

**Dubai Islamic Bank (Public Joint Stock Company)  
and Subsidiaries**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 SEPTEMBER 2007 (UNAUDITED)**

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF DUBAI ISLAMIC BANK (PUBLIC JOINT STOCK COMPANY)**

**Introduction**

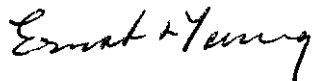
We have reviewed the accompanying interim consolidated balance sheet of Dubai Islamic Bank (Public Joint Stock Company) and its Subsidiaries as of 30 September 2007, the related interim consolidated statements of income for the three-month and nine-month periods then ended, the related statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



Signed by  
Naushad Anwar  
Partner  
Registration No. 489

30 October 2007

Dubai

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## CONSOLIDATED INCOME STATEMENTS

Period ended 30 September 2007 (Unaudited)


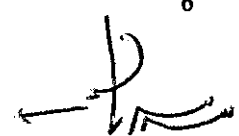
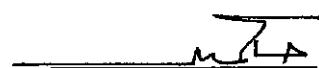
	Notes	Three months ended 30 September		Nine months ended 30 September	
		2007 AED 000	2006 AED 000	2007 AED 000	2006 AED 000
<b>INCOME</b>					
Income from Islamic financing and investing assets		898,138	410,279	2,475,106	1,383,903
Income from international murabahat, short term		162,930	132,423	519,808	370,922
Income from investment properties		27,977	61,334	140,057	128,581
Income from sale of development properties, net		-	98,215	63,153	206,495
Commissions, fees and foreign exchange income		213,694	364,643	592,700	808,932
Share of results of associates	7	56,509	-	182,831	(7,000)
Other income		32,174	24,804	109,137	40,240
<b>TOTAL INCOME</b>		<b>1,391,422</b>	<b>1,091,698</b>	<b>4,082,792</b>	<b>2,932,073</b>
<b>EXPENSES</b>					
General and administrative expenses		(364,063)	(287,454)	(1,024,117)	(712,729)
Depreciation of investment properties		(2,016)	(2,789)	(7,872)	(8,112)
Provisions for impairment		(45,217)	(48,604)	(134,744)	(10,058)
<b>TOTAL EXPENSES</b>		<b>(411,296)</b>	<b>(338,847)</b>	<b>(1,166,733)</b>	<b>(730,899)</b>
<b>Profit before depositors' share, tax and gain on transfer of interest in subsidiary</b>		<b>980,126</b>	<b>752,851</b>	<b>2,916,059</b>	<b>2,201,174</b>
<b>Depositors' share of profits</b>		<b>(615,006)</b>	<b>(460,031)</b>	<b>(1,659,317)</b>	<b>(1,190,131)</b>
<b>Profit for the period before tax and gain on transfer of interest in subsidiary</b>		<b>365,120</b>	<b>292,820</b>	<b>1,256,742</b>	<b>1,011,043</b>
Income tax		3,297	15,691	12,868	4,441
		<b>368,417</b>	<b>308,511</b>	<b>1,269,610</b>	<b>1,015,484</b>
Gain on transfer of interest in subsidiary	8	-	-	968,964	-
<b>Depositors' share of gain on transfer of interest in subsidiary</b>		-	-	<b>(351,795)</b>	-
		-	-	617,169	-
<b>NET PROFIT FOR THE PERIOD</b>		<b>368,417</b>	<b>308,511</b>	<b>1,886,779</b>	<b>1,015,484</b>
Attributable to:					
Shareholders of the parent		389,655	311,569	1,895,446	1,019,115
Minority interests		(21,238)	(3,058)	(8,667)	(3,631)
		<b>368,417</b>	<b>308,511</b>	<b>1,886,779</b>	<b>1,015,484</b>
Basic and diluted earnings per share – note 3		<b>0.13</b>	<b>0.11</b>	<b>0.63</b>	<b>0.37</b>

The attached notes 1 to 9 form part of these financial statements.

