



INVESTOR RELATIONS PRESENTATION

June 2022



Mashreq Investor Presentation

▶ UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

Trading history, rating & dividends

Corporate governance

Accolades

UAE: Macroeconomic Outlook





2nd Largest Economy in GCC

Nominal GDP expected to reach USD 428bn in 2022F



107 bn barrels Oil Reserves

5th Largest proven Oil reserve i.e., c.7% of Global Reserves



17% Of Total GDP Contribution from Oil and Gas

Well diversified economy



AA S&P Rating

Supported by the economic strength and high GDP per capita

Highest Vaccination Rate in the World

c.96% of the UAE population fully inoculated and 100% of the population received at least one dose

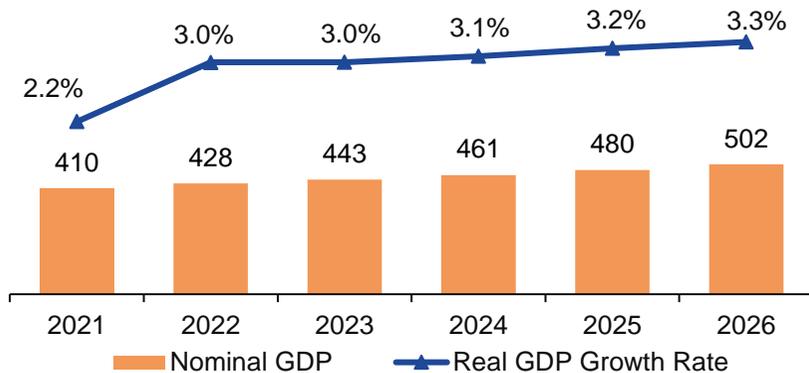


Revival in Tourism

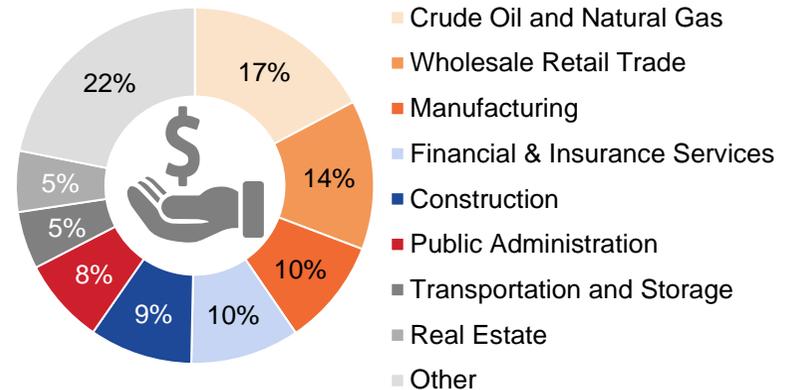
Easing of restrictions resulted in increased travel and tourism; Expo 2020 records more than 10 million visits



Nominal and Real GDP (USD billion)



GDP Breakdown by Sector – 2020 (%)

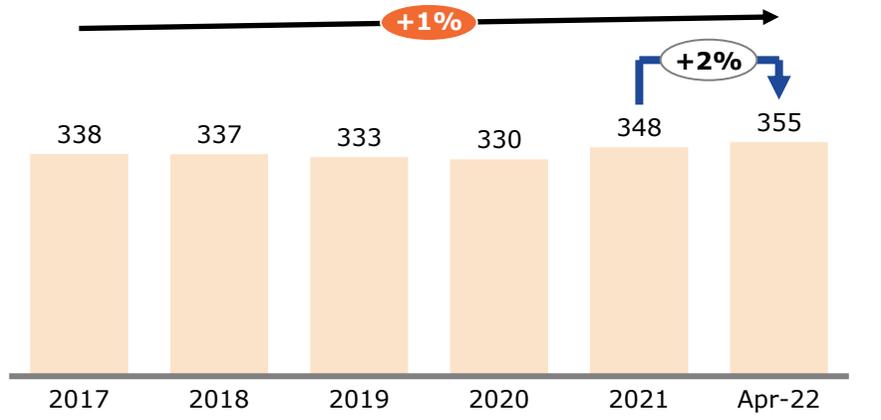


Strong rebound in growth in 2021 (vs. 6.1% decline in 2020) driven by rapid pace of vaccination, surge in tourism & hospitality sectors and increase in oil prices

Consumer borrowing has gained pace with recovery in major sectors including tourism...

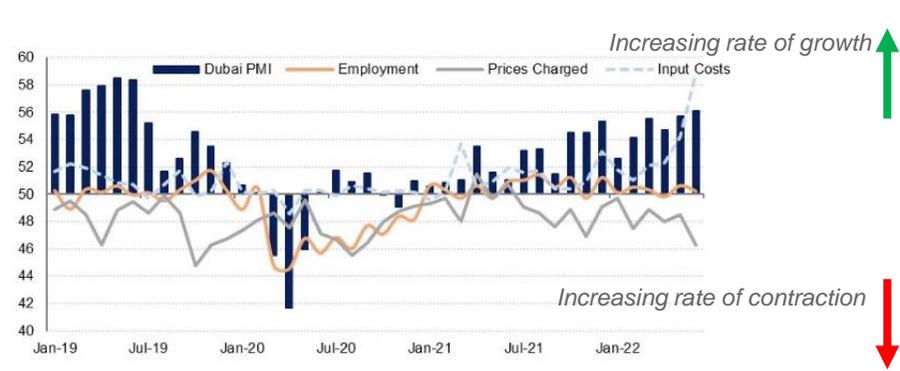
Consumer borrowing growth has picked up...

Domestic credit to Individuals [AED Bn]



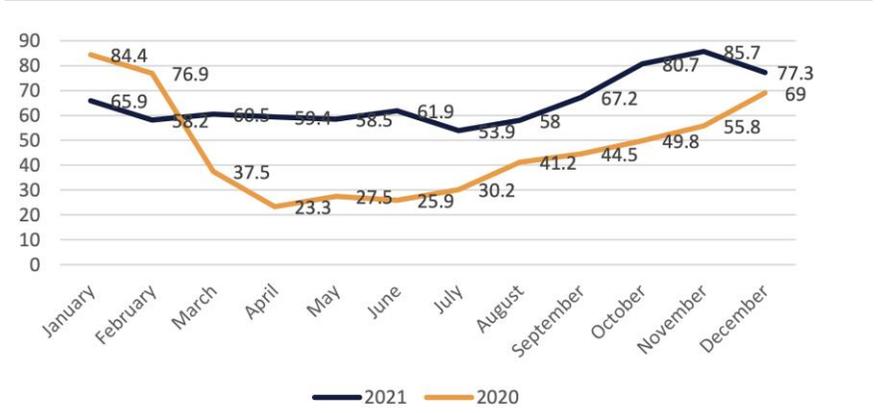
... with an increase in PMI and employment index

Emirates NBD PMI & Employment index [#]



Hotel occupancy rates also show a marked recovery

Dubai Hotel Occupancy rates [%]



