

Date: 11th October 2007
Ref.: CE/GM/07/041

Ms. Fahima Al Bastaki
Disclosure Manager
Dubai Financial Market
P.O. Box 9700
Dubai – U.A.E.

المحترمة

السيدة / فهيمة البستكي
مدير الإدراج والإفصاح
سوق دبي المالي
دبي - أ.ع.م.

Dear Madam,

تحية طيبة وبعد

**Sub: Financial Statements for the 9 months
Ended 30.09.2007**

الموضوع : البيانات المالية للشهر التسعة الأولي المنتهية

في ٣٠ / ٩ / ٢٠٠٧

With regards to the requirements of Dubai Financial Market and to the Securities & Commodities Authority's decision # (29) for the year 2007, pertaining to the disclosure and transparency, we are enclosing herewith the condensed consolidated interim Financial Statements for the 9 months ended 30.09.2007 for the Commercial Bank of Dubai (P.S.C.) which includes: -

تطبيقاً للإجراءات المتعارف عليها في سوق دبي المالي فيما يتعلق بالإفصاح والشفافية ولقرار مجلس إدارة هيئة الأوراق المالية والسلع رقم (٢٩) لسنة ٢٠٠٧، نرسل لكم البيانات المالية للشهر التسعة الأولي من العام الحالي ٢٠٠٧ لبنك دبي التجاري (ش.م.ع.) وعلى نسق إلكتروني والتي تتكون من :-

1. Review report of the Auditors to the Board of Directors of the Bank.
2. Condensed consolidated Interim Balance Sheet.
3. Condensed consolidated interim Statement of Income.
4. Condensed consolidated Interim Statement of Cash Flows.
5. Condensed consolidated Interim Statement of Changes in Equity.
6. Notes to the Condensed consolidated Interim Financial Statements.

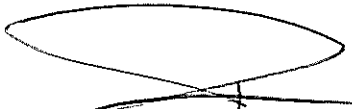
١. تقرير مراجعي الحسابات إلى السادة / مجلس إدارة البنك.
٢. الميزانية العمومية المرحلية الموحدة الموجزة المراجعة.
٣. بيان الدخل المرحلي الموحد الموجز المراجع.
٤. بيان التدفقات النقدية المرحلي الموحد الموجز المراجع.
٥. بيان التغيرات في حقوق المساهمين المرحلي الموحد الموجز المراجع.
٦. إيضاحات حول البيانات المالية المرحلية الموحدة الموجزة المراجعة.

The said Financial Statements have been prepared in accordance with the International Financial Reporting Standards "IFRS"-IAS (34) "Interim Financial Reporting" and reviewed by our External Auditors, M/s. KPMG.

هذا وقد تم إعداد هذه البيانات المالية وفقاً لمعايير التقارير المالية الدولية - معيار المحاسبة الدولية (٣٤) "التقارير المالية المرحلية"، وقد تمت مراجعة هذه البيانات من قبل مدققي البنك السادة / KPMG

Yours sincerely,

وتفضلوا بقبول فائق الاحترام ،،،،


بيتر بالتوسن Peter Baltussen

الرئيس التنفيذي Chief Executive

Commercial Bank of Dubai PSC

Condensed consolidated interim financial statements

30 September 2007

Commercial Bank of Dubai PSC
Condensed consolidated interim financial statements
30 September 2007

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Independent Auditors' Report on Review of Interim Financial Information

To the Board of Directors Commercial Bank of Dubai PSC

Introduction

We have reviewed the accompanying consolidated condensed balance sheet of Commercial Bank of Dubai PSC ("the Bank") and its subsidiary CBD Financial Services LLC (referred to as "the Group") as at 30 September 2007, and the related consolidated condensed income statement, changes in equity and cash flows for the nine month period then ended "(the interim financial information)". Management is responsible for the preparation and presentation of this consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this 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 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.