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## CONSOLIDATED BALANCE SHEET

At 30 September 2007 (Unaudited)

	<i>Notes</i>	<i>30 September 2007 AED '000</i>	<i>Audited 31 December 2006 AED '000</i>
<b>ASSETS</b>			
Cash and balances with central banks		4,343,742	3,111,724
Balances and deposits with banks		304,730	407,245
International murabahat, short term		10,093,267	14,991,239
Islamic financing and investing assets		48,337,261	35,255,447
Properties under construction		-	2,171,004
Properties held for sale		138,512	136,585
Investment properties		1,035,942	761,213
Investments in associates		3,845,087	1,077,901
Other investments		3,195,288	3,523,944
Receivables and other assets		2,183,161	2,465,123
Property, plant and equipment		557,037	495,601
Goodwill		36,910	36,910
<b>Total assets</b>		<b>74,070,937</b>	<b>64,433,936</b>
<b>LIABILITIES</b>			
Customers' deposits		57,455,398	47,732,482
Due to banks and other financial institutions		1,056,419	4,649,900
Sukuk		2,754,750	-
Other liabilities		3,172,888	3,155,269
Accrued zakat		2,694	72,035
<b>Total liabilities</b>		<b>64,442,149</b>	<b>55,609,686</b>
<b>Shareholders' equity</b>			
Attributable to equity holders of the parent:			
Share capital	4	2,996,000	2,800,000
Statutory reserve		2,761,030	2,761,030
Donated land reserve		276,139	286,951
General reserve		895,000	895,000
Exchange translation reserve		13,128	30,323
Cumulative changes in fair value		489,767	544,649
Retained earnings		1,966,278	43,197
Proposed dividends		-	1,176,000
		<b>9,397,342</b>	<b>8,537,150</b>
Minority interests		231,446	287,100
<b>Total equity</b>		<b>9,628,788</b>	<b>8,824,250</b>
<b>Total liabilities and equity</b>		<b>74,070,937</b>	<b>64,433,936</b>
Contingent liabilities	6	15,488,649	12,174,346
  			
H. E. Dr. Mohammad K. Kharbash Chairman 30 October 2007	H. E. Sultan Saeed Al Mansouri Deputy Chairman 30 October 2007	Khaled Mohammed Al Kamda Managing Director 30 October 2007	

The attached notes 1 to 9 form part of these financial statements.

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## CONSOLIDATED CASH FLOW STATEMENT

Period ended 30 September 2007 (Unaudited)

	<i>Nine months ended 30 September</i>	
	<i>2007</i>	<i>2006</i>
	<i>AED'000</i>	<i>AED'000</i>
<b>OPERATING ACTIVITIES</b>		
Profit before tax including gain on transfer of interest in subsidiary net of depositors' share of profit	1,873,911	1,011,043
Adjustments for:		
Provisions for impairment	134,744	10,058
Depreciation of investment properties	7,872	8,112
Depreciation of fixed assets	54,198	37,472
Revaluation of investments at fair value through income statement	(112,674)	71,102
Gain on transfer of interest in subsidiary	(968,964)	-
Gain on sale of investment properties	(105,134)	(96,447)
Income from sale of development properties	(63,153)	(206,495)
Share of results of associates	(182,831)	7,000
Dividend income	(89,450)	(45,648)
Cost of share based payments	27,635	21,666
	<u>576,154</u>	<u>817,863</u>
Changes in operating assets and liabilities		
Trading investments	(197,848)	(421,251)
Islamic financing and investing assets	(13,216,558)	(3,645,882)
Receivables and other assets	(190,836)	(953,982)
Customers' deposits	9,722,916	7,912,972
Due to banks and other financial institutions	(3,358,148)	(857,724)
Other liabilities	1,203,102	37,688
Accrued Zakat	(69,341)	(33,269)
Tax paid	(10,100)	-
Net cash (used in) / from operating activities	<u>(5,540,659)</u>	<u>2,856,415</u>
<b>INVESTING ACTIVITIES</b>		
Investments at fair value through income statement - net	511,578	(75,378)
Available for sale investments - net	72,718	(1,010,445)
Properties held for sale	(1,927)	-
Proceeds from sale of development properties	74,386	569,995
Proceeds from disposal of investment properties	264,122	191,079
Purchase of investment properties	(452,401)	(168,451)
Purchase of development properties	-	(892,662)
Dividend income	89,450	45,648
Investments in associates	15,645	(27,575)
Purchase of fixed assets	(163,327)	(76,227)
Proceeds from disposal of fixed assets	32,059	17,863
Exchange and other adjustments	(21,323)	(12,977)
Net cash from / (used in) investing activities	<u>420,980</u>	<u>(1,439,130)</u>
<b>FINANCING ACTIVITIES</b>		
Proceeds from issuance of Sukuk	2,754,750	-
Dividends paid	(980,000)	(300,000)
Issue of shares at premium	-	1,908,747
Received on vesting of shares	-	8,226
Minority interest	(33,994)	122,100
Net cash from financing activities	<u>1,740,756</u>	<u>1,739,073</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	<u>(3,378,923)</u>	<u>3,156,358</u>
Cash and cash equivalents at the beginning of the period	18,510,208	9,606,583
Cash and cash equivalent relating to subsidiary transferred	(389,546)	-
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u><u>14,741,739</u></u>	<u><u>12,762,941</u></u>

The attached notes 1 to 9 form part of these financial statements.

Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2007 (Unaudited)

	<i>Attributable to equity holders of the parent</i>							<i>Total equity AED '000</i>		
	<i>Share capital AED '000</i>	<i>ESOP shares AED '000</i>	<i>Reserves AED '000</i>	<i>Cumulative changes in fair value AED '000</i>	<i>Retained earnings AED '000</i>	<i>Proposed scrip dividends AED '000</i>	<i>Proposed cash dividends AED '000</i>			
As at 31 December 2006	2,800,000	-	3,973,304	544,649	43,197	196,000	980,000	8,537,150	287,100	8,824,250
Income and expense for the period recognised directly in equity	-	-	(17,195)	(54,882)	-	-	-	(72,077)	(12,993)	(85,070)
Profit for the period	-	-	-	-	1,895,446	-	-	1,895,446	(8,667)	1,886,779
Total income and expense for the period	-	-	(17,195)	(54,882)	1,895,446	-	-	1,823,369	(21,660)	1,801,709
Issue of shares	196,000	-	-	-	-	(196,000)	-	-	-	-
Dividends paid - 2006	-	-	-	-	-	-	(980,000)	(980,000)	(33,994)	(1,013,994)
Disposal of donated land	-	-	(10,812)	-	-	-	-	(10,812)	-	(10,812)
Cost of share based payments	-	-	-	-	27,635	-	-	27,635	-	27,635
As of 30 September 2007	2,996,000	-	3,945,297	489,767	1,966,278	-	-	9,397,342	231,446	9,628,788

The attached notes 1 to 9 form part of these financial statements.

Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period ended 30 September 2007 (Unaudited)

	<i>Atributable to equity holders of the parent</i>							<i>Total equity AED '000</i>		
	<i>Share capital AED '000</i>	<i>ESOP shares AED '000</i>	<i>Reserves AED '000</i>	<i>Cumulative changes in fair value AED '000</i>	<i>Retained earnings AED '000</i>	<i>Proposed scrip dividends AED '000</i>	<i>Proposed cash dividends AED '000</i>		<i>Total AED '000</i>	<i>Minority interests AED '000</i>
As at 31 December 2005	1,500,000	(8,226)	1,621,971	-	5,460	299,177	299,177	3,717,559	121,646	3,839,205
Income and expense for the period recognised directly in equity	-	-	2,796	455,558	-	-	-	458,354	14,949	473,303
Profit for the period	-	-	-	-	1,019,115	-	-	1,019,115	(3,631)	1,015,484
Total income and expense for the period	-	-	2,796	455,558	1,019,115	-	-	1,477,469	11,318	1,488,787
Issue of shares	936,249	-	1,272,498	-	-	(300,000)	-	1,908,747	122,100	2,030,847
Shares allocated	-	8,226	-	-	-	-	-	8,226	-	8,226
Dividends paid - 2005	-	-	-	-	-	-	(300,000)	(300,000)	-	(300,000)
Transfers	-	-	-	-	(1,646)	823	823	-	-	-
Cost of share based payments	-	-	-	-	21,666	-	-	21,666	-	21,666
As of 30 September 2006	2,436,249	-	2,897,265	455,558	1,044,595	-	-	6,833,667	255,064	7,088,731

The attached notes 1 to 9 form part of these financial statements.

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

### 1 ACTIVITIES

Dubai Islamic Bank (Public Joint Stock Company) was incorporated by an Amiri Decree issued on 29 Safar 1395 Hijri, corresponding to 12 March 1975 by His Highness, the Ruler of Dubai, to provide banking and related services based on Islamic Sharia'a principles. It was subsequently registered under the Commercial Companies Law number 8 of 1984 (as amended) as a Public Joint Stock Company.

