



EMIRATES GLOBAL ISLAMIC BANK LIMITED

**STATEMENT OF INTERNAL CONTROL
FOR THE YEAR ENDED DECEMBER 31, 2007**

Reporting on the Internal Control System

It is the responsibility of Bank's management to establish and maintain an adequate and effective system of internal control that could help in achieving the aims and objectives of the Bank while the Board is responsible for the overall policies on internal control. In line with the best practices and international standards, the system of internal control of the bank is designed to provide reasonable assurance regarding achievement of effectiveness and efficiency of its operation, reliability of financial data and reports, compliance with laid down policies, procedures and Shariah principles and adherence to all banking laws and regulations.


Evaluation of Existing Internal Control System

This was the first year of commercial operations of the bank, keeping in view the size of the organization and the scale of business operations, the management has ensured that an effective internal control system is in place. Further, in order to ensure smooth start of commercial banking operations, policies had been formulated in all the banking areas and procedures had been developed that conform to the regulatory requirements, Shariah standards, risk management framework and international best practices.

The system has been designed keeping in view the particular requirements of the system of internal control such as organizational and administrative controls, monitoring procedures, segregation of duties, authorization and approval, recording of transactions, safeguarding of assets, reconciliation and valuation of assets & liabilities. Additionally the bank has also put in place independent audit and compliance function which will provide added comfort to the stakeholders that risk management and control process are adequate, effective and sustainable.

Besides the controls so established have been evaluated on an ongoing basis to determine their capability to contribute towards improvement of the Bank's risk management and control process and the management acted swiftly for rectification of deviations and weaknesses observed with a view to ensure their non-recurrence in future and has given a timely and satisfactory response to such findings.


Syed Tariq Husain
President & CEO


Waheed Abidi
Chief Financial Officer

Karachi
Dated: March 16, 2007