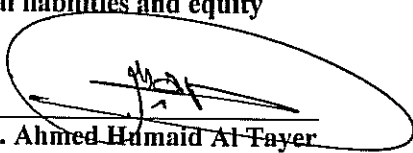
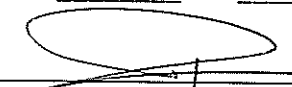
Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information as at 30 September 2007 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

Vijendranath Malhotra
Registration No: 48 B

11 OCT 2007

Commercial Bank of Dubai PSC
Condensed consolidated interim balance sheet
As at 30 September 2007

	Note	30 September 2007 AED'000 Reviewed	31 December 2006 AED'000 Audited	30 September 2006 AED'000 Reviewed
ASSETS				
Cash and balances with Central Bank		3,188,511	3,227,018	3,356,402
Due from banks		161,710	664,665	1,041,762
Loans and advances	3	17,878,387	12,642,569	11,254,617
Investment securities	4	1,788,633	1,055,189	1,023,654
Property and equipment		399,184	381,796	377,523
Other assets		840,280	733,541	734,676
Total assets		24,256,705	18,704,778	17,788,634
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		1,518,079	336,423	827,476
Customers' deposits		17,346,970	13,755,671	12,279,094
Other liabilities		1,066,104	802,592	981,257
Total liabilities		19,931,153	14,894,686	14,087,827
EQUITY				
Share capital	5	1,129,476	1,052,093	944,102
Share subscription through rights issue		-	-	431,965
Legal reserve		1,256,398	1,024,247	698,850
Capital reserve		38,638	38,638	38,638
General reserve		870,000	870,000	770,000
Cumulative changes in fair values		310,698	276,724	327,947
Proposed cash dividend		-	473,442	-
Proposed directors' remuneration		-	4,000	-
Retained earnings	5	720,342	70,948	489,305
Total equity		4,325,552	3,810,092	3,700,807
Total liabilities and equity		24,256,705	18,704,778	17,788,634
 H.E. Ahmed Humaid Al-Tajer Chairman			 Mr. Peter Baltussen Chief Executive	

The condensed consolidated interim financial statements were approved by the Board of Directors on 11 October 2007.

The attached notes on pages 6 to 13 form part of these condensed consolidated interim financial statements.

The review report of the Auditors is set out on page 1.

Commercial Bank of Dubai PSC

Condensed consolidated interim statement of income

For the nine month period ended 30 September 2007

		<i>Nine month period ended</i>		<i>Three month period ended</i>	
	<i>Note</i>	30 September 2007	30 September 2006	30 September 2007	30 September 2006
		AED'000 Reviewed	AED'000 Reviewed	AED'000 Reviewed	AED'000 Reviewed
Interest income		976,382	715,432	356,280	268,894
Interest expense		(351,596)	(273,224)	(127,383)	(106,267)
Net interest income		624,786	442,208	228,897	162,627
Net fees and commission income		193,734	162,499	74,293	56,515
Net gains from dealing in foreign currencies		45,020	32,349	15,858	10,562
Net income from investments at fair value through income statement		39,006	536	(6,567)	12,073
Net gain from sale of available-for-sale investments		27,875	11,246	4,569	1,905
Dividend income		15,740	9,929	87	426
Other income		8,715	9,661	2,984	3,173
		954,876	668,428	320,121	247,281
Provisions for impairment losses	3.3	(13,286)	(13,730)	(9,665)	(15,136)
Provisions for impairment losses on available for sale investments	4.2	(11,926)	-	-	-
Provisions for impairment losses on other assets		(3,482)	(3,584)	-	-
Net interest and other income		926,182	651,114	310,456	232,145
General and administrative expenses		(251,073)	(190,298)	(83,006)	(67,652)
Depreciation		(25,715)	(19,953)	(8,807)	(6,844)
Total expenses		(276,788)	(210,251)	(91,813)	(74,496)
Profit for the period		649,394	440,863	218,643	157,649
Earnings per share (AED)	6	0.58	0.41	0.20	0.15

The attached notes on pages 6 to 13 form part of these condensed consolidated interim financial statements.
The review report of the Auditors is set out on page 1.

