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Emirates Bank International and National Bank of Dubai Announce Terms of their Proposed Merger

Merged bank to be called Emirates NBD PJSC

Proposed Merger through an offer for the shares of EBI and NBD by Emirates NBD PJSC, a new company licensed by the UAE Central Bank to be established for the purpose of the Proposed Merger, with a combined market capitalisation of approximately AED 41.3 billion / US$ 11.3 billion[1]

Proposed Merger to create a UAE banking champion and the GCC's largest bank by assets

Each EBI share will be exchanged for 1 share in Emirates NBD, valuing the EBI shares at AED 9.30[2] per share

Each NBD share will be exchanged for 0.95 shares in Emirates NBD, valuing the NBD shares at AED 8.84[2] per share, which equates to a 14% premium to the NBD share price on the day prior to announcement[3]

Equates to an overall exchange ratio of 0.95 EBI shares for 1 NBD share

Merger terms agreed by the Boards of Directors of EBI and NBD

Government of Dubai intention to accept the Offer in respect of its holding of 76.62% and 14.25% of the share capital of EBI and NBD respectively

EBI and NBD have requested that trading in their respective shares on the Dubai Financial Market be resumed on 15 July 2007

Shareholders of EBI and NBD to be given an opportunity to accept the terms of the Proposed Merger and the Offer based on a formal Offer Document

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[1] Based on an exchange rate of USD 1 = AED 3.6725 as of 1 July 2007
[2] Based on a share price of AED 9.30 for EBI and AED 9.15 for NBD as of 1 July 2007
[3] Share price of EBI of AED 10.48 on 5 March 2007, implying a share price for NBD of AED 9.96 based on 0.95x exchange ratio. Share price of NBD on 5 March 2007 of AED 8.75, implying a 14% premium. All share prices adjusted for bonus share issues

12 July 2007, Dubai - The Boards of Directors of Emirates Bank International PJSC ("**EBI**") and the National Bank of Dubai PJSC ("**NBD**") today announced the terms of the proposed merger (the "**Proposed Merger**") between EBI and NBD to create a company with a combined market capitalisation of AED 41.3 billion.[4] The Proposed Merger is intended to be effected by the introduction of a new company licensed by the UAE Central Bank, Emirates NBD PJSC (the "**Company**" or "**Emirates NBD**"), to be established for the purpose of the Proposed Merger, which will offer to acquire the share capital of EBI and NBD in exchange for shares in the Company (the "**Offer**"). Completion of the Proposed Merger will bring together the first and second largest banks in the Emirate of Dubai by assets.

The Proposed Merger has been approved by the Boards of Directors of both EBI and NBD. The Government of Dubai has confirmed its intention to accept the Offer in respect of its holding of 76.62% and 14.25% of the share capital of EBI and NBD respectively. The Boards of Directors of EBI and NBD believe that the Company will be well-positioned to capture attractive domestic and regional opportunities. With increased financial strength, economies of scale and financial flexibility, the Company will be able to grow and deliver value to its shareholders, customers, and employees.

His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai said: "The integration of two of the UAE's firmly established and best-known financial institutions will create a UAE champion and a regional leader. This merger reinforces Dubai's position as a world class financial centre."

Commenting on the transaction, His Highness Sheikh Ahmed Bin Saeed Al Maktoum, Chairman of the Joint Steering Committee established by EBI and NBD in connection with the Proposed Merger, said "This is a landmark deal, bringing together two high quality banking businesses. It offers significant benefits to shareholders, customers and of course staff." His Highness expressed his appreciation for the high standards of professionalism and transparency exercised to achieve the Proposed Merger.

CREATING A UAE BANKING CHAMPION

EBI and NBD have certain complementary businesses with similar strategic objectives, leading UAE banking franchises, management talent and deep regional knowledge. By joining forces, EBI and NBD aim to deliver enhanced value across corporate, retail, Islamic and investment banking across the GCC region.

