

000017/60

Group Financial Statements

THURSDAY



A2DV50XK

A35

01/08/2013

#56

COMPANIES HOUSE

**Consolidated Statement of Financial Position
at 31 December 2011**

		2011		2010	
	Notes	AED'000	USD'000 Equivalent	AED'000	USD'000 Equivalent
ASSETS					
Cash and balances with central banks	5	14,731,800	4,010,836	13,373,722	3,641,090
Deposits and balances due from banks	6	10,147,675	2,762,776	13,651,955	3,716,840
Other financial assets measured at fair value	7	2,552,788	695,014	2,222,680	605,140
Loans and advances measured at amortised cost	8	32,665,962	8,893,537	35,919,982	9,779,467
Islamic financing and investment products measured at amortised cost	9	5,028,547	1,369,057	5,290,904	1,440,486
Other financial assets measured at amortised cost	7	7,181,593	1,955,239	8,083,811	2,200,874
Interest receivable and other assets	10	5,417,102	1,474,844	4,986,426	1,357,589
Investment properties	11	318,028	86,585	172,320	46,915
Property and equipment	12	1,197,827	326,117	1,144,003	311,463
Total assets		79,241,322	21,574,005	84,845,803	23,099,864
LIABILITIES AND EQUITY					
Liabilities					
Deposits and balances due to banks	13	7,223,370	1,966,613	6,038,626	1,644,058
Repurchase agreements with banks	14	2,505,165	682,049	3,368,993	917,232
Customers' deposits	15	40,177,020	10,938,475	46,764,858	12,732,060
Islamic customers' deposits	16	5,239,863	1,426,589	4,488,815	1,222,111
Insurance and life assurance funds	17	972,867	264,870	896,587	244,102
Interest payable and other liabilities	18	5,676,168	1,545,377	4,990,584	1,358,722
Medium-term loans	19	4,634,012	1,261,642	5,903,034	1,607,142
Long-term loans	20	9,007	2,452	9,324	2,539
Total liabilities		66,437,472	18,088,067	72,460,821	19,727,966
Equity					
Capital and reserves					
Issued and paid up capital	21(a)	1,690,770	460,324	1,690,770	460,324
Statutory and legal reserves	21(b)	846,745	230,532	845,385	230,162
General reserve	21(c)	312,000	84,944	312,000	84,944
Cumulative translation adjustment	21(d)	(33,022)	(8,990)	(19,483)	(5,304)
Investments revaluation reserve	21(e)	(346,145)	(94,240)	(284,120)	(77,354)
Retained earnings		9,792,462	2,666,066	9,300,191	2,532,042
Equity attributable to shareholders of the Parent		12,262,810	3,338,636	11,844,743	3,224,814
Non-controlling interests	22	541,040	147,302	540,239	147,084
Total equity		12,803,850	3,485,938	12,384,982	3,371,898
Total liabilities and equity		79,241,322	21,574,005	84,845,803	23,099,864

The accompanying notes form an integral part of these consolidated financial statements

Abdulla Ahmad Al Ghurair
Chairman

Abdul Aziz Abdulla Al Ghurair
Chief Executive Officer

**Consolidated Income Statement
for the year ended 31 December 2011**

	Notes	2011		2010	
		AED'000	USD'000	AED'000	USD'000
			Equivalent		Equivalent
Interest income	24	3,135,446	853,647	4,040,586	1,100,078
Income from Islamic financing and investment products	25	252,762	68,816	277,103	75,443
Total interest income and income from Islamic financing and investment products		3,388,208	922,463	4,317,689	1,175,521
Interest expense	26	(1,334,303)	(363,273)	(1,863,981)	(507,482)
Distribution to depositors – Islamic products	27	(109,834)	(29,903)	(162,566)	(44,260)
Net interest income and income from Islamic products net of distribution to Depositors		1,944,071	529,287	2,291,142	623,779
Fee and commission income	28	1,940,984	528,447	1,838,556	500,560
Fee and commission expenses	28	(957,928)	(260,803)	(726,086)	(197,682)
Net fee and commission income		983,056	267,644	1,112,470	302,878
Net investment income	29	123,367	33,588	48,094	13,094
Other income, net	30	821,839	223,751	935,168	254,606
Operating income		3,872,333	1,054,270	4,386,874	1,194,357
General and administrative expenses	31	(1,793,683)	(488,343)	(1,763,897)	(480,233)
Allowances for impairment	32	(1,195,839)	(325,576)	(1,767,390)	(481,184)
Profit before taxes		882,811	240,351	855,587	232,940
Overseas income tax expense		(21,769)	(5,926)	(18,985)	(5,169)
Profit for the year		861,042	234,425	836,602	227,771
Attributed to:					
Shareholders of the Parent		820,379	223,354	803,498	218,758
Non-controlling interests		40,663	11,071	33,104	9,013
		861,042	234,425	836,602	227,771
Earnings per share	33	AED 4.85	USD 1.32	AED 4.75	USD 1.29

