In the Name of Allah
The most Gracious and Merciful



Emirates Islamic Bank
(Public Joint Stock Company)

Head Office
3rd Floor, Building 16,
Dubai Health Care City, Dubai
Tel.: +97 1 4 3160330
Fax: +97 1 4 3582659

P.O. Box: 6564, Dubai, United Arab Emirates
www.emiratesislamic.ae

Condensed Consolidated Interim Financial Statements(un-audited)

For the nine month period ended 30 September 2015

Emirates Islamic Bank (PJSC)

Condensed Consolidated Interim Financial Statements(un-audited)
For the nine month period ended 30 September 2015

Contents *Page*

Independent Auditors' report on the review of the condensed consolidated interim financial statements	1
Condensed consolidated interim statement of financial position	2
Condensed consolidated interim statement of income (un-audited)	3
Condensed consolidated interim statement of comprehensive income (un-audited)	4
Condensed consolidated interim statement of changes in equity (un-audited)	5
Condensed consolidated interim statement of cash flows (un-audited)	6
Notes to the condensed consolidated interim financial statements	7–22

Ernst & Young
P.O. Box 9267
28th Floor, Al Saqr Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF EMIRATES ISLAMIC BANK PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim financial statements of Emirates Islamic Bank PJSC (the "Bank") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated interim statement of financial position as at 30 September 2015 and the related consolidated interim statements of income and comprehensive income for the three month and nine month periods then ended and consolidated interim statement of cash flows and changes in equity for the nine month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these condensed consolidated interim 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young

Ernst & Young
Signed by:
Joseph Murphy
Partner
Registration No. 492

26 October 2015
Dubai, United Arab Emirates

Emirates Islamic Bank (PJSC)

Condensed consolidated interim statement of financial position

As at 30 September 2015

	Notes	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
ASSETS			
Cash and balances with UAE Central Bank	3	6,142,715	3,818,565
Due from banks	4	6,345,150	7,341,122
Financing and investing receivables	5	32,487,137	26,101,963
Investments	6	2,765,203	3,205,611
Investment properties	7	812,740	1,191,997
Customer acceptances		534,428	549,432
Receivables and other assets		704,739	592,822
Property and equipment		155,011	111,707
TOTAL ASSETS		**49,947,123**	**42,913,219**
LIABILITIES			
Customers' accounts	8	36,615,610	31,446,622
Due to banks	9	2,689,188	1,423,663
Sukuk financing instruments	11	3,673,000	3,673,000
Customer acceptances		534,428	549,432
Payables and other liabilities		1,416,948	1,301,403
Zakat payable		-	16,826
TOTAL LIABILITIES		**44,929,174**	**38,410,946**
SHAREHOLDERS' EQUITY			
Share capital	12	3,930,422	3,930,422
Statutory reserve		265,355	265,355
General reserve		171,134	171,134
Fair value reserve		(7,687)	10,591
Retained earnings		658,725	124,771
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK		**5,017,949**	**4,502,273**
TOTAL EQUITY		**5,017,949**	**4,502,273**
TOTAL LIABILITIES AND EQUITY		**49,947,123**	**42,913,219**
CONTINGENCIES AND COMMITMENTS		**8,041,392**	**8,258,744**

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.

26 OCT 2015

Emirates Islamic Bank (PJSC)

Condensed consolidated interim statement of income (un-audited)
For the nine month period ended 30 September 2015

