In the Name of Allah
The most Gracious and Merciful

مصرف الإمارات الإسلامي
EMIRATES ISLAMIC BANK

(Public Joint Stock Company)

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) AS OF 31 MARCH 2009

Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT (un-audited)

For the three-month period ended 31 March 2009

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

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 of 31 March 2009 and the related condensed consolidated interim statements of comprehensive income (comprising of a condensed consolidated interim statement of comprehensive income and a separate condensed consolidated interim statement of income), statement of cash flows and statement of changes in equity for the three-month period then ended (the interim financial information). Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Financial Reporting Standards IAS 34, "*Interim financial reporting*". Our responsibility is to express a conclusion on this 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 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 31 March 2009 is not prepared, in all material respects, in accordance with IAS 34, "*Interim Financial Reporting*".

KPMG

By: Munther Dajani
Registration No: 268

27 APR 2009

Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME (un-audited)

For the three-month period ended 31 March 2009

	Note	For the three-month period ended 31 March 2009 AED'000	For the three-month period ended 31 March 2008 AED'000
INCOME			
Income from financing activities, net		262,548	186,054
Loss from investment securities designated at fair value		(66,522)	(7,308)
Income from other investments		34,270	34,237
Income from Group Holding Company		4,962	26,186
Property related income, net		4,116	6,164
Commissions and fees income, net		47,987	95,523
Other operating income		56,315	18,364
TOTAL INCOME		**343,676**	**359,220**
EXPENSES			
General and administrative expenses		98,112	82,403
Depreciation of investment properties		2,063	2,063
Allowances for impairment net of recoveries		27,419	2,525
TOTAL EXPENSES		**127,594**	**86,991**
NET OPERATING INCOME		**216,082**	**272,229**
Depositors' share of profit		(150,308)	(123,634)
SHAREHOLDERS' PROFIT (NET INCOME)		**65,774**	**148,595**
Earnings per share (Dirham)	3	**0.05**	**0.12**

The attached notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.
The auditors' report is set out on page 1

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Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME (un-audited)

For the three-month period ended 31 March 2009

	Note	For the three-month period ended 31 March 2009 AED'000	For the three-month period ended 31 March 2008 AED'000
SHAREHOLDERS' PROFIT (NET INCOME)		65,774	148,595
Other comprehensive income			
Cumulative changes in fair value reserve		(17,281)	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**48,493**	**148,595**
Minority interest		-	-
Total comprehensive income attributable to shareholders		**48,493**	**148,595**

The attached notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.
The auditors' report is set out on page 1.

Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(Un-audited) At 31 March 2009

	Note	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
ASSETS			
Cash, and balances with U.A.E Central Bank		1,475,108	1,643,918
Due from banks	4	35,765	27,389
Due from Group Holding Company, net		1,302,533	849,958
Financing receivables	5	17,025,190	17,772,987
Investment securities designated at fair value	6	1,034,886	1,107,107
Other investments	7	3,025,903	3,095,915
Investment properties	8	502,068	504,130
Investment properties under development	9	816,472	751,063
Prepayments and other assets		544,158	591,364
Fixed assets		62,240	56,619
TOTAL ASSETS		**25,824,323**	**26,400,450**
LIABILITIES			
Customers' accounts	10	20,353,049	19,582,652
Due to banks		887,603	2,099,912
Other liabilities		839,220	1,004,743
Zakat payable		-	17,185
Investment wakala	11	2,021,872	2,021,872
TOTAL LIABILITIES		**24,101,744**	**24,726,364**
SHAREHOLDERS' EQUITY			
Share capital	12	1,214,688	934,375
Statutory reserve		187,659	187,659
General reserve		93,438	93,438
Cumulative changes in fair value	13	(5,588)	11,693
Retained earnings		139,493	354,032
TOTAL SHAREHOLDERS' EQUITY		**1,629,690**	**1,581,197**
MINORITY INTEREST	14	**92,889**	**92,889**
TOTAL EQUITY		**1,722,579**	**1,674,086**
TOTAL LIABILITES AND EQUITY		**25,824,323**	**26,400,450**
COMMITMENTS AND CONTINGENT LIABILIITES		**3,520,425**	**3,708,609**
ASSETS UNDER MANAGEMENT	15	**1,485,550**	**1,485,550**
RESTRICTED INVESTMENT ACCOUNTS	16	**150,000**	**150,000**

These condensed consolidated interim financial statements approved and authorized for issue by the Board of Directors on April 21st 2009 and signed on its behalf by:

Chairman

Chief Executive Officer

The attached notes 1 to 21 form an integral part of these condensed consolidated interim financial statements.