The Company is expected to have the leading UAE market positions in terms of:[5]

- Total assets with a combined market share of approximately 19.2% (AED 165.2 billion / US$ 45.0 billion) as at 31 December 2006;
- Total loans with a combined market share of approximately 21.7% (AED 109.1 billion / US$ 29.7 billion) as at 31 December 2006;[6]
- Total deposits with a combined market share of approximately 18.4% (AED 95.3 billion / US$ 26.0 billion) as at 31 December 2006.

[4] As of 1 July 2007
[5] The figures are based on UAE Central Bank data and EBI's and NBD's respective audited financial statements for the year ended 31 December 2006
[6] Total loans are net of provisions

The Proposed Merger is also expected to create a market leader across core business lines, namely:

- Leading retail banking franchise in the UAE, with 99 combined branches and approximately 429 ATMs / Cash Deposit Machines;
- Major player in the corporate banking arena, with a combined market share of almost a fifth of corporate loans;
- Fast growing Islamic banking operations provided through affiliated entities;
- Strong investment and private banking franchise, including the provision of underwriting services;
- Leading provider of asset management products with operations in Dubai and the DIFC and total assets under management of AED 8.5 billion;
- Leading UAE brokerage operations provided through affiliated entities, with a combined market share of approximately 9.3%.

EBI and NBD will be the principal entities of Emirates NBD and will initially continue to operate under their current legal personalities and trading names following completion of the Proposed Merger. It is envisaged that following the Proposed Merger a further corporate restructuring of the group may take place to effect the integration process of the banks, which may be in the form of a statutory merger in accordance with the UAE Commercial Companies Law. The Company is expected to have over 6,000 employees following completion of the Proposed Merger. On completion of the Proposed Merger, the Company will have presence through branches in the UAE, the Kingdom of Saudi Arabia, Qatar, the United Kingdom and Jersey (Channel Islands), and representative offices in India, Iran and Singapore.

The Boards of Directors of EBI and NBD expect the Proposed Merger to create shareholder value through revenue and cost synergies, established management expertise and best practices. The EBI and NBD Boards of Directors have arrived at the following preliminary synergy estimates:

- Total annual revenue synergies of approximately AED 195 million or c.4.1% of the 2006 combined revenue base of the combined entity;
- Total annual cost synergies of approximately AED 151 million, or c.8.3% of the 2006 combined cost base of the combined entity;
- Total non-recurring other synergies of approximately AED 26 million.

To capture currently identified estimated synergies, one-off integration costs have been estimated at approximately AED 189 million.[7]

Further information in relation to the expected synergies will be set out in the offer document (the "Offer Document"). The preliminary annualised cost and revenue synergy estimates have been prepared on the basis that full run-rate synergies would be achieved in 2010.

This section contains views of the Boards of Directors of EBI and NBD on benefits that they currently anticipate will result from completion of the Proposed Merger. You should note, in particular, that this section contains forward-looking statements, which are subject to risks and uncertainties, and that undue reliance should not be placed on such statements. You should refer to the important notices section of this announcement below in relation to the following information and, in particular, to the preliminary synergy estimates.

[7] Assumes restructuring costs based on 125% of cost synergies. Revenue synergies are net of incremental recurring costs

TERMS OF THE PROPOSED MERGER

The Proposed Merger is intended to be effected through the Offer by the Company for the shares of each of EBI and NBD subject to the terms and conditions of the Offer Document. Following successful completion of the Offer, EBI and NBD will become subsidiaries of the Company, and those shareholders of EBI and NBD who validly accept the Offer will become shareholders in Emirates NBD.

Full details of the terms and conditions of the Offer and Proposed Merger will be made available in the Offer Document which will be distributed to EBI and NBD shareholders following regulatory and further Boards of Directors approvals. Shareholders in each of EBI and NBD wishing to accept the Offer will be required to complete acceptance forms in accordance with the process that will be explained in the Offer Document.

