

**EMIRATES GLOBAL ISLAMIC
BANK LIMITED**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31,2009**

EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2009

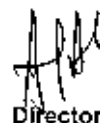
	Note	Mar 31, 2009 (Un-Audited)	Dec 31, 2008 (Audited)
----- Rupees in '000-----			
ASSETS			
Cash and balances with treasury banks		1,248,918	909,378
Balances with other banks		1,410,020	195,134
Due from financial institutions	5	-	320,000
Investments	6	2,881,182	2,756,159
Financing	7	9,639,744	9,967,625
Operating fixed assets		1,682,227	1,619,029
Deferred tax assets		240,975	239,336
Other assets		844,064	530,726
		17,727,130	16,537,387
LIABILITIES			
Bills payable		137,867	148,403
Due to financial institutions		550,000	725,000
Deposits and other accounts		12,283,844	10,892,602
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		69,921	77,486
Deferred tax liabilities		-	-
Other liabilities		687,857	625,057
		13,729,489	12,468,548
NET ASSETS		3,997,641	4,068,839
REPRESENTED BY			
Share capital	9	4,500,000	4,500,000
Share subscription money		657	657
Reserves		-	-
Accumulated loss		(508,158)	(448,416)
		3,992,499	4,052,241
Surplus / (deficit) on revaluation of investments		5,142	16,598
		3,997,641	4,068,839
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


President / Chief Executive


Director


Director


Director

EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2009

Quarter ended **Quarter ended**
Mar 31, 2009 **Mar 31, 2008**

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

Profit / return earned on financings, investments and placements	11	478,657	159,223
Return on deposits and other dues expensed		183,680	64,689
Net spread earned		<u>294,977</u>	<u>94,534</u>
Provision against non-performing financings		51,716	1,830
Provision for diminution in the value of investments		18,818	2,237
Bad debts written off directly		-	-
		<u>70,534</u>	<u>4,067</u>
Net spread after provisions		<u>224,442</u>	<u>90,467</u>
Other income			
Fee, commission and brokerage income		5,921	7,823
Dividend Income		-	-
Income from dealing in foreign currencies		2,433	7,575
Capital gain / (loss) on sale of securities		(4,370)	5,204
Unrealized gain / (loss) on revaluation of investments classified as 'held for trading'		-	-
Other income		8,746	25,270
Total other income		<u>10,731</u>	<u>45,872</u>
		<u>235,173</u>	<u>136,339</u>
Other expenses			
Administrative expenses		295,219	157,061
Other provisions / write offs		-	-
Other charges		62	523
Total other expenses		<u>295,281</u>	<u>157,584</u>
		<u>(60,108)</u>	<u>(21,245)</u>
Extra ordinary / unusual items		-	-
Loss before taxation		<u>(60,108)</u>	<u>(21,245)</u>
Taxation			
- Current - for the period		-	(1,070)
- Prior		-	-
- Deferred		366	(18,100)
		<u>366</u>	<u>(19,170)</u>
Loss after taxation		<u>(59,742)</u>	<u>(40,415)</u>
Accumulated loss brought forward		(448,416)	(188,300)
Accumulated loss carried forward		<u>(508,158)</u>	<u>(228,715)</u>
		<u>(0.13)</u>	<u>(0.05)</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements


