

Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED FINANCIAL STATEMENTS

31 MARCH 2014 (UNAUDITED)



Building a better
working world

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF EMIRATES INVESTMENT BANK P.J.S.C.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Emirates Investment Bank P.J.S.C. (the "Bank") as at 31 March 2014 and the related interim condensed statements of income, comprehensive income, cash flows and changes in equity for the three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst and Young

Signed by:

Anthony O'Sullivan
Partner
For Ernst & Young
Registration No. 687

27 April 2014

Dubai, United Arab Emirates

Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

At 31 March 2014

	<i>Notes</i>	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
ASSETS			
Cash and balances with UAE Central Bank		149,362	69,179
Due from banks	3	367,615	235,951
Loans and advances, net	4	544,767	108,778
Investments	5	2,170,519	2,328,275
Investment in an associate		72	72
Property & equipment		4,636	4,874
Other assets		27,845	28,088
TOTAL ASSETS		3,264,816	2,775,217
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks	6	843,033	765,286
Customer deposits		2,049,896	1,675,112
Other liabilities		31,950	30,225
TOTAL LIABILITIES		2,924,879	2,470,623
EQUITY			
Share capital		60,000	60,000
Legal reserve		30,000	30,000
Special reserve		24,361	24,361
Cumulative changes in fair values		79,162	63,337
Retained earnings		146,414	126,896
TOTAL EQUITY		339,937	304,594
TOTAL LIABILITIES & EQUITY		3,264,816	2,775,217

The interim condensed financial statements were approved by the Board of Directors on 28 April 2014 and signed on its behalf by:


Khaled Sif
(Chief Executive Officer)

The attached notes 1 to 14 form part of these interim condensed financial statements.

Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED INCOME STATEMENT

For the period ended 31 March 2014 (Unaudited)

		<i>Three months ended 31 March</i>	
		<i>2014</i>	<i>2013</i>
	<i>Note</i>	<i>AED'000</i>	<i>AED'000</i>
Interest income	7	4,013	466
Net income from investments	8	39,671	29,420
		<u>43,684</u>	<u>29,886</u>
Interest expense		(10,802)	(7,421)
NET INTEREST INCOME AND NET INCOME FROM INVESTMENTS		32,882	22,465
Other income		2,492	938
Exchange (loss)/ gain		(145)	130
OPERATING INCOME		35,229	23,533
General and administrative expenses		(11,851)	(8,101)
Impairment loss on loans and advances	4	(3,860)	-
OPERATING EXPENSES		(15,711)	(8,101)
PROFIT FOR THE PERIOD		19,518	15,432
BASIC AND DILUTED EARNINGS PER SHARE	9	30.03	23.74

The attached notes 1 to 14 form part of these interim condensed financial statements.

Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2014 (Unaudited)

	<i>Three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>
Profit for the period	19,518	15,432
Other comprehensive income/ (loss) to be reclassified to income statement in subsequent periods		
Net unrealised gain/ (loss) on available for sale investments	34,277	(9,075)
Net realised gain transferred to income statement on disposal of available for sale investments	(18,452)	(14,072)
Other comprehensive income (loss) for the period	15,825	(23,147)
Total comprehensive income (loss) for the period	35,343	(7,715)

The attached notes 1 to 14 form part of these interim condensed financial statements.

Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the period ended 31 March 2014 (Unaudited)

