EMIRATES BANK INTERNATIONAL PJSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007

EMIRATES BANK INTERNATIONAL PJSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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Independent report on review of condensed consolidated interim financial information to the shareholders of Emirates Bank International PJSC

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Emirates Bank International PJSC ("the Bank") and its subsidiaries (collectively referred to as "the Group") as at 30 June 2007, and the related condensed consolidated interim statements of income, cash flows and changes in equity for the half year then ended ("the interim financial information"). Management is responsible for the preparation and presentation of the interim financial information in accordance with 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 Auditors 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 interim financial information is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting".

KPMG

Vijendra Nath Malhotra

Registration No. 48B

3 1 JUL 2007

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EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS AT 30 JUNE 2007

	Note	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
ASSETS				
Cash and deposits with Central Banks	3	4,802,403	6,778,440	4,285,440
Due from banks		10,997,056	6,822,405	6,044,906
Loans and receivables	4	71,485,533	59,278,208	46,286,303
Islamic financing and investment products	5	7,912,264	6,558,310	4,452,395
Investment securities	7	10,971,556	8,771,266	5,022,569
Investments in associate companies		2,455,426	2,296,707	2,097,142
Investment properties		290,650	269,025	264,224
Property and equipment		550,948	438,379	340,558
Goodwill and intangible assets	8	39,832	14,184	-
Positive fair value of derivatives		1,924,327	2,033,345	1,583,303
Customer acceptances		1,432,216	1,020,791	995,004
Other assets		2,425,233	1,597,081	1,033,430
TOTAL ASSETS		115,287,444	95,878,141	72,405,274
LIABILITIES				
Customer deposits		50,289,491	40,887,052	31,670,701
Islamic customer deposits		11,433,964	9,045,374	6,245,435
Due to banks		23,389,234	19,975,276	12,513,737
Deposits under repurchase agreement		355,087	355,087	355,087
Medium term borrowing	9	13,799,516	12,083,060	9,829,290
Sukuk payable	10	1,285,550	-	-
Negative fair value of derivatives		1,933,694	2,075,392	1,663,982
Customer acceptances		1,432,216	1,020,791	995,004
Other liabilities		2,021,305	1,558,062	1,202, 698
TOTAL LIABILITIES		105,940,057	87,000,094	64,475,934
EQUITY				
Issued capital		2,914,870	2,331,896	2,331,896
Legal and statutory reserve		982,205	982,205	792,205
Other reserves		3,711,510	4,294,484	3,240,484
Cumulative changes in fair value		311,604	343,285	302,659
Retained earnings		1,425,511	924,611	1,260,662
TOTAL EQUITY HOLDERS' FUNDS		9,345,700	8,876,481	7,927,906
Minority interests		1,687	1,566	1,434
TOTAL LIABILITIES AND EQUITY		115,287,444	95,878,141	72,405,274
CONTINGENT LIABILITIES		26,464,380	24,220,565	24,528,582

The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on page 1.

Chief Executive Officer

Chief Financial Officer

31 JUL 2007

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE THREE AND SIX MONTHS PERIOD ENDED 30 JUNE 2007 (UNAUDITED)

	Note	Three months ended 30 June		Six months ended 30 June	
		2007 AED 000	2006 AED 000	2007 AED 000	2006 AED 000
Interest income		1,453,667	905,048	2,752,296	1,832,227
Income from Islamic financing and investment products		183,795	90,539	304,752	148,978
Total interest income and income from Islamic financing and investment products		1,637,462	995,587	3,057,048	1,981,205
Interest expense		(1,000,446)	(578,752)	(1,858,804)	(1,150,366)
Distribution to depositors		(90,671)	(40,723)	(167,212)	(65,072)
Profit paid to Sukuk certificate holders		(3,788)	-	(3,788)	-
Net interest income and income from Islamic products net of distribution to depositors		542,557	376,112	1,027,244	765,767
Fees, commissions and other income		444,443	241,026	841,689	646,528
Property related income		3,869	1,954	16,910	2,877
Total income		990,869	619,092	1,885,843	1,415,172
General and administrative expenses		(379,378)	(279,068)	(711,250)	(508,365)
Net impairment allowances on loans and receivables and Islamic financing and investment products	6	(72,702)	(22,588)	(132,722)	(35,741)
Share of profit of associate companies		87,134	51,249	158,719	100,895
Group profit for the period		625,923	368,685	1,200,590	971,961
Attributable to:					
Equity holders of the Bank		625,869	368,022	1,200,469	971,893
Minority interests		54	663	121	68
Group profit for the period		625,923	368,685	1,200,590	971,961

	Three months ended 30 June		Six months ended 30 June	
	2007 (AED)	2006 (AED)	2007 (AED)	2006 (AED)
EARNINGS PER SHARE				
Basic and diluted	**0.21**	**0.13**	**0.41**	**0.33**

The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on page 1.