The EBI Offer

For each EBI share 1 share in the Company, valuing the EBI shares at AED 9.30[8] per share

The NBD Offer

For each NBD share 0.95 shares in the Company, valuing the NBD shares at AED 8.84[8] per share, which equates to a 14% premium to the share price on the day prior to announcement.[9]

Exchange ratio

The above offers equate to an overall exchange ratio of 0.95 EBI shares for 1 NBD share.

Assuming that all EBI and NBD shareholders accept the terms of the Proposed Merger and validly tender their shares, this would imply that EBI shareholders would own 66.3% of the share capital in Emirates NBD and NBD shareholders would own 33.7% of the share capital in Emirates NBD.[10]

Shareholders of NBD and EBI whose shares are pledged or subject to any form of security are required to obtain written clearance from the relevant bank or security holder before they can transfer their EBI and/or NBD shares (as relevant) to the Company.

Shareholder Action Required

Shareholders in EBI and NBD will be asked to take two actions. Shareholders will, in due course, be given an opportunity to accept the Offer, by tendering their shares, made by Emirates NBD by the publication of the formal Offer Document (which will include a form of acceptance setting out detailed instructions in relation to the process for accepting the Offer). In addition, and as a separate action, shareholders will be given the opportunity to attend and vote at an EGM convened to approve the Proposed Merger and the cancellation of the listing of EBI and NBD shares on the Dubai Financial Market.

[8] Based on a share price of AED 9.30 for EBI and AED 9.15 for NBD as of 1 July 2007
[9] Share price of EBI of AED 10.48 on 5 March 2007, implying a share price for NBD of AED 9.96 based on 0.95x exchange ratio. Share price of NBD on 5 March 2007 of AED 8.75, implying a 14% premium. All share prices adjusted for bonus share issues
[10] Assuming 100% acceptance of the Offer by EBI and NBD shareholders

KEY CONDITIONS

Once launched, the Offer is expected to be subject to conditions, including:

- Resolution approving the Proposed Merger having been passed by a majority of 75% of shareholders attending and entitled to vote at the EGMs of EBI and NBD respectively;
- Not less than 51% of the shareholders of each of EBI and NBD validly accepting the Offer, by tendering their shares;
- The due listing and admission to trading of Emirates NBD's shares on the Dubai Financial Market in accordance with the rules of the Dubai Financial Market and the Securities and Commodities Authority;
- The merger agreement entered into by EBI and NBD dated 3 July 2007 not having been terminated in accordance with its terms.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Following suspension of the trading of the shares of EBI and NBD on 2 July 2007, EBI and NBD have requested that trading in their respective shares on the Dubai Financial Market be resumed on 15 July 2007. The key expected dates for the Proposed Merger and Offer will be announced to the market once the Company is established.

Upon the launch of the Offer, EBI and NBD shareholders will receive the Offer Document, which will provide full details of the terms and conditions of the Proposed Merger and the Offer, and provide instructions on the process to be followed by shareholders in order to accept the Offer and tender their shares and vote at the EGMs.

ACTIONS FOLLOWING THE PROPOSED MERGER

Following the completion of the Proposed Merger and the Offer, EBI and NBD shares are expected to be delisted from the Dubai Financial Market. It is expected that such cancellation will take effect on the date of listing of the Company's shares on the Dubai Financial Market.

Shareholders of EBI and NBD who do not validly accept the Offer should note that, following such delisting, the liquidity and marketability of EBI and NBD shares is likely to be adversely affected.

BOARD MEMBERS AND MANAGEMENT

EBI and NBD have agreed to nominate six members each to serve on the Board of Directors of Emirates NBD. The proposed members of the Board of Directors of the Company are:

Position	Name	Currently at
Chairman	H.E Ahmed Humaid Al Tayer	EBI
Vice Chairman	Abdullah Mohamed Saleh	NBD
Board Member	H.E Easa Saleh Al Gurg	EBI
Board Member	Fardan Bin Ali Al Fardan	EBI
Board Member	Khalid Jassim Kalban	EBI
Board Member	Abdulla Ahmed Lootah	EBI
Board Member	Hamad Mubarak Buamin	EBI
Board Member	R. Douglas Dowie	NBD
Board Member	Abdulla Bin Sultan Bin Mohamed Al Owais	NBD
Board Member	Omar Abdullah Al Futtaim	NBD
Board Member	H.E. Mirza Hussain Al Sayegh	NBD
Board Member	Butti Obaid Butti Al Mulla	NBD