	Note	For the three month period ended 30 September		For the nine month period ended 30 September	
		2015	2014	2015	2014
		AED'000	AED'000	AED'000	AED'000
INCOME					
Income from financing and investing activities		461,559	381,611	1,277,454	1,043,586
Income from investment securities		16,619	29,135	86,769	95,976
Income from Group Holding Company		47,351	56,816	144,306	210,968
Commissions and fees income		123,054	83,257	345,982	239,618
Other income		13,404	19,952	173,308	73,730
TOTAL INCOME		**661,987**	**570,771**	**2,027,819**	**1,663,878**
EXPENSES					
Personnel expenses		(153,822)	(129,610)	(446,240)	(372,161)
General and administrative expenses		(86,890)	(68,696)	(228,823)	(191,576)
Depreciation of property and equipments		(7,522)	(6,421)	(21,040)	(18,619)
TOTAL EXPENSES		**(248,234)**	**(204,727)**	**(696,103)**	**(582,356)**
NET OPERATING PROFIT BEFORE ALLOWANCES FOR IMPAIRMENT AND DISTRIBUTIONS		**413,753**	**366,044**	**1,331,716**	**1,081,522**
Allowances for impairment, net of recoveries		(246,093)	(269,698)	(570,956)	(583,570)
NET OPERATING PROFIT		**167,660**	**96,346**	**760,760**	**497,952**
Customers' share of profit and distribution to sukuk holders		(80,671)	(67,133)	(226,806)	(242,277)
NET PROFIT FOR THE PERIOD		**86,989**	**29,213**	**533,954**	**255,675**
Attributable to:					
Equity holders of the Bank		86,989	29,213	533,954	255,675
NET PROFIT FOR THE PERIOD		**86,989**	**29,213**	**533,954**	**255,675**
Earnings per share (Dirham)	13	0.022	0.007	0.136	0.065

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 comprehensive income (un-audited)
For the nine month period ended 30 September 2015

	For the three month period ended 30 September		For the nine month period ended 30 September	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
NET PROFIT FOR THE PERIOD	**86,989**	**29,213**	**533,954**	**255,675**
Items that may be reclassified subsequently to Income statement:				
Other comprehensive income				
Cumulative changes in fair value of available for sale investments				
- Net change in fair value	(21,186)	8,041	(30,615)	29,774
- Net amount transferred to income statement	870	(13,630)	12,337	(21,689)
Total	**(20,316)**	**(5,589)**	**(18,278)**	**8,085**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**66,673**	**23,624**	**515,676**	**263,760**
Attributable to:				
Equity holders of the Bank	66,673	23,624	515,676	263,760
	66,673	**23,624**	**515,676**	**263,760**

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 changes in equity (un-audited)
For the nine month period ended 30 September 2015

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
	Share Capital	Statutory reserve	General reserve	Fair value reserve	(Accumulated losses)/Retained Earnings	Total equity
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
As at 1 January 2014	3,930,422	228,936	134,715	13,188	(149,756)	4,157,505
Net profit for the period	-	-	-	-	255,675	255,675
Other comprehensive income for the period	-	-	-	8,085	-	8,085
As at 30 September 2014	**3,930,422**	**228,936**	**134,715**	**21,273**	**105,919**	**4,421,265**
As at 1 January 2015	3,930,422	265,355	171,134	10,591	124,771	4,502,273
Net profit for the period	-	-	-	-	533,954	533,954
Other comprehensive loss for the period	-	-	-	(18,278)	-	(18,278)
As at 30 September 2015	**3,930,422**	**265,355**	**171,134**	**(7,687)**	**658,725**	**5,017,949**

No allocation to statutory and general reserves has been made for the nine months period ended 30 September 2015 as this will be effected at the year end.