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007 (UNAUDITED)

	Note	30 June 2007 AED 000	30 June 2006 AED 000
OPERATING ACTIVITIES			
Group profit for the period		1,200,590	971,961
Adjustment for non cash items			
Impairment allowances on loans and receivables		115,025	53,861
Impairment allowances on Islamic financing and investment products		40,642	10,795
Depreciation on property and equipment		43,144	30,326
Amortisation of intangible assets		1,085	-
Share of profit of associated companies		(158,719)	(100,895)
Operating profit before changes in operating assets and liabilities		1,241,767	966,048
Increase in statutory deposits		(617,325)	(534,737)
Decrease/(Increase) in amounts due from banks maturing after six months		151,015	(176,711)
Decrease in amounts due to banks maturing after six months		(25,000)	(43,744)
Net change in other liabilities/other assets		(371,323)	268,330
Net change in fair value of derivatives		(32,680)	47,494
Increase in customer deposits		11,791,029	4,858,080
Increase in loans and receivables		(12,322,350)	(7,772,918)
Increase in Islamic financing and investment products		(1,394,596)	(2,175,881)
Net cash flow (used in) operating activities		(1,579,463)	(4,564,039)
Investing activities			
Increase in trading and investment securities		(2,231,971)	(1,970,074)
Increase in investment and development properties		(21,625)	(135,495)
Acquisition of subsidiaries	8	(27,013)	-
Additions to property and equipment (net)		(149,019)	(127,999)
Net cash flow (used in) investing activities		(2,429,628)	(2,233,568)
Financing activities			
Increase in medium term borrowing		1,716,456	3,419,905
Increase in Sukuk payable		1,285,550	-
Increase in Minority interest		-	78
Dividends paid		(699,569)	(448,442)
Net cash flow from financing activities		2,302,437	2,971,541
Decrease in cash and cash equivalents	15	(1,706,654)	(3,826,066)

The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on page 1.

EMIRATES BANK INTERNATIONAL PJSC

GROUP CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007 (UNAUDITED)

	Note	Issued Capital AED 000	Legal and Statutory Reserve AED 000	Other Reserves AED 000	Cumulative changes in fair value AED 000	Retained Profits AED 000	Minority Interests AED 000	Total AED 000
Balance as at 1 January 2006		1,793,766	792,205	3,778,614	647,135	737,211	1,288	7,750,219
Group profit for the period		-	-	-	-	971,893	-	971,893
Net movement in cumulative changes in fair value		-	-	-	(311,012)	-	-	(311,012)
Net movement in cash flow hedge reserve		-	-	-	(33,464)	-	-	(33,464)
Dividends paid	11	-	-	-	-	(448,442)	-	(448,442)
Issue of bonus shares	11	538,130	-	(538,130)	-	-	-	-
Share of subsidiary profits		-	-	-	-	-	146	146
Balance as at 30 June 2006		2,331,896	792,205	3,240,484	302,659	1,260,662	1,434	7,929,340
Balance as at 1 January 2007		2,331,896	982,205	4,294,484	343,285	924,611	1,566	8,878,047
Group profit for the period		-	-	-	-	1,200,469	-	1,200,469
Net movement in cumulative changes in fair value		-	-	-	(8,460)	-	-	(8,460)
Net movement in cash flow hedge reserve		-	-	-	(23,221)	-	-	(23,221)
Dividends paid	11	-	-	-	-	(699,569)	-	(699,569)
Issue of bonus shares	11	582,974	-	(582,974)	-	-	-	-
Share of subsidiary profits		-	-	-	-	-	121	121
Balance as at 30 June 2007		2,914,870	982,205	3,711,510	311,604	1,425,511	1,687	9,347,387

Note : No allocation to legal and statutory and other reserves has been made for the six months ended 30 June 2007 as this will be effected at the year end.
The notes set out on pages 6 to 21 form part of these condensed consolidated interim financial statements.
The independent report on review of condensed consolidated interim financial information is set out on Page 1.

