In the Name of Allah
The most Gracious and Merciful

مصرف الإمارات الإسلامي

EMIRATES ISLAMIC BANK

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Condensed Consolidated Interim Financial Statements (un-audited)

For the nine month period ended 30 September 2012

KPMG

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Independent auditors' report on review of condensed consolidated interim financial information

To the Shareholders
Emirates Islamic Bank PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Emirates Islamic Bank PJSC ("the Bank") and its subsidiaries (collectively referred as "the Group") as at 30 September 2012, the condensed consolidated interim statements of comprehensive income (comprising of a condensed consolidated interim statement of comprehensive income and a separate condensed consolidated interim income statement), condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in shareholders' equity for the nine-month period then ended, and notes to the condensed consolidated interim financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'*. A review of condensed consolidated 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 condensed consolidated interim financial information as at 30 September 2012 is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

KPMG

Munther Dajani
Registration no.: 268
21 OCT 2012

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Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2012

	Note	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
ASSETS			
Cash, and balances with UAE Central Bank		1,515,655	1,195,167
Due from banks	3	11,353,064	4,882,737
Financing receivables	4	15,217,493	12,969,041
Investments	5	2,903,123	2,197,591
Investments properties	6	1,117,435	1,111,317
Customer acceptances		287,458	90,096
Prepayments and other assets		385,167	195,293
Fixed assets		92,171	98,918
TOTAL ASSETS		**32,871,566**	**22,740,160**
LIABILITIES			
Customers' accounts	7	18,808,473	17,125,152
Due to banks	8	5,631,208	1,343,999
Sukuk payable	9	3,673,000	-
Customer acceptances		287,458	90,096
Other liabilities		915,555	619,902
Zakat payable		-	1,053
Investment wakala	10	1,081,872	1,081,872
TOTAL LIABILITIES		**30,397,566**	**20,262,074**
SHAREHOLDERS' EQUITY			
Share capital	11	2,430,422	2,430,422
Statutory reserve		206,865	206,865
General reserve		112,644	112,644
Fair value reserve		38,179	515
Accumulated losses		(357,413)	(315,744)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		**2,430,697**	**2,434,702**
Non-controlling interest	12	43,303	43,384
TOTAL EQUITY		**2,474,000**	**2,478,086**
TOTAL LIABILITES AND EQUITY		**32,871,566**	**22,740,160**
COMMITMENTS AND CONTINGENT LIABILIITES		**4,263,222**	**4,360,138**

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 21 October 2012 and signed on its behalf by:

Chairman **Chief Executive Officer**

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.
The independent auditors' review report is set out on page 1.

Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME (UN-AUDITED)

For the nine month period ended 30 September 2012

	Note	For the three month period ended 30 September 2012 AED'000	2011 AED'000	For the nine month period ended 30 September 2012 AED'000	2011 AED'000
INCOME					
Income from financing activities, net		203,101	164,970	551,674	535,253
Income/(loss) from investment securities, net		9,046	(42,451)	37,433	(55,708)
Income from Group Holding Company, net		80,167	35,189	204,890	211,849
Property related income, net		6,691	4,849	22,712	14,210
Commission and fee income, net		47,589	54,416	171,418	180,177
Other operating income, net		8,712	19,670	15,959	35,685
TOTAL INCOME		**355,306**	**236,643**	**1,004,086**	**921,466**
EXPENSES					
General and administrative expenses		(101,922)	(104,542)	(285,090)	(309,463)
Depreciation of investment properties		(7,171)	(6,269)	(20,108)	(18,808)
TOTAL EXPENSES		**(109,093)**	**(110,811)**	**(305,198)**	**(328,271)**
NET OPERATING INCOME BEFORE ALLOWANCES FOR IMPAIRMENT AND DISTRIBUTIONS		**246,213**	**125,832**	**698,888**	**593,195**
Allowances for impairment, net of recoveries		(158,639)	(189,735)	(463,656)	(364,810)
NET OPERATING INCOME		**87,574**	**(63,903)**	**235,232**	**228,385**
Customers' share of profit and distribution to sukuk holders		(95,276)	(57,909)	(276,982)	(340,590)
NET LOSS FOR THE PERIOD		**(7,702)**	**(121,812)**	**(41,750)**	**(112,205)**
Attributable to:					
Equity holders of the Bank		(7,675)	(121,785)	(41,669)	(112,124)
Non-controlling interest		(27)	(27)	(81)	(81)
NET LOSS FOR THE PERIOD		**(7,702)**	**(121,812)**	**(41,750)**	**(112,205)**
Loss per share (Dirham)	13	(0.003)	(0.050)	(0.017)	(0.046)