	<i>Three months ended 31 March</i>	
	<i>2014</i>	<i>2013</i>
	<i>AED'000</i>	<i>AED'000</i>
OPERATING ACTIVITIES		
Profit for the period	19,518	15,432
Adjustments for:		
Depreciation	336	207
Gain on sale of property and equipment	(1)	(31)
Impairment loss on loans and advances	3,860	-
Change in due to bank with original maturity of over three months	(9,840)	38,382
Change in loans and advances (net)	(439,849)	17,003
Change in investments (net)	173,581	(261,516)
Change in other assets	243	(9,482)
Change in customers' deposits	374,784	133,804
Change in other liabilities	1,725	(15,833)
Net cash from (used in) operating activities	<u>124,357</u>	<u>(82,034)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(98)	(2,962)
Proceeds from sale of property and equipment	1	31
Net cash used in investing activities	<u>(97)</u>	<u>(2,931)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	124,260	(84,965)
Cash and cash equivalents at 1 January	<u>83,632</u>	<u>(236,283)</u>
CASH AND CASH EQUIVALENTS AT 31 MARCH	<u>207,892</u>	<u>(321,248)</u>
Cash and cash equivalents comprise the following amounts included in the statement of financial position with original maturities of three months or less:		
Cash and balances with the UAE Central Bank	149,362	25,552
Due from banks	367,615	39,237
Due to banks	(309,085)	(386,037)
	<u>207,892</u>	<u>(321,248)</u>
Operational cash flows from interest and dividend		
Interest paid	9,972	8,851
Interest received (including from investments)	15,333	6,210
Dividends received	6,255	3,633

The attached notes 1 to 14 form part of these interim condensed financial statements.

Emirates Investment Bank P.J.S.C.

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2014 (Unaudited)

	Share capital AED '000 (Unaudited)	Legal reserve AED '000 (Unaudited)	Special reserve AED '000 (Unaudited)	Cumulative changes in fair value AED '000 (Unaudited)	Retained earnings AED '000 (Unaudited)	Total AED '000 (Unaudited)
At 1 January 2014	60,000	30,000	24,361	63,337	126,896	304,594
Profit for the period	-	-	-	-	19,518	19,518
Other comprehensive income for the period	-	-	-	15,825	-	15,825
Total comprehensive income for the period	-	-	-	15,825	19,518	35,343
Balance at 31 March 2014	60,000	30,000	24,361	79,162	146,414	339,937
At 1 January 2013	55,000	27,330	20,738	80,897	107,460	291,425
Profit for the period	-	-	-	-	15,432	15,432
Other comprehensive (loss) for the period	-	-	-	(23,147)	-	(23,147)
Total comprehensive (loss) for the period	-	-	-	(23,147)	15,432	(7,715)
Cash dividend –relating to 2012	-	-	-	-	(5,500)	(5,500)
Balance at 31 March 2013	55,000	27,330	20,738	57,750	117,392	278,210

The attached notes 1 to 14 form part of these interim condensed financial statements.

1 INCORPORATION AND ACTIVITIES

Emirates Investment Bank P.J.S.C. (the "Bank") was incorporated on 17 February 1976 in Dubai, United Arab Emirates by a decree of HH The Ruler of Dubai as Arab Emirates Investment Bank PJSC. In 1999, the Bank was registered under the UAE Commercial Companies Law No. (8) of 1984 (as amended) as a Public Joint Stock Company. The Bank is engaged in the business of private banking, investment banking and investment portfolio management. The address of the Bank's registered office is P. O. Box 5503, Dubai, United Arab Emirates.

The Bank is a subsidiary of Al Futtaim Private Company LLC which holds 52.36% of the shares in the Bank.

2 ACCOUNTING POLICIES

Basis of preparation

The interim condensed financial statements of the Bank are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed 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 financial statements as at 31 December 2013. In addition, results for the three months ended 31 March 2014 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2014.

New standards, interpretations and amendments

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Bank's annual financial statements for the year ended 31 December 2013, except for the adoption of new standards and interpretations effective as of 1 January 2014.

The Bank applies, for the first time, certain standards and amendments. As required by IAS 34, the nature and the effect of these changes are disclosed below.

Several other new standards and amendments apply for the first time in 2014. However, they do not impact the annual financial statements of the Bank or the interim condensed financial statements of the Bank.

The nature and the impact of each new standard/amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact on the Bank.

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no significant impact on the Bank.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the bank has not novated its derivatives during the current or prior periods.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 *Fair Value Measurement* on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments have no impact to the Bank.