In addition to its main office in Dubai, the Bank operates through its branches in the U.A.E. The accompanying condensed consolidated financial statements combine the activities of the Bank's head office, its branches and subsidiaries (the Group) and its associates and joint ventures:

<u>Subsidiaries</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Percentage of equity</u>	
			<u>2007</u>	<u>2006</u>
1. Bank of Khartoum	Banking	Sudan	52.3%	52.3%
2. Islamic Financial Services L.L.C.	Brokerage services	UAE	95.5%	95.5%
3. Dubai Islamic Bank Pakistan Ltd.	Banking	Pakistan	100.0%	100.0%
4. Al Tanmyah Services L.L.C.	Labour services	UAE	99.5%	99.5%
5. Deyaar Development Company P.S.C.	Real estate development	UAE	0.0%	95.5%
6. Millennium Capital Limited	Investments and financial services	UAE	100.0%	100.0%
7. Millennium Finance Corporation Limited	Financial advisory	UAE	65.0%	65.0%
8. Al Tatweer Al Hadith Real Estate	Real estate development	Egypt	96.0%	96.0%
9. Al Tameer Modern Real Estate Investment	Real estate development	Egypt	96.0%	96.0%
10. Al Tanmia Modern Real Estate Investment	Real estate development	Egypt	100.0%	100.0%
11. Naseej Fabric Manufacturing L.L.C.	Textile Manufacturing	UAE	99.0%	99.0%
12. DIB Printing Press L.L.C.	Printing	UAE	99.5%	99.5%
13. Zone One Real Estate Management Co.	Investments in real estate	Cayman Islands	100.0%	100.0%
14. Zone Two Real Estate Management Co.	Investments in real estate	Cayman Islands	100.0%	100.0%
15. Al Islami Trade Finance FZ L.L.C.	Investments	UAE	100.0%	100.0%
16. DIB Lease One Ltd.	Investments	Bahamas	100.0%	100.0%
17. DIB Lease One (Dublin) Ltd.	Investments	Ireland	100.0%	100.0%
18. Gulf Atlantic FZ L.L.C.	Investments	UAE	100.0%	100.0%
19. Al Islami Oceanic Shipping Co FZ L.L.C.	Investments	UAE	100.0%	100.0%
20. Emirates Trading Center L.L.C.	Trading in motor vehicles	UAE	100.0%	100.0%
21. Millennium Capital Holding PSC (formerly Islamic Investment Company P.S.C.)	Financing & investing	UAE	95.5%	95.5%
22. Al Ahlia Aluminum Company L.L.C. (under liquidation)	Aluminum fixtures	UAE	75.5%	75.5%
23. Sequia Investments L.L.C.	Investments	UAE	99.0%	0.0%
24. Bulwark Investments L.L.C.	Investments	UAE	99.0%	0.0%
25. Optimum Investments L.L.C.	Investments	UAE	99.0%	0.0%
26. Rubicon Investments L.L.C.	Investments	UAE	99.0%	0.0%
27. Osiris Investments L.L.C.	Investments	UAE	99.0%	0.0%
28. Lotus Investments L.L.C.	Investments	UAE	99.0%	0.0%
29. Premiere Investments L.L.C.	Investments	UAE	99.0%	0.0%
30. Landmark Investments L.L.C.	Investments	UAE	99.0%	0.0%
31. Blackstone Investments L.L.C.	Investments	UAE	99.0%	0.0%
32. Blue Nile Investments L.L.C.	Investments	UAE	99.0%	0.0%
33. Momentum Investments L.L.C.	Investments	UAE	99.0%	0.0%
34. Mount Sinai Investments L.L.C.	Investments	UAE	99.0%	0.0%
35. Millennium Private Equity Ltd.	Investments	UAE	65.0%	0.0%
36. Dar al Shariah Financial & Legal Consultancy L.L.C.	Financial and legal advisory	UAE	60.0%	0.0%

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

### 1 ACTIVITIES - continued

In addition to the registered ownership described above, the remaining equity in the entities 4, 8, 9, 11, 12, 21 and 23 to 34 is also held by the Bank beneficially through nominee arrangements.

