

EMIRATES INTERNATIONAL SECURITIES LLC

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2008

EMIRATES INTERNATIONAL SECURITIES LLC

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

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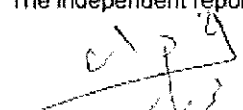



EMIRATES INTERNATIONAL SECURITIES LLC
CONDENSED INTERIM BALANCE SHEET
AS AT 30 SEPTEMBER 2008

	Note	Unaudited 30 September 2008 AED '000	Audited 31 December 2007 AED '000
Assets			
Non-current assets			
Plant and equipment		3,451	4,100
Investment securities	8	12,744	23,144
Total non current assets		16,195	27,244
Current assets			
Investment securities	6	10,894	11,973
Trade and other debtors	7	849,732	245,923
Other receivables		1,860	3,434
Due from holding company	8	-	17,185
Cash and cash equivalents		5,336	4,369
Total current assets		867,821	282,884
Current liabilities			
Unsettled trade creditors	8	8,397	5
Other payables		4,131	2,413
Due to holding company	8	542,248	-
Total current liabilities		554,776	2,418
Net current assets		313,045	280,466
Net assets		329,240	307,710
Represented by			
Share capital		30,000	30,000
Statutory reserve		9,500	9,500
Fair value reserve		8,734	19,134
Retained earnings		281,006	249,076
Total equity holders' funds		329,240	307,710

The notes set out on pages 6 to 10 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

EMIRATES INTERNATIONAL SECURITIES LLC

**CONDENSED INTERIM INCOME STATEMENT
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)**

	Note	Three months period ended 30 Sep 2008 AED '000	30 Sep 2007 AED '000	Nine months period ended 30 Sep 2008 AED '000	30 Sep 2007 AED '000
Commission income		<u>8,210</u>	<u>6,992</u>	<u>41,052</u>	<u>25,333</u>
Administration and general expenses		<u>(8,881)</u>	<u>(6,213)</u>	<u>(26,168)</u>	<u>(19,454)</u>
Operating profit/(loss)		(671)	779	14,884	5,879
Other income	9	8,483	907	16,994	5,724
Reversal of / (allowance for) impairment losses		-	8	60	844
Interest received/(paid) from holding company (net)		-	2,496	(8)	7,931
Profit for the period		<u>7,812</u>	<u>4,190</u>	<u>31,930</u>	<u>20,378</u>

The notes set out on pages 6 to 10 form part of these condensed interim financial statements.

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EMIRATES INTERNATIONAL SECURITIES LLC

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2007 (UNAUDITED)

	Share Capital AED '000	Statutory reserve AED '000	Fair value reserve AED '000	Retained earnings AED '000	Total AED'000
Balance at 1 January 2007	10,000	5,000	-	230,018	245,018
Profit for the period	-	-	-	20,378	20,378
Change in fair value of available-for-sale financial assets	-	-	7,846	-	7,846
Total recognised gains and losses for the period	-	-	7,846	20,378	28,224
Issue of bonus shares	20,000	-	-	(20,000)	-
Balance at 30 September 2007	30,000	5,000	7,846	230,396	273,242

FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)

	Share Capital AED '000	Statutory reserve AED '000	Fair value reserve AED '000	Retained earnings AED '000	Total AED'000
Balance at 1 January 2008	30,000	9,500	19,134	249,076	307,710
Profit for the period	-	-	-	31,930	31,930
Change in fair value of available-for-sale financial assets	-	-	(10,400)	-	(10,400)
Total recognised gains and losses for the period	-	-	(10,400)	31,930	21,530
Balance at 30 September 2008	30,000	9,500	8,734	281,006	329,240

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EMIRATES INTERNATIONAL SECURITIES LLC

**CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2008 (UNAUDITED)**

	30 September 2008 AED '000	30 September 2007 AED '000
	-----	-----
Cash flows from operating activities		
Profit for the period	31,930	20,378
Adjustments:		
Change in fair value of current investments	2,450	(2,923)
(Recoveries)/allowance for impairment losses	(60)	(844)
Depreciation	2,623	2,368
	-----	-----
	36,943	18,979
Change in investment securities	(1,371)	(198)
Change in unsettled trade debtors	(603,749)	(13,114)
Change in other receivables	1,574	639
Change in due to Holding Company	559,433	(5,422)
Change in unsettled trade creditors	8,392	-
Change in other payables	1,718	(157)
	-----	-----
Net cash flows from operating activities	2,940	727
	-----	-----
Cash flows from investing activity		
Acquisition of plant and equipment	(1,974)	(727)
	-----	-----
Cash used in investing activity	(1,974)	(727)
	-----	-----
Net movement in cash and cash equivalents	966	-
	-----	-----
Cash and cash equivalents at the beginning of the period	4,369	96
	-----	-----
Cash and cash equivalents at the end of the period	5,335	96
	=====	=====

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EMIRATES INTERNATIONAL SECURITIES LLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2008

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 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%

Following the merger of Emirates Bank International PJSC and National Bank of Dubai PJSC during 2007, the Company's ultimate holding company is Emirates NBD PJSC, a Company in which the Investment Corporation of Dubai is the majority shareholder.