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 2015

	Note	For the nine month period ended 30 September 2015 AED'000	2014 AED'000
OPERATING ACTIVITIES			
Net profit for the period		533,954	255,675
Adjustments:			
Allowances for impairment on financing receivables		525,203	439,036
Allowances for impairment on investments		49,571	144,534
Reversal of allowance for impairement investment properties		(3,818)	-
Dividend income		(8,832)	(17,863)
Gain on sale of investments		(34,948)	(25,715)
Gain on sale of investment properties		(140,164)	(8,086)
Unrealised gain on fair value of investment securities through profit and loss		-	(12,196)
Depreciation on investment properties		20,655	21,513
Depreciation of property and equipment		21,040	18,619
Operating profit before changes in operating assets and liabilities		**962,661**	**815,517**
Changes in reserve and murabaha with UAE Central Bank		(1,425,920)	(862,221)
Changes in due from banks		(59,103)	3,198,113
Changes in financing and investing receivables		(6,910,377)	(4,086,087)
Changes in receivables and other assets		(111,917)	(50,620)
Changes in customers' accounts		5,168,988	(641,586)
Changes in due to banks		(58,415)	1,761,811
Changes in payables and other liabilities		115,545	872,048
Zakat paid		(16,826)	(7,287)
Net cash (used in) /generated from operating activities		**(2,335,364)**	**999,688**
INVESTING ACTIVITIES			
Changes in investment securities		407,508	(970,172)
Dividend income received		8,832	17,863
Additions in investment properties		(32,653)	-
Proceeds from sale of investment properties		535,235	(19,059)
Changes in property and equipment		(64,344)	(24,846)
Net cash generated from / (used in) investing activities		**854,578**	**(996,214)**
FINANCING ACTIVITIES			
Repayment of Ministry of Finance Wakala		-	(1,081,872)
Net cash used in from financing activities		**-**	**(1,081,872)**
Net change in cash and cash equivalents		**(1,480,786)**	**(1,078,398)**
Cash and cash equivalents at the beginning of the period		3,024,081	4,625,598
Cash and cash equivalents at the end of the period	14	**1,543,295**	**3,547,200**

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.

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 the 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 the 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, a company in which the Government of Dubai is the majority shareholder. The Bank is listed on the Dubai Financial Market.

In addition to its head office in Dubai, the Bank operates through 58 branches in the UAE. The condensed consolidated interim Financial Statements combine the activities of the Bank's head office and its branches and the following 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%
EI Sukuk Company Limited	6 September 2007, Cayman Islands	SPE	100%
EI Funding Limited	15 May 2014, Cayman Islands	SPE	100%

The Bank provides commercial and banking services and offers a variety of products through Islamic financing and investing instruments in accordance with the 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 and disclosures required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2014. In addition, results for the nine month period ended 30 September 2015 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2015.

These condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 26 October 2015.

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.

The condensed consolidated interim financial statements are presented in United Arab Emirates Dirham (AED), which is the Group's functional currency. Except where indicated, financial information presented in AED has been rounded to the nearest thousand.

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 2014.The adoption of new and amended IFRS and IFRIC interpretations with effect from 1 January 2015 has had no effect on the condensed consolidated interim financial statements of the Group.

d) Judgments and estimates

The preparation of the condensed consolidated interim financial statements in conformity with IFRS requires the management to use certain estimates and judgments that affect the reported amount of financial assets and liabilities and the resultant allowances for impairment and fair values. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowances required for impaired financing receivables as well as allowances for impairment provision for unquoted investment securities. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In preparing these condensed consolidated interim financial statements, significant judgments made by management in applying the Group's accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2014.

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 2014.

3 CASH AND BALANCES WITH UAE CENTRAL BANK

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Cash in hand	229,048	217,134
Balances with UAE Central Bank:		
Current accounts	624,023	489,418
Reserve requirements	3,335,907	2,710,431
Certificates of Deposit under Murabaha	1,953,737	401,582
	6,142,715	**3,818,565**

The reserve requirements which are kept with the Central Bank of the UAE in AED and US Dollar are not available for use in the Group's day to day operations and cannot be withdrawn without the Central bank of the UAE's approval. The level of reserves required changes every month in accordance with the Central Bank of the UAE's directives.

4 DUE FROM BANKS

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Due from local banks		
Current accounts	49	25
Inter bank placements with other banks	109,460	205,590
Murabaha with Group Holding Company	4,353,002	4,665,806
Wakala Deposit with Group Holding Company	100,000	-
Receivables from Dubai Bank (note 15)	1,474,000	2,301,836
	6,036,511	**7,173,257**
Due from foreign banks		
Current accounts	308,639	167,865
	6,345,150	**7,341,122**

