The National Bank of Dubai

Public Joint Stock Company and its subsidiaries

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2007 (UNAUDITED)

ERNST & YOUNG

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REVIEW REPORT TO THE BOARD OF DIRECTORS OF THE NATIONAL BANK OF DUBAI PUBLIC JOINT STOCK COMPANY

Introduction

We have reviewed the accompanying consolidated balance sheet of The National Bank of Dubai Public Joint Stock Company and its subsidiaries at 30 September 2007, and the related consolidated statements of income for the three and nine month periods then ended, the related cash flows and the statement of changes in equity for the nine month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 condensed consolidated financial statements are not presented fairly, in all material respects, in accordance with IAS 34.

Ernst & Young

Signed by
Edward B Quinlan
Partner
Registration No. 93

31 October 2007

Dubai

CONSOLIDATED INCOME STATEMENT
30 September 2007

	Note	*Three months ended 30 September*		*Nine months ended 30 September*	
		2007 Unaudited AED'000	*2006 Unaudited AED'000*	***2007 Unaudited AED'000***	*2006 Unaudited AED'000*
Interest income		**1,195,591**	858,606	**3,276,244**	2,277,336
Interest expense		**(764,824)**	(550,718)	**(2,080,939)**	(1,376,373)
NET INTEREST INCOME		**430,767**	307,888	**1,195,305**	900,963
Other income		**264,408**	151,306	**734,702**	430,154
Gain (loss) from disposal of securities available for sale		**(862)**	(689)	**6,635**	(27,030)
OPERATING INCOME		**694,313**	458,505	**1,936,642**	1,304,087
General and administrative expenses		**(257,847)**	(182,514)	**(766,909)**	(500,700)
Provisions for impairment of loans and advances		**(41,840)**	(24,520)	**(115,117)**	(56,649)
Impairment loss transferred from cumulative changes in fair value		**(71,520)**	-	**(80,320)**	-
Provision for due from banks		-	-	-	9,000
		(371,207)	(207,034)	**(962,346)**	(548,349)
PROFIT FOR THE PERIOD		**323,106**	251,471	**974,296**	755,738
Earnings per share	3	**AED 0.21**	AED 0.16	**AED 0.63**	AED 0.49

The attached explanatory notes 1 to 6 form part of the interim condensed consolidated financial statements.

CONSOLIDATED BALANCE SHEET
30 September 2007

	Note	***30 September 2007 Unaudited AED'000***	*31 December 2006 Audited AED'000*	*30 September 2006 Unaudited AED'000*
ASSETS				
Cash and balances with Central Bank		**6,641,917**	3,128,074	3,250,749
Due from banks		**4,596,878**	3,553,755	2,745,348
Securities		**17,978,737**	17,629,382	17,524,144
Loans and advances		**56,866,787**	43,218,217	38,720,743
Investment properties		**157,136**	157,136	-
Fixed assets		**359,732**	373,741	419,645
Other assets		**1,445,555**	1,215,865	815,688
TOTAL ASSETS		**88,046,742**	69,276,170	63,476,317
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Due to banks		**11,611,357**	10,642,253	7,915,687
Customers' deposits		**58,684,272**	45,408,116	45,170,326
Debt issued and other borrowed funds		**9,922,110**	6,388,236	4,133,859
Other liabilities		**1,211,550**	793,930	596,702
Total liabilities		**81,429,289**	63,232,535	57,816,574
Shareholders' equity				
Share capital		**1,556,135**	1,296,779	1,296,779
Legal reserve		**648,390**	648,390	648,390
Special reserve		**648,390**	648,390	648,390
Reserve for general banking risks		**300,000**	300,000	300,000
General reserve		**2,669,116**	2,669,116	1,769,116
Retained earnings		**86,794**	86,794	658,515
Profit for current period		**974,296**	-	755,738
Proposed cash dividend		-	518,712	-
Proposed scrip dividend		-	259,356	-
Cumulative changes in fair values	4	**(265,668)**	(383,902)	(417,185)
Total shareholders' equity		**6,617,453**	6,043,635	5,659,743
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**88,046,742**	69,276,170	63,476,317

Approved by:

R. Douglas Dowie
Chief Executive Officer
31 October 2007

The attached explanatory notes 1 to 6 form part of the interim condensed consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

