

MASHREQBANK PSC GROUP
CONSOLIDATED BALANCE SHEETS

	31/03/2003 (Unaudited) AED'000	31/12/2002 (Audited) AED'000	31/03/2002 (Unaudited) AED'000
<u>ASSETS</u>			
Cash and deposits with Central Banks	2,755,261	3,079,178	4,075,311
Deposits and balances due from banks	2,770,436	4,563,578	3,992,220
Advances to customers less provisions	12,612,098	12,582,010	10,396,458
Interest receivable and other assets	520,555	503,484	496,175
Investments in securities	2,841,365	2,660,916	1,983,865
Investment property	111,678	112,099	111,767
Fixed assets	172,667	181,915	200,908
TOTAL ASSETS	21,784,060	23,683,180	21,256,704
<u>LIABILITIES</u>			
Deposits from customers	15,701,901	16,713,671	15,605,114
Deposits and balances due to banks	1,646,086	2,529,103	1,770,463
Long-term loans	55,422	57,065	61,323
Interest payable and other liabilities	787,490	766,874	681,578
Insurance and life assurance funds	131,195	97,273	89,482
Total Liabilities	18,322,094	20,163,986	18,207,960
Minority Interest	144,529	139,474	112,741
<u>SHAREHOLDERS' FUNDS</u>			
Share capital	715,864	715,864	715,864
Statutory and legal reserves	366,770	366,770	362,324
General reserve	312,000	312,000	312,000
Retained earnings	1,905,029	1,762,349	1,600,739
Cumulative translation adjustment	(119,058)	(119,387)	(121,817)
Cumulative changes in fair value	136,832	127,365	66,893
	3,317,437	3,164,961	2,936,003
Proposed dividend	-	214,759	-
Total shareholders' funds	3,317,437	3,379,720	2,936,003
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	21,784,060	23,683,180	21,256,704
<u>CONTRA ACCOUNTS (MEMORANDA)</u>	9,621,936	9,447,958	8,280,307

MASHREQBANK PSC GROUP
CONSOLIDATED STATEMENT OF
NET INCOME AND RETAINED EARNINGS

	31/03/2003 (Unaudited) AED'000	31/03/2002 (Unaudited) AED'000
Interest income	270,846	272,818
Interest expense	<u>(87,779)</u>	<u>(107,936)</u>
Net interest income	183,067	164,882
Net commission income	39,470	38,145
Other income	<u>124,056</u>	<u>118,068</u>
Total Operating Income	346,593	321,095
General and administrative expenses	<u>(133,043)</u>	<u>(119,852)</u>
Provisions for loans & advances, investments & others	<u>(57,132)</u>	<u>(63,743)</u>
Income before taxes and minority interest	156,418	137,500
Income taxes	<u>(7,000)</u>	<u>(7,033)</u>
Net profit before minority interest	149,418	130,467
Minority interest	<u>(6,738)</u>	<u>(6,384)</u>
Net income for the period	<u>142,680</u>	<u>124,083</u>
EARNINGS PER SHARE	<u>19.93</u>	<u>17.33</u>

MASHREQBANK PSC GROUP
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
FOR THE THREE MONTHS ENDED MARCH 31, 2003

	Share Capital AED'000	Statutory and legal Reserve AED'000	General Reserve AED'000	Cumulative translation adjustment AED'000	Cumulative change in fair value AED'000	Retained Earnings AED'000	Proposed Dividend AED'000	Total AED'000
Balance at January 1, 2003	715,864	366,770	312,000	(119,387)	127,365	1,762,349	214,759	3,379,720
Cumulative changes in fair value	-	-	-	-	16,872 -	-	-	16,872
Net income for the period	-	-	-	-	-	142,680 -	-	142,680
Dividend paid	-	-	-	-	-	-	(214,759)	(214,759)
Overseas entities' translation adjustment	-	-	-	329 -	-	-	-	329
Minority interest in cumulative change	-	-	-	-	(7,405) -	-	-	(7,405)
Balance at March 31, 2003	715,864	366,770	312,000	(119,058)	136,832	1,905,029 -	-	3,317,437