

MASHREQBANK PSC GROUP
CONSOLIDATED BALANCE SHEETS

	30/06/2003	31/12/2002	30/06/2002
	(Unaudited)	(Audited)	(Unaudited)
	AED'000	AED'000	AED'000
<u>ASSETS</u>			
Cash and deposits with Central Banks	2,609,427	3,079,178	3,485,286
Deposits and balances due from banks	2,503,255	4,563,578	3,712,066
Advances to customers less provisions	13,323,417	12,582,010	10,567,587
Interest receivable and other assets	524,228	503,484	400,764
Investments in securities	3,053,472	2,660,916	2,324,545
Investment property	106,047	112,099	111,767
Fixed assets	168,326	181,915	190,007
TOTAL ASSETS	22,288,172	23,683,180	20,792,022
<u>LIABILITIES</u>			
Deposits from customers	16,054,131	16,713,671	14,821,060
Deposits and balances due to banks	1,581,486	2,529,103	1,998,159
Long-term loans	54,040	57,065	59,903
Interest payable and other liabilities	840,438	766,874	650,116
Insurance and life assurance funds	134,767	97,273	109,389
Total Liabilities	18,664,862	20,163,986	17,638,627
Minority Interest	153,831	139,474	113,140
<u>SHAREHOLDERS' FUNDS</u>			
Share capital	715,864	715,864	715,864
Statutory and legal reserves	369,252	366,770	362,324
General reserve	312,000	312,000	312,000
Retained earnings	2,030,156	1,762,349	1,704,880
Cumulative translation adjustment	(116,531)	(119,387)	(121,323)
Cumulative changes in fair value	158,738	127,365	66,510
	3,469,479	3,164,961	3,040,255
Proposed dividend	-	214,759	-
Total shareholders' funds	3,469,479	3,379,720	3,040,255
TOTAL LIBAILITIES & SHAREHOLDERS' EQUITY	22,288,172	23,683,180	20,792,022
<u>CONTRA ACCOUNTS (MEMORANDA)</u>	10,614,385	9,447,958	8,850,162

MASHREQBANK PSC GROUP
CONSOLIDATED STATEMENT OF
NET INCOME AND RETAINED EARNINGS

	30/06/2003 (Unaudited) AED'000	30/06/2002 (Unaudited) AED'000
Interest income	543,101	532,238
Interest expense	(174,770)	(208,191)
Net interest income	368,331	324,047
Net commission income	81,621	76,560
Other income	224,227	205,282
Total Operating Income	674,179	605,889
General and administrative expenses	(264,742)	(243,161)
Provisions for loans & advances, investments & others	(109,595)	(110,742)
Income before taxes and minority interest	299,842	251,986
Income taxes	(17,850)	(15,023)
Net profit before minority interest	281,992	236,963
Minority interest	(11,703)	(8,739)
Net income for the period	270,289	228,224
EARNINGS PER SHARE	3.78	3.19

MASHREQBANK PSC GROUP
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 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, 2002	715,864	362,324	312,000	(121,199)	69,722	1,476,656	214,759	3,030,126
Change in fair value of investment during the period	-	-	-	-	(2,829)	-	-	(2,829)
Net income for the period	-	-	-	-	-	124,083	-	124,083
Dividend paid	-	-	-	-	-	-	(214,759)	(214,759)
Overseas entities' translation adjustment	-	-	-	(618)	-	-	-	(618)
Minority interest in cumulative change	-	-	-	-	-	-	-	0
Balance at March 31, 2002	715,864	362,324	312,000	(121,817)	66,893	1,600,739	0	2,936,003
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	-	-	-	-	43,125	-	-	43,125
Net income for the period	-	-	-	-	-	267,807	-	267,807
Dividend paid	-	-	-	-	-	-	(214,759)	(214,759)
Overseas entities' translation adjustment	-	-	-	2,856	-	-	-	2,856
Appropriations	-	2,482	-	-	-	-	-	2,482
Minority interest in cumulative change	-	-	-	-	(11,752)	-	-	(11,752)
Balance at June 30, 2003	715,864	369,252	312,000	(116,531)	158,738	2,030,156	-	3,469,479