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Date : August 8, 2006

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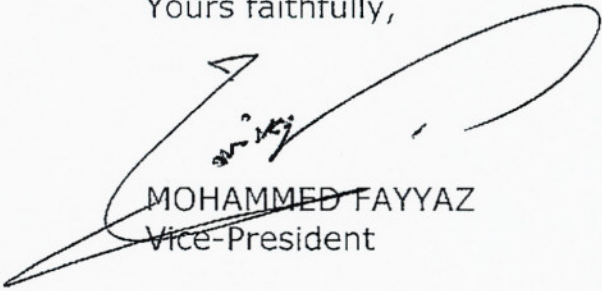
Ms. Faheema Abdul Razzak Al Bastaki
Manager
Listing & Disclosures Department
Dubai Financial Market
Dubai

Dear Madam,

As required, we attach hereto Press Release in respect of Al Badr Islamic Finance Company PJSC released by the Press on August 7, 2006.

Thanking you,

Yours faithfully,


MOHAMMED FAYYAZ
Vice-President

Encl: As stated above





BADR AL ISLAMI Appoints a Renowned Shariah Board

UAE, Dubai, August 6, 2006: Mashreqbank announced its plans to launch an independent Islamic finance subsidiary by appointing its Shariah Board, to be called BADR AL ISLAMI.

Abdulaziz Al-Ghurair, CEO of Mashreqbank, said: "Badr AL-Islami is committed to the framework and values of Shariah. It is an independently managed business comprising Badr Islamic Finance Company, majority owned by Mashreqbank, and Badr Islamic Banking, a division of Mashreqbank"

BADR AL ISLAMI will offer the full range of Islamic financial services, retail, corporate and investment banking with an initial capital of Dhs500 million.

"Islamic financial services are one of the fastest growing fields in the banking and finance industry. BADR AL ISLAMI can bring Mashreqbank's unparalleled track record in customer service and innovation to this field, thereby filling an important gap in the market". Al Ghurair added.

"We have been extremely thorough in developing BADR AL ISLAMI, appointing a renowned board of Sharia scholars. The chairman of the Sharia Board, Sheikh Abdalla Ben Suliman Al-Manei, is one of the world's most respected scholars, and will ensure that BADR AL ISLAMI provides financial services that are in line with the guiding principles of Islamic finance."

The Sharia board of BADR AL ISLAMI will meet for the first time in August to review overall operations.

Mr Al-Ghurair added: "We are committed to playing an active role in the growth of Islamic financial services within the UAE and beyond, at both retail and wholesale levels, and look forward to welcoming Muslim and non-Muslim customers."

BADR AL ISLAMI will be led by a fully independent management team, which is presently recruiting the most experienced individuals in the fields of Islamic banking from around the region.

The Sharia Board of BADR includes:

Sheikh Abdalla Ben Suliman Al-Manei – Chairman

Sheikh Abdalla is a Saudi national. He is a member of the Saudi Forum of Senior Sharia Scholars, which advises the government of the Kingdom of Saudi Arabia and Saudi public on all issues relating to religion. Sheikh Abdalla is a senior judge in Saudi courts and he chairs the court in the western region. He is also a prominent member of the International Fiqh Academy and member of the Saudi Higher Council Awgaf and serves on the Sharia boards of a number of financial institutions.

Sheikh Nizam Yagouby – Executive Member.

Sheik Nizam is a prominent Sharia scholar from Bahrain and he sits in the Sharia Boards of more than twenty financial institutions in the GCC, Europe, Asia and America. Sheikh Nizam is a regular speaker in Islamic Finance conferences on

various issues relating to Islamic finance. In addition to his Sharia qualifications, Sheikh Nizam Yagouby holds a Masters in Economics and Comparative Religion from McGill University in Canada.

Sheikh Dr. Mohamed Al-Gari - Member.

Dr. Al-Gari is an active member of the International Fiqh Academy. He sits in the Sharia Boards of more than twenty five financial institutions in the Gulf, Europe and the United States. In addition to his Sharia education, Dr. Mohammed AlGari Graduated from University of California with Ph. D in Economics and he is a professor of Islamic Economics at King Abdulaziz University in Jeddah and the Director of its Islamic Economics Research centre.

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For further information please contact:

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