

MASHREQBANK PSC GROUP**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD FROM JANUARY 1, 2006
TO SEPTEMBER 30, 2006**

Mashreqbank psc Group**Interim Condensed Consolidated Financial Statements and
Review Report
For the period from January 1, 2006 to September 30, 2006****Table of Contents**

	<u>Page</u>
Review Report	1
Interim Condensed Consolidated Balance Sheet	2
Interim Condensed Consolidated Income Statement	3
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	4
Interim Condensed Consolidated Cash Flow Statement	5
Notes to the Interim Condensed Consolidated Financial Statements	6 - 18

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Report on Review of Interim Condensed Consolidated Financial Statements

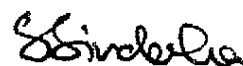
The Shareholders
Mashreqbank psc
Dubai
United Arab Emirates

We have reviewed the accompanying interim condensed consolidated balance sheet of **Mashreqbank psc** (the “Bank”) and its **Subsidiaries** (collectively the “Group”), as at September 30, 2006 and the related interim condensed consolidated statements of income, changes in shareholders’ equity and cash flows for the period from January 1, 2006 to September 30, 2006. These interim condensed consolidated financial statements are the responsibility of the Directors of the Bank. Our responsibility is to issue a report on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with International Standard on Review Engagements (ISRE 2400). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim condensed consolidated financial statements are free of material misstatement. A review is limited primarily to inquiries of Group personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not presented fairly in all material respects, in accordance with International Accounting Standard No.34.

Deloitte & Touche



Saba Sindaha (Reg. No. 410)

Dubai
October 22, 2006

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Member of
Deloitte Touche Tohmatsu

Mashreqbank psc Group

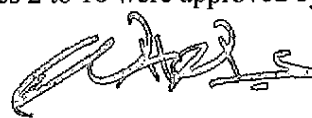
2

Interim Condensed Consolidated Balance Sheet
As of September 30, 2006
(In Thousand Arab Emirates Dirhams)

	<u>Note</u>	<u>September</u> <u>30, 2006</u> <u>AED'000</u> <u>(reviewed)</u>	<u>December</u> <u>31, 2005</u> <u>AED'000</u> <u>(audited)</u>
ASSETS			
Cash and balances with central banks		2,666,552	4,004,935
Deposits and balances due from banks		6,017,456	7,066,495
Loans and advances, net	3	26,805,136	22,269,429
Islamic financing and investment products	4	824,220	-
Customer acceptances		938,566	800,164
Interest receivable and other assets		1,373,970	893,548
Investment in securities	5	12,027,985	11,090,130
Investment property		252,573	224,103
Property and equipment		242,922	193,827
Total assets		51,149,380	46,542,631
LIABILITIES			
Customers' deposits		31,216,946	30,004,792
Islamic customers' deposits		786,022	-
Deposits and balances due to banks		4,459,816	3,500,231
Insurance and life assurance funds		331,108	260,448
Medium-term floating rate notes	6	3,397,525	2,295,625
Long-term loans		24,655	30,665
Customer acceptances		938,566	800,164
Interest payable and other liabilities		2,253,836	1,495,887
Total liabilities		43,408,474	38,387,812
SHAREHOLDERS' EQUITY			
Share capital	7	866,195	866,195
Statutory and legal reserves		468,839	468,839
General reserves		312,000	312,000
Cumulative translation adjustment		(14,774)	(16,005)
Cumulative changes in fair values		410,722	1,467,341
Retained earnings		5,100,506	4,160,362
Equity attributable to equity holders of the parent		7,143,488	7,258,732
Minority interest		597,418	896,087
Total shareholders' equity		7,740,906	8,154,819
Total liabilities and shareholders' equity		51,149,380	46,542,631

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

The interim condensed consolidated financial statements on pages 2 to 18 were approved by the Board of Directors on October 22, 2006 and signed on their behalf by:



Abdulla Ahmed Al Ghurair
Chairman

Abdul Aziz Abdulla Al Ghurair
Chief Executive Officer

Mashreqbank psc Group

3

Interim Condensed Consolidated Income Statement**For the period from January 1, 2006 to September 30, 2006****(In Thousand Arab Emirates Dirhams)**