The accompanying notes form an integral part of these consolidated financial statements

**Consolidated Statement of Comprehensive Income
for the year ended 31 December 2011**

	2011		2010	
	AED'000	USD'000 Equivalent	AED'000 Equivalent	USD'000
Profit for the year	861,042	234,425	836,602	227,771
Other comprehensive (loss)/income				
Changes in fair value of financial assets measured at fair value through other comprehensive income, net	(80,501)	(21,918)	(7,608)	(2,071)
Exchange difference arising on translating the foreign operations	(11,531)	(3,140)	5,535	1,507
Loss on hedging instruments designated in hedges of the net assets of foreign operations [Note 21(d)]	(2,008)	(546)	-	-
Total other comprehensive loss for the year	(94,040)	(25,604)	(2,073)	(564)
Total comprehensive income for the year	767,002	208,821	834,529	227,207
Attributed to:				
Shareholders of the Parent	756,221	205,886	813,072	221,365
Non-controlling interests	10,781	2,935	21,457	5,842
	767,002	208,821	834,529	227,207

The accompanying notes form an integral part of these consolidated financial statements

000017 / 60

INDEPENDENT AUDITOR'S REPORT

The Shareholders
Mashreqbank psc
Dubai
United Arab Emirates

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Mashreqbank psc (the "Bank"), a Public Shareholding Company, and its Subsidiaries (collectively the "Group"), which comprise the consolidated statement of financial position as at 31 December 2011, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatements whether due to fraud or errors

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Mashreqbank psc and its subsidiaries as at 31 December 2011, and the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Also, in our opinion, proper books of account are maintained by the Bank, and the information contained in the Board of Directors' report relating to the consolidated financial statements is in agreement with the books of account. We have obtained all the information and explanations which we considered necessary for the purpose of our audit. According to the information available to us, there were no contraventions during the year of the U A E Federal Commercial Companies Law No (8) of 1984 (as amended), or of the Bank's Articles of Association which might have a material effect on the financial position of the Bank or its financial performance.

Deloitte & Touche (M E.)

Anis Sadek
Registration Number 521
Dubai
1 February 2012

OS AA01

Statement of details of parent law and other information for an overseas company



☒ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law

☐ **What this form is NOT for**
You cannot use this form to register
an alteration of manner of compliance
with accounting requirements

For further information, please
refer to our guidance at
www.companieshouse.gov.uk

Part 1 Corporate company name

Corporate name of
overseas company ①

MASHREQBANK PSC

UK establishment
number

B R 0 0 1 2 2 3

→ **Filling in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

① This is the name of the company in
its home state

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and,
if applicable, the legislation under which the accounts have been audited

Legislation ②

ARTICLE 101,102 &103 OF UNION LAW NO 10

② This means the relevant rules or
legislation which regulates the
preparation and, if applicable, the
audit of accounts

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box

☐ No Go to Section A3

☒ Yes Please enter the name of the organisation or other
body which issued those principles below, and then go to Section A3

③ Please insert the name of the
appropriate accounting organisation
or body

Name of organisation
or body ③

INTERNATIONAL ACCOUNTING STANDARD BOARD

A3 Accounts

Accounts

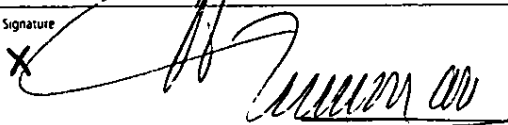
Have the accounts been audited? Please tick the appropriate box

☐ No Go to Section A5

☒ Yes Go to Section A4

OS AA01

Statement of details of parent, law, and other information for an overseas company

A4 Audited accounts		
Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box ☐ No Go to Part 3 'Signature' ☒ Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	① Please insert the name of the appropriate accounting organisation or body
Name of organisation or body ①	INTERNATIONAL ACCOUNTING STANDARDS BOARD	
A5 Unaudited accounts		
Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box ☐ No ☐ Yes	
Part 3 Signature		
Signature	I am signing this form on behalf of the overseas company	
	Signature  X This form may be signed by Director, Secretary, Permanent representative	