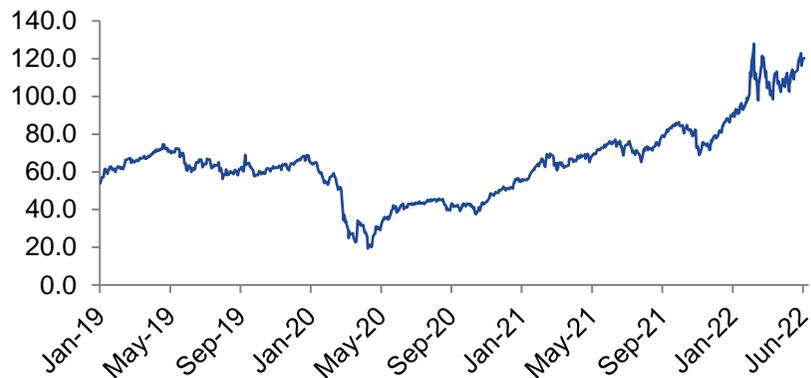
...while rents across the sectors increase

| | Dubai 2Q'22 | Abu Dhabi 2Q'22 |
|--------------------|--|---|
| Office | Average Grade A CBD rents up by 15% YOY | Average Grade A CBD rents up by 8% YOY |
| Residential | Average rental rates up by 19% YOY | Average rental rates up by 3% YOY |
| Retail | Average rental rates across primary and secondary malls declined by 3% | Average rental rates across primary and secondary malls saw no change |

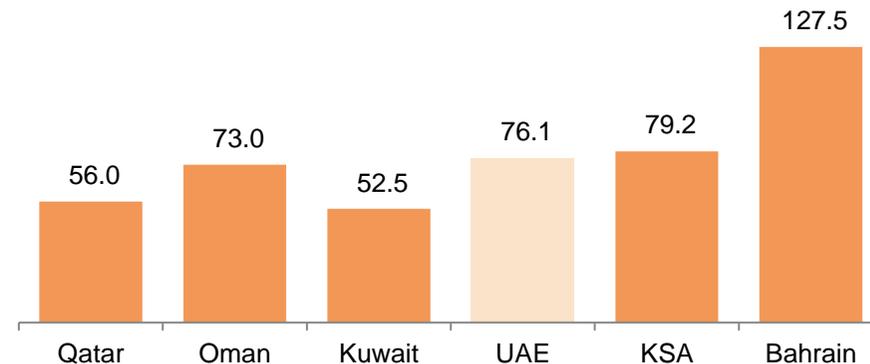
SOURCE: JLL, UAE Central Bank, Emirates NBD, STR Global

...along with an improved fiscal position driven by rebound in oil prices

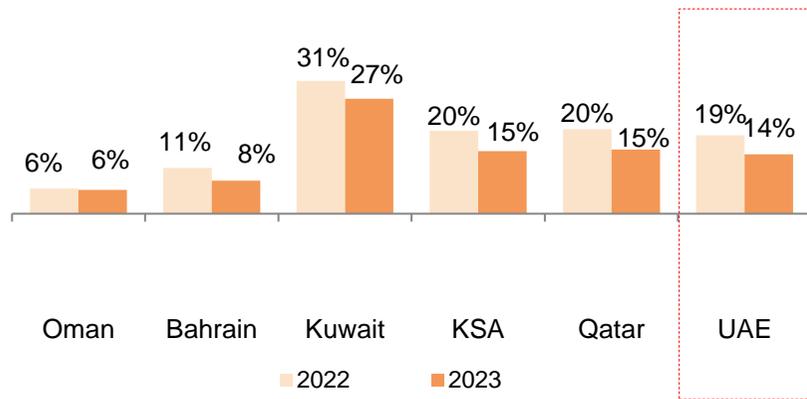
Brent Crude Oil Prices USD/barrel



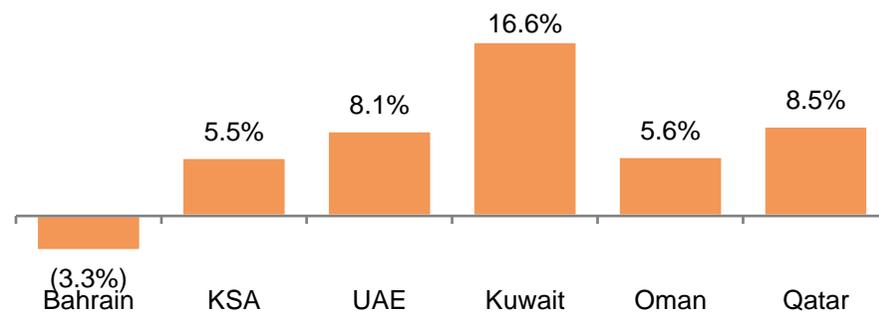
Fiscal Breakeven Oil Price – 2022F USD/barrel



Current Account Balance to GDP – 2022-23F



Govt. Net Lending/(Borrowings) to GDP – 2022

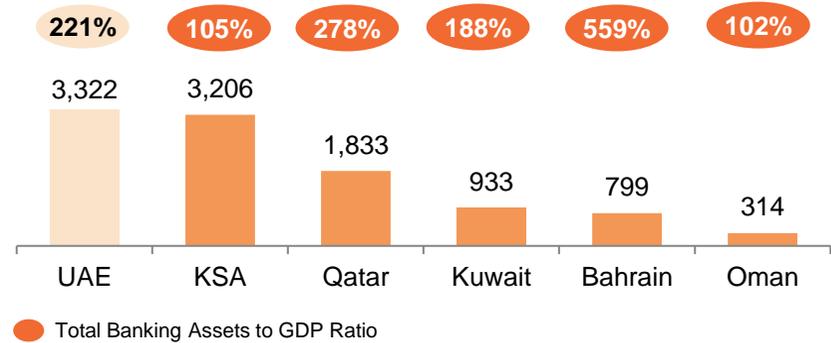


One of the largest banking systems in the GCC and sound regulatory framework with widespread support from the Government

Diversified and Highly Regulated Banking Sector

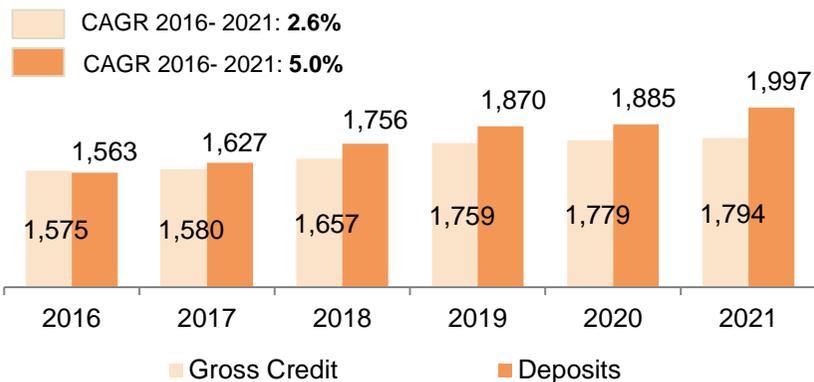
- As of December 2021, UAE banking sector comprised of 59 banks
 - 22 National Banks with 513 branches, 20 pay offices and 41 Electronic Banking Service Units (EBSUs)
 - 37 Foreign Banks (including 10 wholesale Banks) with 74 branches, 1 pay office and 21 Electronic Banking Service Units
- Diversified loan portfolio – Real Estate and Construction sector accounted for c.20% of loan book in Dec'21
- Well regulated banking system, in line with internationally followed best practices
- Long-standing track record of Government support during crisis

GCC Banking Assets – 2021 (AED billion)