	Note	<u>3 months ended</u>		<u>9 months ended,</u>	
		<u>September 30,</u>		<u>September 30,</u>	
		<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
		<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>	<u>AED'000</u>
		<u>(reviewed)</u>	<u>(un-audited)</u>	<u>(reviewed)</u>	<u>(un-audited)</u>
Interest income		721,045	521,522	2,051,396	1,431,595
Income from Islamic financing and investment products		11,085	-	20,813	-
Total interest income and income from Islamic financing and investment products		732,130	521,522	2,072,209	1,431,595
Interest expense		(445,679)	(274,566)	(1,246,273)	(707,802)
Distribution to depositors – Islamic financing		(9,296)	-	(19,088)	-
Net interest income and income from Islamic products net of distribution to depositors		277,155	246,956	806,848	723,793
Net commission income		80,676	71,866	198,979	211,984
Other income		420,461	358,616	940,889	1,278,229
Operating income		778,292	677,438	1,946,716	2,214,006
General and administrative expenses	9	(250,748)	(176,924)	(708,909)	(513,451)
Allowance for loans and advances and other financial assets		(50,407)	(42,802)	(100,964)	(379,110)
Income before taxes		477,137	457,712	1,136,843	1,321,445
Income tax		(1,358)	(1,807)	(3,890)	(11,925)
Net income for the period		475,779	455,905	1,132,953	1,309,520
Attributed to:					
Equity holders of the parent		453,724	415,183	1,113,383	1,091,824
Minority interest		22,055	40,722	19,570	217,696
		475,779	455,905	1,132,953	1,309,520
Earnings per share	10	5.24	4.79	12.85	12.60

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Mashreqbank psc Group

4

Interim Condensed Consolidated Statement of Changes in Shareholders' Equity
For the period from January 1, 2006 to September 30, 2006
(In Thousand Arab Emirates Dirhams)

	Share capital AED'000	Statutory and legal reserves AED'000	General reserves AED'000	Retained earnings AED'000	Cumulative translation adjustment AED'000	Cumulative changes in fair values AED'000	Attributable to equity holders of the parent AED'000	Minority interest AED'000	Total AED'000
Balance at January 1, 2005 - audited	787,450	393,984	312,000	2,850,220	(9,845)	516,459	4,850,268	404,803	5,255,071
Changes in fair value of investments during the period	-	-	-	-	-	404,823	404,823	188,598	593,421
Overseas entities' translation adjustment	-	-	-	-	(4,397)	-	(4,397)	-	(4,397)
Total income recognised directly in equity	-	-	-	-	(4,397)	404,823	400,426	188,598	589,024
Net income for the period	-	-	-	1,091,824	-	-	1,091,824	217,696	1,309,520
Total income for the period	-	-	-	1,091,824	(4,397)	404,823	1,492,250	406,294	1,898,544
Dividend paid	-	-	-	(275,608)	-	-	(275,608)	(11,814)	(287,422)
Bonus shares issued during the period	78,745	-	-	(78,745)	-	-	-	-	-
Capital introduced during the period	-	-	-	-	-	-	-	450	450
Balance at September 30, 2005 – un-audited	866,195	393,984	312,000	3,587,691	(14,242)	921,282	6,066,910	799,733	6,866,643
Balance at January 1, 2006 - audited	866,195	468,839	312,000	4,160,362	(16,005)	1,467,341	7,258,732	896,087	8,154,819
Changes in fair value of investments during the period	-	-	-	-	-	(1,056,619)	(1,056,619)	(282,797)	(1,339,416)
Overseas entities' translation adjustment	-	-	-	-	1,231	-	1,231	-	1,231
Total income recognised directly in equity	-	-	-	-	1,231	(1,056,619)	(1,055,388)	(282,797)	(1,338,185)
Net income for the period	-	-	-	1,113,383	-	-	1,113,383	19,570	1,132,953
Total income for the period	-	-	-	1,113,383	1,231	(1,056,619)	57,995	(263,227)	(205,232)
Dividend paid	-	-	-	(173,239)	-	-	(173,239)	(35,442)	(208,681)
Balance at September 30, 2006 – reviewed	866,195	468,839	312,000	5,100,506	(14,774)	410,722	7,143,488	597,418	7,740,906

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Mashreqbank psc Group

5

Interim Condensed Consolidated Cash Flow Statement
For the period from January 1, 2006 to September 30, 2006
(In Thousand Arab Emirates Dirhams)