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.
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Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the nine month period ended 30 September 2012

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2012 AED'000	2011 AED'000	2012 AED'000	2011 AED'000
NET LOSS FOR THE PERIOD	**(7,702)**	**(121,812)**	**(41,750)**	**(112,205)**
Other comprehensive income - Cumulative changes in fair value reserve	23,288	-	37,664	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	**15,586**	**(121,812)**	**(4,086)**	**(112,205)**
Attributable to:				
Equity holders of the Bank	15,613	(121,785)	15,667	(112,124)
Non-controlling interest	(27)	(27)	(81)	(81)
	15,586	**(121,812)**	**15,586**	**(112,205)**

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Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the nine month period ended 30 September 2012

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK						Non-controlling interest	Total equity
	Share capital	Statutory reserve	General reserve	Fair value reserve	Accumulated losses	Total		
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
As at 1 January 2012	2,430,422	206,865	112,644	515	(315,744)	2,434,702	43,384	2,478,086
Net loss for the period	-	-	-	-	(41,669)	(41,669)	(81)	(41,750)
Other comprehensive income for the period	-	-	-	37,664	-	37,664	-	37,664
As at 30 September 2012	**2,430,422**	**206,865**	**112,644**	**38,179**	**(357,413)**	**2,430,697**	**43,303**	**2,474,000**
As at 1 January 2011	2,430,422	206,865	112,644	-	86,804	2,836,735	90,441	2,927,176
Net loss for the period	-	-	-	-	(112,124)	(112,124)	(81)	(112,205)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
As at 30 September 2011	**2,430,422**	**206,865**	**112,644**	**-**	**(25,320)**	**2,724,611**	**90,360**	**2,814,971**

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.
The independent auditors' review report is set out on page 1.

Emirates Islamic Bank (PJSC)
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
For the nine month period ended 30 September 2012

	Note	For the nine month period ended 30 September 2012 AED'000	2011 AED'000
OPERATING ACTIVITIES			
Net loss for the period		(41,750)	(112,205)
Adjustments:			
Allowances for impairment on financing receivables, net		431,142	301,807
Allowances for impairment on investments, net		32,514	31,503
Allowances for impairment on investment properties		-	31,500
Dividend income		(2,537)	(9,765)
Gain on sale of investments		(1,442)	(2,204)
Unrealised loss on fair value of investment securities through profit and loss		7,973	96,712
Cumulative changes in fair value		37,664	-
Depreciation on investment properties		20,108	18,808
Depreciation on fixed assets		13,570	16,448
Operating profit before changes in operating assets and liabilities		**497,242**	**372,604**
Changes in reserve with UAE Central Bank		(46,339)	(6,674)
Changes in due from banks		(8,169,474)	3,949,488
Changes in financing receivables		(2,679,594)	1,739,101
Changes in prepayments and other assets		(189,874)	64,036
Changes in customers' accounts		1,683,321	6,076,593
Changes in due to banks		4,288,986	(6,385,860)
Changes in other liabilities		295,653	134,440
Zakat paid		(1,053)	(11,704)
Net cash (used in)/generated from operating activities		**(4,321,132)**	**5,932,024**
INVESTING ACTIVITIES			
(Purchases)/redemptions of investment securities', net		(768,327)	36,545
Proceeds from sale of investment securities		23,750	24,512
Dividend income received		2,537	9,765
Changes in investment properties		(26,226)	2,061
Changes in fixed assets, net		(6,823)	(13,332)
Net cash (used in)/generated from investing activities		**(775,089)**	**59,551**
FINANCING ACTIVITIES			
Proceeds from sukuk issuance		3,673,000	-
Net cash generated from financing activities		**3,673,000**	**-**
Net change in cash and cash equivalents		**(1,423,221)**	**5,991,575**
Cash and cash equivalents at the beginning of the period		2,009,711	7,381,885
Cash and cash equivalents at the end of the period	14	**586,490**	**13,373,460**

The attached notes 1 to 19 form an integral part of these condensed consolidated interim financial statements.
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1 LEGAL STATUS AND ACTIVITIES

Emirates Islamic Bank formerly Middle East Bank (the "Bank") was incorporated by a decree of His Highness the Ruler of Dubai as a conventional Bank with limited liability in the Emirate of Dubai on 3rd of October 1975. The Bank was re-registered as a Public Joint Stock Company in July 1995 and is regulated by Central Bank of United Arab Emirates.