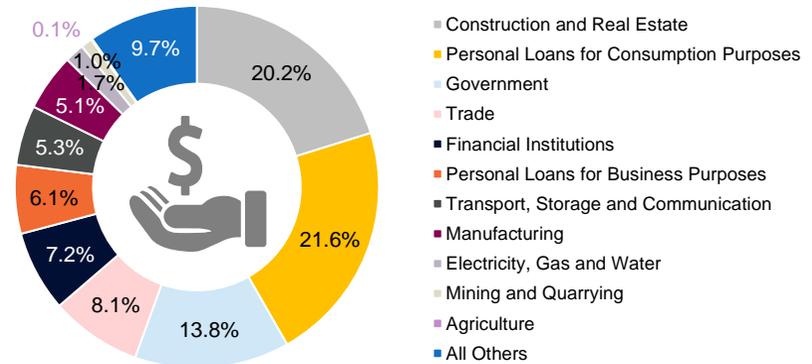
Source: IMF World Economic Outlook – April 2022, Central Bank of the respective countries

UAE – Loans & Deposits (AED billion)



Source: UAE Central Bank

Loans by Sector – Dec'21 (%)



Source: UAE Central Bank

Largest banking system in the GCC with total assets of AED 3.3tn and sound regulatory framework with widespread support from the Government

Classification: Public



Mashreq Investor Presentation

UAE economy

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Mashreq is one of UAE's leading financial institutions

Heritage

- Established in 1967 by the Al-Ghurair family
- 55 years of experience in the UAE banking and financial services market

Publicly listed

- Oldest local bank based out of the UAE
- Combines the entrepreneurial spirit of Dubai with enduring trade banking relationships across the region
- Listed on the DFM on the creation of the local stock exchange (2000)

Strong regional & international presence

- Prominent local bank with a presence in most GCC countries and a leading international network of branches/representative offices in MENA, Asia, Europe and USA
- Well positioned to finance regional trade flows

Diversified business

- Universal bank offering a comprehensive suite of products and services to individuals and corporates across all lines of business
- Diversified revenue stream with “fee and other income” contributing approximately 44% of total income

Experienced management team

- Long serving senior executives with international management expertise backed by a reputable board of directors

Strong shareholder base

- Mashreq has been the flagship business for the key shareholders (Al Ghurair family) since its inception in 1967
- Supportive ownership structure backed by strong institutional shareholders

Stable and supportive ownership structure

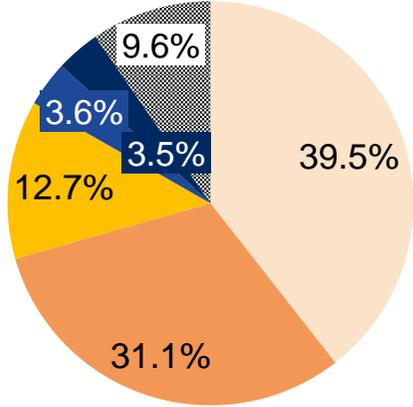
Mashreq's Leadership



H.E. Abdul Aziz Abdulla Al-Ghurair
Chairman

- Chairman of UAE Banks Federation
- Vice Chairman of the higher board of DIFC
- Chairman of Masafi
- Chairman of Oman Insurance
- Board Member of Emirates Foundation
- Former Speaker of the Federal National Council

Key shareholders (June 2022)

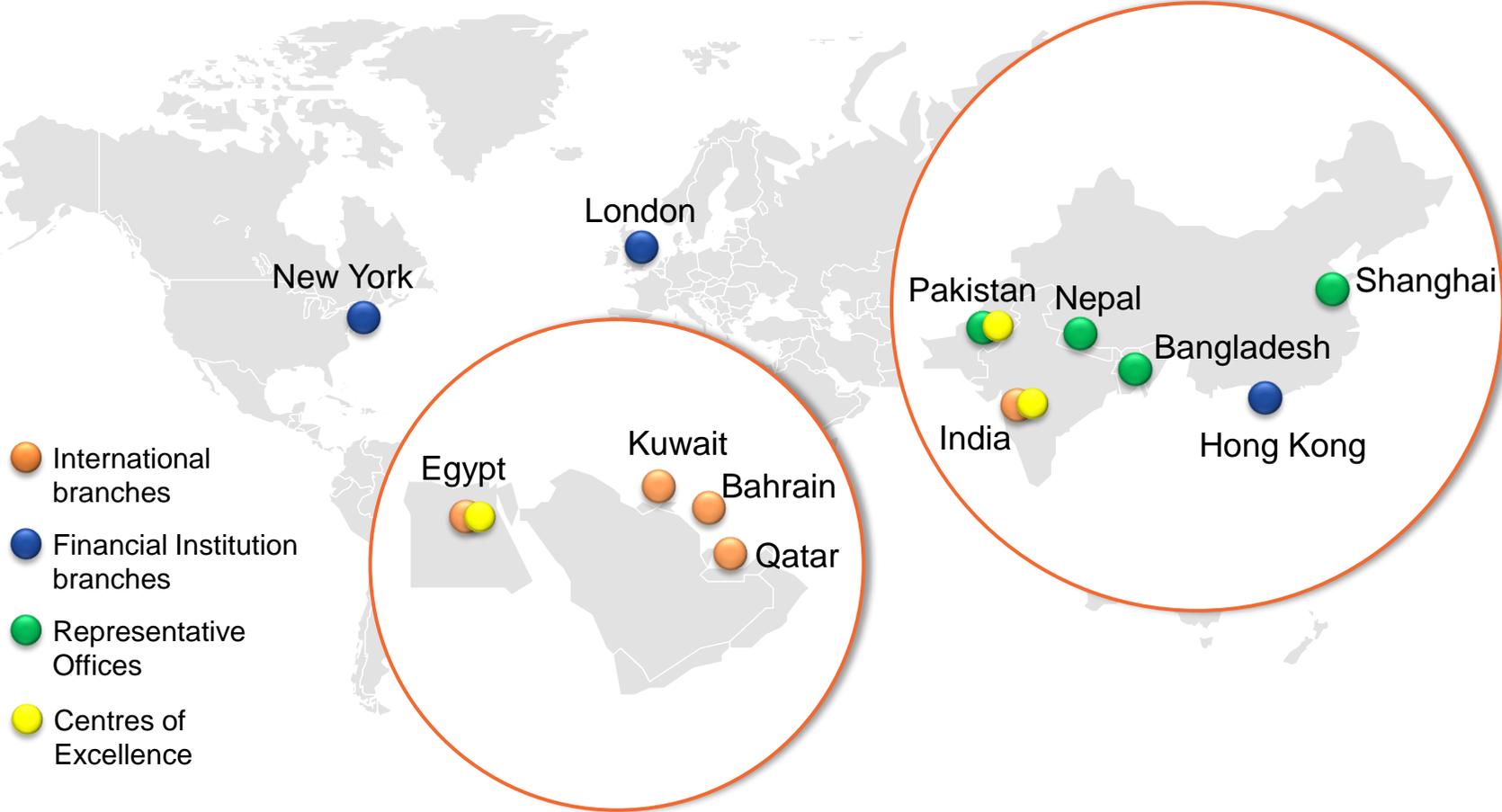


- Saif Al Ghurair Investment LLC
- Abdulla Ahmed Al Ghurair Inv. Co.
- Masar Investments
- Majid Capital
- National Cement Company
- Other shareholders

