gain from ENBD shares held by EBI amounting to AED 21.4 million
 - (b) Adjustment to share of profits from associate:

An adjustment has been made to the share of profits from associate company resulting from NBD’s shareholding to Union Properties amounting to AED 1.4 million
 - (c) Amortisation of Fair value adjustments arising from the NBD’s purchase price allocation (“PPA”) exercise

A full year amortisation charge has been reflected in respect of the fair value adjustments to NBD assets identified during the PPA exercise as follows:

 - i) Amortisation of fair value adjustments of loans and advances amounting to AED 90 million.
 - ii) Amortisation of fair value adjustments of customer deposits and borrowings under the EMTN programme amounting to AED 1 million.
 - iii) Amortisation of fair value adjustments to properties held by NBD amounting to AED 21 million.

(d) Amortisation of intangible assets

The adjustment of AED 411 million has been made to reflect a full year amortisation charge in respect of intangible assets of NBD identified as part of the transaction.

6. The group has provisionally recognized the fair value of assets, liabilities and contingent liability acquired through the acquisition of NBD and has not performed an impairment test on goodwill. Any adjustments to the provisional values will be finalized within 12 months for the acquisition date as allowed by IFRS 3. An impairment test on the carrying value of the goodwill will also be performed at that stage.
7. Reconciliation of pro forma income statement to statutory income statement of Emirates NBD as follows:

	AED 000

Pro forma Group profit for the year	3,946,071
Add: Amortisation of fair value adjustments and intangible assets from 01/01/07 to 15/10/07	22,981
Less: Profit of NBD from 01/01/07 to 15/10/07	(1,115,191)
Other consolidation adjustments	(82,953)

Statutory Group profit for the year	2,770,908
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