30 September 2007

	Nine months ended 30 September	
	2007 Unaudited AED'000	*2006 Unaudited AED'000*
OPERATING ACTIVITIES		
Profit for the period	**974,296**	755,738
Adjustments for:		
Depreciation	**63,039**	51,716
Provision for credit losses	**115,117**	56,649
Impairment loss on securities	**80,320**	-
Provision for due from banks	**-**	(9,000)
Amortisation of premium/discount on securities	**8,383**	16,751
Gains less losses arising from securities available for sale	**(6,635)**	27,030
Operating profit before changes in operating assets and liabilities:	**1,234,520**	898,884
Due from banks	**(1,910,685)**	(633,511)
Trading securities (including managed funds)	**(797,713)**	(436,201)
Loans and advances	**(13,763,687)**	(10,840,702)
Other assets	**(229,690)**	(5,977)
Customers' deposits	**13,276,156**	8,078,789
Due to banks	**969,104**	2,340,946
Other liabilities	**467,213**	110,028
Net cash used in operating activities	**(754,782)**	(487,744)
INVESTING ACTIVITIES		
Securities available for sale	**484,524**	(1,017,384)
Loan payable on investment properties	**(46,893)**	-
Additions to fixed assets, net of disposals	**(49,030)**	(77,258)
Net cash from (used in) investing activities	**388,601**	(1,094,642)
FINANCING ACTIVITIES		
Proceeds from debt issued	**3,533,874**	1,379,484
Dividends paid	**(518,712)**	(518,712)
Directors' fees	**(2,700)**	(3,300)
Net cash from financing activities	**3,012,462**	857,472
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**2,646,281**	(724,914)
Cash and cash equivalents at 1 January	**6,043,080**	5,537,899
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	**8,689,361**	4,812,985
Cash and cash equivalents comprise the following balance sheet amounts with original maturities of three months or less:		
Cash and balances with Central Bank	**6,641,917**	3,250,749
Deposits and other balances due from banks	**2,047,444**	1,562,236
	8,689,361	4,812,985
Operational cash flows from interest and dividend:		
Interest paid	**1,978,773**	1,292,193
Interest received	**3,161,612**	2,156,559
Dividend received	**11,937**	9,174

The attached explanatory notes 1 to 6 form part of the interim condensed consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
30 September 2007

	Share capital AED '000	*Legal reserve AED '000*	*Special reserve AED '000*	*Reserve for general banking risks AED '000*	*General reserve AED '000*	*Retained earnings AED '000*	*Current period's profit AED '000*	*Proposed cash dividend AED '000*	*Proposed scrip dividend AED '000*	*Cumulative changes in fair value AED '000*	*Total AED '000*
At 1 January 2007	1,296,779	648,390	648,390	300,000	2,669,116	86,794	-	518,712	259,356	(383,902)	6,043,635
Net movement in cumulative changes in fair values recognised directly in equity	-	-	-	-	-	-	-	-	-	118,234	118,234
Profit for the period	-	-	-	-	-	-	974,296	-	-	-	974,296
Total income and expense for the period	-	-	-	-	-	-	974,296	-	-	118,234	1,092,530
Dividends paid – 2006	-	-	-	-	-	-	-	(518,712)	-	-	(518,712)
Scrip dividend issued	259,356	-	-	-	-	-	-	-	(259,356)	-	-
Balance as at 30 September 2007 *(Unaudited)*	**1,556,135**	**648,390**	**648,390**	**300,000**	**2,669,116**	**86,794**	**974,296**	-	-	**(265,668)**	**6,617,453**
At 1 January 2006	1,296,779	648,390	648,390	300,000	1,769,116	658,515	-	518,712	-	(342,218)	5,497,684
Net movement in cumulative changes in fair values recognised directly in equity	-	-	-	-	-	-	-	-	-	(74,967)	(74,967)
Profit for the period	-	-	-	-	-	-	755,738	-	-	-	755,738
Total income and expense for the period	-	-	-	-	-	-	755,738	-	-	(74,967)	680,771
Dividends paid – 2005	-	-	-	-	-	-	-	(518,712)	-	-	(518,712)
Balance as at 30 September 2006 *(Unaudited)*	1,296,779	648,390	648,390	300,000	1,769,116	658,515	755,738	-	-	(417,185)	5,659,743

The attached explanatory notes 1 to 6 form part of the interim condensed consolidated financial statements.