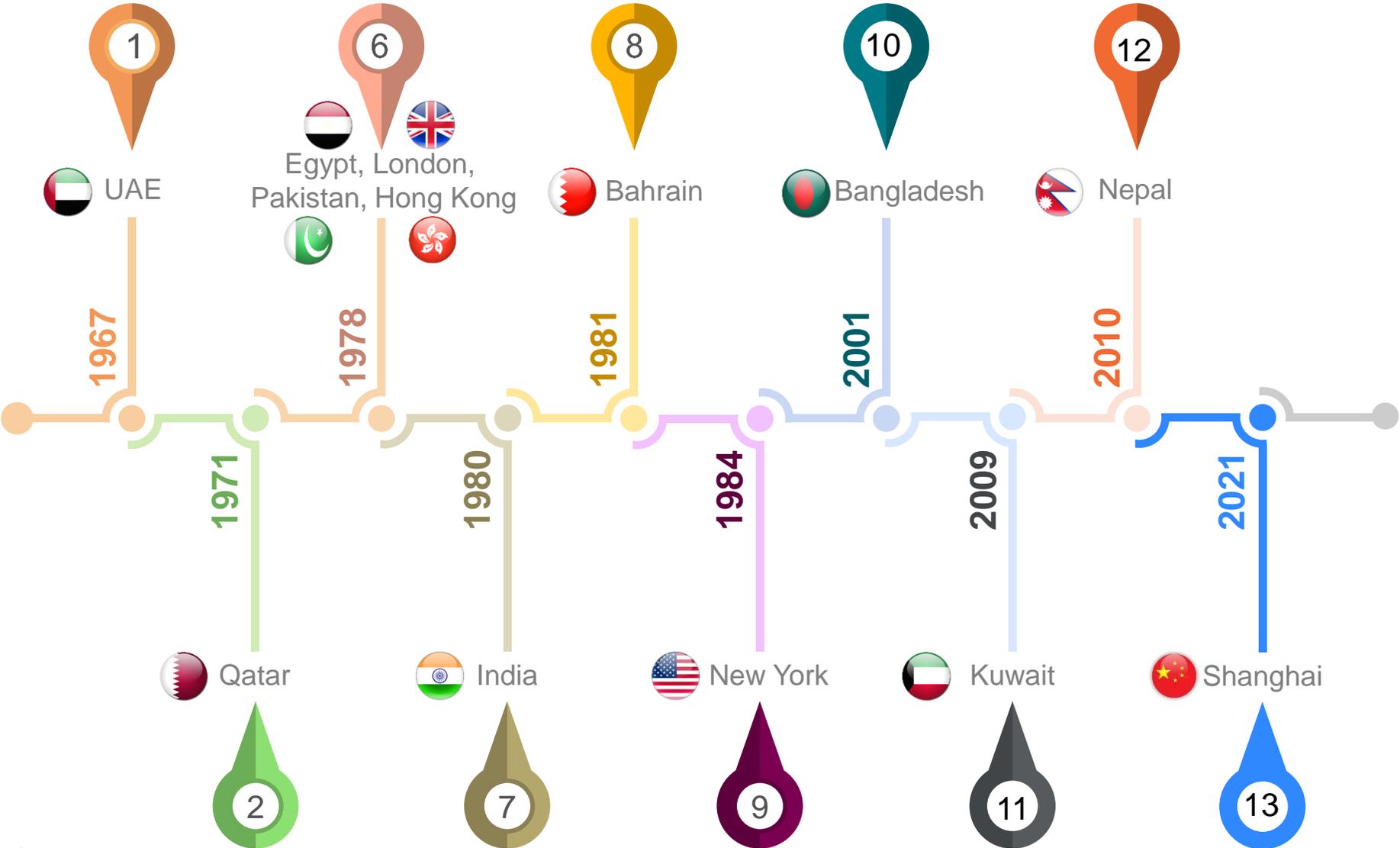
Ownership – Al-Ghurair flagship brand

- Al-Ghurair families holds the majority stake in Mashreq (approximately 87%) and are the founders of the Bank
- Al-Ghurair family has a strong commitment to the continued growth and financial solidity of Mashreq
- Al-Ghurair family is one of the oldest and wealthiest families in the UAE
 - Featured in Forbes billionaire list for over 10 years
 - Business interests include shopping malls, real estate, cement manufacturing, food industries, Masafi (mineral) water, contracting, trading, retailing, shipping, printing & packaging, aluminium extrusion, building materials, oil refinery, manufacturing, steel and canning
- Mashreq's shares are listed and traded on the Dubai Financial Market

Regional and international banking presence



Strong track record in International expansion



Presence in number of countries

Classification: Public



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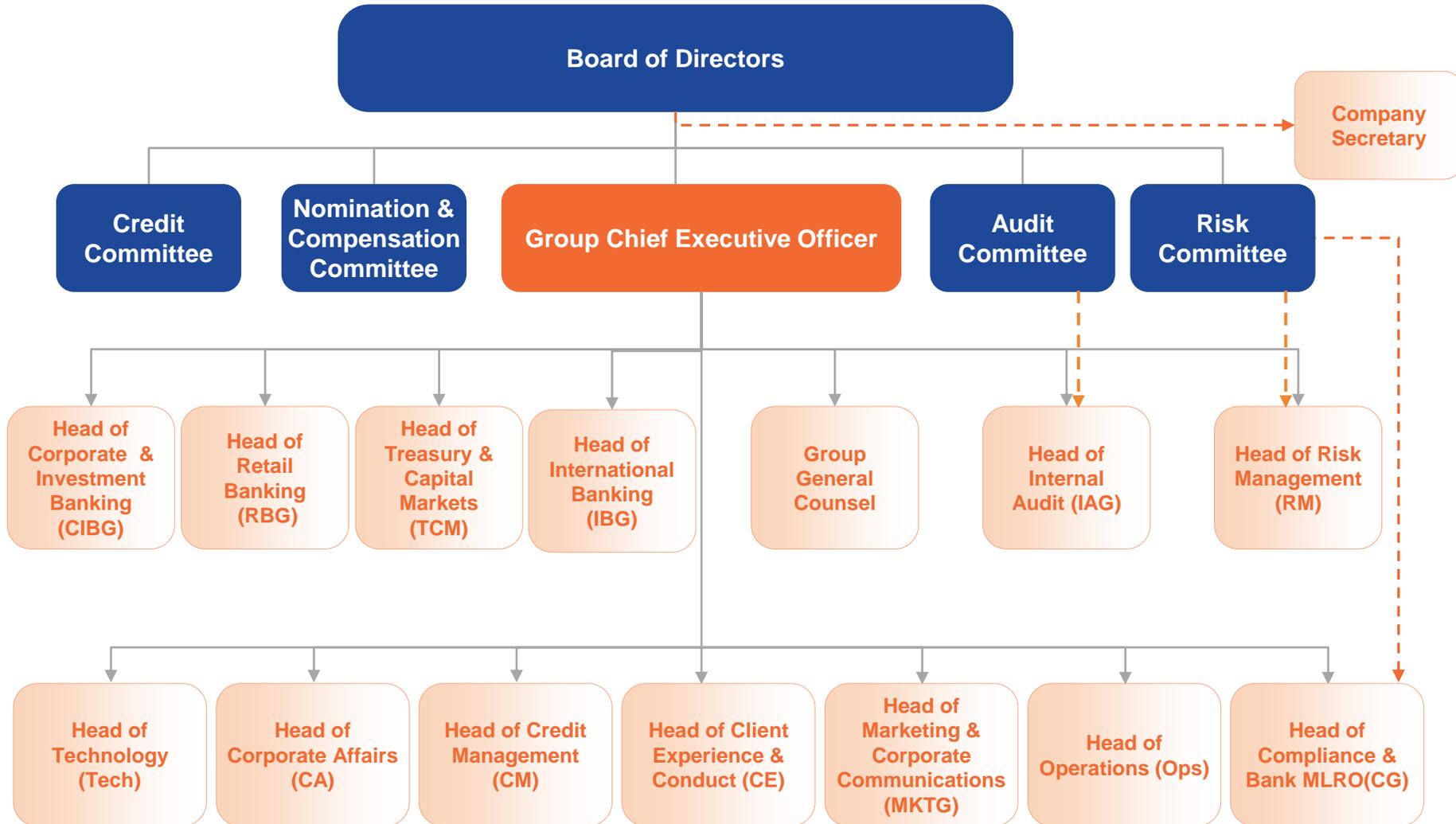
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Simple Organization Structure