The auditors' report is set out on page 1.

Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (un-audited)

For the three-month period ended 31 March 2009

	For the three- month period ended 31 March 2009 AED'000	For the three-month period ended 31 March 2008 AED'000
OPERATING ACTIVITIES		
Profit for the period	65,775	148,595
Adjustments:		
Allowances for impairment on financing receivables	27,419	2,525
Loss on revaluation of investment securities	72,819	14,637
Gain on sale of investment properties	-	(669)
Depreciation on investment properties	2,063	2,063
Depreciation on fixed assets	5,113	4,060
Operating profit before changes in assets and liabilities	**173,189**	**171,211**
Change in reserves with U.A.E Central Bank	53,348	17,287
Change in due from Group Holding Company	(4,070,357)	(1,894,937)
Change in financing receivables	720,380	(2,354,442)
Change in prepayments and other assets	47,205	(20,020)
Change in customers' accounts	770,397	4,240,193
Changes in Banks' investments and wakala accounts	(1,131,410)	?
Change in other liabilities	(182,805)	(53,419)
Directors' remuneration		(2,800)
Changes in Zakat	(17,185)	(13,426)
Net cash (used in) / provided by operating activities	**(3,637,238)**	**89,647**
INVESTING ACTIVITIES		
Purchase of investment securities	69,415	(716,817)
Proceeds from sale/repayment of investment securities	-	79,141
Loss on revaluation of investment securities	-	(14,637)
Purchase of investment properties	-	(153,692)
Proceeds from the sale of investment properties	-	5,500
Changes in investment properties under development	(65,410)	-
Additions to fixed assets	(10,735)	(25,299)
Net cash used in investing activities	**(6,730)**	**(825,804)**
FINANCING ACTIVITIES		
Due to Group Holding Company (Investment Wakala)	**-**	-
Minority interest	-	-
Net cash provided by financing activities	**-**	**-**
Net change in cash and cash equivalents	**(3,643,968)**	**(736,157)**
Cash and Cash equivalent at 1 January	5,293,475	2,855,313
Cash and cash equivalents at 31 March	**1,649,507**	**2,119,156**

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial statements.

The auditors' report is set out on page 1.

Emirates Islamic Bank (PJSC)

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (un-audited)

For the three-month period ended 31 March 2009

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Cumulative changes in fair value reserve AED'000	Revaluation reserve AED'000	Mudaraba Pool Reserve AED'000	Retained earnings AED'000	Total AED'000
As at 1st January 2008	747,500	147,599	74,750	-	144,000	6,175	212,882	1,332,906
Issue of bonus shares	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	-	-	148,595	148,595
As at 31 March 2008	747,500	147,599	74,750	-	144,000	6,175	361,477	**1,481,501**
As at 1st January 2009	934,375	187,659	93,438	11,693	-	-	354,032	1,581,197
Issue of bonus shares	280,313	–	–	–	–	–	(280,313)	-
Total Comprehensive income for the period	–	–	–	(17,281)	–	–	65,774	48,493
As at 31 March 2009	**1,214,688**	**187,659**	**93,438**	**(5,588)**	**-**	**-**	**139,494**	**1,629,690**

The attached notes 1 to 20 form an integral part of these condensed consolidated interim financial statements
The auditors' report is set out on page 1.

1. 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 reregistered 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 Bank International PJSC, Dubai (the "Group Holding Company") and Emirates Bank International is a subsidiary of Emirates NBD Company. The Bank is listed at Dubai Financial Market.