Commercial Bank of Dubai PSC

Condensed consolidated interim statement of cash flows

For the nine month period ended 30 September 2007

	Note	Nine month period ended	
		30 September 2007 AED'000 Reviewed	30 September 2006 AED'000 Reviewed
OPERATING ACTIVITIES			
Profit for the period		649,394	440,863
<i>Adjustments for:</i>			
Depreciation		25,715	19,953
Gain on disposal of property and equipment		-	(22)
Impairment losses on available for sale investments	4.2	11,926	-
Investment income		(56,217)	(23,320)
Net unrealised (gains)/losses on investments at fair value through income statement		(26,404)	1,609
Realised gains on sale of available for sale investments		(24,124)	(12,487)
Directors' remuneration paid		(4,000)	(4,000)
Operating profit before working capital changes		576,290	422,596
Increase in statutory reserve with the Central Bank		(291,846)	(103,715)
Increase in loans and advances		(5,235,818)	(1,911,766)
Increase in other assets		(106,739)	(133,977)
Decrease in due from banks maturing after three month		4,436	-
Increase in customers' deposits		3,591,299	1,643,215
Increase in other liabilities		263,512	308,724
Net cash flow (used in)/ from operating activities		(1,198,866)	225,077
INVESTING ACTIVITIES			
Purchase of investments		(844,544)	(291,703)
Purchase of property and equipment		(43,103)	(52,016)
Investment income		56,217	9,929
Proceeds from sale of investments		183,675	115,690
Proceeds from sale of property and equipment		-	162
Net cash flow used in investing activities		(647,755)	(217,938)
FINANCING ACTIVITIES			
Dividend paid		(473,442)	(188,246)
Share subscription through rights issue		309,534	945,440
Net cash flow (used in)/from financing activities		(163,908)	757,194
Net (decrease)/ increase in cash and cash equivalents		(2,010,529)	764,333
Cash and cash equivalents at 1 January		2,659,441	1,980,538
Cash and cash equivalents at 30 September	7	648,912	2,744,871

The attached notes on pages 6 to 13 form part of these condensed consolidated interim financial statements.
The review report of the Auditors is set out on page 1.

Commercial Bank of Dubai PSC
Condensed consolidated interim statement of changes in equity
For the nine month period ended 30 September 2007

	Share Capital	Share subscription through right issue	Legal reserve	Capital reserve	General reserve	Cumulative changes in fair values	Retained earnings	Proposed distributions	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
At 1 January 2006	627,487	-	313,744	38,638	770,000	642,535	48,442	380,492	2,821,338
Bonus issue (30%)	188,246	-	-	-	-	-	-	(188,246)	-
Cash dividend paid (30%)	-	-	-	-	-	-	-	(188,246)	(188,246)
Directors' remuneration paid	-	-	-	-	-	-	-	(4,000)	(4,000)
Realised gain on sale of available for sale investments	-	-	-	-	-	(12,487)	-	-	(12,487)
Revaluation of available for sale investments	-	-	-	-	-	(302,101)	-	-	(302,101)
Share subscription through right issue (refer note 5)	128,369	431,965	385,106	-	-	-	-	-	945,440
Profit for the period	-	-	-	-	-	-	440,863	-	440,863
At 30 September 2006 (Reviewed)	944,102	431,965	698,850	38,638	770,000	327,947	489,305	-	3,700,807
At 1 January 2007	1,052,093	-	1,024,247	38,638	870,000	276,724	70,948	477,442	3,810,092
Cash dividend paid (45%)	-	-	-	-	-	-	-	(473,442)	(473,442)
Directors' remuneration paid	-	-	-	-	-	-	-	(4,000)	(4,000)
Realised gain on sale of available for sale investments	-	-	-	-	-	(24,124)	-	-	(24,124)
Revaluation of available for sale investments	-	-	-	-	-	46,172	-	-	46,172
Impairment losses on investment (note 4.2)	-	-	-	-	-	11,926	-	-	11,926
Share subscription through right issue (refer note 5)	77,383	-	232,151	-	-	-	-	-	309,534
Profit for the period	-	-	-	-	-	-	649,394	-	649,394
At 30 September 2007 (Reviewed)	1,129,476	-	1,256,398	38,638	870,000	310,698	720,342	-	4,325,552

The attached notes on pages 6 to 13 form part of these condensed consolidated interim financial statements.
The review report of the Auditors is set out on page 1.