Profile of senior management (1/2)



Ahmed Abdelaal

Group Chief Executive Officer

- MBA from London Business School
- Joined Mashreq in 2017 as Head of Corporate Banking; appointed as Chief Executive Officer in 2019
- 25 years of experience in MENA region across corporate finance, trade finance, contracting and real estate finance, payment and cash management, and investment banking



Ali Raza Khan

Chief Financial Officer & Head of Corporate Affairs

- Member of the Institute of Chartered Accountants of India (1978)
- Joined Mashreq in 1980 as Head of Corporate Affairs and is responsible for Finance, HR and Administrative functions in the Bank



Nasser A. Paracha

Head of Internal Audit Group

- BSc from the University of Leeds and completed a General Management Program from HBS
- Joined Mashreq in 1995 from Deutsche Bank AG in Pakistan
- Overall banking experience of c.25 years, covering corporate banking, internal audit and compliance



Joel D Van Dusen

Head of Corporate and Investment Banking Group

- BA in economics from Cornell University and read philosophy, politics and economics at the University of Oxford
- Prior to joining Mashreq in 2020, has held several senior corporate and investment banking roles, most recently as the Global Head of Large Corporates, CMB at HSBC, where he was also a member of the Global CMB Executive Committee.



Tarek El Nahas

Head of International Banking Group

- BA in economics and political science from the American University in Cairo and MSc in economics from the London School of Economics.
- Joined Mashreq in 2020
- Over 25 years of experience at Citibank, most recently as the Head of Corporate and Investment Banking for North Africa, Egypt and Levant



Fernando Morillo Lopez

Head of Retail Banking Group

- MBA from Instituto De Empresa – Madrid
- Holder of a General Management Program (G.M.P.) degree from Harvard Business School
- B.S. in Aeronautical Engineering (Specializing in Aircraft and Spacecraft design) from Universidad Politécnica De Madrid
- Fernando brings 30 years of experience in the financial sector
- He is experienced in Retail, Digital and Commercial banking across multiple segments including Private, Affluent, Emerging Affluent, Mass, SMEs and Middle market



Hammad Naqvi

Head of Treasury & Capital Markets

- MBA from the IBA, University of Karachi
- Prior to joining Mashreq in 1996, was the Head of Treasury with Bank of America, Pakistan and was also posted as the Treasurer of Bank of America, Poland
- He has also spent 2 years in the merchant banking division of ANZ Grindlays in Pakistan

Profile of senior management (2/2)



Roy Philip Sebastian
Head of Credit Management

- Holds a Master's Degree in Commerce and is a Certified Associate of the Indian Institute of Bankers (CAIIB)
- Joined Mashreq in 2019 and has over 30 years of experience across both corporate banking and credit risk management
- Worked with HSBC Group in the Middle East for over 21 years, last position held as the Regional Head of Credit Approval, Wholesale Credit, MENAT



Anuratna Chadha
Head of Risk Management Group

- MBA from IIM Ahmedabad and holds a Bachelor's Degree in Commerce from Shri Ram College of Commerce, Delhi
- Joined Mashreq in 2019 and has over 30 years of banking experience in risk management, wholesale and corporate banking across Singapore, Japan, India and South Africa



Scott Ramsay
Head of Compliance and Bank MLRO

- Holds Masters of Laws (Hons.) degree from Victoria University, Wellington, New Zealand
- Joined Mashreq in 2020
- Over 15 years of banking and senior management experience, with an extensive background in areas of compliance, financial crimes and anti-money laundering



Marouf Shweikeh
Group General Counsel and Board Secretary

- LLM from University of Sussex
- Joined Mashreq in 2021
- Over 25 years of experience working with various banks across the region: Central Bank of Bahrain, TAIB Bank, Alawwal Bank, and Hilal Bank



Alexander Raiff
Head of Technology, Transformation and Information

- Holds a Master of Science in Electric Engineering / Data Processing Technology from Karlsruhe Institute of Technology and Master of Science in International Business from the University of Pforzheim in collaboration with Nanyang Technological University of Singapore
- Joined Mashreq in 2022 and has over 30 years of experience including his noteworthy role as Chief Information Officer at Abu Dhabi Commercial Bank. He has also worked for Digital Banking, FinTech/RegTech & Crypto Asset Platforms and an eCommerce Startup. He was also associated with Abu Dhabi Commercial Bank, Daimler Financial Services and Mercedes Benz



Mark Edwards
Head of Operations

- Business Management graduate from the University of Stirling (UK) and completed an Executive Management Programme from INSEAD (France & Singapore)
- Joined Mashreq in 2020
- A banking veteran with c. 25 years of international and regional experience in business and banking operations, shared services, business transformation, project management and corporate integration



Rania Nerhal
Head of Client Experience & Conduct Group

- Holds a Bachelor's degree in Economics – Faculty of Commerce and Foreign Trade, Egypt
- Prior to joining Mashreq in 2018, held executive management roles at HSBC, Egyptian American Bank, Commercial Bank of Dubai, and Al Ahli Bank of Kuwait
- Over 25 years of experience in client relationship management in the banking industry

Mashreq is a well diversified universal bank that covers significant lines of business with a full product and channel suite

Offers wholesale banking

- Energy, Services & Manufacturing
- Trading
- Contracting Finance
- Real Estate
- NBF / Financial Institutions Globally
- Emerging Corporates Division
- Global Transaction Services
- Corporate Finance
- Islamic Banking products



Offers treasury and investment products

- FX and Investments
- Rates & Structured Solutions
- Mashreq Capital
- Islamic Banking Products
- Equity Derivatives & Institutional Sales
- Mashreq Securities
- Investments



Offers personal banking

- Personal Banking
- SME
- Mashreq Gold
- Private Banking
- Payments
- Islamic Banking Products
- Distribution
- Alternate Channels
- Direct Sales
- Direct Banking Center
- Mashreq NEO (Digital Banking)

Offers banking services outside UAE

- Wholesale and Investment Banking
- Treasury and Investment Products
- Personal Banking
- Islamic Banking Products

Oman Insurance is the largest subsidiary of Mashreq

Mashreqbank Psc

Oman Insurance Company (64.46%)

- Largest insurance company in the UAE
- Provides full range of Insurance Products & Services
- Jun '22 Equity: AED 2.3 Bn
- 1H 2022 profit: AED 123 Mn

Mashreq Capital (100%)