5 FINANCING AND INVESTING RECEIVABLES

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Murabaha	23,556,115	19,035,747
Ijarah	11,248,745	9,408,935
Istisna'a	1,301,220	1,109,847
Financing wakala	722,171	594,562
Mudarabah	167,233	233,645
Secured overdrafts	204,958	257,830
Credit card receivables	740,255	620,552
	37,940,697	31,261,118
Less: Deferred income	(2,573,779)	(2,495,012)
Less: Allowances for impairment	(2,879,781)	(2,664,143)
	32,487,137	**26,101,963**
Total impaired financing receivables	**2,684,260**	**2,948,262**
By Segment :		
Retail banking	19,139,152	15,889,991
Corporate banking	13,347,985	10,211,972
	32,487,137	**26,101,963**

5 FINANCING AND INVESTING RECEIVABLES *(continued)*

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Analysis by Economic Activity		
Agriculture and related activities	15,588	6,172
Manufacturing	864,444	545,486
Construction	1,078,290	741,429
Trade	2,649,971	2,008,334
Transportation and communication	227,120	297,933
Sovereign	312,281	354,864
Services	3,074,345	2,026,038
Personal	22,057,798	18,869,859
Real estates	4,322,846	3,902,375
Financial institutions	1,245,355	1,145,477
Others	2,092,659	1,363,151
	37,940,697	31,261,118
Less: Deferred income	(2,573,779)	(2,495,012)
Less: Allowances for impairment	(2,879,781)	(2,664,143)
	32,487,137	**26,101,963**
Movements in allowances for specific impairment:		
Balance at the beginning of the period/year	2,002,979	2,407,019
Allowances for impairment made during the period/year	676,565	757,246
Recoveries/write backs during the period/year	(178,462)	(186,045)
Write off/transfer during the period/year	(309,565)	(975,241)
Balance at the end of the period/year	**2,191,517**	**2,002,979**
Movements in allowances for collective impairment:		
Balance at the beginning of the period/year	661,164	621,862
Allowances for impairment made during the period/year	27,100	39,302
Balance at the end of the period/year	**688,264**	**661,164**
	2,879,781	**2,664,143**

6 INVESTMENTS

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Available-for-sale		
Equity shares	687,105	698,942
Funds	726,904	734,279
Sukuks	1,810,118	2,084,270
	3,224,127	3,517,491
Held-to-maturity		
Sukuks	217,872	333,571
	3,441,999	3,851,062
Less: Allowance for impairment	(676,796)	(645,451)
	2,765,203	**3,205,611**
Investment securities comprise:		
Quoted	1,976,925	2,363,862
Unquoted	788,278	841,749
	2,765,203	**3,205,611**
Investments located:		
Within UAE	1,092,499	1,070,223
Outside UAE	1,672,704	2,135,388
	2,765,203	**3,205,611**
Movements in allowances for impairment:		
Balance at the beginning of the period/year	645,451	405,785
Allowances for impairment made during the period/year	49,571	248,621
Recoveries/write backs during the period/year	-	(12,419)
Write off/transfers during period/year	(18,226)	3,464
Balance at the end of the period/year	**676,796**	**645,451**