President / Chief Executive

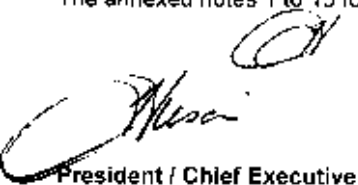

Director


Director

**EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2009**

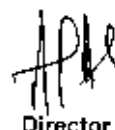
	Quarter ended Mar 31, 2009	Quarter ended Mar 31, 2008
----- Rupees in '000-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(60,108)	(21,245)
Adjustments		
Depreciation	26,089	11,235
Amortisation	7,544	3,907
Amortisation of premium on Sukuk Bonds	-	-
Provision against non-performing financings	51,716	1,830
Provision for diminution in the value of investments	18,818	2,237
Finance charges on leased assets	2,775	1,268
	106,942	20,477
	46,834	(768)
(Increase) / Decrease in operating assets		
Due from financial institutions	320,000	1,350,000
Financing	276,165	(1,888,581)
Others assets	(112,570)	13,467
	483,595	(525,114)
Increase / (Decrease) in operating liabilities		
Bills payable	(10,536)	173,558
Due to financial institutions	(175,000)	281,092
Deposits and other accounts	1,391,242	(616,604)
Other liabilities	62,800	114,156
	1,268,506	(47,799)
Income tax paid	(2,041)	(3,885)
Net cash flow from operating activities	1,796,894	(577,586)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments in available-for-sale securities	(155,297)	(284,467)
Net investments in held-to-maturity securities	-	-
Net investments in operating fixed assets	(68,259)	(285,007)
Receipt on disposal of fixed assets	-	-
Net cash outflow from investing activities	(223,556)	(569,474)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease obligations	(18,912)	1,114
Receipt of shares subscription money	-	492,803
Net cash outflow from financing activities	(18,912)	493,917
Net (decrease) / increase in cash and cash equivalents	1,554,426	(653,124)
Cash and cash equivalents as at January 01	1,104,512	1,411,038
Cash and cash equivalents as at March 31	2,658,938	757,914

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


President / Chief Executive


Director


Director


Director

EMIRATES GLOBAL ISLAMIC BANK LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2009

	Share capital	Share subscription money	Capital reserve	Statutory reserve	Revenue reserve	Surplus on revaluation of investments	Accumulated loss	Total
Rupees in '000								
Balance as at January 01, 2008	3,000,000	1,007,855	-	-	-	-	(188,300)	3,819,555
Loss for the period	-	-	-	-	-	-	(40,415)	(40,415)
Receipt of subscription money	-	492,803	-	-	-	-	-	492,803
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Issue of right shares	1,500,000	(1,500,000)	-	-	-	-	-	-
Balance as at March 31, 2008	4,500,000	657	-	-	-	-	(228,715)	4,271,942
Loss for the period	-	-	-	-	-	-	(219,701)	(219,701)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-
Balance as at December 31, 2008	4,500,000	657	-	-	-	-	(448,416)	4,052,241
Loss for the period	-	-	-	-	-	-	(59,742)	(59,742)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Issue of right shares	-	-	-	-	-	-	-	-
Balance as at March 31, 2009	4,500,000	657	-	-	-	-	(508,158)	3,992,499

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


 President / Chief Executive


 Director


 Director


 Director

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 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 an Islamic Banking License BL(i)-01(07), issued 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. Subsequently, the bank was also granted approval for commencement of business as a scheduled bank with effect from February 13, 2007 by the State Bank of Pakistan vide their letter no. BPRD (LCGD-02)/625-76/X/JD/2007/1269 dated February 12, 2007.

The bank's registered office is located at the Hotel Arcade, Sheraton Hotels and Towers, Karachi. The bank operates 42 branches (December 31, 2008: 40 branches) in Pakistan.

2. BASIS OF PRESENTATION

The bank provides financing mainly through Murabaha, Ijarah, and Musharaka. Under Murabaha the goods are purchased and are then sold to the customers on credit. The purchases and sales arising under these arrangements are not reflected in these financial statements as such but are restricted to the amount of facility actually utilised and the appropriate portion of profit thereon. The income on such financing is recognized in accordance with the principles of Islamic Shariah. However income, if any, received which does not comply with the principles of Islamic Shariah is recognised as charity payable if so directed by the Shariah Advisor.

3. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. Wherever the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance, 1962 or directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984, Banking Companies Ordinance 1962 or the requirements of the said directives prevail.

The disclosures made in these financial statements have, however, been limited based on the format prescribed by the State Bank of Pakistan vide BSD Circular No. 02 dated May 12, 2004 and International Accounting Standard 34, 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Bank for the year ended December 31, 2008.

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. However, investments have been classified and valued in accordance with the requirements prescribed by the State Bank of Pakistan through various circulars.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the bank for the year ended December 31, 2008, except for accounting of Ijarah under IFAS - 2, the accounting policy of which is stated as follows:

The State Bank of Pakistan has notified for adoption of "Islamic Financial Accounting Standard - 2: Ijarah" (IFAS-2), which is applicable for accounting period beginning on or after January 01, 2009. Consequent to the adoption of IFAS -2, all Ijarah booked on or after January 01, 2009 are stated at cost less accumulated depreciation and impairment if any and are shown under "Financings".