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 Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Financial Reporting Standard ("IFRS") IAS 34 "Interim financial reporting". They 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 2007.

3 Significant accounting policies

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the company in its financial statements as at and for the year ended 31 December 2007.

4 Estimates

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

5 Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2007.

EMIRATES INTERNATIONAL SECURITIES LLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

6 Investment securities

These comprise of the following:

	UNAUDITED 30 September 2008 AED '000	AUDITED 31 December 2007 AED '000
	-----	-----
Equity securities :		
Current :		
Fair value through profit and loss (FVTPL)		
Held for trading	10,894	11,973
Non-Current :		
Available-for-sale (refer note below)	12,744	23,144
	-----	-----
	23,638	35,117
	=====	=====

Included in available-for-sale are:

- a) AED 12,546,000 (31 December 2007: AED 22,946,000) representing 3,701,018 shares in Dubai Financial Market ("DFM"). The Company in 2006 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 of these shares for a period of two years effective from 15 November 2006; and
- b) AED 198,000 (31 December 2007: AED 198,000) representing 1% equity interest in Egyptian Company for Electronic System Development ("NPC"). The remaining 99% equity interest in NPC is collectively owned by Network International LLC and Emirates Financial Services PSC, who are fellow subsidiaries of the Holding Company.

EMIRATES INTERNATIONAL SECURITIES LLC

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008

7 Trade and other debtors

Trade debtors include the following:

- The net balance of trades which have been executed with the market but have yet to be settled. Settlement periods for the Dubai Financial Market (DFM) and Abu Dhabi Securities Exchange (ADX) are T+2. Execution only customer trades are settled through their respective investment accounts that exist with Emirates Bank International PJSC.
- Customer receivables arising due to exposures on account of margin trading. ESCA has recently released a consultation paper containing proposed new regulations for brokers engaging in margin trading activities. The Company has started assessing its current practices against the proposed regulation and, once the final ESCA rules are promulgated, will develop an action plan to address any gaps in compliance.

	UNAUDITED 30 September 2008 AED '000	AUDITED 31 December 2007 AED '000
	<hr/>	<hr/>
Customer receivables	852,175	249,013
Less: allowance for impairment loss	(2,443)	(3,090)
	<hr/>	<hr/>
	849,732	245,923
	=====	=====

EMIRATES INTERNATIONAL SECURITIES LLC

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

8 Related party transactions

The Company, in the normal course of business, carries out transactions with entities that fall within the definition of a related party contained in International Accounting Standard 24. The transactions and balances with the related parties, other than those already disclosed elsewhere in the financial statements are as follows:

	UNAUDITED 30 September 2008 AED '000 -----	AUDITED 31 December 2007 AED '000 -----
Due from Holding Company		
Market settlements account with the Holding Company	-	10,321
Inter-Group settlements account	-	6,864
	-----	-----
	-	17,185
	=====	=====
Due from key management personnel (included in unsettled trade debtors)	9,952	2
	=====	=====
Due to Holding Company		
Market settlements account with the Holding Company	30,332	-
Inter-Group settlements account	511,916	-
	-----	-----
	542,248	-
	=====	=====
Due to key management personnel (included in unsettled trade creditors)	8,397	5
	=====	=====
	UNAUDITED 30 September 2008 AED '000 -----	UNAUDITED 30 September 2007 AED '000 -----
Insurance premium paid to associate of Holding Company	370	330
Net interest income (paid) / received from Holding Company	(8)	7,931
Call center charges paid to a fellow subsidiary of the Holding company	72	122
	=====	=====

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2008**

9 Other income

	UNAUDITED		UNAUDITED	
	Three months period ended	30 September	Nine months period ended	30 September
	30 September	2007	30 September	2007
	2008	2007	2008	2007
	AED '000	AED '000	AED '000	AED '000
Dividend income	-	-	123	291
Change in fair value of FVTPL investments	(2,826)	84	(2,450)	2,923
Interest income (net)	11,309	823	19,321	2,510
	<u>8,483</u>	<u>907</u>	<u>16,994</u>	<u>5,724</u>
	=====	=====	=====	=====

10 Contingent liabilities

	UNAUDITED	AUDITED
	30 September 2008	31 December 2007
	AED '000	AED '000
Letters of guarantee (Issued by the Holding Company in favour of DFM and ADSM)	<u>700,000</u>	<u>700,000</u>
	=====	=====

11 Capital commitments

During the nine months period ended 30 September 2008, the Company entered into a contract for certain works for AED 276,000 (31 December 2007: AED 327,000). These commitments are expected to be settled in the following quarter.

12 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.