At an extraordinary general meeting held on 10th of March 2004, a resolution was passed to transform the Bank's activities to be in full compliance with the Islamic Sharia'. The entire process was completed on 9th of October 2004 (the "Transformation Date") when the Bank obtained UAE Central Bank and other UAE authorities' approvals.

The Bank is a subsidiary of Emirates NBD PJSC, Dubai (the "Group Holding Company"). The ultimate parent company of the Group Holding Company is Investment Corporation of Dubai, the company in which the Government of Dubai is the major shareholder. The Bank is listed at Dubai Financial Market.

In addition to its head office in Dubai, the Bank operates through 35 branches in the UAE. The Financial Statements combine the activities of the Bank's head office and its branches and the following two subsidiaries (together referred as "the Group").

	Date of incorporation & country	Principal activity	Ownership %
Emirates Islamic Financial Brokerage Co. LLC	26 April 2006, UAE	Financial brokerage services	100%
Ithmar Real Estate Development Co. PSC	9 June 2008, UAE	Real estate holding and trust companies	40%

The Bank exercises the controls on the management of Ithmar Real Estate Development Co. PSC through holding the majority of votes of its Board of Directors.

The Bank provides full commercial and banking services and offers a variety of products through Islamic financing and investing instruments in accordance with Islamic Sharia.

The Bank's registered office address is P.O. Box 6564, Dubai, United Arab Emirates.

2 BASIS OF PREPARATION

a) Statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34, 'Interim Financial Reporting'. They do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2011.

The Condensed consolidated interim financial statements have been presented in UAE Dirham (the official currency of the Group) rounded to the nearest thousand.

2 BASIS OF PREPARATION *(continued)*

b) Basis of measurement

The condensed consolidated interim financial statements have been prepared under the historical cost convention except for the following which are measured at fair value:
- Financial assets at fair value through profit or loss; and
- Financial assets available for sale.

c) Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its most recent audited consolidated financial statements for the year ended 31 December 2011.

d) Judgments and estimates

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the management to use certain critical accounting estimates. It also requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2011.

e) Financial risk management

The Group's financial risk management objectives, policies and procedures are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2011.

3 DUE FROM BANKS

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Due from local banks		
Current accounts	25	24
Murabaha accounts	10,926,730	4,725,326
Deposit exchange (profit free)	231,907	50,000
Other balances	149,874	18,170
Due from foreign banks		
Current accounts	44,528	89,217
	11,353,064	**4,882,737**

4 FINANCING RECEIVABLES

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Murabaha	6,288,229	5,117,074
Ijarah	7,481,973	5,941,482
Istisna'a	1,071,494	1,087,428
Financing Wakala	1,773,113	1,746,843
Musharaka	196,730	200,000
Mudarabah	77,310	73,460
Secured Overdrafts	214,365	183,855
Credit card receivables	578,452	569,020
	17,681,666	14,919,162
Less: Deferred income	(681,477)	(598,567)
Less: Allowances for impairment	(1,782,696)	(1,351,554)
	15,217,493	**12,969,041**
Analysis by Economic Activity		
Agriculture and related activities	14,325	457
Manufacturing	291,977	377,305
Construction	489,077	515,458
Trade	922,210	824,811
Transportation and communication	170,385	162,886
Services	1,632,527	1,048,554
Personal	7,251,861	5,782,305
Real estates	5,055,943	4,455,436
Financial institutions	1,365,154	1,331,109
Others	488,207	420,841
	17,681,666	14,919,162
Less: Deferred income	(681,477)	(598,567)
Less: Allowances for impairment	(1,782,696)	(1,351,554)
	15,217,493	**12,969,041**

4 FINANCING RECEIVABLES (continued)

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Movements in allowances for specific impairment:		
Balance at the beginning of the period/year	1,007,566	580,485
Allowances for impairment made during the period/year	411,057	446,680
Recoveries/write backs during the period/year	(23,304)	(19,599)
Transfer from collective impairment	48,000	-
Balance at the end of the period/year	**1,443,319**	**1,007,566**
Movements in allowances for collective impairment:		
Balance at the beginning of the period/year	343,988	241,848
Allowances for impairment made during the period/year	43,389	102,140
Transfer to specific impairment	(48,000)	-
Balance at the end of the period/year	**339,377**	**343,988**
	1,782,696	**1,351,554**