In addition, it is proposed that R. Douglas Dowie, currently Chief Executive Officer of NBD, will act as Advisor to the Board. He is also proposed to join a number of Board Committees including the Executive Committee, and will be Chairman of Emirates NBD's investment bank.

The key management roles proposed for the Company are as follows:

- Rick Pudner, currently Chief Executive Officer of EBI, as Chief Executive Officer of Emirates NBD;
- Sanjay Uppal, currently Chief Financial Officer of EBI, as Chief Financial Officer of Emirates NBD;
- Joyshil Mitter, currently Chief Financial Officer of NBD, as General Manager, Head of Integration of Emirates NBD;
- Shahzad Shahbaz, currently Chief Executive Officer of NBD Investment Bank, as Chief Executive Officer of Emirates NBD's investment bank.

These initial proposed positions will be followed by further management appointments which will be announced in due course.

COMMENTS

H.E Ahmed Humaid Al Tayer, Chairman of EBI said:

"This merger offers a unique opportunity for our organisations to create a regional banking powerhouse with scale that will support our shared vision for international expansion."

Abdullah Mohamed Saleh, Chairman of NBD said:

"By combining two of the UAE's strongest banks we are building a leading banking institution for the UAE and the wider region. We look forward to offering our clients, shareholders and customers greater value and benefits."

FOR FURTHER INFORMATION

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Dedicated merger website: www.ebinbdmerger.com

OTHER INFORMATION

Goldman Sachs International is acting exclusively as Lead Financial Adviser to the Joint Steering Committee of EBI and NBD established in connection with the Proposed Merger.

Linklaters LLP is acting as Legal Adviser to EBI in connection with the Proposed Merger.

Allen & Overy LLP is acting as Legal Adviser to NBD in connection with the Proposed Merger.

KPMG and Ernst & Young have been appointed as joint auditors to Emirates NBD.

Lehman Brothers provided a fairness opinion to the Board of Directors of EBI which will be included in the Offer Document.

Morgan Stanley provided a fairness opinion to the Board of Directors of NBD which will be included in the Offer Document.

ABOUT EMIRATES BANK INTERNATIONAL

Emirates Bank International, headquartered in Dubai, UAE, was established in 1977, and is the second largest bank in the UAE by assets. Listed on the Dubai Financial Market, the bank currently employs approximately 4,800 people. Outside the UAE, Emirates Bank International has branches in Saudi Arabia, the UK and Jersey (Channel Islands), and representative offices in Iran, India and Singapore.

Emirates Bank International offers wholesale banking and investment banking through its Corporate Banking Unit, retail banking through its branch network and its direct banking channel "meBANK" as well as treasury services.

Emirates Bank International also offers Islamic banking through Emirates Islamic Bank, asset management through EIS Asset Management, brokerage services through Emirates International Securities, and card processing through Network International. In addition it has significant shareholdings in Union Properties (property development), and National General Insurance.

Key performance indicators as at 31 March 2007:

Total assets of AED 104.1bn	Total loans of AED 62.9bn
Total deposits of AED 43.4bn	Total shareholder's equity of AED 8.8bn

ABOUT NATIONAL BANK OF DUBAI

National Bank of Dubai, headquartered in Dubai, UAE, was established in 1963, and is currently the fourth largest bank in the UAE by assets. Listed on the Dubai Financial Market, the bank currently employs approximately 1,500 people. Outside the UAE, National Bank of Dubai has branches in Qatar, the UK and Jersey (Channel Islands), and a representative office in Iran.

