



**Arab Emirates Investment Bank P.J.S.C., Dubai**  
**Balance Sheet**  
**As on 30-06-2006**

|                                                   | <b>Un-Audited</b>  | <b>Un-Audited</b>  | <b>Audited</b>     |
|---------------------------------------------------|--------------------|--------------------|--------------------|
|                                                   | <b>30-06-2006</b>  | <b>30-06-2005</b>  | <b>31-12-2005</b>  |
|                                                   | <b>AED</b>         | <b>AED</b>         | <b>AED</b>         |
| <b>ASSETS</b>                                     |                    |                    |                    |
| Cash and balances with Central bank               | 2,007,223          | 2,982,350          | 1,598,762          |
| Due from banks                                    | 27,604,078         | 32,546,786         | 35,098,113         |
| Loans and advances                                | 35,579,925         | 27,390,796         | 10,251,975         |
| Investments                                       | 434,593,781        | 545,209,645        | 590,009,547        |
| Fixed assets                                      | 388,971            | 577,839            | 501,668            |
| Other assets                                      | 2,238,574          | 25,827,131         | 3,124,776          |
| <b>Total Assets</b>                               | <b>502,412,552</b> | <b>634,534,547</b> | <b>640,584,841</b> |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>       |                    |                    |                    |
| <b>LIABILITIES</b>                                |                    |                    |                    |
| Due to Banks                                      | 62,884,000         | 52,294,511         | 42,190,500         |
| Customer deposits                                 | 183,028,106        | 189,024,663        | 202,301,288        |
| Other liabilities                                 | 6,649,775          | 6,621,079          | 3,214,391          |
| <b>Total Liabilities</b>                          | <b>252,561,881</b> | <b>247,940,253</b> | <b>247,706,179</b> |
| <b>SHAREHOLDERS' EQUITY</b>                       |                    |                    |                    |
| Share capital                                     | 44,935,100         | 40,852,400         | 40,852,400         |
| Legal reserve                                     | 16,993,156         | 13,442,232         | 14,258,031         |
| Special reserve                                   | 9,296,005          | 5,745,081          | 6,560,880          |
| Cumulative changes in fair values                 | 128,613,847        | 291,067,846        | 292,862,678        |
| Retained earnings                                 | 50,012,563         | 35,486,735         | 28,131,573         |
| Proposed Cash Dividend                            | -                  | -                  | 6,127,860          |
| Proposed Scrip Dividend                           | -                  | -                  | 4,085,240          |
| <b>Total Shareholders' Equity</b>                 | <b>249,850,671</b> | <b>386,594,294</b> | <b>392,878,662</b> |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>502,412,552</b> | <b>634,534,547</b> | <b>640,584,841</b> |



**Arab Emirates Investment Bank P.J.S.C., Dubai**

**Income Statement**

**As on 30-06-2006**

|                                                 | <b>Un-Audited<br/>30-06-2006<br/>AED</b> | <b>Un-Audited<br/>30-06-2005<br/>AED</b> | <b>Audited<br/>31-12-2005<br/>AED</b> |
|-------------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------|
| Interest income                                 | 1,335,052                                | 1,094,972                                | 2,156,081                             |
| Income from Investments                         | 33,918,017                               | 21,041,857                               | 33,883,709                            |
|                                                 | 35,253,069                               | 22,136,829                               | 36,039,790                            |
| Interest expense                                | (6,361,088)                              | (3,641,749)                              | (8,041,555)                           |
| <b>NET INTEREST AND INCOME FROM INVESTMENTS</b> | <b>28,891,981</b>                        | <b>18,495,080</b>                        | <b>27,998,235</b>                     |
| Other income                                    | 1,146,652                                | 207,766                                  | 1,325,341                             |
| <b>OPERATING INCOME</b>                         | <b>30,038,633</b>                        | <b>18,702,846</b>                        | <b>29,323,576</b>                     |
| General and administrative expenses             | (2,537,577)                              | (2,445,550)                              | (4,755,579)                           |
| Other expenses                                  | (149,818)                                | (127,938)                                | (280,645)                             |
|                                                 | (2,687,395)                              | (2,573,488)                              | (5,036,224)                           |
| <b>NET PROFIT FOR THE PERIOD</b>                | <b>27,351,238</b>                        | <b>16,129,358</b>                        | <b>24,287,352</b>                     |
| <b>Earning per Share - Annualized</b>           | <b>121.74</b>                            | <b>78.96</b>                             | <b>59.08</b>                          |