In addition to its head office in Dubai, the Bank operates through 29 branches in the UAE. The accompanying Condensed Consolidated Interim Financial Statements combine the activities of the Bank's head office and its branches and its subsidiaries (together referred as "Group").

The Bank has the following subsidiaries:

	Principal Activities	Date of Incorporation & Country	Ownership
Emirates Islamic Financial Brokerage Co. LLC	Financial brokerage services	26 April 2006, UAE	99.99%
Ithmar Real Estate Development Co. PSC	Real estate holding and trust companies	9 June 2008, UAE	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 banking services in accordance with Islamic Sharia and offers a variety of products through Islamic financing and investing instruments.

As of 31st of March 2009 the Bank employed 1,239 employees (31 December 2008: 1,281 employees).

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

2. BASIS OF PREPARATION

a). Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the International Financial Reporting Standard ("IFRS") 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 as at and for the year ended 31 December 2008.

The Condensed consolidated interim financial statements have been presented in UAE Dirham, rounded to the nearest thousand.

b). Basis of Measurement.

The consolidated financial statements have been prepared under the historical cost convention except for the following:

- Financial assets at fair value through income statement are measured at fair value
- Available- for-sale financial assets are measured at fair value
- Land classified under fixed assets is measured at fair value

c). Significant accounting policies

The accounting policies and method of computation 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 annual consolidated financial statements as at and for the year ended 31 December 2008.

New and revised accounting standards and interpretations effective 1 January 2009.

IFRS 8 – Operating segments

This new standard, which has been adopted for the preparation of these condensed consolidated interim financial statements, introduces the "management approach" for to segment reporting. Currently the Group presents segment information in respect of its business and geographical segments. This standard does not affect Group's reported profit or loss or equity.

Revised IAS 1 - Presentation of financial statements

This revised standard, which has been adopted for first time in preparation of these condensed consolidated interim financial statements, affects the presentation of owners' changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other IFRSs.

d). ESTIMATES

The preparation of condensed consolidated interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reporting amounts of assets and liabilities, income and expense. 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 2008.

e). FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives, policies and procedure are consistent with those disclosed in the audited consolidated financial statements as at 31 December 2008.

3. EARNINGS PER SHARE

The calculation of earnings per share is based on earnings for the period of three months ended 31 March 2009 of AED 65,775 (000') (31 March 2008: AED 1, 48,595 (000')) divided by the weighted average of the number of shares outstanding during the period 1,214,688,000 (31 March 2008: 1,214,688,000 shares).

4. DUE FROM BANKS

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Due from Local Banks	22	21
Due from Foreign Banks	35,743	27,368
	35,765	**27,389**

5. FINANCING RECEIVABLES

	Un-audited 31 March 2009 AED'000	Audited 31December 2008 AED'000
Financing receivables comprise:		
Commodities Murabaha	2,870,142	3,066,303
Vehicles Murabaha	3,034,306	3,117,394
Syndication Murabaha	143,852	146,817
Real Estate Murabaha	199,915	246,225
Total murabaha	6,248,215	6,576,739
Istisnaa	1,695,896	1,486,386
Ijarah	4,683,707	4,835,241
Credit card receivables	480,357	471,789
Others	1,524,554	1,899,494
	14,632,729	15,269,649
Less: Deferred income	(765,573)	(850,515)
Less: Allowance for impairment	(226,999)	(201,320)
	13,640,157	**14,217,814**
Wakala	3,385,033	3,555,173
Total financing receivables	**17,025,190**	**17,772,987**

5. FINANCING RECEIVABLES (Continued)

Analysis by economic activity	**Un-audited 31 March 2009 AED'000**	**Audited 31 December 2008 AED'000**
Agriculture and related activities	1,846	2,080
Manufacturing	467,424	573,404
Construction	2,029,463	1,911,958
Trade	1,303,464	1,130,533
Transportation and communication	695,581	590,261
Services and personal	1,546,932	1,479,622
Personal	3,865,472	3,906,404
Real estate	4,715,973	4,894,461
Financial Institutions	2,003,739	3,500,331
Others	1,387,869	835,768
	18,017,763	18,824,822
Less: Deferred income	(765,574)	(850,515)
Less: Allowance for impairment	(226,999)	(201,320)
	17,025,190	**17,772,987**

