

MASHREQBANK PSC GROUP
CONSOLIDATED BALANCE SHEETS

	30/06/2005 (Unaudited) AED'000	31/12/2004 (Audited) AED'000	30/06/2004 (Unaudited) AED'000
<u>ASSETS</u>			
Cash and balances with Central Banks	4,229,881	3,058,500	2,534,945
Deposits and balances due from banks	3,363,401	4,649,506	5,529,955
Loans and Advances (net)	18,913,078	17,845,387	16,980,515
Interest receivable and other assets	1,038,664	835,018	712,372
Investments in securities	8,877,181	5,240,765	3,803,656
Investment property	173,867	145,493	129,988
Property and equipment	160,552	174,159	160,495
TOTAL ASSETS	36,756,624	31,948,828	29,851,926
<u>LIABILITIES</u>			
Customers' deposits	22,471,423	21,107,058	20,236,403
Deposits and balances due to banks	3,992,141	3,090,409	2,779,993
Insurance and life assurance funds	246,910	189,143	182,025
Medium-term floating rate notes	2,295,625	1,101,900	1,101,900
Long-term loans	43,049	45,786	48,490
Interest payable and other liabilities	1,523,075	1,159,461	885,096
Total Liabilities	30,572,223	26,693,757	25,233,907
Minority Interest	682,118	404,803	303,031
<u>SHAREHOLDERS' EQUITY</u>			
Share capital	866,195	787,450	787,450
Statutory and legal reserves	394,768	393,984	372,895
General reserve	312,000	312,000	312,000
Cumulative translation adjustment	(13,293)	(9,845)	(23,825)
Cumulative changes in fair value and other reserves	770,889	516,459	408,138
Retained earnings	3,171,724	2,495,867	2,458,331
Proposed dividends		354,353	-
Total shareholders' equity	5,502,283	4,850,268	4,314,989
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	36,756,624	31,948,828	29,851,926
<u>CONTRA ACCOUNTS (MEMORANDA)</u>	16,286,445	13,772,653	12,485,073

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CONSOLIDATED INCOME STATEMENT

	30/06/2005 (Unaudited) AED'000	30/06/2004 (Unaudited) AED'000
Interest income	910,073	638,983
Interest expense	(433,236)	(235,760)
Net interest income	476,837	403,223
Net commission income	140,118	115,397
Other income	921,140	270,533
Total Operating Income	1,538,095	789,153
General and administrative expenses	(336,527)	(288,351)
Allowances for loans & advances and other financial assets	(336,308)	(120,519)
Income before taxes and minority interest	865,260	380,283
Income taxes	(10,118)	(13,642)
Net income before minority interest	855,142	366,641
Minority interest	(178,501)	(28,543)
Net income for the period	676,641	338,098
EARNINGS PER SHARE	7.81	3.90

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED JUNE 30, 2005

	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 Cash Dividend AED'000	Proposed Bonus Shares AED'000	Total AED'000
Balance at January 1, 2005	787,450	393,984	312,000	(9,845)	516,459	2,495,867	275,608	78,745	4,850,268
Changes in fair value of investments during the period	-	-	-	-	254,430	-	-	-	254,430
Net income for the period	-	-	-	-	-	676,641	-	-	676,641
Transfers to statutory and legal reserves	-	784	-	-	-	(784)	-	-	-
Proposed cash dividend	-	-	-	-	-	-	-	-	-
Proposed bonus shares	-	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	(275,608)	-	(275,608)
Bonus shares distributed during the period	78,745	-	-	-	-	-	-	(78,745)	-
Overseas entities' translation adjustment	-	-	-	(3,448)	-	-	-	-	(3,448)
Balance at June 30, 2005	866,195	394,768	312,000	(13,293)	770,889	3,171,724	-	-	5,502,283