

DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

Companies House

✓ **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
an alteration of manner of
with accounting requirement

TUESDAY



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26/04/2022

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COMPANIES HOUSE

Part 1 Corporate company nameCorporate 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
audited.

Legislation ②

IFRS

② This means the relevant rules or
legislation which regulates the
preparation 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**.Name of organisation
or body ③

IFRS FOUNDATION & IAS BOARD (IASB)

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

OS AA01

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



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	RANJEEWA WEERAWARDANA									
Company name	MASHREQBANK PSC									
Address										
1ST FLOOR,										
2 LONDONWALL BUILDING										
Post town										
LONDON										
County/Region										
Postcode	E	C	2	M		5	P	P		
Country	UNITED KINGDOM									
DX										
Telephone										
07576709145										



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☒ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☒ You have completed all sections of the form, if appropriate.
- ☒ You have signed the form.



Important information

Please note that all this information will appear on the public record.



Where to send

You may return this form to any Companies House address:

England and Wales:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
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Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

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The Registrar of Companies, Companies House,
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Belfast, Northern Ireland, BT2 8BG.
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OS AA01

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

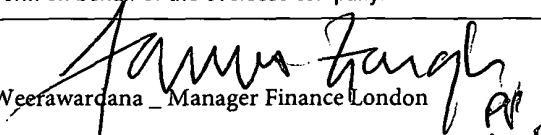
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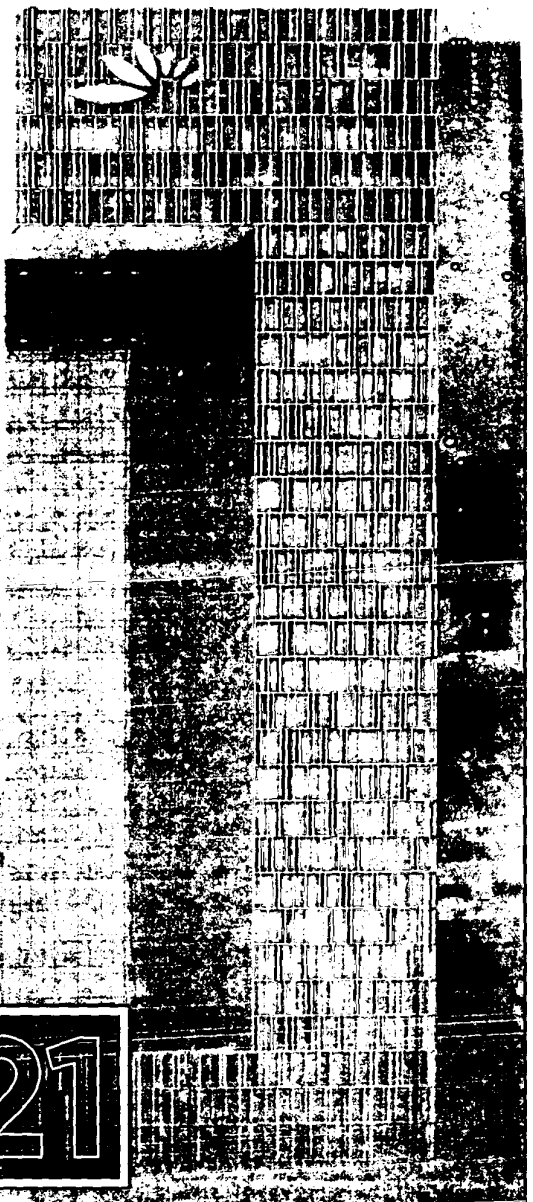
Audited accounts

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'.	❶ Please insert the name of the appropriate accounting organisation or body.
Name of organisation or body ❶	IFRS FOUNDATION & IAS BOARD (IASB)	

Part 3

Signature

	I am signing this form on behalf of the overseas company.	
Signature	Signature X  X Ranjeewa Weerawardana _ Manager Finance London	
	This form may be signed by: Director, Secretary, Permanent representative.	



CONSOLIDATED FINANCIAL
STATEMENTS 2021

Mashreqbank PSC Group

**Report and consolidated financial statements
for the year ended 31 December 2021**

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Board of Directors' report

The Board of Directors has pleasure in submitting their report and the audited consolidated financial statements for the year ended 31 December 2021.

