



EMIRATES GLOBAL ISLAMIC BANK LTD.
BALANCE SHEET -UNAUDITED
AS AT MARCH 31, 2007

		March 31 2007	December 31 2006
	Note	----- Rupees in '000 -----	
ASSETS			
Cash and balances with treasury banks		130,439	34
Balances with other banks		81,531	51,069
Due from financial institutions		2,391,738	1,600,199
Investments	7	51,667	-
Financing	8	50,135	32,907
Other assets		30,077	35,337
Operating fixed assets	9	704,809	656,972
Deferred tax assets		80,751	71,780
		3,521,147	2,448,298
LIABILITIES			
Bills payable		10,704	-
Due to financial institutions		-	-
Deposits and other accounts		478,687	-
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		39,928	41,265
Deferred tax liabilities		-	-
Other liabilities		97,241	47,359
		626,560	88,624
NET ASSETS		2,894,587	2,359,674
REPRESENTED BY			
Share capital		3,000,000	250,533
Share subscription money		23,781	2,239,942
Reserves		321	-
Unappropriated profit/(loss)		(129,515)	(130,801)
		2,894,587	2,359,674
Surplus/(deficit) on revaluation of assets		-	-
		2,894,587	2,359,674
CONTINGENCIES AND COMMITMENTS	10	-	-

The annexed notes from 1 to 13 form an integral part of these financial statements.

 Sheikh Tariq Bin Faisal
 Al Qassemi
Chairman

 Syed Tariq Husain
President & CEO

 Abdul Ghaffar Fancy
Director

 Zubair Daruwala
Director



**EMIRATES GLOBAL ISLAMIC BANK LIMITED
PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2007**

	March 31, 2007	March 31, 2006
	----- Rupees in '000-----	
Profit / return on financing, investments & placements	55,201	100
Return on deposits and other dues expensed	(236)	-
Net spread	54,965	100
Provision against non-performing financing	-	-
Provision for diminution in the value of investments	-	-
Bad debts written off directly	-	-
Net income after provisions	54,965	100
OTHER INCOME		
Fee, commission and brokerage income	3	-
Dividend income	-	-
Income from dealing in foreign currencies	-	-
Other income	72	-
Total other income	75	-
	55,040	100
OTHER EXPENSES		
Administrative expenses	53,621	17,276
Other provisions - Consumer Finance (General)	49	-
Loss (Profit) on revaluation of investment held-for- trading	-	-
Other charges	-	-
Total other expenses	53,670	17,276
	1,370	(17,176)
Extra ordinary items	-	-
PROFIT BEFORE TAXATION	1,370	(17,176)
Taxation - Current	(8,733)	-
- Prior years	-	-
- Deferred	8,970	-
	237	-
PROFIT AFTER TAXATION	1,607	(17,176)
Unappropriated (loss) brought forward	(130,801)	(22,066)
(Loss) available for appropriations	(129,194)	(39,242)
APPROPRIATIONS:		
Transfer to :		
Statutory reserve	321	-
Capital reserve	-	-
Revenue reserve	-	-
	321	-
Unappropriated (loss) carried forward	(129,515)	(39,242)
Basic and diluted earning per share - Rupees	0.01	-

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Director

Zubair Daruwala
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EMIRATES GLOBAL ISLAMIC BANK LTD.
CASH FLOW STATEMENT - UNAUDITED
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2007

	March 31 2007	March 31 2006
	----- Rupees in '000-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,369	(17,176)
Dividend Income	-	-
	1,369	(17,176)
Adjustments for non-cash charges		
Depreciation	6,928	10
Amortization	-	-
Provision against non-performing financing	49	-
Provision for Diminution in the value of investments/ other assets	-	-
Loss/ (gain) on sale of fixed assets	-	-
Finance charges on leased assets	932	54
	7,909	64
	9,278	(17,112)
(Increase)/ Decrease in operating assets		
Due to financial institutions	(791,539)	-
Financing	(17,278)	(10,582)
Other assets (excluding advance taxation)	13,301	(2,848)
	(795,516)	(13,430)
Increase/ (Decrease) in operating liabilities		
Bills payable	10,704	-
Deposits	478,687	-
Other liabilities	48,862	430
	538,253	430
	(247,985)	(30,112)
Income tax paid	(15,754)	(4)
Net cash flow from operating activities	(263,739)	(30,116)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(41,667)	-
Net investment in held-to-maturity securities	(10,000)	-
Dividend Income	-	-
Net investment in fixed assets	(54,782)	(19,022)
Sale proceed of property and equipment - disposed off.	18	-
Net cash flow from investing activities	(106,431)	(19,022)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations	(2,269)	(193)
Receipt of shares subscription money	(2,216,161)	(19,103)
Issue of share capital	2,749,467	250,533
Net cash flow from financing activities	531,037	231,237
Effects of exchange rate changes on cash and cash equivalents	-	-
Increase/(Decrease) in cash and cash equivalents	160,867	182,099
Cash and cash equivalents at January 01,	51,103	11,637
Cash and cash equivalents at March 31,	211,970	193,736