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007

1 LEGAL STATUS AND ACTIVITIES

Emirates Bank International PJSC ("the Bank") was incorporated in Dubai as a commercial bank with limited liability by a decree of the Ruler of Dubai on 27 March 1977. The Bank was registered as a Public Joint Stock Company in June 1995.

The condensed consolidated interim financial statements comprise the Bank and its subsidiaries (together referred to as the "Group") and the Group's interests in associates.

The registered address of the Bank is Post Box No. 2923, Dubai, United Arab Emirates.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

The accounting policies applied by the Group in the preparation of the condensed consolidated interim financial statements are consistent with those applied by the Group in the annual consolidated financial statements of the Bank as at and for the year ended 31 December 2006.

These condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the financial statements as at and for the year ended 31 December 2006.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006.

(a) Estimates

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 31 December 2006.

3 CASH AND DEPOSITS WITH CENTRAL BANKS

	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
Cash	483,475	638,628	386,222
Interest free statutory and special deposits with Central Bank	2,941,145	2,254,812	2,194,214
Overdraft balance with Central Bank	(1,042,217)	-	(659,996)
Interest bearing certificates of deposit with Central Bank	2,420,000	3,885,000	2,365,000
	4,802,403	6,778,440	4,285,440

4 LOANS AND RECEIVABLES

	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
Overdrafts	28,534,185	21,282,181	13,983,655
Time loans	35,695,292	31,931,035	28,347,928
Loans against trust receipts	2,150,815	1,946,946	1,516,347
Bills discounted	628,690	587,499	566,032
Others	234,591	278,914	152,177
Gross loans and receivables	67,243,573	56,026,575	44,566,139
Allowances for impairment	(894,163)	(806,964)	(713,610)
Net loans and receivables	66,349,410	55,219,611	43,852,529
Other debt instruments	5,136,123	4,058,597	2,433,774
Total loans and receivables	71,485,533	59,278,208	46,286,303

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007

4 LOANS AND RECEIVABLES (continued)

	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
Analysis by Economic Activity			
Agriculture and allied activities	42,455	49,518	46,100
Mining and quarrying	232,324	-	70,887
Manufacturing	3,064,186	2,776,515	3,288,597
Construction	4,218,635	3,164,818	2,828,387
Trade	3,430,749	2,892,629	2,707,596
Transport and communication	4,169,003	3,901,400	3,434,095
Services	9,614,745	9,263,515	9,547,078
Sovereign	20,880,477	14,287,223	6,624,358
Personal	17,686,196	16,779,922	15,634,298
Others	3,904,803	2,911,035	384,743
Loans and receivables before impairment allowances	67,243,573	56,026,575	44,566,139
Allowances for impairment	(894,163)	(806,964)	(713,610)
Net loans and receivables	66,349,410	55,219,611	43,852,529
Other debt instruments	5,136,123	4,058,597	2,433,774
Total loans and receivables	71,485,533	59,278,208	46,286,303

4 LOANS AND RECEIVABLES (continued)

	Six months Unaudited 30 June 2007 AED 000	Twelve months Audited 31 December 2006 AED 000	Six months Unaudited 30 June 2006 AED 000
Movement in allowances for impairment			
Balance as at 1 January	806,964	673,750	673,750
Impairment allowances made	115,025	198,481	53,861
Recoveries	(8,730)	(57,493)	(14,223)
Amounts written off	(19,096)	(10,706)	(2,710)
Amount transferred from Islamic financing and investment products (refer note 5)	-	2,932	2,932
Balance	894,163	806,964	713,610
Total of classified loans and receivables on which interest is not taken into income amounted to	556,907	491,893	539,550