- Registered in DIFC for Brokerage, Asset Management and Fund Management services
- One of the largest asset management in UAE with USD 1.4 Bn in asset under management
- Funds rated highest in the market
- Jun '22 Equity: AED 23 Mn
- 1H 2022 profit: AED 3 Mn

Mashreq Al Islami Finance (99.8%)

- Islamic Finance Company
- Provides full range of Islamic Products & Services
- Jun '22 Equity: AED 826 Mn
- 1H 2022 profit: AED 9 Mn

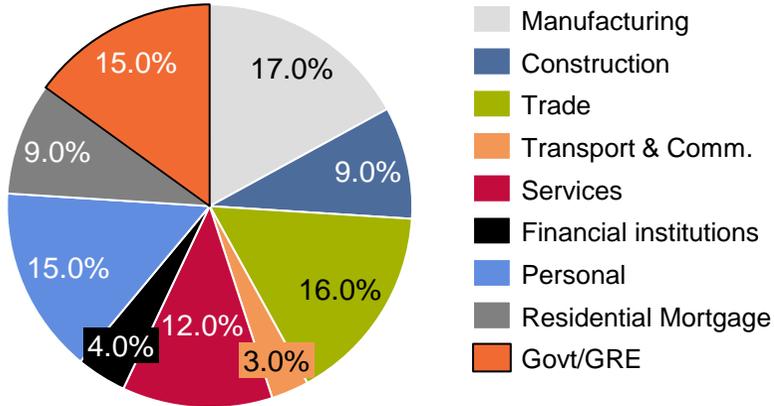
Mashreq Securities (99.98%)

- Securities brokerage Company registered at Dubai Financial Market
- One of the leading brokerage in the UAE
- Jun '22 Equity: AED 65 Mn
- 1H 2022 profit: AED 1.6 Mn

Diversified earnings base with strong growth potential

Gross Loans portfolio split as of June 2022

(AED 98.4 bn)

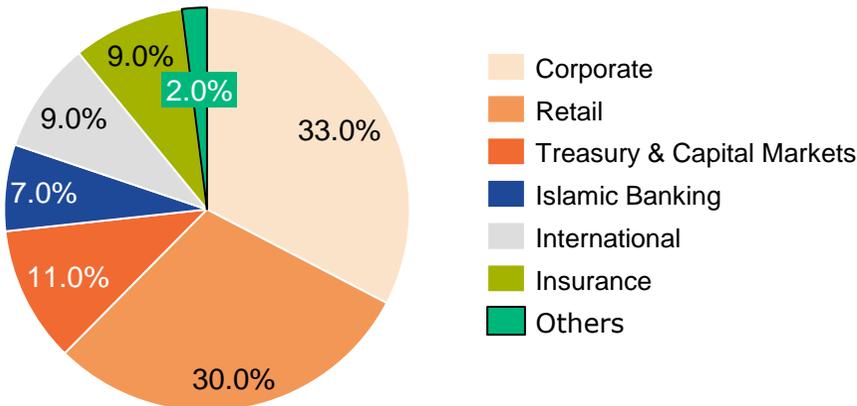


Business segments outlook

- **Retail Banking:** Focus is on growth by leveraging digital and enhancing customer experience
- **Corporate & Investment Banking:** Industry specialization and expertise to be the anchor for providing sector specific support in a post COVID-19 world.
- **International Banking:** Tap and strengthen Regional market footprint to assist local corporations operating regionally
- **Insurance:** As the largest insurance company in the UAE, Mashreq's Oman Insurance Company (OIC) subsidiary is expected to grow in line with the market
- **Treasury:** Build on the market leading menu of TCM products including hedging and FX products and increase cross-sell

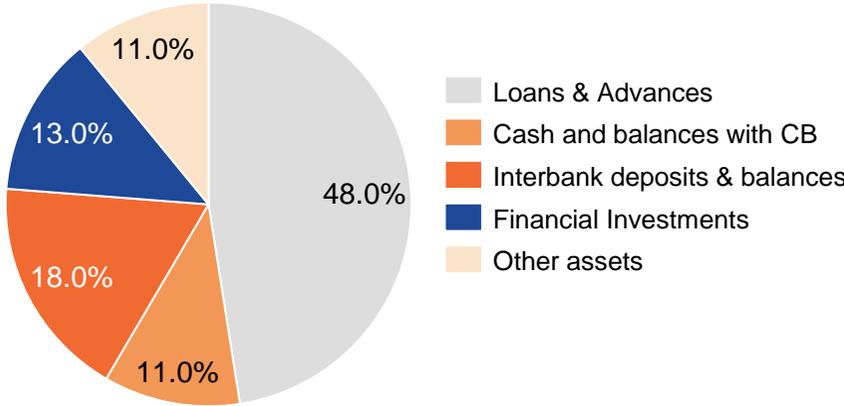
Revenue split 1H 2022

(AED 3.3 bn)



Asset split as of June 2022

(AED 188.6 bn)



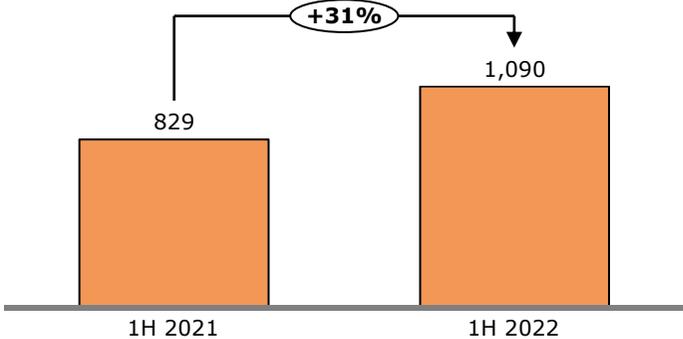
Note: Segments have been realigned in the year wherein Islamic Banking is shown as a separate segment. Previously the same was included within Retail, Corporate and International Banking. Prior period numbers have been restated accordingly

Business Review – Corporate and Investment Banking

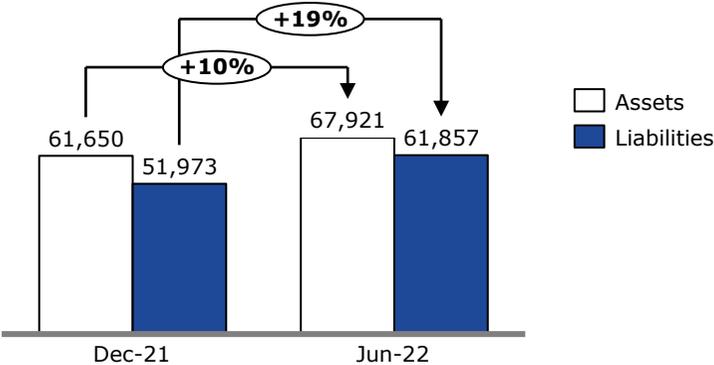
Business Highlights

- Corporate banking is the biggest segment in Mashreq in terms of assets (36% of assets) and liabilities (37% of total liabilities) as of June 2022
- Assets increased by 10% and stand at AED 67.9 billion.
- Operating income increased by 31% Y-o-Y and accounts for 33% of total operating income in 1H 2022. Main growth area has been from the Services, Manufacturing and Financial Institutions segments.
- Key product offering includes solutions for Corporate clients and Financial Institutions across lending, cash management, trade finance, contracting and project finance, investment banking (syndications and debt capital markets, corporate advisory) and Islamic financing
- Operates via expertise-led sector coverage model catering to contracting companies, Retail and other Trading businesses, government, Healthcare and Education, Energy, Service companies, manufacturers, real estate, NBFIs and MNCs.
- 1st bank to go live in the region with SWIFT's Global Payment Initiative; Best Corporate/Institutional Digital Bank in the UAE in 2021 by Global finance