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements

For the nine month period ended 30 September 2007

1. LEGAL STATUS AND ACTIVITIES

Commercial Bank of Dubai PSC ("the Bank") was incorporated in Dubai, United Arab Emirates in 1969 and is registered as a Public Shareholding Company (PSC) in accordance with Federal Law No. 8 of 1984 (as amended). The Bank is listed in Dubai Financial Market.

The condensed consolidated interim financial statements of the Bank for the nine month period ended 30 September 2007 comprise the Bank and its subsidiary "CBD Financial Services LLC" (together referred to as "the Group"). The subsidiary was incorporated on 9 March 2005 in Dubai, United Arab Emirates and is registered as a limited liability company in accordance with Federal Law No. 8 of 1984 (as amended) and commenced its operations from 9 October 2005. The Bank effectively holds 100% interest in its subsidiary. The Bank's principal activity is commercial banking while that of its subsidiary is to act as a broker for local shares and bonds.

The registered address of the Group is Al Ittihad Street, P.O. Box 2668, Dubai, United Arab Emirates.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") IAS 34 Interim Financial Reporting. These financial statements 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 as at and for the year ended 31 December 2006.

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and 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 as at and for the year ended 31 December 2006.

b) Basis of preparation

The condensed consolidated interim financial statements are prepared on a fair value basis for investments at fair value through income statement, forward foreign exchange contracts held for trading and investments available-for-sale, except those for which a reliable measure of fair value is not available, which are accounted for at cost. Other financial assets and liabilities and non financial assets and liabilities are stated at amortized cost or historical cost, except for donated land which is valued at the market value on the date of donation.

The Group has consistently applied the accounting policies used for the preparation of last published annual financial statements.

The financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the "functional currency", rounded to the nearest thousand.

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements (continued)

For the nine month period ended 30 September 2007

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Basis of consolidation

Subsidiary

The subsidiary is an entity that is controlled by the Bank. Control exists when the Bank has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of the subsidiary are included in the consolidated financial statements from the date the control commences until the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3. LOANS AND ADVANCES

The composition of the loans and advances portfolio is as follows:

3.1 Analysis by type	30 September 2007 AED'000 Reviewed	31 December 2006 AED'000 Audited
Overdrafts	6,019,321	5,425,606
Loans	10,674,652	6,328,414
Advances against letters of credit and trust receipts	672,828	540,992
Bills discounted	781,838	604,351
	-----	-----
Gross loans and advances	18,148,639	12,899,363
Less: Allowances for impairment losses	(270,252)	(256,794)
	-----	-----
Net loans and advances	<u>17,878,387</u>	<u>12,642,569</u>

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements (continued)

For the nine month period ended 30 September 2007

3. LOANS AND ADVANCES (continued)

3.2 Analysis by economic activities

	30 September 2007 AED'000 Reviewed	31 December 2006 AED'000 Audited
Manufacturing	717,203	514,413
Construction	2,352,994	1,640,646
Trade	5,795,131	4,771,658
Transport and Communication Services	322,311	141,782
Banks and Financial Institutions	2,377,890	1,808,143
Personal – schematic	249,825	58,742
Personal – for business	856,940	802,617
Government/Public Sector	4,240,349	2,366,180
Others	189,757	36,386
	1,046,239	758,796
	<u>18,148,639</u>	<u>12,899,363</u>

3.3 The movement on allowances for impairment losses is as follows:

	30 September 2007 AED'000 Reviewed	31 December 2006 AED'000 Audited
Balance at 1 January	256,794	234,962
Amounts written off	(19,764)	(20,537)
Charge	27,847	38,900
Interest not recognized	19,936	24,628
Recoveries	(14,561)	(21,159)
	<u>270,252</u>	<u>256,794</u>

3.4 Classified loans and advances

At 30 September 2007, the aggregate amount of non - performing loans amounted to AED 189.3 million (31 December 2006: AED 216.3 million). Provisions in relation to such loans amounted to AED 188.7 million as at 30 September 2007 (31 December 2006: AED 179.9 million).