31 March 2014 (Unaudited)

2 ACCOUNTING POLICIES (continued)**New standards, interpretations and amendments (continued)****IFRIC 21 Levies**

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 *Income Taxes*) and fines or other penalties for breaches of legislation. The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognized before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements. This new standard have no significant impact on the Bank.

The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3 DUE FROM BANKS

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Domestic	180,513	119,136
Regional	29,800	16,759
International	157,302	100,056
	<u>367,615</u>	<u>235,951</u>

4 LOANS AND ADVANCES, NET

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Commercial and business:		
Overdrafts / loans (secured)	553,062	113,213
Gross loans and advances	553,062	113,213
Less: collective impairment provision	(8,295)	(4,435)
Loans and advances, net	<u>544,767</u>	<u>108,778</u>

At 31 March 2014, there were no loans individually determined to be impaired and, accordingly, no specific provisions were considered necessary in respect of any of the loans and advances provided by the Bank (31 December 2013: Nil).

Based on the assessment of health of the overall loans and advances portfolio, and also in compliance with the directive of the Central Bank of UAE, the Bank has determined a collective impairment provision of AED 8,295 thousand (31 December 2013: AED 4,435 thousand) against risk of default incurred but not yet identified.

31 March 2014 (Unaudited)

5 INVESTMENTS

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
<i>Available for sale investments</i>		
<i>Debt investments:</i>		
Quoted	1,384,951	1,498,703
Unquoted	62,836	91,207
	<u>1,447,787</u>	<u>1,589,910</u>
<i>Equity investments:</i>		
Quoted	703,627	717,864
Unquoted	18,499	19,484
	<u>722,126</u>	<u>737,348</u>
Total available for sale investments	2,169,913	2,327,258
Investment in bullion	606	1,017
Total investments	2,170,519	2,328,275
	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
<i>Debt investments:</i>		
Domestic	1,180,315	1,331,061
Regional	53,098	49,907
International	214,374	208,942
	<u>1,447,787</u>	<u>1,589,910</u>
<i>Equity investments:</i>		
Domestic	122,343	152,734
Regional	19,378	66,883
International	580,405	517,731
	<u>722,126</u>	<u>737,348</u>
Investment in bullion	606	1,017
	<u>2,170,519</u>	<u>2,328,275</u>

Part of the proprietary investment portfolio of the Bank having a carrying value of AED 1,421 million (2013: AED 1,025 million) is pledged as collateral with banks against credit facilities and repurchase agreements totaling to AED 766 million (2013: AED 712 million).

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

31 March 2014 (Unaudited)

5 INVESTMENTS (continued)

As at 31 March 2014, the Bank held the following investments measured as follows:

	<i>31 March 2014</i>	<i>Investments carried at fair value</i>			<i>Investments carried at cost</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Debt investments:					
Domestic	1,180,315	1,117,479	-	-	62,836
Regional	53,098	53,098	-	-	-
International	214,374	214,374	-	-	-
Equity investments:					
Domestic	122,343	104,130	11,109	7,104	-
Regional	19,378	15,078	4,300	-	-
International	580,405	394,988	184,724	-	693
Investment in bullion	606	606	-	-	-
	<u>2,170,519</u>	<u>1,899,753</u>	<u>200,133</u>	<u>7,104</u>	<u>63,529</u>

As at 31 December 2013, the Bank held the following investments measured as follows:

	<i>31 December 2013</i>	<i>Investments carried at fair value</i>			<i>Investments carried at cost</i>
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>	<i>(Audited)</i>
Debt investments:					
Domestic	1,331,061	1,239,854	-	-	91,207
Regional	49,907	49,907	-	-	-
International	208,942	208,942	-	-	-
Equity investments:					
Domestic	152,734	134,521	11,109	7,104	-
Regional	66,883	37,409	29,474	-	-
International	517,731	366,266	150,772	-	693
Investment in bullion	1,017	1,017	-	-	-
	<u>2,328,275</u>	<u>2,037,916</u>	<u>191,355</u>	<u>7,104</u>	<u>91,900</u>

During the current period, investments amounting to Nil (2013: AED 45,156 thousand) was transferred from Level 2 to Level 1 fair value measurements. There are no other transfers into and out of level 3 and investments carried at cost category as at 31 March 2014.