Operating Income (AED million)



Segment Assets & Liabilities (AED million)



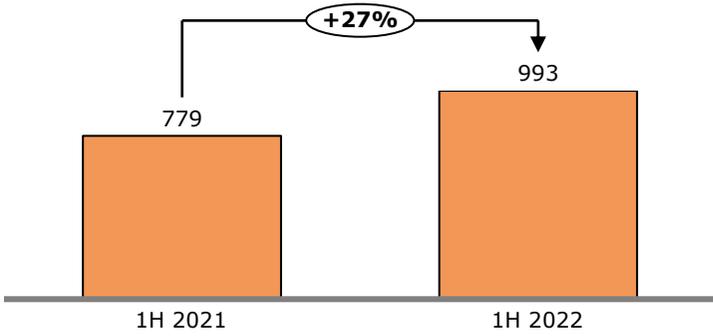
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Business Review – Retail Banking

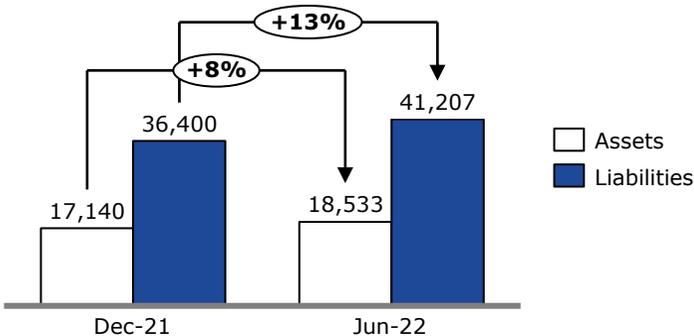
Business Highlights

- Retail banking is a key contributor to the operating income at 30% in 1H 2022.
- Y-o-Y operating income increased by 27% driven by an increase in non-interest income (fee income from FX and payments)
- Retail banking assets increased by 8% and stand at AED 18.5 billion. The Emirati loans and the Mortgages segment were the top contributors to the growth in H1 2022.
- Liabilities have increased by 13% and are AED 41.2 billion as of June 2022 (25% of total liabilities)
- Operates 35,000 point-of-sale machines spread across 14,000 merchant locations in the UAE (2nd largest merchant acquirer in the UAE with approximately 30% market share). Select focus on fee-based business including account management, forex and remittances; unsecured lending has been ceased in the SME segment.
- Product offerings include current, savings & fixed deposits, investment products, personal loans, auto loans, small business loans, mortgages, credit cards, bank assurance, private banking, wealth management and Islamic financing.
- POS Plus - UAE's first ever handheld payment acceptance device with built-in digital product catalogue (customers can see a merchant's entire product line and variants on a digital tablet).

Operating Income (AED million)



Segment Assets & Liabilities (AED million)



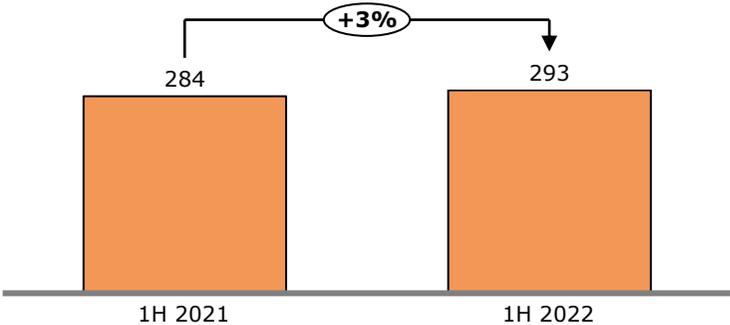
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Business Review – International Banking

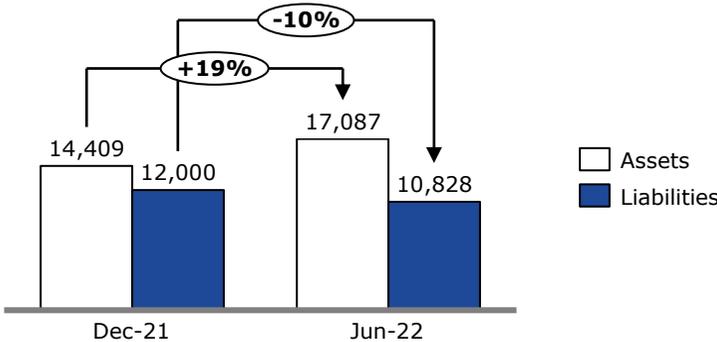
Business Highlights

- International business contributed 9% of operating income and 7% of liabilities in 1H 2022.
- International Banking assets increased by 19% as compared to December 2021 and make up 8% of total assets. Liabilities decreased by 10% and stand at AED 10.8 billion
- Y-o-Y operating income increased by 3% to AED 293 million in spite of the devaluation impact in Egypt
- International Banking business covers corporate clients in non-presence countries. Product range covers complete suite similar to domestic corporate.
- Mandated as lead arranger in important loan syndications in overseas markets; in key African countries, Mashreq raised funds for top banks and development financial institutions and continued to be the leading Middle Eastern bank in the African financial institutions space.
- Introduced key sales management systems and processes like Client Relationship Management and Automated Account Planning.

Operating Income (AED million)



Segment Assets & Liabilities (AED million)



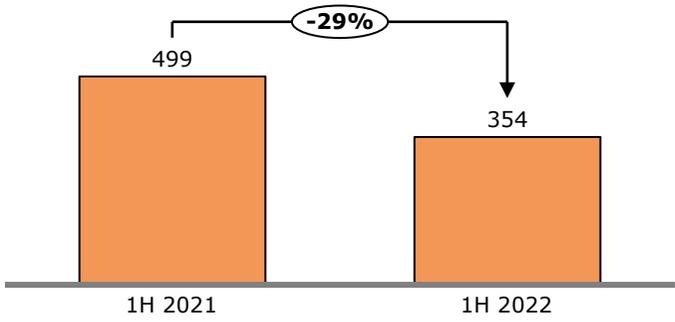
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Business Review – Treasury and Capital Markets

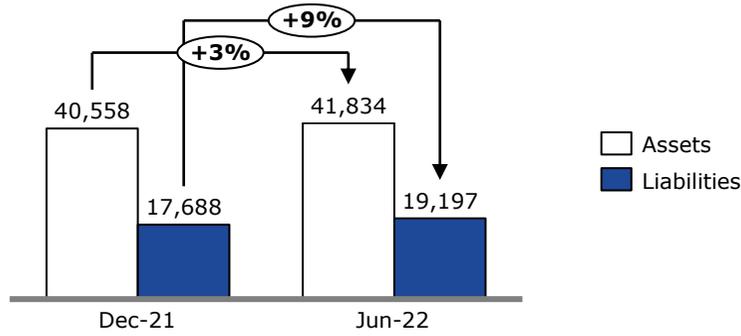
Business Highlights

- Treasury & Capital Markets accounts for 23% of assets and 11% of liabilities as of June 2022
- Assets increased by 3% year to date and stood at AED 41.8 billion.
- TCM Operating income contributed 11% to the total operating income in 1H 2022.
- Revenue has declined 29% YoY (Operating income in H1 2021 had trading gains which were not repeated in 2022)
- Treasury and Capital Markets business consists of customer flow business and proprietary business
 - Customer flow business includes transactions for FX, derivatives, hedging, investment products, equities and regional asset management undertaken on behalf of customers
 - Proprietary business includes trading and investing activity undertaken on behalf of the Bank