	9 months ended September 30,	
	2006	2005
	AED'000	AED'000
	(reviewed)	(un-audited)
Cash flows from operating activities		
Net income for the period	1,132,953	1,309,520
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of property and equipment	37,377	22,204
Fair value adjustment – trading investments	(7,577)	(75,612)
Translation adjustment	1,231	(4,397)
Allowance for impairment of loans and advances	66,141	307,625
(Profit)/loss on sale of property and equipment	(275)	1,668
Changes in operating assets and liabilities:		
Increase in deposits with central banks for regulatory purposes	(84,521)	(307,109)
Decrease/(increase) in bank deposits maturing after three months	342,226	(246,986)
Increase in advances to customers	(4,620,157)	(4,604,609)
Increase in Islamic financing and investing products	(824,220)	-
Increase in interest receivable and other assets	(480,422)	(218,128)
Increase in trading securities, net	(1,921,426)	(2,968,671)
Increase in customers' deposits	1,212,154	4,751,456
Increase in Islamic customers' deposits	786,022	-
Increase in medium-term floating rate notes	1,101,900	1,193,725
Decrease in long-term loans	(6,010)	(11,915)
Increase in deposits and balances due to banks	959,585	1,255,418
Increase in insurance and life assurance funds	70,660	77,719
Increase in interest payable and other liabilities	757,949	1,280,435
Net cash (used in)/provided from operating activities	<u>(1,476,410)</u>	<u>1,762,343</u>
Cash flows from investing activities		
Purchase of property and equipment	(86,392)	(36,704)
Proceeds from sale of property and equipment	18,504	2,015
Purchase of non-trading investments, net	(376,738)	(577,877)
Net cash used in investing activities	<u>(444,626)</u>	<u>(612,566)</u>
Cash flows from financing activities		
Dividend paid to shareholders	(173,239)	(275,608)
Dividend paid to minority	(35,442)	(11,814)
Capital introduced by minority	-	450
Net cash used in financing activities	<u>(208,681)</u>	<u>(286,972)</u>
(Decrease)/increase in cash and cash equivalents (Note 11)	<u>(2,129,717)</u>	<u>862,805</u>

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Mashreqbank psc Group

6

Notes to the Interim Condensed Consolidated Financial Statements
For the period from January 1, 2006 to September 30, 2006

1. Status and activities

Mashreqbank psc (the "Bank") was incorporated in the Emirate of Dubai in 1967 under a decree issued by The Ruler of Dubai. The Bank operates through its branches in the United Arab Emirates, Bahrain, Egypt, Hong Kong, India, Qatar, the United Kingdom and the United States of America.

At September 30, 2006, Mashreqbank psc Group (the "Group") comprises the Bank and its subsidiaries as follows:

	Country of incorporation	Ownership interest %
Osool - a Finance Company	United Arab Emirates	98
Oman Insurance Company Limited	United Arab Emirates	63.65
Mindscape Information Technology	United Arab Emirates	99
Mashreq Securities LLC	United Arab Emirates	99.98
Makaseb Funds Company BSC	Kingdom of Bahrain	99.99
Injaz Services FZ LLC	United Arab Emirates	100
Al Yamamah Services FZ LLC	United Arab Emirates	100
Mashreq Capital (DIFC) Limited	United Arab Emirates	100
Makaseb Funds Company II BSC	Kingdom of Bahrain	99.99
Makaseb Funds Company III BSC	Kingdom of Bahrain	99.99
Roya Executive Ltd.	British Virgin Islands	*

* Roya Executive Ltd. is consolidated by virtue of control.

The interim condensed consolidated financial statements are presented in UAE Dirhams (AED) since that is the currency in which the majority of the Bank's transactions are denominated.

2. Significant accounting policies**Basis of preparation**

The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the historical cost basis, except for the revaluation of certain financial instruments and investment property.

Mashreqbank psc Group

7

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

2. Significant accounting policies (continued)

These interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard No. 34 - *Interim Financial Reporting* issued by the International Accounting Standard Board and also comply with the applicable requirements of the laws in the U.A.E.

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the audited annual consolidated financial statements for the year ended December 31, 2005.

All significant inter-group company balances, income and expense items are eliminated on consolidation.

The interim condensed financial statements of subsidiaries are prepared using similar policies as those used by the Bank.

These interim condensed consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's financial statements as at and for the year ended December 31, 2005.

(a) Estimates

The preparation of interim condensed consolidated financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim condensed consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the consolidated financial statements as at and for the year ended December 31, 2005.

(b) Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended December 31, 2005.