In addition to the provisions the Group also holds other forms of tangible securities to cover non-performing loans.

Cumulative unrecognised interest relating to non-performing loans amounted to AED 81.5 million (31 December 2006: 76.8 million).

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements (continued)

For the nine month period ended 30 September 2007

4. INVESTMENT SECURITIES		30 September 2007 AED'000 Reviewed	31 December 2006 AED'000 Audited
Investments at fair value through income statement		243,267	219,978
Held-to-maturity		250,984	217,426
Available-for-sale			
Quoted securities		1,002,634	618,152
Fund of funds investments	4.1	291,024	-
Others		1,101	-
		<u>1,789,010</u>	<u>1,055,566</u>
Less: Allowance for impairment losses		(377)	(377)
		<u>1,788,633</u>	<u>1,055,189</u>

4.1 Fund of funds investments

This represents the investments in Fund of funds in global and regional asset management funds as a part of the Group's strategy of diversifying its holdings.

4.2 Impairment loss on investments

In view of the prolonged and significant decline in the fair value of certain quoted securities held as available for sale investments below their cost of acquisition, the management of the Group, based on their best estimate had assessed an impairment loss of AED 11.926 million as at 31 March 2007. Accordingly, such an impairment loss had been removed from equity and recognized in the income statement during the three month period ended 31 March 2007.

Subsequently the fair value of such quoted securities as at 30 September 2007 have improved, however as required by IAS – 39 the impairment loss has not been reversed.

5. EQUITY

Share capital

The issued and fully paid up ordinary share capital as at 30 September 2007 comprised 1,129,476,420 ordinary shares of AED 1 each (31 December 2006: 1,052,092,966 shares of AED 1 each).

Share subscription through rights issue

The shareholders in their Extra-ordinary General meeting held on 15 February 2006 approved an increase in the share capital as it was on 31 December 2005 by 50% through a rights issue at AED 4 per share including a share premium of AED 3 per share to be subscribed by the shareholders either in lump-sum or in three installments by 20 June 2006, 20 September 2006 and 20 March 2007.

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements (continued)

For the nine month period ended 30 September 2007

5. EQUITY (continued)

The shareholders have subscribed and fully paid for 313,228,282 numbers of shares of AED 1,252,913,128 including share premium till 20 March 2007. The unsubscribed shares of 515,168 amounting to AED 2,060,672 including the share premium were allocated on a pro-rata basis in accordance with the Article (29) of the Articles of Association of the Bank to those shareholders who have additionally subscribed by 20 June 2006. The share capital of the Group is increased after the completion of all legal formalities.

Retained Earnings

These include an amount of AED 10 million representing bonus shares issued by the subsidiary company, approved in its executive committee meeting held on 17 January 2007.

6. EARNINGS PER SHARE

The earnings per share is based on the Group's profit for the nine and three month period ended 30 September 2007 attributable to the shareholders amounting to AED 649,394 thousand and AED 218,643 thousand respectively (*nine and three month period ended 30 September 2006: AED 440,863 thousand and AED 157,649 thousand respectively*), and on the weighted average number of shares in issue totaling 1,098,683,070 (*30 September 2006: 1,083,286,396*).

7. CASH AND CASH EQUIVALENTS

	30 September 2007 AED'000 Reviewed	30 September 2006 AED'000 Reviewed
Cash on hand	447,510	361,373
Balances with the Central Bank	446	5,322
Negotiable certificate of deposits with the Central Bank	1,584,000	2,195,000
Due from banks maturing within three month	135,035	1,010,652
	<u>2,166,991</u>	<u>3,572,347</u>
Due to banks	(1,518,079)	(827,476)
	<u>648,912</u>	<u>2,744,871</u>

8. CONTINGENT LIABILITIES AND COMMITMENTS

The Group in the ordinary course of business enters into various types of transactions that involve undertaking certain commitments such as letters of credit, guarantees and undrawn loan commitments.