The bank offers clients in the UAE and elsewhere a variety of banking services including corporate and institutional banking, retail banking, investment banking, private banking, treasury services, brokerage services and Islamic banking products. It operates through the main bank and its five subsidiaries NBD Investment Bank Limited, Al-Watani Al-Islami, NBD Securities LLC, National Bank of Dubai Trust Company (Jersey) and NBD Properties LLC.

Key performance indicators as at 31 March 2007:

Total assets of AED 73.6bn	Total loans of AED 46.7bn
Total deposits of AED 48.9bn	Total shareholder's equity of AED 5.8bn

BACKGROUND TO AND RATIONALE FOR THE PROPOSED MERGER

On 7 March 2007, the Chairmen of the Boards of Directors of EBI and NBD announced their intention to merge.

The Boards of Directors of each of EBI and NBD recognise the importance of a UAE champion with the scale, financial strength and service quality standards to compete effectively in the increasingly dynamic and competitive UAE and GCC markets. The Boards of Directors believe that the Proposed Merger represents an excellent strategic fit, bringing together the first and second largest banks in the Emirate of Dubai by assets. The EBI and NBD Boards of Directors also believe the Company will be well-positioned to capture attractive domestic and regional opportunities. With increased financial strength, economies of scale and financial flexibility, the Company will be able to achieve profitable growth and deliver value to its shareholders, customers, and employees.

The EBI and NBD Boards of Directors believe the Proposed Merger is a compelling business combination which will create a leading regional player with scale and enhanced ability to capture a significant share of the market and growth opportunities across the GCC region.

The objectives of the Proposed Merger are to:

- Create a UAE champion to significantly enhance the strategic position of the Company across all key product and service segments;
- Better position the Company to seize opportunities and compete effectively with other large regional and international banks, through increased financial strength and scale;
- Deliver outstanding value creation to the Company's shareholders through superior financial performance resulting from revenue and cost synergies.

BENEFITS OF THE PROPOSED MERGER

The Board of Directors of each of EBI and NBD believe completion of the Proposed Merger will provide significant benefits to shareholders, customers and employees:

Shareholders

- Creation of the leading UAE bank with an enhanced market position across key customer segments and products
- Enhanced regional and international expansion opportunities, leveraging the distribution networks and geographical presence of EBI and NBD
- Increased financial strength and capital position to support future growth
- Value creation through revenue and cost synergies, established management expertise and best practices

Customers

- Greater convenience through broader domestic branch and ATM networks
- Wider access to regional and international markets through the Company's expanded presence
- Broader product suite and delivery of more customised financial solutions

Employees

- Enhanced career opportunities through a larger, more diversified, organisation
- Improved training and career development capacity
- Greater ability to attract and retain top talent

THE COMPANY'S FUTURE STRATEGY

Emirates NBD's objective is to become a leading regional financial institution, with an increasing international presence. The Company will seek to leverage its financial strength, scale and market positioning to capture opportunities in both domestic and regional markets. It will aim to become the partner of choice for domestic and international corporate and retail clients seeking banking and financial services in the GCC region.

Over the past few years, both EBI and NBD have expanded their businesses to take advantage of new opportunities in retail, corporate and Islamic banking. They have successfully diversified into other financial services such as brokerage, asset management and investment banking, and pursued regional expansion by opening new branches in the GCC states as well as representative offices in strategic markets. Each bank has invested in new technology, infrastructure, and people to strengthen its position in an increasingly competitive banking environment both domestically and regionally.

The merger of these two banks creates an ideal platform for domestic and regional growth. Over the next three years the strategic priorities of Emirates NBD will be to:

- ***Pursue profitable growth in retail banking***
  - Exploit the potential emerging from Emirates NBD's distribution network, the largest in the UAE, to increase market penetration in Dubai, Abu Dhabi and other Emirates.
  - Take advantage of the unique cross-selling opportunity by offering Emirates NBD's complementary products to its consolidated retail customer base, to increase share-of-wallet.
  - Develop a strong brand representing the core values of Emirates NBD, which will leverage the strengths of the existing brands.
  - Leverage best-practice sales force and branch management solutions across Emirates NBD to (i) offer a superior customer service experience, and (ii) improve operational efficiency.
- ***Establish a distinctive wealth management offering***
  - Leverage the combined platforms of EBI's Al Shaheen and NBD's Suhail to strengthen and develop a regional mass affluent / priority banking business which can be expanded to other countries in the GCC region.
  - Increase share-of-wallet through broader product penetration and differentiated service offering.
  - Grow the existing private banking business on a regional basis by focusing on high net worth and ultra high net worth clients and acting as their "trusted advisor".