5 ISLAMIC FINANCING AND INVESTMENT PRODUCTS

	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
Murabaha	4,181,137	3,443,411	2,881,350
Ijara	2,138,293	1,753,197	1,040,545
Secured overdraft and credit cards receivable	1,077,413	1,066,630	710,904
Wakala	565,415	505,870	95,677
Istissna'a	537,092	259,279	109,729
Total Islamic financing and investment products	8,499,350	7,028,387	4,838,205
Deferred income	(455,954)	(375,964)	(328,025)
Allowances for impairment	(131,132)	(94,113)	(57,785)
Net Islamic financing and investment products	7,912,264	6,558,310	4,452,395
Analysis by Economic Activity			
Agriculture and allied activities	21,415	23,514	82,468
Manufacturing	191,862	166,721	192,280
Construction	2,121,477	1,593,222	1,165,027
Trade	1,726,832	1,429,042	1,156,946
Transport and communication	19,851	13,059	359,484
Services and personal	4,023,673	3,544,095	1,689,123
Others	394,240	258,734	192,877
Gross	8,499,350	7,028,387	4,838,205
Deferred income	(455,954)	(375,964)	(328,025)
Allowances for impairment	(131,132)	(94,113)	(57,785)
	7,912,264	6,558,310	4,452,395

5 ISLAMIC FINANCING AND INVESTMENT PRODUCTS (continued)

	Six months Unaudited 30 June 2007 AED 000	Twelve months Audited 31 December 2006 AED 000	Six months Unaudited 30 June 2006 AED 000
Movement in allowances for impairment			
Balance as at 1 January	94,113	49,922	49,922
Impairment allowances made	40,642	47,123	10,795
Recoveries	(3,623)	-	-
Amount transferred to loans and receivables (refer note 4)	-	(2,932)	(2,932)
Balance	131,132	94,113	57,785
Total of classified Islamic financing and investing products on which fees are not taken into income amounted to	158,569	127,001	101,120

6 NET IMPAIRMENT ALLOWANCES ON LOANS AND RECEIVABLES AND ISLAMIC FINANCING AND INVESTMENT PRODUCTS

The charge to the Income Statement for net impairment allowances on loans and receivables and Islamic financing and investment products is made up as follows:

	Three months ended 30 June		Six months ended 30 June	
	Unaudited 2007 AED 000	Unaudited 2006 AED 000	Unaudited 2007 AED 000	Unaudited 2006 AED 000
Net impairment of loans and receivables	(54,706)	(25,378)	(106,295)	(39,638)
Net impairment of Islamic financing and investment products	(18,925)	(7,685)	(37,019)	(10,795)
Net special asset recoveries	929	10,475	10,592	14,692
Net allowances for impairment losses for the period	(72,702)	(22,588)	(132,722)	(35,741)

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007

7 INVESTMENT SECURITIES

		Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
(a)	HELD TO MATURITY:			
	Government bonds	231,987	198,672	198,467
	Corporate bonds	625,772	677,439	559,710
		857,759	876,111	758,177
(b)	FAIR VALUE THROUGH PROFIT OR LOSS:			
	Equities	556,789	508,072	280,357
	Hybrid instruments	1,420,993	1,156,995	560,673
	Designated by Group as fair value through profit or loss	67,223	61,942	61,124
	Others (including mutual funds)	2,285,266	1,497,697	1,250,224
		4,330,271	3,224,706	2,152,378
(c)	AVAILABLE FOR SALE:			
	Government bonds	700,041	1,095,848	738,268
	Corporate bonds	3,532,453	2,429,172	239,678
	Equities	1,358,000	915,137	774,173
	Others (including mutual funds)	193,032	230,292	359,895
		5,783,526	4,670,449	2,112,014
	Total investment securities	10,971,556	8,771,266	5,022,569

7 INVESTMENT SECURITIES (continued)

Income from investment securities taken to the Income Statement is made up as follows:

	Three months ended 30 June		Six months ended 30 June	
	Unaudited 2007 AED 000	Unaudited 2006 AED 000	Unaudited 2007 AED 000	Unaudited 2006 AED 000
Interest income				
Interest from investment securities	164,160	53,417	306,078	93,456
Other income				
Profit/(loss) on sale of investment securities	50,349	(10,443)	100,517	4,397
Revaluation profit/(loss) on investment securities held as fair value through profit or loss	88,602	(20,929)	133,055	(56,207)
Dividends received	17,842	14,619	27,612	21,852
	320,953	36,664	567,262	63,498

8 GOODWILL AND INTANGIBLE ASSETS

	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000
Goodwill relating to Egyptian Company for Electronic Systems Development (S.A.E) [refer note below]	26,733	-
Goodwill relating to Emirates Loyalty Company LLC	4,903	4,903
Software solution in E-Commerce and Trade Services (Middle East) LLC	8,196	9,281
	39,832	14,184

8 GOODWILL AND INTANGIBLE ASSETS (continued)

Acquisition of Egyptian Company for Electronic Systems Development ("NPC")

On 1 January 2007 the Group acquired 100% of Egyptian Company for Electronic Systems Development ("NPC").