Movement in allowances for impairment:		
Balance at the beginning of the period/year	201,320	157,748
Allowances for impairment made during the period/year	29,772	68,547
Recoveries	(1,501)	(24,317)
Amount written off	(2,592)	(658)
Balance at the end of the period/year	**226,999**	**201,320**

6. INVESTMENT SECURITIES DESIGNATED AT FAIR VALUE

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Equity shares	290,794	322,258
Equity funds	560,442	601,199
Others	183,650	183,650
	1,034,886	**1,107,107**
Investment securities comprise:		
Quoted	710,471	782,692
Unquoted	324,415	324,415
	1,034,886	**1,107,107**
Investment securities located at:		
Investments within UAE	894,341	937,568
Investments outside UAE	140,545	169,539
	1,034,886	**1,107,107**

Unquoted investment securities of AED 324,415 (000') included in investment securities designated at fair value are carried at cost due to non availability of reliable fair value. Management assess that fair value of these securities are not materially different from their carrying value.

7. OTHER INVESTMENTS

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Investments-held-to-maturity	361,591	373,850
Investments-available-for-sale	2,691,903	2,749,656
Less: Impairment on investment available for sale	(27,591)	(27,591)
	3,025,903	**3,095,915**
Other investments comprise:		
Quoted	156,849	216,210
Unquoted	2,869,054	2,879,705
	3,025,903	**3,095,915**
Other investment located at:		
Investments within UAE	974,650	1,006,838
Investments outside UAE	2,051,253	2,089,077
	3,025,903	**3,095,915**

Majority of the securities classified as investment-available-for sale are measured at cost as their fair value cannot be reliably measured. Management assess that fair value of these securities are not materially different from their carrying value.

8. INVESTMENT PROPERTIES

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Balance at the beginning of the period/ year	519,698	269,778
Properties purchased	-	254,740
Properties sold	-	(4,831)
	519,698	519,687
Less: Accumulated depreciation	(17,630)	(15,557)
	502,068	**504,130**
Investment properties comprise:		
Lands	358,286	358,286
Buildings, net	143,782	145,844
Balance at the end of the period/year	**502,068**	**504,130**

The management also assessed that the fair value of the investment properties are not materially changed as compared with the fair value as of 31 December 2008.

All investment properties (land and buildings) are located within the United Arab Emirates.

9. INVESTMENT PROPERTIES UNDER DEVELOPMENT

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Property under development	480,701	474,455
Civil work in progress	335,771	276,608
	816,472	**751,063**

All investment properties under development are located within the United Arab Emirates.

10. CUSTOMERS' ACCOUNTS

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Local customer accounts	19,174,877	19,000,079
Foreign customer accounts	1,178,172	582,573
	20,353,049	**19,582,652**

11. INVESTMENT WAKALA

	2008 AED'000	2007 AED'000
Investment wakala from Ministry of finance	1,081,872	-
Investment wakala from Group Holding Company	940,000	740,000
	2,021,872	**740,000**

a) Investment wakala from Ministry of finance of UAE

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, into two trenches of AED 525,553,000 payable after three years and AED 556,319,000 payable after five years, subject to certain conditions as per the Wakala agreement.

b) Investment wakala from Group Holding Company

The Bank (the "Wakeel") has arranged an Investment Wakala agreement up to AED 1 billion for a term of 10 years, with effect from 27th September 2007 with Deutsche Trust Company Limited (the "Muwakkil"), which is registered in the United Kingdom. The Muwakkil is the trustee pursuant to the Trust Deed made on the same said date between the trustee and the Group Holding Company. The Wakeel has received AED 740,000,000 in trenches under the Investment Wakala during the year ended 31st December 2007 and AED 200,000,000 in December 2008.

12. SHARE CAPITAL

The Bank has increased its paid-up capital to AED 1,214,688,000 through issuing 280,313,000 bonus shares based on the Annual General meeting resolution dated 17th March 2009.