31 March 2014 (Unaudited)

5 INVESTMENTS (continued)

The transfers from Level 2 to Level 1 were made as the market in respect of these securities was considered to be active again during the year. Investments under Level 2 fair value hierarchy is valued using latest available asset value. The following table shows a reconciliation of the opening and closing amounts of level 3 investments recorded at fair value:

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
At 1 January	7,104	7,231
Net unrealised gain recorded in equity	-	(127)
	<u>7,104</u>	<u>7,104</u>

The Bank has assessed the sensitivity of the fair value measurement of investments under level 3 due to changes in inputs used. Based on the assessment, no major changes in the fair value of investments under level 3 are noted as at 31 December 2013. Such an assessment is performed on an annual basis by observing the changes in unobservable inputs which might result in higher or lower fair value measurement.

6 DUE TO BANKS

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Term placement	586,948	632,991
Overdraft facility	119,012	-
Repurchase agreements	137,073	132,295
	<u>843,033</u>	<u>765,286</u>

The Bank has borrowed an amount of AED 137 million (December 2013: AED 132 million) under repurchase agreements, whereby the Bank's investments in certain bonds with a carrying value of AED 180 million (December 2013: AED 182 million) as at 31 March 2014 are pledged as collateral under these agreements.

The Bank has also borrowed an amount of AED 629 million (December 2013: AED 580 million) under term placements, whereby the Banks investments in certain bonds and the equity investments with a carrying value of AED 1,241 million (December 2013: AED 843 million) as at 31 December 2013 are pledged as collateral under these placements.

7 INTEREST INCOME

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 March 2013 AED'000 (Unaudited)</i>
Loans and advances	4,013	308
Bank placements	-	158
	<u>4,013</u>	<u>466</u>

8 NET INCOME FROM INVESTMENTS

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 March 2013 AED'000 (Unaudited)</i>
Interest income on investments in debt instruments	15,220	11,898
Net realised gain on disposal of available for sale investments	18,459	14,083
Dividend income	6,255	3,633
Portfolio management fee paid to other financial institutions	(263)	(194)
	<u>39,671</u>	<u>29,420</u>

9 BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit of AED 19,518 thousand for the three months period ended 31 March 2014 (31 March 2013: AED 15,432 thousand) by the weighted average number of shares outstanding during the period of 650,000 of AED 100 each (31 March 2013: 650,000 of shares of AED 100 each).

The weighted average number of shares includes the impact of scrip dividend whereby the shares were issued subsequent to the date of statement of financial position.

The figures for basic and diluted earnings per share are the same as the Bank has not issued any instruments which would have an impact on earnings per share when exercised.

10 SEGMENTAL ANALYSIS

For operating purposes, the Bank is organised into two major business segments: (a) Investments which is principally involved in managing the Bank's own investment portfolio and provides treasury services; and (b) Banking Services, which principally manages client's investment portfolio, provides credit facilities, accepts deposit from corporate and individual customers and provides advisory services on corporate finance and capital market transactions. These segments are the basis on which the Bank reports its primary segment information. Transactions between segments are conducted at rates determined by management taking into consideration the cost of funds and an equitable allocation of expenses.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

	<i>Investments</i>		<i>Banking Services</i>		<i>Total</i>	
	<i>31 March 2014 AED'000</i>	<i>31 March 2013 AED'000</i>	<i>31 March 2014 AED'000</i>	<i>31 March 2013 AED'000</i>	<i>31 March 2014 AED'000</i>	<i>31 March 2013 AED'000</i>
Revenue *	40,999	29,599	5,032	1,355	46,031	30,954
Inter-segment adjustment	(7,067)	(6,887)	7,067	6,887	-	-
	<u>33,932</u>	<u>22,712</u>	<u>12,099</u>	<u>8,242</u>	<u>46,031</u>	<u>30,954</u>
Profit for the period	<u>19,193</u>	<u>15,292</u>	<u>325</u>	<u>140</u>	<u>19,518</u>	<u>15,432</u>

