mashreq المشرق

Mashreq First Quarter Results Demonstrate Strong Growth with Net Profit of AED 465.3 Million

Total Assets up 52.6% from last year to reach AED 94.1 billion

Dubai, United Arab Emirates, xx April 2008 - Mashreqbank Group announced the first quarter results of 2008 at AED 465.3 million, recording a growth of 4.5% over AED 445 million for the same period last year.

Starting the year with impressive figures, total assets reached AED 94.1 billion, up 52.6% from AED 61.7 billion last year. Customer deposits reached AED 46.9 billion, an increase of 28% over last year of AED 36.7 billion, whilst customer advances have grown by 48%, to AED 43.3 billion from AED 29.3 billion.

Mashreq's CEO Abdul Aziz Al Ghurair stated "We have started this year with strong growth plans and a strategy that further cements our position as a leading financial institution in the UAE. We remain focused on maintaining our competitive advantage, whilst continually developing innovative solutions that open access for customers in all areas of our business dealings."

The robust growth in total assets contributed to a marked increase in net interest income, and income from Islamic products net of distribution to depositors at AED 412 million, compared to AED 247 million for the same period last year, registering a growth of 67%. Net Fee, Commission and other income also recorded an impressive growth of 12.8% over last year. However, Investment income reduced from AED 244million to AED 175million mainly due widening of credit spreads and poor liquidity in the global and regional markets.

Mashreq continues to invest in human resources, infrastructure development and technology. This has resulted in the expenses for the first three months of 2008 being higher than same period last year by 32%.

Continuing its prudent provisioning policy, Mashreq has set aside more than adequate provisions including General Provision of AED 115.7 million as compared to AED 99.87 million last year.

Mashreq's HR department celebrated remarkable achievements when Mr. Abdul Aziz Al Ghurair won the award of best CEO for Emiratization in the UAE. This recognition highlighted Mashreq's commitment to UAE nationals, making it one of the leading employers in the banking sector in the country.

Mashreq's presence was strongly felt through its 11 year sponsorship of Dubai's Shopping Festival and its first time introduction of the Mashreq Sky Adventures, which entertained more than 2000 residents and visitors to Dubai during the month long festival.

In January 2008, Mashreq's Makaseb Emirates Opportunities Fund (MEOF) was rated the leading UAE equity fund on the mutual funds monitor in terms of year to date returns (YTD) by ABQ Zawya.

In addition, investors in the Makaseb Emirates Equity Fund (MEEF) can now enjoy greater flexibility in managing their investments as the fund's Net Asset Value will be available at the end of each business day. Makaseb Emirates Equity Fund is the first UAE Fund to offer daily dealing to its investors.

Badr Al Islami, the Islamic arm of Mashreq, launched four new Business Service Centers all of which are located in the heart of Mashreq branches. Now, Badr Al-Islami can be easily located in the Burjuman Center, on Jumeirah road in Dubai, at Khalifa Street in Abu Dhabi and in the Rolla Street in Sharjah.

Badr Al Islami's portfolio of corporate clients has been reinforced by a partnership with Cirrus Developments to offer end-user financing on its Celestial Heights' residential and commercial developments in Downtown Jebel Ali. End-user financing provides rewarding returns to investors including the ability to spread payments over a longer term up to 25 years, which makes it even more attractive on the resale market by adding a further premium.

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About Mashreq
Mashreq is the largest private bank in the UAE and also the second oldest. Founded in 1967 as Bank of Oman, the bank has played a pioneering role in the industry, particularly in retail banking. Among its many firsts it was the first to launch such products as travellers' cheques, credit cards and ATMs.

It is invariably among the highest performing banks in the region. Last year it recorded a Net Profit of over US$ 517 million from a Total Operating Income of $ 1.048 million. At the end of last year its Total Assets stood at $23.9 billion

Mashreq has received numerous international awards, particularly for quality management. According to independent research it has more ISO certifications than any bank in the region by a wide margin.

As a leading financial Institution in the UAE Mashreq aims to be world class in every facet of its business, including its social responsibility to the community it serves. Towards this goal the bank pays particular attention to recruiting, training, developing and retaining UAE National employees.

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