The Group has adopted provisional accounting in respect of this acquisition as permitted by IFRS 3 – Business combinations as certain fair values of assets acquired have not yet been recognized. The excess of purchase consideration over the net assets, being AED 26.7 million, has been recognized as goodwill.

The details of net assets acquired and goodwill are as follows:

	AED 000
Purchase consideration (cash paid)	27,851
Net assets acquired	(1,118)
Goodwill	26,733

The assets and liabilities arising from the acquisition are as follows:

	Pre-acquisition carrying amounts AED 000
Property and equipment	6,694
Cash in hand and at bank	838
Other assets	7,315
Other liabilities	(13,729)
Total net assets acquired	1,118

The pre-acquisition carrying amounts have been adopted as the fair values recognized at the acquisition date.

From the date of acquisition NPC incurred a loss of AED 0.51 million.

The cash outflow on acquisition of NPC was as follows:

	AED 000
Purchase consideration (cash paid)	27,851
Cash and cash equivalents acquired	(838)
Cash outflow on acquisition of NPC	27,013

9 MEDIUM TERM BORROWING

	Unaudited 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
Eurobond issue	13,799,516	12,083,060	8,984,500
Syndicated borrowings from banks	-	-	844,790
	13,799,516	12,083,060	9,829,290

The Bank has outstanding medium term borrowings which will be repaid as follows:

	30 June 2007 AED million	31 December 2006 AED million	30 June 2006 AED million
2006	-	-	955
2007	1,449	1,345	845
2008	476	705	286
2009	3,944	2,755	2,446
2010	3,240	2,828	2,755
2011	2,598	2,704	2,542
2012	43	-	-
2014	212	-	-
2016	1,837	1,746	-
	13,799	12,083	9,829

10 SUKUK PAYABLE

During the period Emirates Islamic Bank PJSC ("EIB"), a subsidiary of the Group, raised medium term finance amounting to AED 1,285 million (USD 350 million) through a shari'a compliant Sukuk financing arrangement. The Sukuk trust certificates are listed on the London Stock Exchange. The Sukuk financing arrangement is guaranteed by EBI.

The terms of the arrangement includes the transfer of certain leased assets (Ijara) of EIB, on a co-ownership basis, to a Sukuk company (EIB Sukuk Company Limited – the Issuer) specially formed for this transaction. The assets are in the control of EIB and shall continue to be serviced by EIB. The Sukuk trust certificates mature on 12 June 2012.

The Issuer will pay the quarterly distribution amount from the returns received in respect of the leased assets. Such proceeds are expected to be sufficient to cover the quarterly distribution amount payable to Sukuk holders on each quarterly distribution date. Upon maturity of this Sukuk, EIB (failing which EBI, in accordance with the guarantee) has undertaken to repurchase the assets at the exercise price of USD 350 million.

11 EQUITY HOLDERS' FUNDS

At the Annual General Meeting held on 13 March 2007, the following were approved:

(a) An issue of bonus shares for 2006 of 25% (2005 - 30%) of the issued and paid up capital amounting to AED 583 million (2005 - AED 538 million).

(b) A cash dividend of 30% (2005 - 25%) of the capital be paid which amounted to AED 700 million (2005 - AED 448 million).

12 BUSINESS SEGMENT REPORTING (UNAUDITED)

	Government, Corporate & Commercial AED 000	Retail AED 000	Investment & Funds Management AED 000	Islamic Banking Activities AED 000	Other AED 000	Total AED 000
30 June 2007						
Net interest income	440,085	403,826	49,581	-	-	893,492
Income from Islamic products net of distribution to depositors	-	-	-	133,752	-	133,752
Net fees, commissions and other income	441,889	99,911	219,730	80,159	-	841,689
Property related income	-	-	-	16,910	-	16,910
Total Income	881,974	503,737	269,311	230,821	-	1,885,843
General and administrative expenses						(711,250)
Net impairment (allowance)/recoveries on loans and receivables						(132,722)
Share of profit of associate companies						158,719
Group profit for the period						1,200,590
Segment Assets	57,329,297	13,057,621	29,378,244	11,529,594	3,992,688	115,287,444
Segment Liabilities	28,019,948	21,514,190	48,193,823	14,304,071	3,255,411	115,287,444

Included in segment liabilities are equity holders' funds which have been allocated to the different segments based on the relative size of the segment assets.