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements (continued)

For the nine month period ended 30 September 2007

9. CONCENTRATION OF ASSETS, LIABILITIES AND CONTINGENT LIABILITIES

	30 September 2007 (Reviewed)			31 December 2006 (Audited)		
	Assets AED'000	Liabilities AED'000	Contingent Liabilities AED'000	Assets AED'000	Liabilities AED'000	Contingent Liabilities AED'000
Geographic region						
Domestic	22,927,256	18,876,861	8,572,675	17,998,025	14,232,071	6,531,828
International	1,329,449	1,054,292	172,319	706,753	662,615	152,482
Total	24,256,705	19,931,153	8,744,994	18,704,778	14,894,686	6,684,310
Customer groups						
Commercial and Business	12,112,018	8,190,274	6,926,598	7,921,483	5,931,297	5,626,905
Banks and financial institutions	4,195,129	1,663,618	411,642	4,135,564	471,868	692,586
Government and public sector entities	813,830	1,607,920	34,075	380,083	1,844,518	18,099
Individuals	6,358,205	7,893,839	1,369,240	5,254,915	6,241,811	343,334
Others	777,523	575,502	3,439	1,012,733	405,192	3,386
Total	24,256,705	19,931,153	8,744,994	18,704,778	14,894,686	6,684,310

Domestic represents all balances with United Arab Emirates residents regardless of the currency and international represents balances with overseas residents.

10. SEGMENTAL ANALYSIS

The Group operates in one geographic area, the United Arab Emirates, and its results arise largely from commercial and retail banking activities.

Commercial Bank of Dubai PSC

Notes to the condensed consolidated interim financial statements (continued)

For the nine month period ended 30 September 2007

11. RELATED PARTY TRANSACTIONS

	Directors and key management personnel	
	30 September 2007 AED'000 Reviewed	31 December 2006 AED'000 Audited
Loans and advances		
Outstanding at 1 January	199,982	130,109
Loans issued	203,880	404,108
Repayments	(29,419)	(334,235)
Closing balance	374,443	199,982
Deposits		
Deposits at 1 January	266,169	282,715
Received	52,703	311,493
Repaid	(202,850)	(328,039)
Closing balance	116,022	266,169
	Nine month period ended	
	30 September 2007 AED'000 Reviewed	30 September 2006 AED'000 Reviewed
Interest income	8,067	11,989
Interest expense	1,730	3,439

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group.

No provisions for impairment have been recognised in respect of loans given to related parties (31 December 2006: NIL)

The loans issued to directors during the year are unsecured and repayable monthly over a maximum period of 5 years (31 December 2006: 5 years) and carry interest at the rates comparable to the third party loans.

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Notes to the condensed consolidated interim financial statements (continued)

For the Nine month period ended 30 September 2007

11. RELATED PARTY TRANSACTIONS (continued)

Key management compensation

	<i>Nine month period ended</i>	
	30 September	30 September
	2007	2006
	AED'000	AED'000
	Reviewed	Reviewed
Salaries and other short-term benefits	8,500	5,760
Post retirement benefits	610	584
	<u> </u>	<u> </u>

12. Capital adequacy

The capital adequacy ratio is computed based on the U.A.E Central bank requirements.

		30 September	31 December
		2007	2006
		AED'000	AED'000
		Reviewed	Audited
Capital base			
Tier 1 Capital		3,312,580	3,015,864
Tier 2 Capital		138,361	124,526
		<u> </u>	<u> </u>
Capital base	(a)	3,450,941	3,140,390
		<u> </u>	<u> </u>
Risk – weighted assets:			
On – balance sheet assets		18,025,080	13,925,564
Off – balance sheet assets		1,019,084	1,605,305
		<u> </u>	<u> </u>
Total risk – weighted assets	(b)	19,044,164	15,530,869
		<u> </u>	<u> </u>
Capital adequacy ratio (%) [(a)/(b) x 100]		18.1%	20.2%
		<u> </u>	<u> </u>

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted in these condensed consolidated interim financial statements.