

EMIRATES INTERNATIONAL SECURITIES LLC

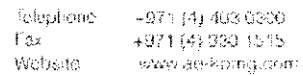
CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007

EMIRATES INTERNATIONAL SECURITIES LLC

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

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EMIRATES INTERNATIONAL SECURITIES LLC
CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2007

	Note	UNAUDITED 30 September 2007 AED '000	AUDITED 31 December 2006 AED '000
Assets			
Non-current assets			
Plant and equipment		4,898	6,539
Current assets			
Investment securities	3	24,013	13,046
Unsettled trade debtors	4	59,820	45,862
Other receivables		1,114	1,753
Due from holding company	5	185,965	180,543
Cash in hand and at bank		96	96
Total current assets		<u>271,008</u>	<u>241,300</u>
Current liabilities			
Unsettled trade creditors	4	5	5
Other payables		2,659	2,816
		<u>2,664</u>	<u>2,821</u>
Net current assets		<u>268,344</u>	<u>238,479</u>
Net assets		<u>273,242</u>	<u>245,018</u>
Represented by			
Share capital		30,000	10,000
Statutory reserve		5,000	5,000
Cumulative changes in fair value		7,846	-
Retained earnings		230,396	230,018
Total equity holders' funds		<u>273,242</u>	<u>245,018</u>

The notes set out on pages 6 to 9 form part of these condensed interim financial statements.

The independent report on review of condensed interim financial information is set out on page 1.

Chairman

General Manager

28 OCT 2007

EMIRATES INTERNATIONAL SECURITIES LLC

**CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007 (UNAUDITED)**

		Three months period ended		Nine months period ended	
	Note	30 Sep 2007	30 Sep 2006	30 Sep 2007	30 Sep 2006
		AED '000	AED '000	AED '000	AED '000
Commission income		6,992	15,471	25,333	65,387
Administration and general expenses		(6,213)	(6,323)	(19,454)	(18,134)
Operating profit		779	9,148	5,879	47,253
Other income / (loss)	6	907	(488)	5,724	(3,497)
Reversal of / (allowance for) impairment losses		8	(1,860)	844	(1,803)
Interest received from holding company (net)		2,496	2,263	7,931	4,927
Profit for the period		4,190	9,063	20,378	46,880

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EMIRATES INTERNATIONAL SECURITIES LLC

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2006 (UNAUDITED)**

	Share Capital	Statutory reserve	Retained earnings	Cumulative changes in fair value	Total
	AED '000	AED '000	AED '000	AED '000	AED'000
Balance at 1 January 2006	10,000	5,000	184,169	-	199,169
Profit for nine months ended 30 September 2006	-	-	46,880	-	46,880
Balance at 30 September 2006	10,000	5,000	231,049	-	246,049
	=====	=====	=====	=====	=====

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007

	Share capital	Statutory reserve	Retained earnings	Cumulative changes in fair value	Total
	AED '000	AED '000	AED '000	AED '000	AED '000
Balance at 1 January 2007	10,000	5,000	230,018	-	245,018
Issue of bonus shares	20,000	-	(20,000)	-	-
Profit for nine months ended 30 September 2007	-	-	20,378	-	20,378
Net movement in cumulative changes in fair value	-	-	-	7,846	7,846
Balance at 30 September 2007	30,000	5,000	230,396	7,846	273,242
	=====	=====	=====	=====	=====

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EMIRATES INTERNATIONAL SECURITIES LLC		
CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007 (UNAUDITED)		
	30 September 2007 AED '000	30 September 2006 AED '000
Operating activities		
Profit for the period	20,378	46,880
Adjustments:		
Unrealized (gain) / loss on revaluation	(2,923)	6,523
Provision for bad & doubtful debts	(844)	1,803
Depreciation	2,368	501
Operating profit before working capital changes	18,979	55,707
Change in investment securities	(198)	(4,911)
Change in unsettled trade debtors	(13,114)	6,285
Change in other receivables	639	(2,298)
Change in due from holding company	(5,422)	(51,871)
Change in unsettled trade creditors	-	(485)
Change in other payables	(157)	(1,128)
Cash flows from operating activities	727	1,299
Investing activity		
Acquisition of plant and equipment	(727)	(1,302)
Net cash used in investing activity	(727)	(1,302)
Net movement in cash and cash equivalents	-	(3)
Cash and cash equivalents at the beginning of the period	96	99
Cash and cash equivalents at the end of the period	96	96

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EMIRATES INTERNATIONAL SECURITIES LLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007

1 Legal status and principal activities

Emirates International Securities LLC ("the Company") is a limited liability company incorporated in the Emirate of Dubai on 10 November 2001 under the Federal Law No 8 of 1984 (as amended) applicable to commercial companies. The Company changed its name from Emirates International Brokerage LLC on 07 March 2006.