7 INVESTMENT PROPERTIES

	Land	Building	Work-in-progress	Un audited Total
30 September 2015	**AED'000**	**AED'000**	**AED'000**	**AED'000**
Cost				
Balance as at 1 January 2015	391,283	1,154,100	8,230	1,553,613
Addition during the period	-	32,652	-	32,652
Properties sold	(15,770)	(386,652)	-	(402,422)
Gross Balance at 30 September 2015	**375,513**	**800,100**	**8,230**	**1,183,843**
Less: Allowances for Impairment	(95,842)	(113,457)	-	(209,299)
Add: Reversal of impairment provision	-	3,818	-	3,818
Net Balance at 30 September 2015	**279,671**	**690,461**	**8,230**	**978,362**
Accumulated Depreciation				
Balance as at 1 January 2015	-	(152,317)	-	(152,317)
Charge for the period	-	(20,655)	-	(20,655)
Add: Reversal of allowances for depreciation	-	7,350	-	7,350
Balance as at 30 September 2015	**-**	**(165,622)**	**-**	**(165,622)**
Net Book Value at 30 September 2015	**279,671**	**524,839**	**8,230**	**812,740**
31 December 2014				**Audited**
Cost				
Balance as at 1 January 2014	556,266	840,889	128,683	1,525,838
Addition during the year	663	-	50,658	51,321
Transfer	(142,100)	313,211	(171,111)	-
Properties sold	(23,546)	-	-	(23,546)
Gross Balance at 31 December 2014	**391,283**	**1,154,100**	**8,230**	**1,553,613**
Less: Allowances for Impairment	(151,091)	(113,457)	-	(264,548)
Transfer	55,249	(55,249)	-	-
Add: Reversal of impairment provision	-	55,249	-	55,249
Net Balance at 31 December 2014	**295,441**	**1,040,643**	**8,230**	**1,344,314**
Accumulated Depreciation				
Balance as at 1 January 2014	-	(123,634)	-	(123,634)
Charge for the year	-	(28,683)	-	(28,683)
Balance as at 31 December 2014	**-**	**(152,317)**	**-**	**(152,317)**
Net Book Value at 31 December 2014	**295,441**	**888,326**	**8,230**	**1,191,997**

The fair value of investment properties as of 30 September 2015, based on management's assessment, is not materially different from their carrying value.

All investment properties are located within the United Arab Emirates.

During the period ended 30 September 2015, the Group recognized a gain on sale of some investment properties amounting to AED 140,164,000. The gain was recognized under other income in the condensed consolidated interim statement of income.

8 CUSTOMERS' ACCOUNTS

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Current accounts	14,631,118	12,057,995
Saving accounts	8,739,506	8,293,011
Investment accounts	5,514,426	5,561,164
Wakala accounts	7,423,861	5,289,400
Margins	305,659	245,052
Profit Equalization Reserve	1,040	-
	36,615,610	**31,446,622**
Customers' accounts are concentrated as follows:		
Resident customer accounts	36,115,024	30,773,587
Non-Resident customer accounts	500,586	673,035
	36,615,610	**31,446,622**

9 DUE TO BANKS

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Current Accounts	2,390	5,409
Overdraft with correspondents	1,904	1,761
Inter bank borrowings- Other banks	238,745	-
Investment accounts	64,130	71,923
Wakala Deposits from Group Holding Company	692,809	402,230
Other balances with Group Holding Company & its subsidiaries	1,689,210	942,340
	2,689,188	**1,423,663**
Due to banks are concentrated as follows:		
Due to local banks	2,621,993	1,346,703
Due to foreign banks	67,195	76,960
	2,689,188	**1,423,663**

10 ASSET SECURITISATION

On 15 May 2014, EI Funding Limited (the "SPE") was incorporated under Companies Law of Cayman Islands as a Special Purpose Entity. The principal activities of the company are to purchase portfolio of assets through issuance of notes. The securitization will result in a certificate pool that will be listed on the NASDAQ clearing system (off market) for private-purpose, over-the-counter dealing. The underlying Sharia structure has been approved by the Bank's Sharia department.

The Group has transferred part of its investment portfolio over to EI Funding Limited (incorporated under Cayman Islands laws). However, the Group retains control over the transferred assets and hence the Group continues to recognize these assets as Financing and Investment Assets.

11 SUKUK FINANCING INSTRUMENTS

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 (Equivalent to AED 1,836,500,000 each).

The sukuk 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 entity formed for the issuance of the 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 January 2018 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-annual distribution amount from returns received in respect of the Co Owned Assets. Such proceeds are expected to be sufficient to cover the semi-annual 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 sukuk carry a fixed profit rate of 4.718% and 4.14% per annum respectively. Such profits are payable on a semi-annual basis.

12 SHARE CAPITAL

The Bank has an authorized share capital of AED 5,000,000,000 (2014: AED 5,000,000,000) and paid up capital of AED 3,930,422,000 (2014: AED 3,930,422,000).