<u>Associates</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Percentage of equity</u>	
			2007	2006
37. Etisalat International Pakistan Ltd	Investments	UAE	10.0%	10.0%
38. Bosnia International Bank	Banking	Bosnia	27.3%	27.3%
39. BBI Leasing and Real Estate L.L.C.	Real estate development	Bosnia	27.3%	27.3%
40. Liquidity Management Center (B.S.C)	Brokers	Bahrain	25.0%	25.0%
41. Emirates National Securitisation Corporation	Securitisation	Cayman Islands	35.0%	35.0%
42. Deyaar Development P.J.S.C.	Real estate development	UAE	45%	0.0%
43. Omega Engineering L.L.C.	Mechanical, electrical & plumbing	UAE	24.75%	55.0%
44. Dubai Insaat Gayrimenkul Sanayi Ve Ticaret Limited Sirketi	Property Development	Turkey	45.0%	100.0%
45. DIB Tower SAL	Investment in real estate	Lebanon	45.0%	100.0%
46. Beirut Bay SAL	Property Development	Lebanon	45.0%	100.0%
47. Deyaar (UK) Ltd	Representative Office of Deyaar	UK	45.0%	100.0%
48. Deyaar Cayman Ltd	Investment holding company	Cayman Islands	45.0%	100.0%
49. Faisal Islamic Bank of Kibris	Banking	TRNC	31.0%	31.0%

<u>Joint ventures</u>	<u>Principal activity</u>	<u>Country of incorporation</u>	<u>Percentage of equity</u>	
			2007	2006
50. Al Bustan Center Company L.L.C.	Rental of apartments and shops	UAE	50.0%	50.0%
51. Gulf Tankers L.L.C.	Cargo and transport	UAE	50.0%	50.0%

The entities listed under 21 and 51 did not conduct any operations during the current or previous periods.

The Bank carries out full banking services, financing and investing activities through various Islamic instruments such as Murabaha, Istisna'a, Mudaraba, Musharaka, Ijarah, Wakala, Sukuk etc. The activities of the Group are conducted in accordance with Islamic Sharia'a, which prohibits usury, and within the provisions of the Articles and Memorandum of Association of the respective entities within the Group.

The address of the registered office of the Bank is P.O. Box 1080, Dubai, United Arab Emirates.

### 2 ACCOUNTING POLICIES

The interim condensed consolidated financial statements of the Bank are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2006.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual consolidated financial statements as at 31 December 2006. In addition, results for the 9 month period ended 30 September 2007 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2007.

### 3 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit attributable to the shareholders' of the parent for the period of AED 1,895,446,000 (2006: AED 1,019,115,000) by the weighted average number of shares outstanding during the period of 2,996,000,000 of AED 1 each (2006: 2,791,352,183 of AED 1 each).

The earnings per share reported for 2006 has been adjusted for the effect of right shares issued in December 2006 and bonus shares issued in February 2007 respectively.

No figures for diluted earnings per share have been presented as the Bank has not issued any instruments which would have an impact on earnings per share when exercised.

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

### 4 SHARE CAPITAL

	<i>30 September 2007 AED'000</i>	<i>Audited 31 December 2006 AED'000</i>
<b>Authorised capital:</b>		
3,000,000,000 shares of AED 1 each	<u>3,000,000</u>	<u>3,000,000</u>
<b>Issued and fully paid up:</b>		
2,996,000,000 shares of AED 1 each (2006: 2,800,000,000 shares of AED 1 each)	<u>2,996,000</u>	<u>2,800,000</u>

During the period, 196,000,000 shares of AED 1 each were issued as bonus shares.

### 5 RESERVES

	<i>30 September 2007 AED'000</i>	<i>Audited 31 December 2006 AED'000</i>
Statutory reserve	2,761,030	2,761,030
Donated land reserve	276,139	286,951
General reserve	895,000	895,000
Exchange translation reserve	13,128	30,323
	<u>3,945,297</u>	<u>3,973,304</u>

### 6 CONTINGENT LIABILITIES AND COMMITMENTS

#### *Financing-related financial instruments*

Financing-related financial instruments include commitments to extend financing, standby letters of credit and guarantees which are designed to meet the requirements of the Group's customers.

Commitments to extend financing represent contractual commitments to provide Islamic financing. Commitments generally have fixed expiration dates, or other termination clauses and normally require the payment of a fee. Since commitments may expire without being drawn upon, the total contract amounts do not necessarily represent future cash requirements. Standby letters of credit and guarantees commit the Group to make payments on behalf of customers contingent upon the failure of the customer to perform under the terms of the contract.

