

MASHREQBANK PSC GROUP
CONSOLIDATED BALANCE SHEETS

	30/6/2002 (Unaudited) AED'000	31/12/2001 (Audited) AED'000	30/6/2001 (Unaudited) AED'000
<u>ASSETS</u>			
Cash and deposits with Central Banks	3,485,286	5,895,498	4,861,660
Deposits and balances due from banks	3,712,066	3,768,300	4,042,545
Advances to customers less provisions	10,567,587	10,462,745	10,261,248
Interest receivable and other assets	400,764	456,215	434,242
Investments in securities	2,324,545	1,792,378	1,700,234
Investment property	111,767	111,767	111,767
Fixed assets	190,007	213,117	227,189
TOTAL ASSETS	20,792,022	22,700,020	21,638,885
<u>LIABILITIES</u>			
Deposits from customers	14,821,060	16,111,790	15,303,767
Deposits and balances due to banks	1,998,159	2,666,013	2,578,773
Long-term loans	59,903	62,904	69,330
Interest payable and other liabilities	650,116	641,247	704,498
Insurance and life assurance funds	109,389	77,254	80,836
Total Liabilities	17,638,627	19,559,208	18,737,204
Minority Interest	113,140	110,686	107,427
<u>SHAREHOLDERS' FUNDS</u>			
Share capital	715,864	715,864	715,864
Statutory and legal reserves	362,324	362,324	361,769
General reserve	312,000	312,000	312,000
Retained earnings	1,704,880	1,476,656	1,471,786
Cumulative translation adjustment	(121,323)	(121,199)	(125,950)
Cumulative changes in fair value	66,510	69,722	58,785
	3,040,255	2,815,367	2,794,254
Proposed dividend	-	214,759	-
Total shareholders' funds	3,040,255	3,030,126	2,794,254
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	20,792,022	22,700,020	21,638,885
<u>CONTRA ACCOUNTS (MEMORANDA)</u>	8,850,162	8,093,116	7,513,442

MASHREQBANK PSC GROUP
CONSOLIDATED STATEMENT OF
NET INCOME AND RETAINED EARNINGS

	30/6/2002 (Unaudited) AED'000	30/6/2001 (Unaudited) AED'000
Interest income	532,238	761,179
Interest expense	<u>(208,191)</u>	<u>(458,039)</u>
Net interest income	324,047	303,140
Net commission income	76,560	62,676
Other income	<u>205,282</u>	<u>204,464</u>
	605,889	570,280
General and administrative expenses	<u>(243,161)</u>	<u>(244,275)</u>
Provisions for loans & advances, investments & others	<u>(110,742)</u>	<u>(115,309)</u>
Income before taxes and minority interest	251,986	210,696
Income taxes	<u>(15,023)</u>	<u>(17,661)</u>
Net profit before minority interest	236,963	193,035
Minority interest	<u>(8,739)</u>	<u>(7,477)</u>
Net income for the period	<u>228,224</u>	<u>185,558</u>
EARNINGS PER SHARE	<u>AED 31.88</u>	<u>AED 25.92</u>

MASHREQBANK PSC GROUP
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2002

	Share Capital AED'000	Statutory and legal Reserve AED'000	General Reserve AED'000	Retained Earnings AED'000	Proposed Dividend AED'000	Cumulative translation adjustment AED'000	Cumulative change in fair value AED'000	Total AED'000
Balance at January 1, 2001	715,864	361,769	312,000	1,286,228	157,490	(121,826)	-	2,711,525
Effect of implementation of IAS 39 at January 1, 2001	-	-	-	109,086	-	-	-	109,086
Effect of implementation of IAS 40 at January 1, 2001	-	-	-	15,775	-	-	-	15,775
Transfer to cumulative changes in fair value of investment properties	-	-	-	(15,775)	-	-	15,775	-
Transfer of cumulative changes in fair value of securities	-	-	-	(109,086)	-	-	109,086	-
Change in fair value of investment during the period	-	-	-	-	-	-	(38,529)	(38,529)
Net income for the period	-	-	-	185,558	-	-	-	185,558
Proposed dividend	-	-	-	-	(157,490)	-	-	(157,490)
Dividend paid	-	-	-	-	-	-	-	-
Overseas entities' translation adjustment	-	-	-	-	-	(4,124)	-	(4,124)
Minority interest in cumulative change	-	-	-	-	-	-	(27,547)	(27,547)
Balance at June 30, 2001	715,864	361,769	312,000	1,471,786	-	(125,950)	58,785	2,794,254
Balance at January 1, 2002	715,864	362,324	312,000	1,476,656	214,759	(121,199)	69,722	3,030,126
Cumulative changes in fair value	-	-	-	-	-	-	(2,226)	(2,226)
Net income for the period	-	-	-	228,224	-	-	-	228,224
Dividend paid	-	-	-	-	(214,759)	-	-	(214,759)
Overseas entities' translation adjustment	-	-	-	-	-	(124)	-	(124)
Minority interest in cumulative change	-	-	-	-	-	-	(986)	(986)
Balance at June 30, 2002	715,864	362,324	312,000	1,704,880	-	(121,323)	66,510	3,040,255