5 INVESTMENTS

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Fair value through profit or loss		
Equity shares	71,036	90,283
Funds	450	-
	71,486	90,283
Available-for-sale		
Equity shares	680,086	677,036
Funds	862,840	869,479
Sukuks	894,909	53,766
	2,437,835	1,600,281
Held-to-maturity		
Sukuks	606,525	687,236
	3,115,846	2,377,800
Less: Allowance for impairment	(212,723)	(180,209)
	2,903,123	**2,197,591**
Investment securities comprise:		
Quoted	1,104,594	184,709
Unquoted	1,798,529	2,012,882
	2,903,123	**2,197,591**
Investments located at:		
Investments within UAE	1,364,489	576,727
Investments outside UAE	1,538,634	1,620,864
	2,903,123	**2,197,591**
Movements in allowances for impairment:		
Balance at the beginning of the period/year	180,209	125,796
Allowances for impairment made during the period/year	32,514	54,413
Balance at the end of the period/year	**212,723**	**180,209**

6 INVESTMENTS PROPERTIES

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Balance at the beginning of the period/year	1,528,270	1,510,072
Addition during the period/year	26,226	22,578
Transfer to fixed assets /other assets	-	(4,380)
	1,554,496	1,528,270
Less: Accumulated depreciation	(87,781)	(67,673)
Less: Allowances for impairment	(349,280)	(349,280)
	1,117,435	**1,111,317**
Investment properties comprise:		
Lands	516,306	521,873
Buildings and WIP, net	601,129	589,444
Balance at the end of the period/year	**1,117,435**	**1,111,317**
Movements in allowances for impairment:		
Balance at the beginning of the period/year	349,280	149,625
Allowances for impairment made during the period/year	-	199,655
Balance at the end of the period/year	**349,280**	**349,280**

The management assessed that the fair value of the investment properties has not significantly changed as compared to the fair value as of 31 December 2011.

All investment properties are located within the United Arab Emirates.

7 CUSTOMERS' ACCOUNTS

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Current accounts	5,262,829	4,202,644
Saving accounts	2,113,651	1,710,536
Investment accounts	6,778,595	8,015,538
Wakala accounts	4,545,519	3,099,326
Margins	107,879	97,108
	18,808,473	**17,125,152**
Customers' accounts concentrated as follows:		
Resident customer accounts	18,370,505	16,617,431
Non-Resident customer accounts	437,968	507,721
	18,808,473	**17,125,152**

8 DUE TO BANKS

Current Accounts	3,396	8,186
Overdraft with correspondents	3,035	22
Investment accounts	72,080	79,426
Wakala accounts	5,552,697	1,256,365
	5,631,208	**1,343,999**
Due to banks concentrated as follows:		
Due to local banks	5,553,033	1,256,365
Due to foreign banks	78,175	87,634
	5,631,208	**1,343,999**

9 SUKUK PAYABLE

The Bank, through a Sharia'a compliant sukuk financing arrangement, raised two tranches of US Dollar denominated medium term finance amounting to USD 500,000,000 each (AED 3,673,000,000).

The sukuks are listed on the London Stock Exchange. The terms of the arrangement include transfer of certain identified assets (the "Co Owned Assets") of the Bank to a sukuk company, EIB Sukuk Company Limited – (the "Issuer"), a special purpose vehicle formed for the issuance of sukuk. In substance, the co-owned assets remain in control of the Bank, accordingly these assets continue to be recognized by the Bank. In case of any default, the Holding Company has provided an undertaking to make good all losses to the sukuk holders. The sukuks will be due for maturity during January 2017 and June 2017 respectively. The assets are in the control of the Bank and shall continue to be serviced by the Bank.

The Issuer will pay the semi-annually distribution amount from returns received in respect of the Co Owned Assets. Such proceeds are expected to be sufficient to cover the semi-annually distribution amount payable to the sukuk holders on the semi-annual distribution dates. Upon maturity of the sukuk, the Bank has undertaken to repurchase the assets at the exercise price.

The sukuks carry a fixed profit rate of 4.718% and 4.14% per annum respectively. Such profits are payable on a semi-annual basis.