13 EARNINGS PER SHARE

The calculation of basic earnings per share is based on net profit for the nine month period ended 30 September 2015 of AED 533,954,000 (30 September 2014: 255,675,000) divided by the weighted average number of outstanding shares of 3,930,422,000 (30 September 2014: 3,930,422,000).

No figures for diluted earnings per share have been presented as the Group has not issued any instruments which would have a dilutive impact on basic earnings per share when exercised.

14 CASH AND CASH EQUIVALENTS

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Cash in hand (note 3)	229,048	217,134
Balances with U.A.E Central Bank	1,375,733	489,418
Due from banks	2,535,876	3,590,951
Due to banks	(2,597,362)	(1,273,422)
	1,543,295	**3,024,081**

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 amount to 2.66% and 10.15% (31 December 2014: 3.90% and 8.23%) 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 normal commercial terms.

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:

	Unaudited For the nine month period ended 30 September 2015 AED'000	Unaudited For the nine month period ended 30 September 2014 AED'000
Consolidated interm statement of income		
Income from Group Holding Company	144,306	210,968
Key management personnel compensations	(20,525)	(17,537)
Key management personnel compensations - retirement benefits	(351)	(292)

Balances with related parties are as follows:	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Consolidated interm statement of financial position		
Due from Group Holding Company & subsidiaries	2,070,983	3,321,236
Financing receivables- Ultimate Parent Company	183,503	183,455
Investment in Ultimate Parent Company	44,141	90,436
Deposits from Ultimate Parent Company	(700,001)	(300,000)
Due from Dubai Bank PJSC (note 4)	1,474,000	2,301,836
Financing receivables - Directors & affiliates	-	3,463
Financing receivables - Key management personnel & affiliates	26,162	25,940
Current and Investment accounts - Directors	(968)	(1,222)
Current and Investment accounts - Key management personnel	(8,306)	(18,174)
Investment in Government Related Entities	-	363,950

Key management personnel are those persons, including non-executive directors, having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

No impairment losses have been recorded against balances outstanding during the period/year with key management personnel and their immediate relations.

16 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Fair Value of assets and liabilities

The table below analyses assets and liabilities measured at fair value on a recurring basis. The different levels in the fair value hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in principal markets for identified assets or liabilities.
- Level 2: valuation using inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: valuation using inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

	Quoted prices in active markets for identified assets Level 1 AED '000	Significant other observable inputs Level 2 AED '000	Significant unobservable inputs Level 3 AED '000	Unaudited Total AED '000
30-September-2015				
Investment securities AVAILABLE-FOR-SALE:				
Investment in funds	-	-	301,926	**301,926**
Investment in equities	54,901	-	488,649	**543,550**
Debt securities	1,810,118	-	-	**1,810,118**
GRAND TOTAL	**1,865,019**	**-**	**790,575**	**2,655,594**

31-December-2014				**Audited**
Investment securities AVAILABLE-FOR-SALE:				
Investment in funds	-	-	342,468	**342,468**
Investment in equities	51,987	-	501,577	**553,564**
Debt securities	2,084,270	-	-	**2,084,270**
GRAND TOTAL	**2,136,257**	**-**	**844,045**	**2,980,302**

16 ASSETS AND LIABILITIES MEASURED AT FAIR VALUE *(continued)*

Reconciliation of financial assets, classified under level 3	Financial assets held for trading	Available-for-sale financial assets	Unaudited Total
	AED '000	AED '000	AED '000
Balance as at 1 January 2015	-	844,045	844,045
Settlements	-	(50,240)	(50,240)
FX Adjustment	-	(3,230)	(3,230)
Balance as at 30 September 2015	**-**	**790,575**	**790,575**

	AED '000	AED '000	Audited AED '000
Balance as at 1 January 2014	-	1,110,885	1,110,885
Settlements	-	(262,240)	(262,240)
FX Adjustment	-	(4,600)	(4,600)
Balance as at 31 December 2014	**-**	**844,045**	**844,045**

The fair value of financial instruments classified as level 3 are in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. Favorable and unfavorable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental.

During the current period no transfers were made between Level 1 and Level 2.