Incorporation and registered offices

Mashreqbank PSC was incorporated in the Emirate of Dubai in 1967 under a decree issued by The Ruler of Dubai. The address of the registered office is P.O. Box 1250, Dubai, United Arab Emirates.

Principal activities

The principal activities of the Bank are retail banking, commercial banking, investment banking, Islamic banking, brokerage and asset management. These activities are carried out through its branches in the United Arab Emirates, Bahrain, Kuwait, Egypt, Hong Kong, India, Qatar, the United Kingdom and the United States of America.

Financial position and results

The financial position and results of the Group for the year ended 31 December 2021 are set out in the accompanying consolidated financial statements.

Dividend

The Board of Directors has proposed a cash dividend of 10% for the year ended 31 December 2021 at the meeting held on 31 January 2022.

Directors

The following are the Directors of the Bank as at 31 December 2021

Chairman:	H.E. Abdul Aziz Abdulla Al Ghurair
Vice Chairman:	Ali Rashed Ahmad Lootah
Directors:	Rashed Saif Saeed Al Jarwan Al Shamsi
	Rashed Saif Ahmed Al Ghurair
	John Gregory Iossifidis
	Iyad Mazher Saleh Malas
	Saeed Saif Ahmed Majid Al Ghurair

Auditors

The consolidated financial statements for the year ended 31 December 2021 have been audited by PricewaterhouseCoopers.

By order of the Board of Directors



H.E. Abdul Aziz Abdulla Al Ghurair
Chairman
31 January 2022

Independent auditor's report to the shareholders of Mashreqbank PSC Group

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mashreqbank PSC (the "Bank") and its subsidiaries (together the "Group") as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report.

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

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

PricewaterhouseCoopers (Dubai Branch), License no. 102451
Emaar Square, Building 5, P O Box 11987, Dubai - United Arab Emirates
T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me

Mohamed ElBorno, Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practicing auditors with the UAE Ministry of Economy

Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Our audit approach

Overview

Key Audit Matters

- Measurement of Expected Credit Losses

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses The Group applies Expected Credit Losses (ECL) on all its financial assets measured at amortised cost, debt instruments measured at fair value through other comprehensive income and financial guarantee contracts including financing commitments. The Group exercises significant judgements and makes a number of assumptions in developing its ECL models, which includes probability of default computation separately for retail and corporate portfolios, determining loss given default and exposure at default for both funded and unfunded exposures, forward looking adjustments and staging criteria.	We performed the following audit procedures on the computation of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2021: ➤ We tested the completeness and accuracy of the data used in the calculation of ECL. ➤ For a sample of exposures, we checked the appropriateness of the Group's application of the staging criteria. ➤ We involved our internal experts to assess the following areas: • Conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9. • ECL modelling methodology and calculations used to compute the Probability of Default (PD), Loss Given Default (LGD), and exposure at default (EAD) for the Group's classes of financial assets. The appropriateness of the model methodology was assessed, giving specific consideration to COVID-19 and the judgement overlay. • Reasonableness of the assumptions made in developing the modelling framework including assumptions used for estimating forward looking scenarios and significant increase in credit risk.

Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How our audit addressed the key audit matter
For defaulted exposures, the Group exercises judgements to estimate the expected future cash flows related to individual exposures, including the value of collateral. The Group's impairment policy under IFRS 9 is presented in Note 3.14 to the consolidated financial statements. Measurement of ECL is considered as a key audit matter as the Group applies significant judgments and makes a number of assumptions which have significantly increased as a result of Covid-19, affecting the staging criteria applied to the financial assets as well as in developing ECL models and assumptions for calculating its impairment provisions.	For a sample of exposures, we checked the appropriateness of determining EAD, including the consideration of repayments and collateral. ➤ In addition, for the Stage 3 corporate portfolio, the appropriateness of provisioning assumptions were independently assessed for a sample of exposures selected on the basis of risk and the significance of individual exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit file. For the Stage 3 retail portfolio, assumptions were independently assessed for each product category and an independent view was formed on the levels of provisions recognised. ▢ We assessed the consolidated financial statement disclosures to ensure compliance with IFRS 7 and IFRS 9 and the disclosures made relating to the impact of COVID-19 on ECL.



Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Other information

The Directors are responsible for the other information. The other information comprises the Board of Directors' report (but does not include the consolidated financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report, and the Chairman's Report, Corporate Governance Report and Financial Highlights, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Report, Corporate Governance Report and Financial Highlights, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and their preparation in compliance with the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.



Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.



Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (2) of 2015, as amended, we report that:

- (i) we have obtained all the information we considered necessary for the purposes of our audit;
- (ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (2) of 2015 as amended;
- (iii) the Group has maintained proper books of account;
- (iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- (v) note 7 to the consolidated financial statements discloses the shares purchased by the Group during the year ended 31 December 2021;
- (vi) note 37 to the consolidated financial statements discloses material related party transactions, and the terms under which they were conducted;



Independent auditor's report to the shareholders of Mashreqbank PSC Group (continued)

Report on other legal and regulatory requirements (continued)

- (vii) Note 32 to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2021; and
- (viii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2021 any of the applicable provisions of the UAE Federal Law No. (2) of 2015, as amended, or in respect of the Bank, its Articles of Association, which would materially affect its activities or its financial position as at 31 December 2021.

Further, as required by Article (114) of the Decretal Federal Law No. (14) of 2018, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

PricewaterhouseCoopers
31 January 2022

Douglas O'Mahony
Registered Auditor Number 834
Place: Dubai, United Arab Emirates

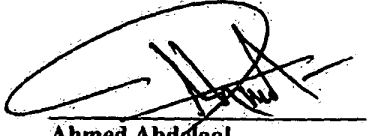
Mashreqbank PSC Group

Consolidated statement of financial position

	Notes	As at 31 December			
		2021		2020	
		AED'000	USD'000 Equivalent	AED'000	USD'000 Equivalent
ASSETS					
Cash and balances with central banks	5	17,507,751	4,766,608	17,941,941	4,884,819
Deposits and balances due from banks	6	28,805,095	7,842,389	28,239,030	7,688,274
Other financial assets measured at fair value	7	16,441,123	4,476,211	8,439,103	2,297,605
Other financial assets measured at amortised cost	7	10,277,824	2,798,210	11,000,654	2,995,005
Loans and advances measured at amortised cost	8	66,432,570	18,086,733	57,286,411	15,596,627
Islamic financing and investment products measured at amortised cost	9	15,053,454	4,098,408	14,246,343	3,878,667
Acceptances		14,340,671	3,904,348	12,767,461	3,476,031
Other assets	10	3,290,085	895,749	3,478,455	947,035
Reinsurance contract assets	20	2,699,966	735,085	2,891,920	787,345
Investment in associate		34,809	9,477	20,996	5,716
Investment properties	11	462,829	126,008	449,715	122,438
Property and equipment	12	1,426,096	388,265	1,466,769	399,338
Intangible assets	13	281,336	76,596	294,442	80,164
Total assets		177,053,609	48,204,087	158,523,240	43,159,064
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits and balances due to banks	14	19,566,486	5,327,113	14,844,380	4,041,487
Repurchase agreements with banks	15	2,729,147	743,029	2,289,723	623,393
Customers' deposits	16	87,150,902	23,727,444	76,375,973	20,793,894
Islamic customers' deposits	17	14,332,087	3,902,011	11,884,566	3,235,656
Acceptances		14,340,671	3,904,348	12,767,461	3,476,031
Other liabilities	18	6,028,308	1,641,249	5,808,908	1,581,516
Medium-term loans	19	7,315,119	1,991,593	9,616,042	2,618,035
Insurance contract liabilities	20	4,566,602	1,243,290	4,747,779	1,292,616
Total liabilities		156,029,322	42,480,077	138,334,832	37,662,628
EQUITY					
Capital and reserves					
Issued and paid up capital	21(a)	2,006,098	546,174	1,775,308	483,340
Statutory and legal reserves	21(b)	1,012,320	275,611	912,099	248,325
General reserve	21(c)	312,000	84,944	312,000	84,944
Currency translation reserve	21(d)	(116,116)	(31,613)	(98,332)	(26,771)
Investments revaluation reserve	21(e)	(547,489)	(149,058)	(358,088)	(97,492)
Cash flow hedge reserve	21(f)	-	-	(437)	(119)
Retained earnings		17,561,412	4,781,218	16,888,178	4,597,925
Equity attributable to owners of the Parent		20,228,225	5,507,276	19,430,728	5,290,152
Non-controlling interests	22	796,062	216,734	757,680	206,284
Total equity		21,024,287	5,724,010	20,188,408	5,496,436
Total liabilities and equity		177,053,609	48,204,087	158,523,240	43,159,064