The share holding pattern in the Company is as follows:

Name of shareholders	Shareholding (%)
Emirates Bank International PJSC ("the Holding Company")	99%
Emirates Financial Services PSC	1%

The principal activity of the Company is to act as an intermediary in dealings in shares, stocks, debentures and securities. The Company also trades on its own account.

The registered address of the Company is P.O. Box 2923, Dubai, United Arab Emirates.

2 Significant accounting policies

These interim condensed financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

(a) Basis of preparation

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

The accounting policies and methods of computation have been consistently applied by the Company in the preparation of these condensed interim financial statements as compared to the most recent annual financial statements for the year ended 31 December 2006.

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

EMIRATES INTERNATIONAL SECURITIES LLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

2 Significant accounting policies (continued)

(b) Basis of accounting

These financial statements are presented in UAE Dirhams ("AED") rounded to the nearest thousand, and have been prepared under the historical cost convention, except for equity securities designated as held for trading or available for sale.

3 Investment securities

These comprise the following:

	UNAUDITED 30 September 2007 AED '000	AUDITED 31 December 2006 AED '000
	-----	-----
Held for trading	12,157	9,234
Available for sale	11,856	3,812
	-----	-----
	24,013	13,046
	=====	=====

Included in available for sale are:

- a) AED 11,658,207 (31 December 2006: AED 3,812,049) representing 3,701,018 shares in Dubai Financial Market ("DFM"). The Company has acquired the shares relating to DFM's IPO as per the allocation set by DFM for brokerage companies. As per the terms of allocation, the Company cannot dispose off these shares for a period of two years effective from 15 November 2006; and
- b) AED 197,585 (31 December 2006: AED Nil) representing 1% equity interest in Egyptian Company for Electronic System Development ("NPC"). The Company acquired the shares in NPC from Network International LLC, a related company, on 30 September 2007.

4 Unsettled trade debtors and creditors

These represent trades which have been executed with the market but have yet to settle. Settlement periods for the Dubai Financial Market (DFM) and Abu Dhabi Securities Market (ADSM) are T+2.

EMIRATES INTERNATIONAL SECURITIES LLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007

5 Related party transactions

The Company, in the normal course of business, deals with other business enterprises including the Holding Company and Directors of Emirates Bank Group companies that fall within the definition of a related party as set out in International Accounting Standard No.24. The transactions and balances with the Holding Company and Directors of Emirates Bank Group, other than those already disclosed elsewhere in the financial statements are as follows:

	UNAUDITED 30 September 2007 AED '000	AUDITED 31 December 2006 AED '000
	-----	-----
Due from holding company	185,965	180,543
	=====	=====
Due from related parties (included in unsettled trade debtors)	625	10,937
	=====	=====
Due to related parties (included in unsettled trade creditors)	5	5
	=====	=====

6 Other income

	Three months period ended 30 September 2007 AED '000	30 September 2006 AED '000	Nine months period ended 30 September 2007 AED '000	30 September 2006 AED '000
	-----	-----	-----	-----
Realised (loss) / profit on disposal of trading securities	-	-	-	(1,908)
Dividend income	-	-	291	60
Unrealised (loss) / profit on trading securities	84	(1,307)	2,923	(6,523)
Interest income (net)	823	819	2,510	4,874
	-----	-----	-----	-----
	907	488	5,724	(3,497)
	=====	=====	=====	=====

EMIRATES INTERNATIONAL SECURITIES LLC

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2007**

7 Contingent liabilities

	UNAUDITED 30 September 2007 AED '000	AUDITED 31 December 2006 AED '000
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Letters of guarantee (issued by the Holding Company in favour of DFM and ADSM)	700,000 =====	700,000 =====

8 Comparative Figures

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