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Director

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**EMIRATES GLOBAL ISLAMIC BANK LTD.
STATEMENT OF CHANGES IN EQUITY - UNAUDITED
FOR THE QUARTER ENDED MARCH 31, 2007**

	Share capital	Share subscription money	Capital reserve	Statutory reserve	Revenue reserve	Unappropriated profit/(loss)	Total
	----- Rupees in '000 -----						
Balance as on January 31, 2006	-	19,103	-	-	-	(22,066)	(2,963)
Receipt of share subscription money	-	2,471,372	-	-	-	-	2,471,372
Profit/(Loss) for the current year	-	-	-	-	-	(108,735)	(108,735)
Transfer to statutory reserve	-	-	-	-	-	-	-
Issue of share capital	250,533	(250,533)	-	-	-	-	-
Balance as on January 01, 2007	250,533	2,239,942	-	-	-	(130,801)	2,359,674
Profit/(Loss) for the current year	-	-	-	-	-	1,607	1,607
Receipt of share subscription money	-	534,091	-	-	-	-	534,091
Refund of share subscription money	-	(785)	-	-	-	-	(785)
Issue of share capital	2,749,467	(2,749,467)	-	-	-	-	-
Transfer to statutory reserve	-	-	-	321	-	(321)	-
Balance as on March 31, 2007	3,000,000	23,781	-	321	-	(129,515)	2,894,587

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Chairman

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Director

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Director



EMIRATES GLOBAL ISLAMIC BANK LTD.
NOTES TO THE FINANCIAL STATEMENTS - UNAUDITED
FOR THE QUARTER ENDED MARCH 31, 2007

1. STATUS AND NATURE OF BUSINESS

The bank was incorporated in Pakistan on December 20, 2004 as a public limited company under the Companies Ordinance, 1984. The bank's registered office is located at the Shopping Arcade, Sheraton Hotels and Towers, Club Road, Karachi.

The main objective of the bank is to carry on Islamic banking business in and outside Pakistan in accordance and in conformity with Islamic Shariah. The bank was granted a fresh Islamic Banking License BL(i)-01(07) by the Banking Policy and Regulations Department of the State Bank of Pakistan vide their letter no. BPRD (LCGD-02)/625-76/D/2007/521 dated January 18, 2007 under section 27 of the Banking Companies Ordinance, 1962 read with Islamic Banking Department circular no. 2 of 2004.

On December 18, 2006 State Bank of Pakistan accorded its approval to shareholders of the bank. With the approval, sponsoring shareholders put in their required portion of the equity through a right issue. The entire process of right issue was completed and shares were allotted on February 13, 2007.

After reviewing the level of preparedness, the State Bank of Pakistan issued a certificate of commencement to the bank on February 12, 2007 which enabled the bank to complete formalities such as opening of account with the State Bank of Pakistan, arrangement with NIFT and clearing house formalities. It also permitted the bank to commence operations with six branches.

On February 16, 2007 the bank commenced operations by opening two branches while remaining four branches were opened on February 17, 2007.

2. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with the requirements of BSD Circular No. 4 dated February 17, 2006.

The Bank is mainly engaged in one permissible form of trade-related mode of financing, Murabaha, which comprises of purchase of goods by the bank for their customers and sale at appropriate profit on deferred payment basis. The income on such transactions is recognized in accordance with the principles of Islamic Shariah and Islamic Financial Accounting Standard. However income, if any, received which does not comply with the principles of Islamic Shariah is recognized as charity payable if so directed by the Shariah Board.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Banking Companies Ordinance, 1962 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) and the Islamic Financial Accounting Standard 1 - Murabaha issued by the Institute of Chartered Accountants of Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the SECP and the SBP differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or the requirements of the said directives take precedence.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for Banking Companies through BSD Circular No. 10 dated August 26, 2002. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

3.1 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the bank's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the bank's financial statements are as follows:

- (i) Determination of useful lives of fixed assets
- (ii) Current and deferred taxation

4. CAPITAL

The policy of the bank as regards capital will be to maintain the minimum paid-up capital as prescribed by the State Bank of Pakistan from time to time. In line with this, the Board of Directors of the bank in its 11th Meeting held on January 16, 2007 raised the Authorized Capital from Rs. 4 billion to Rs. 6 billion which was approved in 2nd Annual General Meeting of the bank held on March 26, 2007. Subsequently, the bank sought formal State Bank of Pakistan approval to the amendment in the Memorandum of Association altering its capital clause and raising the authorized capital of the bank to Rs. 6 billion, which has since been received. The bank is, now, in the process of completing all the necessary requirements to register this amendment with the Securities & Exchange Commission of Pakistan, whereafter the process of raising the paid-up capital to the prescribed level will commence.

5. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those applied in preparing the annual financial statements for the year ended December 31, 2006.



