



Mashreq Reports 45% Net Profit Growth in First Half of 2007

Dubai, United Arab Emirates, 1 August 2007 - Mashreqbank Group reported another period of robust growth in the first half of 2007 as core revenues from regular banking business showed a healthy increase over last year. The net profit for the half year ended June 30, 2007 reaches AED 956 million, a growth of 45% over AED 660 million for the same period last year.

The growth in profit stems from strong build up of banking assets which rose by 50.3% to record AED 70.6 Billion as on 30 June 2007 from AED 46.97 Billion last year. Customer Deposits reached AED 44.9 Billion, a rise of 58% over last year and customers advances grew by 25.7% to AED 32.4 Billion during the same period.

Mashreq's CEO Abdul Aziz Al Ghurair said "Mashreq is well prepared to maintain its competitive position in the UAE and to continue growing, focusing on its core businesses and developing the new lines of business that are emerging in the UAE".

The robust growth in assets contributed to 35% increase in Net Interest Income from AED 530 Million last year to AED 713 Million this year. The Commission and Other income saw a strong growth of 81% for the same period to reach AED 1.1 Billion compared to last year's AED 638 Million on the back of higher income from Foreign Exchange and Credit Cards business. Income from Investments also contributed well to this growth.

Mashreq continues to invest in human resources, infrastructure development and technology. This has resulted in the expenses for the first six months of 2007 being higher than same period last year by 45%.

Continuing its prudent provisioning policy, Mashreq has set aside adequate allowances for bad and doubtful loans and its General Provisions to Total Loans is over 2 percent.



As part of ongoing commitment to both its customers and partners, during this quarter Mashreq unveiled a new corporate image, representing a significant milestone in the bank's history. The new brand direction aims at enhancing its relationship with its customers and partners. "We are changing while we are at the height of our performance, to make sure we maintain our market leadership" said Abdul Aziz Al Ghurair. "We are opening the way to a new level of modern banking in an increasingly competitive market environment. Our focus is on meeting and exceeding our customer needs, ensuring that we deliver financial reward, convenience and ultimately peace of mind to our customers."

In May 2007, Mashreq launched an overdraft facility for merchants against their Point of Sale (PoS) receivables, a first of its kind in the market. This is the first stand alone programmed business overdraft offering in the market.

Standard & Poor's Ratings Services assigned its 'A' long-term and 'A-1' short-term counterparty credit ratings to Mashreqbank. The outlook is rated 'stable'. The ratings reflect the bank's good commercial position, strong financial profile, and robust liquidity.

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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\$470 million from a Total Operating Income of \$844 million. At the end of last year its Total Assets stood at \$15.2 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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