- Launch new products by leveraging the investment banking, asset management, structured product, real estate, trust and family office product capabilities.

- ***Consolidate and enhance market position in corporate banking***
  - Focus on revenue share increase from large corporate and institutional clients in the UAE by offering a comprehensive range of commercial and investment banking products.
  - Develop a dedicated relationship model and service approach for the “mid cap and SME” customers to take advantage of these fast growing segments.
  - Strengthen capabilities in trade finance, cash management and treasury products to effectively compete with major international banks.
  - Leverage the balance sheet and capital to acquire new corporate clients and finance larger projects.
  - Expand the financial institution business on an international basis.
- ***Develop a leading regional investment banking franchise***
  - Create a world-class platform in terms of people and product capability to provide a comprehensive range of products across advisory, capital markets, structured finance, investment and risk management solutions.
  - Enhance cross selling to the corporate and institutional clients base of the Company, by exploiting the combination of financial and intellectual capital.
  - Take advantage of Dubai’s development as a regional financial centre with more sophisticated financial markets to expand the client base and business activities.
- ***Expand Islamic banking***
  - Expand the EIB branch network and leverage the existing distribution network to cross-sell Islamic banking products and services to NBD’s customer base.
  - Utilise the larger platform to develop innovative Shariah compliant products and services across retail, corporate and investment banking customers.
- ***Pursue expansion in the GCC and other key strategic markets***
  - Invest in strengthening the group’s presence in Saudi Arabia and Qatar as well as further expansion into selected strategic markets.
  - Exploit the financial strength and scale of Emirates NBD to take advantage of opportunities in the GCC and the wider region.
- ***Integrate organisational resources to build a scalable platform***
  - Integrate support functions and back-office operations of EBI and NBD to improve cost efficiencies and generate scale benefits.
  - Invest in state-of-the art technology infrastructure to position Emirates NBD as a market leader.
  - Use Emirates NBD’s position to develop best-in-class corporate governance, risk management capabilities and organisational processes.

IMPORTANT NOTICES

This announcement is not a prospectus and investors should not accept the Offer, acquire securities in the Company or exercise voting rights at either of the extraordinary general meetings, in each case as described in this announcement, except on the basis of information in the Offer Document. The Offer Document will include a discussion of certain risk factors which should be taken into account when considering whether to vote in favour of the resolutions to be considered before the EBI and NBD extraordinary general meetings and whether to accept the Offer. Copies of the Offer Document will, following publication, be available from EBI's or NBD's head offices in Baniyas Road, Dubai, UAE.

This announcement is not intended to and does not constitute, or form part of, an offer to acquire, issue or sell or an invitation to acquire, subscribe for or sell any securities or the solicitation of any vote or approval in any jurisdiction in connection with or pursuant to the Proposed Merger or the Offer or otherwise, nor will there be any acquisition, issue, sale, subscription or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law or regulation. The Offer will be made solely through the Offer Document and the form of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how to accept the Offer and how to vote at the extraordinary general meetings. Any acceptance, vote or other response to the Offer or the Proposed Merger should be made only on the basis of such documents.

The availability of the Offer to persons who are not resident in the UAE may be affected by the laws of the relevant jurisdictions. Persons who are not so resident should inform themselves about, and observe, any applicable requirements. Further details in relation to non-UAE shareholders will be contained in the Offer Document.