13. CUMULATIVE CHANGES IN FAIR VALUE RESERVE

Cumulative change in fair value represents revaluation deficit on available-for-sale investment for the period.
AED (17,281) (000') represents the shareholders' portion of the revaluation deficit.

14. MINORITY INTREST

Minority interest of AED 92,889 represents the 60% of shares of Ithmar Real Estate Development Co. not owned by the Bank (note 1).

15. ASSETS UNDER MANAGEMENT

Assets under management comprise:

(a) Sukuk assets

During June 2007, the Bank has facilitated issuance of "Investment Sukuk" aggregating to AED 1,285,550,000 (US$ 350,000,000) through the sale of "Ijarah Assets" at carrying value to Emirates
Islamic Bank Sukuk Company Limited ("the Issuer"). These Sukuk are issued by the Issuer who is also acting as the trustee for the Sukuk holders.

The issuer, by the virtue of the Management Agreement, has assigned the management of the sukuk assets of the issuer to the Bank. The Bank is managing these assets for management fees in accordance with the provisions of this agreement.

On maturity of the Sukuk, the Sukuk holder has the option to redeem the Sukuk at face value. This option is guaranteed by the Group Holding Company of the Bank. Therefore the separate financial statements of the Bank and its subsidiaries have shown these assets as Off Balance Sheet as required by the Bank's Fatwa and Sharia Supervisory Board.

(b) Wakala assets

The balance of Wakala assets under management as at 31st March 2009 is AED 200,000,000 (31st December 2008: AED 200,000,000) and belongs to the Group Holding Company which bears the risks of these assets.

16. RESTRICTED INVESTMENT ACCOUNTS

The Bank received funds from certain customers, by virtue of special agreements, to invest, on their behalf, in certain projects or activities in return for management fees. The risk of such investments is borne by the customers, unless the Bank defaults, neglects or violates any of the terms and conditions of the agreement.

17. RELATED PARTY BALANCES AND TRANSACTIONS

The Bank has transactions carried out in the normal course of business with the Emirates Bank International Group and with certain staff, shareholders, directors and entities in which the Bank, its shareholders and directors have significant interests. Related party transactions are as follows:

	Un-audited For the three-month period ended 31 March 2009 AED'000	Un-audited For the three-month period ended 31 March 2008 AED'000
Statement of income		
Income from funds managed by Group Holding Company	1,057	9,297
Income from Group Holding company, net	4,962	26,186
Key management personnel compensation	2,153	2,511
Key management personnel compensation - retirements benefits	86	76

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
Balance sheet		
Due from Group Holding Company, net	1,302,533	1,769,483
Investment wakala from Group Holding Company	940,000	740,000
Investment in funds managed by Group Holding Company	559,379	670,131
Financing receivables - directors	353,655	152,629
Financing receivables - key management personnel	48,562	42,939
Current and investment accounts – directors	280	9,466
Assets under management		
EIB Sukuk Company	1,285,550	1,285,550
Wakala – Group Holding Company	940,000	940,000

18. SEGMENT REPORTING

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 Bank International.

Subsidiaries
The condensed consolidated interim financial statements include the following figures related to subsidiaries:

	AED Assets	AED Liabilities	AED Net profit / (loss)
Emirates Islamic Financial Brokerage Co. LLC	33,206	1,545	(1,301)
Ithmar Real Estate Development Co. PSC*	178,454	23,639	-

* The company is yet to commence its commercial operations.