31 March 2014 (Unaudited)

10 SEGMENTAL ANALYSIS (continued)

	<i>Investments</i>		<i>Banking Services</i>		<i>Total</i>	
	<i>31 March 2014 AED'000</i>	<i>31 December 2013 AED'000</i>	<i>31 March 2014 AED'000</i>	<i>31 December 2013 AED'000</i>	<i>31 March 2014 AED'000</i>	<i>31 December 2013 AED'000</i>
Segment assets	<u>2,560,999</u>	<u>2,491,141</u>	<u>703,817</u>	<u>284,076</u>	<u>3,264,816</u>	<u>2,775,217</u>
Segment liabilities and equity	<u>1,057,195</u>	<u>959,034</u>	<u>2,207,621</u>	<u>1,816,183</u>	<u>3,264,816</u>	<u>2,775,217</u>

* Revenue comprises interest income, net income from investments, other income and exchange (loss) / gain less impairment loss on investments.

11 CONTINGENT LIABILITIES AND COMMITMENTS

The Bank has the following credit related contingent liabilities and commitments:

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Guarantees	<u>66,015</u>	<u>67,825</u>

The Bank has no commitments on account of investments made in securities and limited partnership funds.

Operating lease commitments:

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Future minimum lease payments		
Within one year	1,692	1,534
After one year but not more than five years	<u>4,818</u>	<u>5,326</u>
Total operating lease expenditure contracted for at the end of the reporting period	<u>6,510</u>	<u>6,860</u>

12 RELATED PARTY TRANSACTIONS

The Bank enters into transactions in the ordinary course of business with related parties, defined as major shareholders, directors, key management personnel and their related companies. All loans and advances to related parties are performing advances and are free of any provision for possible loan losses.

The significant balances outstanding in respect of related parties included in the interim condensed financial statements are as follows:

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
<i>Directors, their related parties and key management personnel:</i>		
Loans and advances	-	268
Investments	<u>42,316</u>	<u>68,698</u>
Customers' deposits	<u>1,009,259</u>	<u>1,022,518</u>
Commitments and contingencies	<u>62,620</u>	<u>64,445</u>

12 RELATED PARTY TRANSACTIONS (continued)

The income and expenses in respect of related parties included in the interim condensed financial statements are as follows:

	<i>Three months ended</i>	
	<i>31 March 2014 AED'000</i>	<i>31 March 2013 AED'000</i>
<i>Directors, their related parties and key management personnel:</i>		
Interest income	378	226
Interest expenses	6,491	3,650
Commission and fees	198	426
General and administration expenses	819	663

Compensation of key management personnel:

	<i>Three months ended</i>	
	<i>31 March 2014 AED'000</i>	<i>31 March 2013 AED'000</i>
Salaries and other benefits	<u>1,802</u>	<u>1,482</u>

13 FIDUCIARY ASSETS

	<i>31 March 2014 AED'000 (Unaudited)</i>	<i>31 December 2013 AED'000 (Audited)</i>
Balance of fiduciary assets	<u>2,775,768</u>	<u>1,488,000</u>

The Bank manages investments on behalf of its customers. These investments are held by the Bank in a fiduciary capacity and are, accordingly, not included in these financial statements as assets of the Bank.

14 DIVIDENDS

At the Annual General Meeting of the Bank, held on 30 March 2014, the shareholders approved a scrip dividend at 8.333% of the paid up capital amounting to 5,000 thousand (2013: cash dividend of AED 5,500 thousand and scrip dividend of AED 5,000 thousand) for the year ended 31 December 2013, which will be issued to the shareholders subsequent to the quarter end.