Mashreqbank psc Group

8

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

2. Significant accounting policies (continued)**Revenue recognition**

Revenue is recognized on the Islamic financing and investment products as follows:

Murabaha

Where the income is quantifiable and contractually determined at the commencement of the contract, income is recognized on a time proportion basis over the period of the contract based on the principal amounts outstanding.

Ijara

Ijara income is recognized on a time proportion basis over the lease term.

Wakala

Estimated income from Wakala is recognized on an accrual basis over the period, adjusted by actual income when received. Losses are accounted for on the date of declaration by the agent.

3. Loans and advances, net

	September 30, 2006	December 31, 2005
	AED'000	AED'000
	(reviewed)	(audited)
(a)		
Overdrafts	4,550,054	4,138,257
Loans	22,131,872	18,158,121
Credit Cards	976,523	717,354
Others	58,490	83,050
	27,716,939	23,096,782
Less: Allowance for impairment	(911,803)	(827,353)
	26,805,136	22,269,429

Mashreqbank psc Group

9

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

3. Loans and advances, net (continued)

	September 30, 2006 AED'000 (reviewed)	December 31, 2005 AED'000 (audited)
(b) Analysis by economic activities:		
Manufacturing	2,778,394	2,226,809
Construction	1,581,579	1,863,605
Trade	6,357,577	5,753,797
Transport and Communication	894,916	650,465
Services	2,536,345	2,070,183
Banks and Financial Institutions	3,497,849	3,383,933
Personal	7,766,507	6,467,614
Government/Public Sector	1,707,441	361,079
Others	596,331	319,297
	27,716,939	23,096,782
Less: Allowance for impairment	(911,803)	(827,353)
	26,805,136	22,269,429

4. Islamic financing and investment products

	September 30, 2006 AED'000 (reviewed)	December 31, 2005 AED'000 (audited)
<u>Financing</u>		
Murabaha share	4,299	-
Ijara	74,624	-
	78,923	-
<u>Investing</u>		
Wakala	745,499	-
	824,422	-
Less: Unearned income	(202)	-
	824,220	-

Mashreqbank psc Group

10

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

5. Investment in securities

	September 30,	December 31,
	2006	2005
	AED'000	AED'000
	(reviewed)	(audited)
Trading portfolio		
Debt securities	5,277,684	3,483,519
Equities	231,823	435,107
Discretionary managed fund	2,326,108	2,241,815
Other investments	960,632	706,803
	8,796,247	6,867,244
Available-for-sale		
Debt securities	443,640	727,804
Equities	2,648,215	3,264,079
Other investments	72,050	52,016
	3,163,905	4,043,899
Held-to-maturity		
Debt securities	67,833	178,987
Total	12,027,985	11,090,130

Mashreqbank psc Group

11

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

6. Medium-term floating rate notes

During 2004, the Bank has established a Euro Medium Term Note (EMTN) programme for US\$ 750 million (AED 2,754.75 million) under fiscal agency agreement dated February 4, 2004. The EMTN programme was increased to US\$ 2,000 million (AED 7,346 million) under fiscal agency agreement dated March 21, 2006.

The maturities are as follows:

			September 30, 2006	December 31, 2005
			AED'000	AED'000
			(reviewed)	(audited)
	<u>Interest rate</u>	<u>Discount rate</u>		
Due on February 27, 2009	Libor + 0.55%	0.242%	1,101,900	1,101,900
Due on March 23, 2010	Libor + 0.40%	0.416%	1,193,725	1,193,725
Due on April 6, 2011	Libor + 0.38%	0.088%	<u>1,101,900</u>	<u>-</u>
			<u>3,397,525</u>	<u>2,295,625</u>

7. Share capital

During 2005, a proposed bonus share distribution, of 1 share for each 10 shares on account of 2004, was approved by the Board of Directors and ratified by the shareholders at the Annual General Meeting.

As of September 30, 2006, 86,619,520 ordinary shares of AED 10 each (2005: 86,619,520 ordinary shares of AED 10 each) were issued and were fully paid up.

Mashreqbank psc Group

12

Notes to the Interim Condensed Consolidated Financial Statements (continued)**For the period from January 1, 2006 to September 30, 2006****8. Contra accounts and commitments**

	September 30, 2006	December 31, 2005
	AED'000 (reviewed)	AED'000 (audited)
(a) Contra accounts (memoranda)		
Guarantees	18,295,031	14,228,204
Letters of credit	4,359,164	4,027,133
	<u>22,654,195</u>	<u>18,255,337</u>
(b) Derivative financial instruments (Note 12)	77,608,721	25,384,441
(c) Other commitments		
Uncalled capital on investments held	1,273	1,273
	<u>100,264,189</u>	<u>43,641,051</u>
Total contra accounts and commitments (a + b + c)	<u><u>100,264,189</u></u>	<u><u>43,641,051</u></u>

Under IAS 39 (revised) acceptances are recognized on balance sheet with a corresponding liability. Accordingly, there is no off balance sheet commitment for acceptances.