10 INVESTMENT WAKALA

The Bank has received funds, on Wakala basis, aggregating to AED 1,081,872,000 in December 2008 from the Ministry of Finance, Government of UAE, payable after five years (extendable up to seven years), subject to certain conditions as per the Wakala agreement and carries profit rate of 4.5% (2011: 4.5%).

11 SHARE CAPITAL

The Bank has authorised share capital of AED 3,000,000,000 and paid up capital of AED 2,430,422,000 (31 December 2011: AED 2,430,422,000).

12 NON-CONTROLLING INTEREST

Non-controlling interest of AED 43,303,000 as at 30 September 2012 (31 December 2011: AED 43,384,000) represents the 60% of shares of Ithmar Real Estate Development Co. not owned by the Bank (note 1).

13 LOSS PER SHARE

The calculation of basic loss per share is based on loss of AED 7,702,000, for the three month period ended 30 September 2012 (30 September 2011: loss of AED 121,812,000) and the nine month period ended 30 September 2012 loss of AED 41,750,000 (30 September 2011 loss of AED 112,205,000) divided by the weighted average number of shares of 2,430,422,000 (30 September 2011: 2,430,422,000).

The Group has not issued any instruments which would have an impact on basic earnings per share when exercised.

14 CASH AND CASH EQUIVALENTS

	Un-audited 30 September AED'000	Audited 31 December AED'000
Cash	117,437	114,740
Current account with U.A.E Central Bank	308,548	37,096
Due from banks	166,936	1,866,083
Due to banks	(6,431)	(8,208)
	586,490	**2,009,711**

15 RELATED PARTY TRANSACTIONS

The ultimate parent of the Group is Investment Corporation of Dubai (55.6%), a company in which the Government of Dubai is the majority shareholder.

Customer accounts and financing to Government related entities other than those that have been individually disclosed amounts to 10.86% and 4.31% of the total customer accounts and financing receivables of the Group respectively.

These entities are independently run business entities, and all the financial dealings with the Group are on an agreed basis.

The Group has also entered into transactions with certain other related parties who are non government related entities. Such transactions were also made on substantially the same terms, including profit rates and collaterals, as those prevailing at the same time for comparable transactions with third parties and do not involve more than a normal amount of risk.

Related party transactions are as follows:

	Un-audited For the nine month period ended 30 September 2012 AED'000	Un-audited For the nine month period ended 30 September 2011 AED'000
Condensed consolidated interim statement of income		
Loss from funds managed by Group Holding Company, net of dividend	-	(66,960)
Income from Group Holding Company, net	204,890	211,849
Key management personnel compensations	20,813	7,165
Key management personnel compensations - retirements benefits	529	285

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Condensed consolidated interim statement of financial position		
Due from Group Holding Company, net	5,755,814	3,537,131
Loans to funds managed by the Group	108,210	139,616
Financing receivables - Directors & affiliates	7,152	8,394
Financing receivables - Key management personnel & affiliates	26,911	33,416
Current and Investment accounts - Directors	352	6
Current and Investment accounts - Key management personnal	13,966	14,142
Investment in Government of Dubai Sukuk	55,095	55,095
Sale of investments to Group Holding Company	-	378,797

16 OPERATING SEGMENT

The Bank's activities comprise the following main business segments:

Corporate and Investment
Within this business segment, the Bank provides to corporate customers a range of products and services and accepts their deposits. This segment invests in investment securities, Sukuk, Funds and Real Estate.

Retail
Retail segment provides a wide range of products and services to individuals and accepts their deposits.

Treasury
This segment mainly includes Murabaha deals with Emirates NBD PJSC.