The rentals received / receivable on above Ijarahs are recorded as income / revenue. Depreciation on Ijarah assets is charged to profit and loss account by applying the straight line method whereby the depreciable value of Ijarah assets is written off over the Ijarah period.

The bank charged depreciation from the date of delivery of respective assets to mustajir upto the date of maturity / termination of Ijarah agreement.

	Note	Mar 31, 2009	Dec 31 2008
----- Rupees in '000-----			
5. DUE FROM FINANCIAL INSTITUTIONS			
Call money lendings		-	-
Repurchase agreement lendings (Reverse Repo)		-	-
Receivable against commodity murabaha	5.1	-	320,000
		<u>-</u>	<u>320,000</u>
5.1 Receivable against commodity murabaha			
Gross amount receivable against commodity murabaha		-	338,436
Less: Profit for future periods		-	15,195
Profits receivable at period end - shown under other assets		-	3,241
		<u>-</u>	<u>320,000</u>
		<u>-</u>	<u>320,000</u>
		Held by Bank	Given as collateral
		Total	
----- Rupees in '000-----			
6. INVESTMENTS			
Balance as at March 31, 2009		<u>2,881,182</u>	<u>2,881,182</u>
Balance as at December 31, 2008		<u>2,756,159</u>	<u>2,756,159</u>
Balance as at March 31, 2008		<u>2,557,353</u>	<u>2,557,353</u>
		Held by Bank	Given as collateral
		Total	
----- Rupees in '000-----			
6.1 Investments by types			
Available-for-sale securities			
Sukuk bonds		2,750,746	2,750,746
Ordinary shares of listed company		103,768	103,768
		<u>2,854,514</u>	<u>2,854,514</u>
Associates			
Ordinary shares of unlisted company		52,200	52,200
		<u>2,906,714</u>	<u>2,906,714</u>
Investments at cost			
		<u>2,906,714</u>	<u>2,906,714</u>
Less: Provision for diminution in value of investments	6.1.1	(31,246)	(31,246)
Investments (net of provision)		<u>2,875,468</u>	<u>2,875,468</u>
Surplus on revaluation of available-for-sale securities		5,714	5,714
Total Investments		<u>2,881,182</u>	<u>2,881,182</u>

6.1.1 This represents the excess of the cost of securities of unlisted company over the breakup value and is classified as loss in accordance with the requirements of BPRD circular letter no. 21 dated August 4, 2007.

Note
Mar 31,
2009
Dec 31,
2008
----- Rupees in '000-----

7. FINANCING

In Pakistan

- Murabaha financings	7.1	4,124,226	4,762,840
- Net investment in Ijarah		1,356,490	1,454,505
- Net asset / investment in Ijarah under IFAS - 2		196,609	-
- Advance against Ijarah financing		463,767	577,995
- Diminishing musharaka financings		2,563,409	2,471,518
- Overdue acceptance payment		15,391	7,666
- Salam financing		901,383	607,183
- Musawamah financing		64,000	79,892
- Qarz-e-Hasna		16,443	15,652
- Financing in respect of rahnuma travel services		923	1,555
Financing - gross		<u>9,702,641</u>	<u>9,978,806</u>
Provision for non-performing financing - specific	7.3	53,763	2,047
Provision for non-performing financing - general	7.3	9,134	9,134
Financing - net of provision		<u>9,639,744</u>	<u>9,967,625</u>

7.1 Murabaha receivable - gross	7.1.1	4,512,919	4,990,259
Less: Deferred murabaha income		192,883	100,010
Profit receivable at period end - shown under other assets		195,810	127,409
Murabaha financings		<u>4,124,226</u>	<u>4,762,840</u>

7.1.1 This includes advance for murabaha aggregating Rs 307.280 million.

7.2 Financing includes Rs.405.721 million (2008: Rs. 13.537 million) which have been placed under non-performing status as detailed below:

Category of classification	March 31, 2009				
	Domestic	Overseas	Total	Provision required	Provision held
	----- Rupees in 000 -----				
Substandard	405,721	-	405,721	53,763	53,763
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>405,721</u>	<u>-</u>	<u>405,721</u>	<u>53,763</u>	<u>53,763</u>