To the best of our knowledge, the consolidated financial statements present fairly in all material respects the financial condition, results of operation and cashflows of the Group as of, and for, the periods presented therein.


Abdul Aziz Abdulla Al Ghurair
Chairman


Ahmed Abdelaal
Group Chief Executive Officer

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

Mashreqbank PSC Group

Consolidated statement of profit or loss

		For the year ended 31 December			
		2021		2020	
	Notes	AED'000	USD'000 Equivalent	AED'000	USD'000 Equivalent
Interest income	24	4,251,824	1,157,589	4,514,924	1,229,220
Income from Islamic financing and investment products	25	475,253	129,391	543,477	147,965
Total interest income and income from Islamic financing and investment products		4,727,077	1,286,980	5,058,401	1,377,185
Interest expense	26	(1,505,704)	(409,939)	(2,110,697)	(574,652)
Distribution to depositors – Islamic products	27	(175,884)	(47,886)	(271,404)	(73,892)
Net interest income and income from Islamic products net of distribution to depositors		3,045,489	829,155	2,676,300	728,641
Fee and commission income	28	3,418,086	930,598	2,642,536	719,449
Fee and commission expenses	28	(1,841,287)	(501,303)	(1,423,024)	(387,428)
Net fee and commission income		1,576,799	429,295	1,219,512	332,021
Net investment income	29	176,807	48,137	321,380	87,498
Other income, net	30	1,006,977	274,157	931,072	253,491
Operating income		5,806,072	1,580,744	5,148,264	1,401,651
General and administrative expenses	32	(2,622,957)	(714,119)	(2,944,856)	(801,758)
Operating profit before impairment		3,183,115	866,625	2,203,408	599,893
Allowances for impairment, net	31	(2,058,626)	(560,475)	(3,356,819)	(913,918)
Profit/(loss) before tax		1,124,489	306,150	(1,153,411)	(314,025)
Tax expense		(48,778)	(13,280)	(51,840)	(14,114)
Profit/(loss) for the year		1,075,711	292,870	(1,205,251)	(328,139)
Attributable to:					
Owners of the Parent		1,002,203	272,857	(1,277,826)	(347,897)
Non-controlling interests		73,508	20,013	72,575	19,758
		1,075,711	292,870	(1,205,251)	(328,139)
Earnings/(loss) per share	33	AED 5.56	USD 1.51	AED (7.09)	USD (1.93)

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

Mashreqbank PSC Group

Consolidated statement of comprehensive income

	For the year ended 31 December			
	2021		2020	
	AED'000	USD'000 Equivalent	AED'000	USD'000 Equivalent
Profit/(loss) for the year	1,075,711	292,870	(1,205,251)	(328,139)
Other comprehensive income/(loss)				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Changes in fair value of financial assets measured at fair value through other comprehensive income (equity instruments) [Note 7(k)]	58,631	15,963	(30,966)	(8,431)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Changes in currency translation reserve	(23,150)	(6,303)	(13,072)	(3,559)
Changes in fair value of financial assets measured at fair value through other comprehensive income (debt instruments) [Note 7(k)]	(232,616)	(63,332)	(73,325)	(19,963)
Loss/(gain) on hedging instruments designated as hedges of net investment in foreign operations	(1,586)	(432)	716	196
Cash flow hedges - fair value loss arising during the year [Note 21(f)]	437	120	(4,729)	(1,288)
Total other comprehensive loss for the year	(198,284)	(53,984)	(121,376)	(33,045)
Total comprehensive income/(loss) for the year	877,427	238,886	(1,326,627)	(361,184)
Attributable to:				
Owners of the Parent	791,895	215,599	(1,391,731)	(378,909)
Non-controlling interests	85,532	23,287	65,104	17,725
	877,427	238,886	(1,326,627)	(361,184)