16 OPERATING SEGMENT (continued)

	Corporate & Investment		Retail		Treasury		Total	
	For the nine month period ended 30 September		For the nine month period ended 30 September		For the nine month period ended 30 September		For the nine month period ended 30 September	
	2012 AED'000	2011 AED'000	2012 AED'000	2011 AED'000	2012 AED'000	2011 AED'000	2012 AED'000	2011 AED'000
Consolidated statement of income								
Segment income	418,495	361,382	229,720	192,253	204,889	206,108	853,104	759,743
Inter segment wakala income	(78,639)	(54,421)	140,111	188,987	(61,472)	(134,566)	-	-
Commission, fees & other Income	43,531	60,739	106,639	88,895	812	12,089	150,982	161,723
Total income	**383,387**	**367,700**	**476,470**	**470,135**	**144,229**	**83,631**	**1,004,086**	**921,466**
General and administrative expenses	(89,795)	(99,146)	(217,043)	(207,517)	21,748	(2,800)	(285,090)	(309,463)
Depreciation of investment properties	(20,108)	(18,808)	-	-	-	-	(20,108)	(18,808)
Total expenses	**(109,903)**	**(117,954)**	**(217,043)**	**(207,517)**	**21,748**	**(2,800)**	**(305,198)**	**(328,271)**
Net operating income	**273,484**	**249,746**	**259,427**	**262,618**	**165,977**	**80,831**	**698,888**	**593,195**
Allowances for impairment, net of recoveries	(439,626)	(332,470)	(24,030)	(32,340)	-	-	(463,656)	(364,810)
	(166,142)	**(82,724)**	**235,397**	**230,278**	**165,977**	**80,831**	**235,232**	**228,385**
Customers' share of profit and distribution to sukuk holders	(90,371)	(162,369)	(107,178)	(178,221)	(79,433)	-	(276,982)	(340,590)
NET (LOSS)/PROFIT FOR THE PERIOD	**(256,513)**	**(245,093)**	**128,219**	**52,057**	**86,544**	**80,831**	**(41,750)**	**(112,205)**
Attributable to:								
Equity holders of the Bank							(41,669)	(112,124)
Non-controlling interest							(81)	(81)
NET LOSS FOR THE PERIOD							**(41,750)**	**(112,205)**

16 OPERATING SEGMENT (continued)

	Corporate & Investment		Retail		Treasury		Total	
	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
Consolidated statement of financial position								
Assets								
Segment assets	13,211,858	11,644,028	6,007,624	4,633,920	11,735,629	5,034,573	30,955,111	21,312,521
Central Bank Reserve Requirements	435,868	417,332	653,801	625,999	-	-	1,089,669	1,043,331
Unallocated assets	-	-	-	-	-	-	826,786	384,308
Total Assets	**13,647,726**	**12,061,360**	**6,661,425**	**5,259,919**	**11,735,629**	**5,034,573**	**32,871,566**	**22,740,160**
Liabilities								
Segment liabilities	5,652,935	5,232,402	14,431,166	13,122,097	9,162,000	1,256,365	29,246,101	19,610,864
Unallocated liabilities	-	-	-	-	-	-	1,151,465	651,210
Total Liabilities	**5,652,935**	**5,232,402**	**14,431,166**	**13,122,097**	**9,162,000**	**1,256,365**	**30,397,566**	**20,262,074**
Shareholders' equity	-	-	-	-	-	-	2,430,697	2,434,702
Non-Controlling Interest	43,303	43,384	-	-	-	-	43,303	43,384
TOTAL EQUITY	**43,303**	**43,384**	**-**	**-**	**-**	**-**	**2,474,000**	**2,478,086**

17 CAPITAL ADEQUACY RATIO

	Un-audited 30 September 2012 AED'000	Audited 31 December 2011 AED'000
TIER I CAPITAL		
Share capital	2,430,422	2,430,422
Statutory reserve	206,865	206,865
General reserve	112,644	112,644
Accumulated losses	(357,413)	(315,744)
Total tier I capital	**2,392,518**	**2,434,187**
TIER II CAPITAL		
Investment Wakala from the Ministry of Finance	1,081,872	1,081,872
Fair value reserves	38,179	515
Total tier II capital	**1,120,051**	**1,082,387**
CAPITAL BASE	**3,512,569**	**3,516,574**
RISK WEIGHTED ASSETS		
Credit risk, on-balance sheet items	20,579,228	16,952,005
Credit risk, off-balance sheet items	2,256,018	2,030,445
	22,835,245	**18,982,450**
CAPITAL ADEQUACY RATIO (BASEL I)	**15.38%**	**18.53%**

18 INTERIM MEASUREMENT

The nature of the Group's business is such that income earned or expenses incurred are in a manner which is not impacted by any forms of seasonality. These condensed consolidated interim financial statements are prepared based upon an accrual concept, which requires income and expenses for the period to be recorded as earned or incurred in the same period not as received or paid throughout the period.

19 COMPARATIVE FIGURES

Certain prior period figures have been reclassified to conform to the current period's presentation.