EMIRATES BANK INTERNATIONAL PJSC

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2007

12 BUSINESS SEGMENT REPORTING (UNAUDITED)

	Government, Corporate & Commercial	Retail	Investment & Funds Management	Islamic Banking Activities	Other	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
30 June 2006						
Net interest income	305,479	290,451	76,972	-	-	672,902
Income from Islamic products net of distribution to depositors	-	-	-	92,865	-	92,865
Net fees, commissions and other income	458,596	73,306	84,268	30,358	-	646,528
Property related income	-	-	-	2,877	-	2,877
Total Income	764,075	363,757	161,240	126,100	-	1,415,172
General and administrative expenses						(508,365)
Net impairment (allowance)/recoveries on loans and receivables						(35,741)
Share of profit of associate companies						100,895
Group profit for the period						971,961
Segment Assets	39,374,214	8,404,282	14,414,687	6,475,382	3,736,709	72,405,274
Segment Liabilities	21,755,199	15,660,748	26,089,641	6,514,096	2,385,590	72,405,274

Included in segment liabilities are equity holders' funds which have been allocated to the different segments based on the relative size of the segment assets.

13 COMMITMENTS AND CONTINGENCIES

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

14 RELATED PARTY TRANSACTIONS

Banking transactions are carried out with certain related parties. Such transactions were made on substantially the same terms, including interest rates and collateral, 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 30 June 2007 AED 000	Audited 31 December 2006 AED 000	Unaudited 30 June 2006 AED 000
Loans to majority shareholder	17,999,554	13,215,286	6,516,695
Deposits from majority shareholder	1,055,465	98,087	268,841
Investment in Government of Dubai bonds	74,408	74,088	73,781
Loans to directors and related companies	503,318	506,588	503,155
Loans to and investments in funds managed by the Group	637,923	170,906	327,711
Fees received in respect of funds managed by the Group	14,424	35,487	22,063
Interest paid to funds managed by the Group	614	3,639	8,489

The total amount of compensation paid to directors and key management personnel during the period is as follows:

	Unaudited 30 June 2007 AED 000	Unaudited 30 June 2006 AED 000
Short term employee benefits	14,405	10,505
Post employment benefits	636	577

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.

15 NOTE TO THE CASH FLOW STATEMENT

		Unaudited 30 June 2007 AED 000	Unaudited 30 June 2006 AED 000
(a)	Analysis of changes in cash and cash equivalents during the period		
	Balance at beginning of period	(9,528,277)	(1,353,366)
	Net cash inflow	(1,706,654)	(3,826,066)
	Balance at end of period	(11,234,931)	(5,179,432)
(b)	Analysis of cash and cash equivalents		
	Cash and deposits with Central Banks	4,802,403	4,285,440
	Due from banks	10,997,056	6,044,906
	Due to banks	(23,389,234)	(12,513,737)
		(7,589,775)	(2,183,391)
	Less : deposits with Central Banks for regulatory purposes	(2,742,775)	(2,170,077)
	Less : amounts due from banks maturing after 3 months	(902,381)	(1,112,825)
	Add : amounts due to banks maturing after 3 months	-	286,861
		(11,234,931)	(5,179,432)

16 EVENTS SUBSEQUENT TO PERIOD END

Merger between Emirates Bank International PJSC ("EBI") and The National Bank of Dubai PJSC ("NBD")

On 12 July 2007, the Boards of Directors of EBI and NBD announced the terms of the proposed merger of the groups. The proposed merger is intended to be effected by the creation of a new holding company, Emirates NBD PJSC ("Emirates NBD"), licensed by the UAE Central Bank. Emirates NBD will offer to acquire the share capital of EBI and NBD in exchange for the new shares in Emirates NBD with the following exchange ratio:

- 1 share in EBI for 1 new share in Emirates NBD.
- 1 share in NBD for 0.95 new share in Emirates NBD.

The proposed merger is subject to the approval of shareholders of both banks at Extraordinary General Meetings.

17 COMPARATIVE FIGURES

Certain comparative figures have been reclassified and restated where appropriate to conform with the presentation and accounting policies adopted in these financial statements.