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

Mashreqbank PSC Group

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Consolidated statement of changes in equity

	Issued and paid up capital AED'000	Statutory and legal reserves AED'000	General reserve AED'000	Currency translation reserve AED'000	Investments revaluation reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Equity attributable to owners of the Parent AED'000	Non- controlling interests AED'000	Total AED'000
Balance at 1 January 2020	1,775,308	907,714	312,000	(88,720)	(273,595)	4,292	18,895,583	21,532,582	710,348	22,242,930
Loss for the year ended 31 December 2020	-	-	-	-	-	-	(1,277,826)	(1,277,826)	72,575	(1,205,251)
Other comprehensive loss for the year	-	-	-	(9,612)	(99,564)	(4,729)	-	(113,905)	(7,471)	(121,376)
Total comprehensive loss for the year	-	-	-	(9,612)	(99,564)	(4,729)	(1,277,826)	(1,391,731)	65,104	(1,326,627)
Transfer from investments revaluation reserve to retained earnings	-	-	-	-	15,071	-	(15,071)	-	-	-
Transfer to statutory and legal reserves	-	4,385	-	-	-	-	(4,385)	-	-	-
Transaction with non-controlling interest (NCI)	-	-	-	-	-	-	-	-	(17,772)	(17,772)
Payment of dividends [Note 21(g)]	-	-	-	-	-	-	(710,123)	(710,123)	-	(710,123)
Balance at 31 December 2020	1,775,308	912,099	312,000	(98,332)	(358,088)	(437)	16,888,178	19,430,728	757,680	20,188,408
Profit for the year ended 31 December 2021	-	-	-	-	-	-	1,002,203	1,002,203	73,508	1,075,711
Other comprehensive loss/(income) for the year	-	-	-	(17,784)	(192,962)	437	-	(210,309)	12,024	(198,285)
Total comprehensive income for the year	-	-	-	(17,784)	(192,962)	437	1,002,203	791,894	85,532	877,426
Transfer from investments revaluation reserve to retained earnings	-	-	-	-	3,561	-	(3,561)	-	-	-
Transfer to statutory and legal reserves	-	100,221	-	-	-	-	(100,221)	-	-	-
Bonus shares issued during the year	230,790	-	-	-	-	-	(230,790)	-	-	-
Transaction with common control entity	-	-	-	-	-	-	5,603	5,603	-	5,603
Transaction with non-controlling interest (NCI) (Note 22)	-	-	-	-	-	-	-	-	(14,325)	(14,325)
Payment of dividends (Note 22)	-	-	-	-	-	-	-	-	(32,825)	(32,825)
Balance at 31 December 2021	2,006,098	1,012,320	312,000	(116,116)	(547,489)	-	17,561,412	20,228,225	796,062	21,024,287