**Arab Emirates Investment Bank P.J.S.C., Dubai**

**Statement of Cash Flows**

**As on 30-06-2006**

|                                                                          | Un-Audited<br>30-06-2006<br>AED | Un-Audited<br>30-06-2005<br>AED | Audited<br>31-12-2005<br>AED |
|--------------------------------------------------------------------------|---------------------------------|---------------------------------|------------------------------|
| <b>OPERATING ACTIVITIES</b>                                              |                                 |                                 |                              |
| Net profit for the period                                                | 27,351,238                      | 16,129,358                      | 24,287,352                   |
| Adjustments for:                                                         |                                 |                                 |                              |
| Depreciation                                                             | 106,357                         | 87,138                          | 208,891                      |
| Gain on Sale of Fixed Assets                                             | (5,000)                         | -                               | (600)                        |
| Operating profit before changes in operating assets and liabilities      | 27,452,595                      | 16,216,496                      | 24,495,643                   |
| Due from banks                                                           | -                               | -                               | -                            |
| Loans and advances                                                       | (25,327,950)                    | (7,589,380)                     | 9,549,441                    |
| Other assets                                                             | 886,202                         | (21,527,937)                    | 1,174,418                    |
| Purchase of securities, net of maturities                                | (8,833,065)                     | 21,937,052                      | (24,586,476)                 |
| Customer's deposits                                                      | (19,273,182)                    | (28,029,278)                    | (14,752,653)                 |
| Other liabilities                                                        | 3,432,846                       | 2,000,142                       | (1,406,546)                  |
| Net cash from operating activities                                       | (21,662,554)                    | (16,992,905)                    | (5,526,173)                  |
| <b>INVESTING ACTIVITIES</b>                                              |                                 |                                 |                              |
| Purchase of fixed assets                                                 | (18,425)                        | (165,132)                       | (210,714)                    |
| Proceeds from sale of fixed assets                                       | 29,765                          | -                               | 600                          |
| Net cash used in investing activities                                    | 11,340                          | (165,132)                       | (210,114)                    |
| <b>FINANCING ACTIVITIES</b>                                              |                                 |                                 |                              |
| Dividend paid                                                            | (6,127,860)                     | (4,902,288)                     | (4,902,288)                  |
| Directors' fee                                                           | -                               | -                               | (150,000)                    |
| Net cash used in financing activities                                    | (6,127,860)                     | (4,902,288)                     | (5,052,288)                  |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                  |                                 |                                 |                              |
| Cash and cash equivalents at 1 January                                   | (27,779,074)                    | (22,060,325)                    | (10,788,575)                 |
|                                                                          | (5,493,625)                     | 5,294,950                       | 5,294,950                    |
| <b>CASH AND CASH EQUIVALENTS</b>                                         |                                 |                                 |                              |
|                                                                          | (33,272,699)                    | (16,765,375)                    | (5,493,625)                  |
| Cash and cash equivalents comprise the following Balance sheet amounts:- |                                 |                                 |                              |
| Cash and balances with the Central Bank                                  | 2,007,223                       | 2,982,350                       | 1,598,762                    |
| Deposits and other balances due from banks maturing within three months  | 27,604,078                      | 32,546,786                      | 35,098,113                   |
| Due to banks within three months                                         | (62,884,000)                    | (52,294,511)                    | (42,190,500)                 |
|                                                                          | (33,272,699)                    | (16,765,375)                    | (5,493,625)                  |