9. General and administrative expenses

General and administrative expenses include higher management remuneration of AED 62 million for the nine month period ended September 30, 2006 (nine month period ended September 30, 2005: AED 68 million).

10. Earnings per share

Earnings per share are calculated by dividing the net profit for the period by the number of ordinary shares outstanding during the period as follows:

	September 30, 2006	September 30, 2005
	(reviewed)	(un-audited)
Net income for the period (AED'000)	1,113,383	1,091,824
(Attributed to equity holders of the parent)	<u>1,113,383</u>	<u>1,091,824</u>
Number of ordinary shares outstanding	86,619,520	86,619,520
	<u>86,619,520</u>	<u>86,619,520</u>
Earnings per share (AED)	<u>12.85</u>	<u>12.60</u>

Mashreqbank psc Group

13

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

11. Cash and cash equivalents

	<u>September 30,</u> <u>2006</u> <u>AED'000</u> <u>(reviewed)</u>	<u>December 31,</u> <u>2005</u> <u>AED'000</u> <u>(audited)</u>
Cash on hand, current account and deposits with central banks	2,666,552	4,004,935
Deposits and balances due from banks	6,017,456	7,066,495
	<u>8,684,008</u>	<u>11,071,430</u>
Less: Deposits with central banks for regulatory purposes	(1,047,256)	(962,735)
Deposits maturing after three months	(1,609,924)	(1,952,150)
	<u>(a) 6,026,828</u>	<u>(b) 8,156,545</u>
Decrease in cash and cash equivalents, September 30, 2006 (a) – (b)	<u><u>(2,129,717)</u></u>	
	<u>September 30,</u> <u>2005</u> <u>AED'000</u> <u>(un-audited)</u>	<u>December 31,</u> <u>2004</u> <u>AED'000</u> <u>(audited)</u>
Cash on hand, current account and deposits with central banks	4,112,394	3,058,500
Deposits and balances due from banks	5,012,512	4,649,506
	<u>9,124,906</u>	<u>7,708,006</u>
Less: Deposits with central banks for regulatory purposes	(997,142)	(690,033)
Deposits maturing after three months	(1,495,759)	(1,248,773)
	<u>(a) 6,632,005</u>	<u>(b) 5,769,200</u>
Increase in cash and cash equivalents, September 30, 2005 (a) – (b)	<u><u>862,805</u></u>	

Mashreqbank psc Group

14

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

12. Derivatives

Derivative Financial instruments	Positive fair value AED'000	Negative fair value AED'000	Notional amount AED'000
Forward foreign exchange contracts	204,790	181,826	17,439,202
Foreign exchange options (bought)	-	158,826	28,695,526
Foreign exchange options (sold)	158,826	-	28,695,526
Interest rate swaps	221,186	216,626	2,190,543
Caps bought	-	109	167,200
Caps sold	109	-	167,200
Futures contracts purchased (customers)	-	141	22,236
Futures contracts sold (customers)	-	1,187	104,526
Futures contracts sold (bank)	141	-	22,236
Futures contracts purchased (bank)	1,187	-	104,526
At September 30, 2006 - reviewed	586,239	558,715	77,608,721
At December 31, 2005 - audited	255,807	226,766	25,384,441

13. Seasonality of results

No income of seasonal nature was recorded in the interim condensed consolidated income statement for the nine months periods ended September 30, 2006 and 2005.