7. INVESTMENTS	March 31 2007			December 31 2006				
	Held by bank	Given as collateral	Total	Held by bank	Given as collateral	Total		
	Rupees in '000							
Held - for - trading securities	-	-	-	-	-	-		
Available - for - sale securities	41,667	-	41,667	-	-	-		
Held - to - maturity securities	10,000	-	10,000	-	-	-		
	<u>51,667</u>	<u>-</u>	<u>51,667</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Surplus / (deficit) on revaluation	-	-	-	-	-	-		
Provision for diminution in value of investments	-	-	-	-	-	-		
	<u>51,667</u>	<u>-</u>	<u>51,667</u>	<u>-</u>	<u>-</u>	<u>-</u>		
7.1 Investments by types								
Available-for-sale securities								
Sukuk Bond	41,667	-	41,667	-	-	-		
Investment at cost	41,667	-	41,667	-	-	-		
Less: Provision for diminution in value of investments	-	-	-	-	-	-		
Available-for-sale securities - net	<u>41,667</u>	<u>-</u>	<u>41,667</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Held - to - maturity securities								
Shares - Takaful Pakistan	10,000	-	10,000	-	-	-		
	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Investments (net of provisions)	<u>51,667</u>	<u>-</u>	<u>51,667</u>	<u>-</u>	<u>-</u>	<u>-</u>		
8. FINANCING - NET OF PROVISION				March 31 2007	December 31 2006			
				Rupees in '000				
Financing in Murabaha, Musharaka								
In Pakistan				44,220	32,907			
Outside Pakistan				-	-			
				44,220	32,907			
Net investment in Ijarah financing								
In Pakistan				5,964	-			
Outside Pakistan				-	-			
				5,964	-			
				50,184	32,907			
Provision for non-performing financing - specific				-	-			
Provision for non-performing financing - general				(49)	-			
				(49)	-			
				50,135	32,907			
8.1 Particulars of financing								
8.1.1 In local currency				50,184	32,907			
In foreign currencies				-	-			
				50,184	32,907			
8.1.2 Short term (for upto one year)				3,097	2,008			
Long term (for over one year)				47,087	30,899			
				50,184	32,907			
8.2 Net investment in Ijarah financing								
	March 31, 2007				December 31, 2006			
	Not later than one year	Later than one and less than five years	Over five years	Total	Not later than one year	Later than one and less than five years	Over five years	Total
	Rupees in '000							
Lease rentals receivable	2,179	6,257	-	8,436	-	-	-	-
Residual Value	-	-	-	-	-	-	-	-
Minimum Lease Payment	2,179	6,257	-	8,436	-	-	-	-
Financial charges for future periods	791	1,681	-	2,472	-	-	-	-
Present value of minimum lease payment	1,388	4,576	-	5,964	-	-	-	-

9 OPERATING FIXED ASSETS

Total addition of Rs. 7,243 thousand has been made in operating tangible and intangible assets, whereas the total deletions remains to Rs. 18 thousand during the quarter ended March 31, 2007. In addition to this, the advances to contractors and suppliers raised to Rs. 123,307 thousand from Rs. 75,768 thousand.

March 31
2007
December 31
2006

----- Rupees in '000-----

10 CONTINGENCIES AND COMMITMENTS

10.1 Commitments in respect of forward exchange contracts

Sale	130,967	-
Purchase	126,216	-

10.2 Commitments for the acquisition of operating fixed assets

Commitments for the lease of vehicles	938	2,047
Commitments for the purchase of property	533,408	-
Commitments for the acquisition of software license	8,656	8,656

11 RELATED PARTY TRANSACTIONS

11.1 Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions including subsidiary companies, associated companies with or without common directors, directors and key management personnel.

11.2 Details of transactions with related parties and balances as at the period end are as follows:

	March 31, 2007	December 31, 2006
	----- Rupees in '000 -----	
Share subscription money		
Opening Balance	2,239,942	19,103
Received during the year	533,306	2,471,372
Shares allotted during the year	(2,749,467)	(250,533)
Closing Balance	<u>23,781</u>	<u>2,239,942</u>
Remittances of share subscription money received from		
Sheikh Tariq Bin Faisal Khalid Al Qassemi	440,410	595,590
Emirates Financial Holdings LLC	28,896	302,018
Syed Tariq Husain	15,410	10,000
Mubarak Balaswad Mubark Humaid Balaswad	32,395	-
Abdul Ghaffar Fancy	16,195	-
Mal Al Khaleej Investment Company LLC	-	1,523,764
Orix Leasing	-	20,000
Bank of Punjab	-	20,000
	<u>533,306</u>	<u>2,471,372</u>
Amount payable to		
Emirates Financial Holdings LLC	12,018	12,325
Emirates Global Investments Limited	18,385	18,408
Emirates International Holdings Limited	2,500	2,500
Trust Securities Brokerage Limited	594	619
Advances to Employees		
Housing musharaka	42,255	30,560
Ijarah	1,868	2,284
Qarz-e-Hasna	1,966	62

Ijarah Financing to Associated Companies Takaful Pakistan	1,116	-
Commodity Murabaha with Associated Companies Trust Securities Brokerage Limited	24,521	-
Investment in Associated Companies Takaful Pakistan	10,000	-

12 DATE OF AUTHORIZATION

These financial statements were authorized for issue on April 27, 2007 by the Board of Directors of the bank.

13 GENERAL

13.1 Figures have been rounded off to the nearest thousand.

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