The release, publication or distribution of this announcement in jurisdictions other than the UAE may be restricted by law and/or regulation and therefore any persons who are subject to the laws and regulations of any jurisdiction other than the UAE should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.

No action is intended to be taken to permit a public offering of the Company's shares in any jurisdiction outside the UAE. Such shares are intended to be offered only in those jurisdictions in which, and only to those persons to whom, the offer of such shares may lawfully be made. If an EBI or NBD shareholder resides in any restricted jurisdiction, such shareholder may not be permitted to exercise his or her acceptance of the Offer. Further information will be set out in the Offer Document.

Nothing contained in this announcement is intended to be or shall be deemed to be a forecast, projection or estimate of the current or future financial performance of EBI, NBD or any member of their respective groups or the Company's group (together, the Group) and no statement in this announcement should be interpreted to mean that earnings per share for current or future financial periods of the Company, EBI or NBD will necessarily match or exceed historical published earnings per share.

Neither the content of the dedicated merger website or any Group, EBI, NBD or other website nor the content of any website accessible from hyperlinks on any of such websites is incorporated into, or forms part of, this announcement.

Goldman Sachs International is acting exclusively as Lead Financial Adviser to the Joint Steering Committee and for no one else in connection with the Proposed Merger and will not be responsible to anyone other than the Joint Steering Committee for providing the protections afforded to clients of Goldman Sachs International or for providing advice in relation to the Proposed Merger, the content of this announcement or matters referred to in this announcement.

Lehman Brothers Europe Limited (Lehman Brothers) is acting exclusively as "Fairness Opinion" adviser to EBI and for no one else in connection with the Proposed Merger and will not be responsible to anyone other than EBI for providing the protections afforded to clients of Lehman Brothers or for providing advice in relation to its Fairness Opinion.

Morgan Stanley & Co Limited (Morgan Stanley) is acting exclusively as "Fairness Opinion" adviser to NBD and for no one else in connection with the Proposed Merger and will not be responsible to anyone other than NBD for providing the protections afforded to clients of Morgan Stanley or for providing advice in relation to its Fairness Opinion.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements with respect to EBI, NBD and the Company. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "will", "goal", "believe", "aim", "may", "would", "could" or "should" or other words of similar meaning or the negative thereof. Forward–looking statements in this announcement include, without limitation, any statements relating to the following: (i) preliminary synergy estimates, future capital expenditures, expenses, revenues, economic performance, financial conditions, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the operations of the Group; (iii) the effects of government regulation on the business of the Group; and (iv) the Proposed Merger and the Offer, related matters and the dates on which events are expected to occur.

These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, industry results, strategies or events, to be materially different from any results, performance, achievements or other events or factors expressed or implied by such forward-looking statements. Many of the risks and uncertainties relating to forward-looking statements are beyond the companies' abilities to control or estimate precisely, such as future market conditions and the behaviours of other market participants, and therefore undue reliance should not be placed on such statements. Forward-looking statements are not guarantees of future performance. They have not, unless otherwise indicated, been reviewed by the auditors of EBI, NBD or the Company. Forward-looking statements are based on numerous assumptions, including assumptions regarding the present and future business strategies of such entities and the environment in which each will operate in the future. All subsequent oral or written forward-looking statements made by or attributable to a member of the Group or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

The forward-looking statements in this announcement include the views of the Boards of Directors of EBI and NBD on the benefits that they currently anticipate will result from completion of the Proposed Merger, including information and estimates compiled by the Boards of Directors of EBI and NBD. You should note, in particular, that the synergy estimates included in this announcement are preliminary estimates of the Boards of Directors of EBI and NBD, which may be revised following more detailed integration planning. The success of the Proposed Merger will depend, in part, on the Group's ability to realise the anticipated cost savings, growth opportunities and synergies and other benefits from integrating the businesses of EBI and NBD. There is a risk that the anticipated benefits are not realised in the time, manner or amounts currently expected, if at all, as a result of a variety of external and internal factors.

EBI and NBD do not intend to update any forward-looking statements, except as required pursuant to applicable law and regulation.