

Mashreqbank net income for Half Year 2006 is 660 Million

30 July 2006 – Dubai, U.A.E: The Mashreqbank Group reported another period of robust profitability in the second quarter of 2006, as core revenues from regular banking business showed considerable increase over last year. Total assets were AED 46.9 billion at June 30 2006, up 28% percent from Dh 36.7 billion a year ago. Customer deposits were higher than last year by 27%.

Mashreqbank CEO Abdul Aziz Al Ghurair said the bank's continuing strong performance reflects the UAE's robust economy as well as the bank's commitment to continually enhancing its product offering and value added services.

"Against a background of sharply declining UAE stock markets, with the consequent impact on revenues from brokerage, fund management and IPO financing, we are satisfied with the group's performance in the second quarter."

"Mashreqbank's core operations continued to perform well, underpinning another period of strong profitability. We have been warning for some time that the exceptional profit growth generated by the UAE banking sector in 2005 was not sustainable in the long-run, and we have seen a return to a more normal environment in 2006.

On the back of higher assets, Net Interest income excluding IPO related grew by 17%. Commission and Other income from core business of the bank were higher than last year by 20%. However, total other income was lower due to considerable decline in income related to UAE stock markets and IPO related activities during 2006 as compared to same period previous year. The bank's Net Income for the first six months was AED 660 Millions.

The group has recorded a number of significant achievements since the end of the first quarter. Mashreqbank was recognised by

Euromoney Magazine as the Best Bank in the UAE for innovation, IT and cash management, citing in particular the bank's expertise in wholesale and cross border finance.

During the year, Capital Intelligence, raised the foreign currency short-term rating of Mashreqbank to A1 from A2, with a 'stable' outlook.

In May Mashreqbank partnered with MasterCard and DATEL to launch the Middle East's first payment card incorporating E-Gate functionality, allowing cardholders to use the fast track immigration lane at airports.

In April, the Dubai International Financial Exchange (DIFX) accepted Mashreq Capital as a Member firm able to trade securities.

Increased investment in new branches, people, technology and infrastructure has resulted in higher level of expenses

Mashreqbank has partnered with Emirates Nationals Development Programme (ENDP) to undertake a massive recruitment drive to employ upto 80 young UAE nationals.

"Our energies have been focused on diversifying of our income streams by pioneering innovative new products in the market. These investments are themselves now generating revenues that will continue to bolster our earnings in the future," Abdul Aziz Al Ghurair added.

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