Category of classification	December 31, 2008				
	Domestic	Overseas	Total	Provision required	Provision held
	----- Rupees in 000 -----				
Substandard	13,537	-	13,537	2,047	2,047
Doubtful	-	-	-	-	-
Loss	-	-	-	-	-
	<u>13,537</u>	<u>-</u>	<u>13,537</u>	<u>2,047</u>	<u>2,047</u>

7.3 Particulars of provisions against non-performing financing

	March 31, 2009			December 31, 2008		
	Specific	General	Total	Specific	General	Total
	----- Rupees in '000 -----					
Opening balance	2,047	9,134	11,181	-	2,138	2,138
Charge for the year	51,716	-	51,716	2,047	6,996	9,043
Reversals	-	-	-	-	-	-
Closing balance	<u>53,763</u>	<u>9,134</u>	<u>62,897</u>	<u>2,047</u>	<u>9,134</u>	<u>11,181</u>

	Mar 31, 2009	Dec 31, 2008		Mar 31, 2009	Dec 31, 2008
8. OPERATING FIXED ASSETS	Rupees in'000			Rupees in'000	
Capital work-in-progress	472,121	501,931			
Property and equipment	1,144,619	1,065,992			
Intangible assets	45,487	51,106			
	<u>1,662,227</u>	<u>1,619,029</u>			
8.1 Capital work-in-progress					
Advance against purchase of property	251,707	251,680			
Advances to suppliers and contractors	220,414	250,251			
	<u>472,121</u>	<u>501,931</u>			
9. SHARE CAPITAL					
9.1 Authorized Capital					
Mar 31, 2009 Number of shares	Dec 31, 2008 Number of shares		Mar 31, 2009 Rupees in'000	Dec 31, 2008 Rupees in'000	
<u>600,000,000</u>	<u>600,000,000</u>	Ordinary shares of Rs 10 each	<u>6,000,000</u>	<u>6,000,000</u>	
9.2 Issued, subscribed and paid up capital					
Mar 31, 2009 Number of shares	Dec 31, 2008 Number of shares				
		Ordinary shares of Rs 10 each			
450,000,000	450,000,000	Fully paid in cash	4,500,000	4,500,000	
-	-	Issued as bonus shares	-	-	
-	-	Issued for consideration other than cash	-	-	
<u>450,000,000</u>	<u>450,000,000</u>		<u>4,500,000</u>	<u>4,500,000</u>	
10. CONTINGENCIES AND COMMITMENTS					
10.1 Commitments in respect of forward exchange contracts					
Purchase			199,481	1,303,054	
Sale			<u>1,292,682</u>	<u>628,971</u>	
10.2 Commitments for acquisition of operating fixed assets					
Commitments in respect of purchase of property			<u>281,728</u>	<u>281,728</u>	
10.3 Transaction related contingent liabilities					
Guarantees			<u>583,259</u>	<u>504,957</u>	

	Mar 31, 2009	Dec 31, 2008
	----- Rupees in'000-----	
10.4 Trade related contingent liabilities		
Letters of credit	685,811	259,694
Acceptances	190,892	85,747
10.5 Commitments for lease liability		
Commitments in respect of ujarah payments under ijarah are:		
- not later than one year	3,991	-
- later than one year and not later than five years	7,204	-
- later than five years	-	-
	<u>11,195</u>	<u>-</u>

11. PROFIT / RETURN EARNED ON FINANCINGS, INVESTMENTS AND PLACEMENTS

	Note	Mar 31, 2009	Mar 31, 2008
		----- Rupees in'000-----	
On financing to			
Customers	11.1	366,722	80,254
Employees		2,042	831
On investments in			
Available for sale securities		90,363	63,647
On Deposits with banks		951	7,423
On placements against Interbank Sukuk Placements		17,381	-
On placements against commodity murabaha		1,198	7,068
		<u>478,657</u>	<u>159,223</u>

11.1 This includes return on ijarah assets / investment under IFAS - 2 as follows:

Rental income on ijarah assets / investments	1,626	-
Less: Depreciation on ijarah assets / investments	917	-
	<u>708</u>	<u>-</u>

12. RELATED PARTY TRANSACTIONS

12.1 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 and include associated companies with or without common directors, directors and key management personnel.