18. SEGMENT REPORTING" (Continued)

	Corporate & Investment		Retail		Treasury		Total	
	Three-month period ended 31 March 2009 AED'000	Three-month period ended 31 March 2008 AED'000	Three-month period ended 31 March 2009 AED'000	Three-month period ended 31 March 2008 AED'000	Three-month period ended 31 March 2009 AED'000	Three-month period ended 31 March 2008 AED'000	Three-month period ended 31 March 2009 AED'000	Three-month period ended 31 March 2008 AED'000
Statement of income								
Segment income	172,153	170,440	75,218	48,707	4,962	26,186	252,333	245,333
Inter segment wakala income	(123,482)	(87,031)	107,647	78,156	15,835	8,875	-	-
Commission, fees and other income	64,467	85,599	26,874	28,288	-	-	91,341	113,887
Total income	**113,138**	**169,008**	**209,740**	**155,151**	**20,797**	**35,061**	**343,675**	**359,220**
General and administrative expenses	(32,625)	(28,830)	(65,485)	(53,573)	-	-	(98,110)	(82,403)
Depreciation of investment properties	(2,063)	(2,063)	-	-	-	-	(2,063)	(2,063)
Total expenses	**(34,688)**	**(30,893)**	**(65,485)**	**(53,573)**	**-**	**-**	**(100,173)**	**(84,466)**
Net operating income	**78,450**	**138,115**	**144,255**	**101,578**	**20,797**	**35,061**	**243,501**	**274,754**
Allowances for impairment net of recoveries	(15,423)	4,873	(11,996)	(7,398)	-	-	(27,419)	(2,525)
	63,027	**142,988**	**132,259**	**94,180**	**20,797**	**35,061**	**216,082**	**272,229**
Depositors' share of profit	(58,977)	(36,377)	(91,331)	(87,257)	-	-	(150,308)	(123,634)
Minority interest	-	-	-	-	-	-	-	-
Shareholders' profit (net income)	**4,050**	**106,611**	**40,928**	**6,923**	**20,797**	**35,061**	**65,774**	**148,595**

18. SEGMENT REPORTING" (Continued)

Balance Sheet	**Corporate & Investment**		**Retail**		**Treasury**		**Total**	
	31 March 2009 AED'000	**31 December 2008 AED'000**	**31 March 2009 AED'000**	**31 December 2008 AED'000**	**31 March 2009 AED'000**	**31 December 2008 AED'000**	**31 March 2009 AED'000**	**31 December 2008 AED'000**
Assets								
Segment assets	16,736,446	17,812,286	4,851,600	4,707,172	1,776,854	1,431,366	23,364,900	23,950,824
Central Bank reserve requirements	414,621	435,960	621,931	653,940	-	-	1,036,552	1,089,900
Unallocated assets	-	-	-	-	-	-	1,422,871	1,359,726
Total assets	**17,151,067**	**18,248,246**	**5,473,531**	**5,361,112**	**1,776,854**	**1,431,366**	**25,824,323**	**26,400,450**
Liabilities / equity								
Segment liabilities	7,753,598	9,065,037	14,711,448	13,027,025	2,577,475	3,404,884	25,042,521	25,501,946
Unallocated liabilities	-	-	-	-	-	-	688,913	805,615
Minority Interest	-	-	-	-	-	-	92,889	92,889
Total liabilities and equity	**7,753,598**	**9,065,037**	**14,711,448**	**13,027,025**	**2,577,475**	**3,404,884**	**25,824,323**	**26,400,450**

19. CAPITAL ADEQUACY RATIO

	Un-audited 31 March 2009 AED'000	Audited 31 December 2008 AED'000
TIER I CAPITAL		
Share capital	1,214,688	934,375
Legal reserves	187,659	187,659
General reserves	93,438	93,438
Mudaraba pool reserve	-	-
Retained earnings	139,494	354,032
Total tier I capital	**1,635,279**	**1,569,504**
TIER II CAPITAL		
Investment wakala (subordinated term Loan)	1,089,415	940,000
Asset revaluation reserves	(2,515)	5,262
Total tier II capital	**1,086,900**	**945,262**
CAPITAL BASE	**2,722,179**	**2,514,766**
RISK WEIGHTED ASSETS		
Credit risk (on-balance sheet)	21,157,647	21,398,230
Credit risk (off-balance sheet)	1,820,007	1,871,079
	22,977,654	**23,269,309**
CAPITAL ADEQUACY RATIO, BASEL I	**11.85%**	**10.81%**

20. Interim measurement

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

21. COMPARATIVE FIGURES

Loans and receivables amounting to AED 39,320 (000) have been reclassified in view of better presentation of financial statements.