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

Mashreqbank PSC Group

Consolidated statement of cash flows

	Notes	For the year ended 31 December			
		2021		2020	
		AED'000	USD'000 Equivalent	AED'000	USD'000 Equivalent
Cash flows from operating activities					
Profit/(loss) before taxation for the year		1,124,489	306,150	(1,153,411)	(314,025)
Adjustments for:					
Depreciation and amortisation	32	255,569	69,580	231,963	63,154
Allowances for impairment, net	31	2,058,626	560,475	3,356,819	913,919
Gain on disposal of property and equipment	30	3,447	939	(8,110)	(2,208)
Unrealised gain on other financial assets held at FVTPL	29	(8,521)	(2,320)	(9,564)	(2,604)
Fair value adjustments of investment properties	30	(13,114)	(3,571)	23,876	6,500
Net realized gain from sale of other financial assets measured at FVTPL	29	(28,305)	(7,706)	(43,145)	(11,747)
Dividend income from other financial assets measured at FVTOCI	29	(21,337)	(5,809)	(24,961)	(6,796)
Net realised gain from sale of other financial assets measured at amortised cost/ FVTOCI	29	(117,603)	(32,018)	(242,328)	(65,976)
Share of loss from associate		(7,090)	(1,930)	(8,359)	(2,276)
Unrealised (gain)/loss on derivatives	30	(30,724)	(8,365)	19,602	5,337
Operating cash flows before tax paid and changes in operating assets and liabilities		3,215,437	875,425	2,142,382	583,278
Tax paid		(48,778)	(13,280)	(51,840)	(14,114)
Changes in operating assets and liabilities					
Decrease/(increase) in deposits with central banks		4,363,482	1,187,989	(346,953)	(94,460)
Increase in deposits and balances due from banks maturing after three months		(4,029,531)	(1,097,068)	(309,339)	(84,220)
(Increase)/decrease in loans and advances measured at amortised cost		(10,926,602)	(2,974,844)	1,755,721	478,007
Increase in Islamic financing and investment products measured at amortised cost		(984,092)	(267,926)	(102,448)	(27,892)
Decrease/(increase) in reinsurance assets		191,954	52,261	(306,002)	(83,311)
Decrease/(increase) in other assets		219,532	59,769	(1,089,214)	(296,546)
(Increase)/decrease in financial assets carried at FVTPL		(783,251)	(213,246)	3,893	1,060
Increase in repurchase agreements with banks		439,424	119,636	1,201,186	327,031
Increase/(decrease) in customers' deposits		10,774,929	2,933,550	(63,599)	(17,315)
Increase/(decrease) in Islamic customers' deposits		2,447,522	666,356	(2,644,695)	(720,037)
Increase in deposits and balances due to banks		4,722,106	1,285,626	3,659,885	996,429
(Decrease)/increase in insurance contract liabilities		(181,177)	(49,327)	493,990	134,493
Increase in other liabilities		120,435	32,789	858,350	233,692
Net cash generated from operating activities		9,541,390	2,597,710	5,201,317	1,416,095

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

Mashreqbank PSC Group

Consolidated statement of cash flows (continued)

	Notes	For the year ended 31 December			
		2021		2020	
		AED'000	USD'000 Equivalent	AED'000	USD'000 Equivalent
Cash flows from investing activities					
Purchase of property and equipment	12	(129,216)	(35,180)	(336,461)	(91,604)
Purchase on intangible assets	13	(82,298)	(22,406)	(137,468)	(37,427)
Proceeds from sale of property and equipment		1,441	393	117,500	31,990
Purchase of other financial assets measured at fair value or amortised cost		(40,877,370)	(11,129,151)	(12,740,338)	(3,468,646)
Proceeds from sale of other financial assets measured at fair value or amortised cost		34,330,239	9,346,648	8,885,295	2,419,084
Dividend income from other financial assets measured at FVTOCI	29	21,337	5,809	24,961	6,796
Investment in associate		(13,813)	(3,761)	-	-
Net cash used in investing activities		(6,749,680)	(1,837,648)	(4,186,511)	(1,139,807)
Cash flows from financing activities					
Transaction with NCI		(14,325)	(3,900)	(17,772)	(4,839)
Dividend paid		(32,825)	(8,937)	(710,123)	(193,336)
Medium term notes issued		-	-	2,355,258	641,236
Medium term notes redeemed		(2,300,922)	(626,442)	(4,577,973)	(1,246,385)
Net cash used in financing activities		(2,348,072)	(639,279)	(2,950,610)	(803,324)
Net increase/(decrease) in cash and cash equivalents		443,638	120,783	(1,935,804)	(527,036)
Net foreign exchange difference		17,784	4,842	9,613	2,617
Cash and cash equivalents at 1 January		<u>20,840,616</u>	<u>5,674,004</u>	<u>22,766,807</u>	<u>6,198,423</u>
Cash and cash equivalents at 31 December	35	<u>21,302,038</u>	<u>5,799,629</u>	<u>20,840,616</u>	<u>5,674,004</u>

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