17 OPERATING SEGMENT

The Group'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 also 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 the Group Holding Company.

17 OPERATING SEGMENT (continued)

	Corporate & Investment		Retail		Treasury		Total	
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	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	
	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000	2015 AED'000	2014 AED'000
Consolidated interm statement of income								
Segment income	464,888	441,407	849,163	641,722	150,696	211,627	1,464,747	1,294,756
Inter segment wakala (Loss)/ income	(149,040)	(173,201)	99,456	137,522	49,584	35,679	-	-
Commission, fees & other Income	280,549	198,490	280,683	169,977	1,840	655	563,072	369,122
Total income	**596,397**	**466,696**	**1,229,302**	**949,221**	**202,120**	**247,961**	**2,027,819**	**1,663,878**
General and administrative expenses	(102,290)	(131,329)	(580,161)	(446,874)	(13,652)	(4,153)	(696,103)	(582,356)
Total expenses	**(102,290)**	**(131,329)**	**(580,161)**	**(446,874)**	**(13,652)**	**(4,153)**	**(696,103)**	**(582,356)**
Net operating income	**494,107**	**335,367**	**649,141**	**502,347**	**188,468**	**243,808**	**1,331,716**	**1,081,522**
Allowances for impairment, net of recoveries	(337,199)	(405,640)	(233,757)	(177,930)	-	-	(570,956)	(583,570)
	156,908	**(70,273)**	**415,384**	**324,417**	**188,468**	**243,808**	**760,760**	**497,952**
Customers' share of profit and distribution to sukuk holders	(22,754)	(28,007)	(80,142)	(60,611)	(123,910)	(153,659)	(226,806)	(242,277)
NET PROFIT FOR THE PERIOD	**134,154**	**(98,280)**	**335,242**	**263,806**	**64,558**	**90,149**	**533,954**	**255,675**

17 OPERATING SEGMENT (continued)

	Corporate & Investment		Retail		Treasury		Total	
	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
Consolidated statement of financial position								
Assets								
Segment assets	17,445,757	14,629,099	19,153,755	16,419,904	9,151,954	8,449,256	45,751,466	39,498,259
Central Bank Reserve Requirements	1,770,505	1,455,588	1,565,402	1,254,843	-	-	3,335,907	2,710,431
Unallocated assets	-	-	-	-	-	-	859,750	704,529
Total Assets	**19,216,262**	**16,084,687**	**20,719,157**	**17,674,747**	**9,151,954**	**8,449,256**	**49,947,123**	**42,913,219**
Liabilities								
Segment liabilities	5,835,720	4,847,453	31,379,755	27,174,797	6,379,788	5,174,834	43,595,263	37,197,084
Unallocated liabilities	-	-	-	-	-	-	6,351,860	5,716,135
Total Liabilities	**5,835,720**	**4,847,453**	**31,379,755**	**27,174,797**	**6,379,788**	**5,174,834**	**49,947,123**	**42,913,219**

18 CAPITAL ADEQUACY RATIO

The Group's capital adequacy ratio is regularly monitored by ALCO and managed by the Group risk, following table shows the details of calculating capital adequacy ratio as at 30 September 2015 and 31 December 2014:

	Unaudited 30 September 2015 AED'000	Audited 31 December 2014 AED'000
TIER I CAPITAL		
Share capital	3,930,422	3,930,422
Statutory reserve	265,355	265,355
General reserve	171,134	171,134
Retained earnings	658,725	124,771
Total tier I capital	**5,025,636**	**4,491,682**
TIER II CAPITAL		
Portfolio impairment provisions	688,264	661,164
Fair value reserve	(7,687)	10,591
Total tier II capital	**680,577**	**671,755**
Tier II eligible capital	**459,050**	**422,483**
CAPITAL BASE	**5,484,686**	**4,914,165**
RISK WEIGHTED ASSETS	**39,907,616**	**35,544,268**
CAPITAL ADEQUACY RATIO (BASEL II)	**13.74%**	**13.83%**

19 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 on 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.