The Group has outstanding commitments and contingent liabilities under letters of credit and guarantees arising in the normal course of business, as follows:

	<i>30 September 2007 AED'000</i>	<i>Audited 31 December 2006 AED'000</i>
<b>Commitments on behalf of customers:</b>		
Letters of guarantee	9,510,358	9,038,742
Letters of credit	5,978,291	3,135,604
	<u>15,488,649</u>	<u>12,174,346</u>
<b>Commitments</b>		
Future capital expenditure commitments	<u>195,700</u>	<u>1,086,447</u>
Other commitments	<u>-</u>	<u>-</u>

## Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

#### 7 SHARE OF RESULTS OF ASSOCIATES

	<i>Nine months ended 30 September</i>	
	<i>2007 AED'000</i>	<i>2006 AED'000</i>
Deyaar Development P.J.S.C	156,000	-
Others	26,831	(7,000)
	<u>182,831</u>	<u>(7,000)</u>

#### 8 TRANSFER OF INTEREST IN SUBSIDIARY

In accordance with an agreement between the Bank and Deyaar Development P.J.S.C., the Group transferred its entire interest in Deyaar Development Company P.S.C. (a subsidiary company) engaged in real estate development to Deyaar Development PJSC as at 30 May 2007 for a consideration of AED 2,600,000,000 as approved by Securities and Commodities Authority.

The assets and liabilities of Deyaar Development Company P.S.C. as of 30 May 2007 and 31 December 2006 were as follows:

	<i>30 May 2007 AED'000</i>	<i>Audited 31 December 2006 AED'000</i>
Property, plant and equipment	14,956	12,032
Properties under construction	2,641,494	2,159,771
Accounts and notes receivable	245,267	261,567
Prepayments and other assets	382,079	211,231
Bank balances and cash	584,598	389,546
Total assets	<u>3,868,394</u>	<u>3,034,147</u>
Employees' end of service benefits	2,805	4,401
Retention payable	44,531	35,467
Islamic finance obligations	257,038	235,333
Term loan	1,346	1,041
Accounts payable and accruals	1,927,875	1,121,605
Minority interest	3,763	5,264
Total liabilities	<u>2,237,358</u>	<u>1,403,111</u>
Net assets	<u>1,631,036</u>	<u>1,631,036</u>
Consideration	<u>2,600,000</u>	
Gain arising on transfer	<u>968,964</u>	

# Dubai Islamic Bank (Public Joint Stock Company) and Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 30 September 2007 (Unaudited)

### 9 SEGMENTAL INFORMATION

For operating purposes the Group is organised into two major business segments: Financing activities, which principally provide murabahats, istisna'a, ijara and other financing facilities and deposit and current accounts for corporate, government, institutional and individual customers and Investment activities, which involves the management of the Group's investment and development properties, entering into musharakats, mudarabats, wakalat and participating in investment funds. These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated profit rates which approximate to market rates on an arm's length basis.

30 September	<i>Financing activities</i>		<i>Investing activities</i>		<i>Total</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Segment revenue	2,269,463	1,700,737	1,813,329	1,231,336	4,082,792	2,932,073
Inter-segment adjustment	307,058	472,936	(307,058)	(472,936)	-	-
	<u>2,576,521</u>	<u>2,173,673</u>	<u>1,506,271</u>	<u>758,400</u>	<u>4,082,792</u>	<u>2,932,073</u>
Profit before depositors' share, tax and gain on transfer of interest in subsidiary					2,916,059	2,201,174
Depositors' share of profit					(1,659,317)	(1,190,131)
Profit for the period before tax and gain on transfer of interest in subsidiary					1,256,742	1,011,043
Income tax					12,868	4,441
Gain on transfer of interest in subsidiary net of depositors' share of profit					617,169	-
Profit for the period					<u>1,886,779</u>	<u>1,015,484</u>

30 September	<i>Financing activities</i>		<i>Investing activities</i>		<i>Total</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>
Segment assets	47,205,563	37,841,131	26,865,374	15,460,899	74,070,937	53,302,030
Segment liabilities and equity	65,619,600	49,563,154	8,451,337	3,738,876	74,070,937	53,302,030

Although the management of the Group is based primarily on business segments, the Group operates in two geographic markets: UAE which is designated as domestic and outside the UAE which is designated as international. The following table shows the distribution of the Group's operating income, total assets and capital expenditure by geographical segment:

30 September	<i>Domestic</i>		<i>International</i>		<i>Total</i>	
	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>	<i>2007</i>	<i>2006</i>
	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>	<i>AED 000</i>
Gross income including gain on transfer of interest in subsidiary	4,844,052	2,712,668	207,704	219,405	5,051,756	2,932,073
Total assets	69,596,813	49,879,316	4,474,124	3,422,714	74,070,937	53,302,030
Capital expenditure	85,153	45,830	78,174	30,397	163,327	76,227