Mashreqbank psc Group

15

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

14. Related party transactions

- a) Certain “related parties” (such as, directors and major shareholders of the Bank and companies of which they are principal owners) are customers of the Bank and its subsidiaries in the ordinary course of business. Transactions with such related parties are made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with unrelated parties. Such related party transactions are disclosed below.
- b) Related party balances for the period ended September 30, 2006 are as follows:

	September 30, 2006	December 31, 2005
	AED'000	AED'000
	(reviewed)	(audited)
Advances to customers	468,904	409,221
Deposits from customers	645,871	541,148
Letters of credit, guarantees and acceptances	2,733,689	1,431,794
Interest income	30,849	32,186
Interest expense	10,486	19,412
Other income	40,576	43,968

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

15. Segmental information - reviewed

	January 1, 2006 to September 30, 2006							
	<u>Retail</u>	<u>Corporate</u>	<u>Financial</u>	<u>Treasury &</u>	<u>Islamic</u>	<u>Insurance</u>	<u>Head Office</u>	<u>Total</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>Institutions</u>	<u>Investment</u>	<u>Banking</u>	<u>AED'000</u>	<u>and</u>	<u>AED'000</u>
			<u>AED'000</u>	<u>Banking</u>	<u>AED'000</u>	<u>AED'000</u>	<u>Others</u>	
				<u>AED'000</u>			<u>AED'000</u>	
Net interest income and earnings from Islamic products	453,128	355,542	56,002	(106,688)	1,725	(1,828)	48,967	806,848
Other income	225,634	233,551	79,749	261,071	550	71,616	267,697	1,139,868
Operating income	678,762	589,093	135,751	154,383	2,275	69,788	316,664	1,946,716
General and administrative expenses								(708,909)
Allowances for loans and advances and other financial assets								(100,964)
Income before taxes and minority interest								1,136,843
Taxation								(3,890)
Net income for the period								1,132,953
Attributed to:								
Equity holders of the parent								1,113,383
Minority interest								19,570
								1,132,953
Segment Assets	6,869,416	18,596,765	4,884,693	13,613,820	822,783	2,898,362	3,463,541	51,149,380
Segment Liabilities	7,181,700	25,057,900	2,103,300	2,556,900	786,022	955,603	4,767,049	43,408,474

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

15. Segmental information – un-audited (continued)

	January 1, 2005 to September 30, 2005						
	<u>Retail</u>	<u>Corporate</u>	<u>Financial</u>	<u>Treasury &</u>	<u>Insurance</u>	<u>Head Office</u>	<u>Total</u>
	<u>AED'000</u>	<u>AED'000</u>	<u>Institutions</u>	<u>Investment</u>	<u>AED'000</u>	<u>and</u>	<u>AED'000</u>
			<u>AED'000</u>	<u>Banking</u>		<u>Others</u>	
				<u>AED'000</u>		<u>AED'000</u>	
Net interest income and earnings from Islamic products	408,149	251,296	38,294	(22,134)	1,485	46,703	723,793
Other income	171,094	194,604	68,068	259,078	599,051	198,318	1,490,213
Operating income	<u>579,243</u>	<u>445,900</u>	<u>106,362</u>	<u>236,944</u>	<u>600,536</u>	<u>245,021</u>	<u>2,214,006</u>
General and administrative expenses							(513,451)
Allowances for loans and advances and other financial assets							(379,110)
Income before taxes and minority interest							<u>1,321,445</u>
Taxation							(11,925)
Net income for the period							<u>1,309,520</u>
Attributed to:							
Equity holders of the parent							1,091,824
Minority interest							217,696
							<u>1,309,520</u>
Segment Assets	<u>6,114,310</u>	<u>14,184,715</u>	<u>4,538,466</u>	<u>10,693,500</u>	<u>3,007,385</u>	<u>5,273,753</u>	<u>43,812,129</u>
Segment Liabilities	<u>6,448,700</u>	<u>20,143,700</u>	<u>2,316,700</u>	<u>1,344,500</u>	<u>710,643</u>	<u>5,981,243</u>	<u>36,945,486</u>

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18

Notes to the Interim Condensed Consolidated Financial Statements (continued)
For the period from January 1, 2006 to September 30, 2006

16. Capital adequacy

The capital adequacy ratio is computed based on circulars issued by the U.A.E. Central Bank.

		September 30, 2006	December 31, 2005
		AED'000	AED'000
		(reviewed)	(audited)
Capital base	(a)	6,973,660	7,146,899
Risk-weighted assets:			
On-balance sheet assets		31,749,018	27,545,030
Off-balance sheet assets		11,343,469	8,788,359
Total risk-weighted assets	(b)	43,092,487	36,333,389
Capital adequacy ratio (%) [(a)/(b) x 100]		16.18%	19.67%

17. Comparative figures

Certain amounts for the prior year were reclassified to conform to current period presentation. The comparative figures for the 9-month period ended September 30, 2005 and the 3-month period ended September 30, 2005 are un-audited and un-reviewed.