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

	Total		Associates		Key management personnel	
	2009	2008	2009	2008	2009	2008
	----- Rupees in '000-----					
Subscription money						
At January 1,	657	1,007,855	657	994,755	-	13,100
Received during the period	-	492,802	-	492,802	-	-
Allotment of shares	-	(1,500,000)	-	(1,486,900)	-	(13,100)
At March 31,	657	657	657	657	-	-
Financings						
At January 1,	128,445	107,587	14,197	9,259	114,248	98,328
Disbursed during period	17,229	58,984	3,229	8,351	14,000	50,633
Repaid during the period	(13,244)	(38,126)	(2,131)	(3,413)	(11,113)	(34,713)
At March 31,	132,430	128,445	15,295	14,197	117,135	114,248
Deposits						
At January 1,	123,136	72,328	93,837	51,131	29,299	21,197
Disbursed during period	231,243	868,657	201,307	618,367	29,936	252,290
Repaid during the period	(199,246)	(817,849)	(153,148)	(573,661)	(46,098)	(244,188)
At March 31,	155,133	123,136	141,996	93,837	13,137	29,299
Other payable						
At January 1,	4,334	32,420	4,334	32,420	-	-
Disbursed during period	-	4,632	-	4,632	-	-
Repaid during the period	(1,354)	(32,718)	(1,354)	(32,718)	-	-
At March 31,	2,980	4,334	2,980	4,334	-	-
Other Balances						
Profit receivable on financing	644	343	224	110	420	233
Investment in Takaful Pakistan Limited	52,200	52,200	52,200	52,200	-	-
Provision for diminution in value of investment	6,318	12,428	6,318	12,428	-	-
Return payable on deposit	279	1,409	251	1,346	28	63
Transactions, income and expenses						
Profit earned on financing	2,335	4,291	1,264	1,957	1,071	2,334
Return on deposits expenses	873	3,812	767	3,352	106	460
Salaries and allowances	12,972	76,502	-	-	12,972	76,502
Contribution to defined contribution plan	4,824	14,539	-	-	4,824	14,539
Charge for defined benefit plan	4,351	14,400	-	-	4,351	14,400

13. SEGMENT BY CLASS OF BUSINESS

	March 31, 2009			
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking
	----- Rupees in'000-----			
Total income	5,691	107,707	25,858	350,314
Total expenses	3,139	32,849	238,480	269,349
Net income (loss)	2,552	74,858	(212,622)	80,965
Segment Return on net Assets (ROA) (%)	5.80%	14.17%	12.00%	16.38%
Segment Cost of funds (%)	0.00%	9.42%	4.62%	12.15%

	March 31, 2009			
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking
	----- Rupees in'000-----			
Segment assets (gross of NPL provisions)	39,793	4,538,007	2,348,533	10,462,140
Segment non performing loans (NPL)	-	-	6,200	399,521
Segment provision required against NPL	-	-	1,550	52,213
Segment liabilities	2,898	563,481	4,907,455	8,262,664

	December 31,2008			
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking
	----- Rupees in'000-----			
Total income	43,839	343,961	72,814	694,873
Total expenses	9,575	95,897	752,566	688,812
Net income (loss)	34,264	248,064	(679,752)	6,061
Segment Return on Assets (ROA) (%)	4.96%	14.11%	14.73%	15.08%
Segment Cost of funds (%)	0.00%	8.16%	6.42%	10.24%

	December 31,2008			
	Corporate Finance	Trading & Sales	Retail Banking	Commercial Banking
	----- Rupees in'000-----			
Segment assets (gross of NPL provisions)	38,999	3,517,796	2,018,964	10,985,237
Segment non performing loans (NPL)	-	-	3,100	10,437
Segment provision required against NPL	-	-	775	10,406
Segment liabilities	2,658	752,974	4,354,360	7,358,556

14. These financial statements were authorized for issue on April 28, 2009 by the Board of Directors of the bank.

15. GENERAL

15.1 Figures have been rounded off to the nearest thousand rupees.



President / Chief Executive



Director



Director



Director