1 GENERAL

The National Bank of Dubai Public Joint Stock Company (the "Bank") was incorporated in Dubai in 1963 as The National Bank of Dubai Limited under a charter granted by H.H. The Ruler of Dubai and was registered in 1994 under the Commercial Companies Law Number 8 of 1984 (as amended) as a Public Joint Stock Company. The address of the Bank's registered office is P.O. Box 777, Dubai, United Arab Emirates.

The Bank's principal activity is commercial banking.

The Bank announced on 7 March 2007 that it and Emirates Bank International ("EBI") were at an early stage of a transaction that could lead to the establishment of a merged entity. Following receipt of regulatory approvals, on 6 September 2007 a majority in excess of 75% of the shareholders present at the extraordinary general assembly approved the merger with EBI.

On 15 October 2007, the offer for the Bank's shareholders to accept the terms of the arrangement to merge with EBI closed and the shares of the merged entity, Emirates NBD PJSC, were listed on the Dubai Financial Market. As a result, the Bank became a subsidiary of Emirates NBD PJSC.

2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Bank are prepared in accordance with International Financial Reporting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2006.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for the nine months ended 30 September 2007 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2007.

3 EARNINGS PER SHARE

Earnings per share is computed by dividing the profit attributable to the shareholders by the weighted average number of shares outstanding during the period of 1,556,134,619 (2006: 1,296,778,850) of AED 1 each after adjustment for scrip dividend. Scrip dividend of AED 259,356 thousand at AED 0.20 per share of AED 1 was issued on 5 April 2007.

4 CUMULATIVE CHANGES IN FAIR VALUES

	2007 Unaudited AED'000	*2006 Unaudited AED'000*
Available for sale securities		
Balance as at 1 January	**(395,221)**	(360,891)
Net increase/ (decrease) in fair value during the period	**58,753**	(96,859)
Impairment loss transferred to income statement	**80,320**	-
Realised (gains) losses during the period	**(6,635)**	27,030
Balance at 30 September	**(262,783)**	(430,720)
Cash flow hedges		
Fair value at 1 January	**11,319**	18,673
Net increase (decrease) in fair value during the period	**(3,295)**	1,066
	8,024	19,739
Realised during the period	**(10,909)**	(6,204)
Fair value at 30 September	**(2,885)**	13,535
Balance of cumulative changes in fair values at 30 September	**(265,668)**	(417,185)

5 SEGMENTAL INFORMATION

For operating purposes the Bank is organised into two major business segments: Commercial Banking, which principally handles loans and other credit facilities and deposit and current accounts for corporate, government, institutional and individual customers and Treasury and others which involves the management of the Bank's treasury services, investment portfolio, asset management and brokerage services. These segments are the basis on which the Bank reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds and an equitable allocation of expenses.

	Commercial Banking		*Treasury and others*		*Total*	
	30 September Unaudited 2007 AED'000	*30 September Unaudited 2006 AED'000*	***30September Unaudited 2007 AED'000***	*30September Unaudited 2006 AED'000*	***30September Unaudited 2007 AED'000***	*30September Unaudited 2006 AED'000*
Segment revenue	**3,122,205**	1,968,560	**895,376**	711,900	**4,017,581**	2,680,460
Inter-segment adjustment	**(42,838)**	290,868	**42,838**	(290,868)	-	-
	3,079,367	2,259,428	**938,214**	421,032	**4,017,581**	2,680,460
Net profit for the period	**894,274**	733,004	**80,022**	22,734	**974,296**	755,738
Segment assets	**61,472,784**	43,118,738	**26,573,958**	20,357,579	**88,046,742**	63,476,317
Segment liabilities and equity	**64,851,113**	49,795,316	**23,195,629**	13,681,001	**88,046,742**	63,476,317

For operational and management reporting purposes the Bank is organised as one geographical segment. Consequently, no secondary segment information is required to be provided.

6 COMMITMENTS AND CONTINGENT LIABILITIES

The Bank has the following credit related commitments:

	30 September 2007 Unaudited AED'000	*31 December 2006 Audited AED'000*
Contingent liabilities:		
Letters of credit	**4,267,094**	3,017,168
Guarantees and acceptances	**12,016,103**	8,493,045
	16,283,197	11,510,213
Commitments:		
Irrevocable commitments to extend credit:		
Original term to maturity of more than one year	**7,575,390**	4,394,522