Operating Income (AED million)



Segment Assets & Liabilities (AED million)



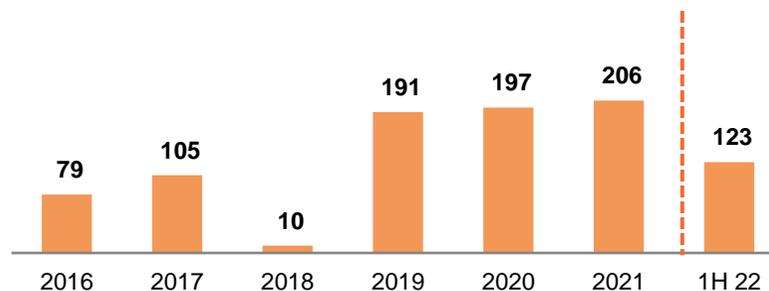
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Business highlights – Insurance Business (Oman Insurance Company)

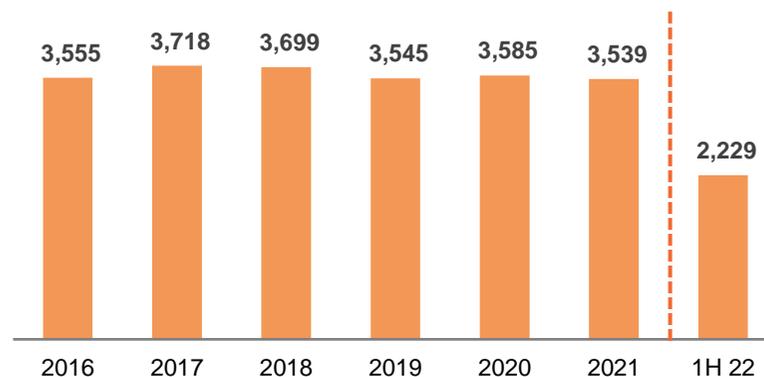
Business Highlights

- Oman Insurance Company contributes c. 4% to total assets and 9% to total operating income (as of 1H 2022)
- Oman Insurance Company (OIC) is the largest insurance company in the UAE in terms of Net Premium Written. Products offered include life, medical, motor, marine cargo and hull, aviation, property, fire and general accidents, engineering, energy, liabilities and personal lines insurance
- Oman Insurance Company has 8 branches to manage operations across all Emirates. OIC also has international branches in the Sultanate of Oman and Turkey.
- Oman Insurance Company maintains an A- rating from Standard & Poor's, a global rating agency, with a revised outlook to Positive. OIC is rated 'A Excellent' by AM Best with an improved outlook from Negative to Stable. S&P Global ratings further mentioned in its report that the outlook revision reflects positive operating performance and an improving capital base. The company also maintains robust capital adequacy, well above the 'AAA' level. Furthermore, Moody's, the largest rating agency worldwide alongside S&P, assigned an A2 Insurance Financial Strength to Oman Insurance.
- Oman Insurance Company continued its digital focus and successfully launched several projects including a new cloud-hosted corporate website, a Straight Through Process motor insurance sales portal and a fully digitalized motor claims system.
- In 2021, the management is persistently following the strategy defined in 2018 based on the following pillars: (i) be obsessed by customer satisfaction; (ii) improve our underwriting and reinsurance technical expertise and focus on risks having the right pricing; (iii) be leaner, more efficient and less costly by revisiting all the processes of our value chain; (iv) relentless and non-compromising focus on cash collection and free cash flow generation; (v) in-depth review and improvement of our technological platforms and implementation of our digital transformation strategy.
- 2021 exceptional achievements to ensure long term sustainable profitability:
 - Won multiple awards in 2021 (Global Brands Magazine / MENA IR Awards)
 - OIC has received approval from Lloyd's to launch Syndicate 2880 under SIAB initiative being the first Lloyd's Syndicate in the GCC.
 - Net profit in 2021 increased by +4.9% to 206.1M compared to 2020
 - Net Investment income increased by +53.2% to 138.3M compared to 2020
 - 89% of clients are Satisfied or Very Satisfied with OIC's service

Net Profit (AED million)



Gross Written Premium (AED million)





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UAE economy

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Structure and Leadership

▶ **Strategy**

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Vision, Mission and Values



Vision

“To be the region’s most **progressive bank** enabling **innovative possibilities** for our **colleagues, clients** and **communities**”

Build long-term relationships by:

- Being the best place to work
- Delivering superior client experience
- Actively contributing to the community through responsible banking
- Leading with innovation
- Pursuing opportunities that grow shareholders’ value



Mission

S

Socially
Responsible

P

Passionate
about
clients

I

Innovative

R

Respect
for
colleague

I

Integrity

T

Transparent

3 Key Pillars of Our Strategy



**Put our
people first**

- Become the best workplace in the UAE and a top talent house in the banking sector



**Deliver superior
client
experience**

- Be recognized by our customers, competitors and stakeholders as the best-in-class end to end (E2E) customer experience provider in the sector across the entire region



**Deliver
shareholder
value**

- Achieve sustainable and profitable growth and enhance financial returns to our shareholders

Strategic Priorities – Simplify Our Business



Digital Strategy and its Key Enablers

Digitally yours...

Experience. Growth. Inclusion. Innovation. Security

Strategic Digital Pillars



Strategic Pillar 1

Personalize customer experience and ensure customer centric journey digitization



Strategic Pillar 2

Achieve process efficiency through full STP and Zero Operations



Strategic Pillar 3

Enable digital led growth through

- Expansion in new segments and markets
- Participation in beyond banking ecosystem plays
- Investment in FinTechs of future

Tech Stack

Artificial Intelligence

Advanced Analytics

Mobility

DevOps

Micro Services

Cloud

Cyber Security

Modular Platforms

Blockchain

Fintech

Enablers

Invest to become a data driven organization, leveraging Artificial Intelligence and Analytics

Upgrade technology stack to create an open, modular and scalable architecture

Adapt control functions for digital age

Deploy new age 'One-bank' operating model

Reskill human capital, hire digital talent, implement Agile 2.0

Extensive deployment of advanced technology stacks such as Artificial Intelligence, Data Analytics and Mobility to offer personalized customer experience and drive strong customer acquisition

Successfully Repivoted Operating Model to Drive Sustainable Cost Advantage

| Centers of Excellence | Employees | Progress Update |
|---|--------------|--|
|  | 1,502 | <ul style="list-style-type: none">▪ Fully operational▪ Supported by robust IT and InfoSec infrastructure to enable employees to work from home (WFH) |
|  | 157 | <ul style="list-style-type: none">▪ Operational with prolonged work-for-home for all new joiners / transferees▪ Currently focusing on set-up of CoE premises and building local procurement capability |
|  | 69 | <ul style="list-style-type: none">▪ Local COE premises recently completed▪ Currently focusing on commercial register change, securing approval from ITIDA for call center operations and building local procurement capability |

Successfully offshored 1K+ positions to low-cost locations in India, Pakistan and Egypt by leveraging offshore Centers of Excellence



Mashreq Investor Presentation

UAE economy

Mashreq heritage

Structure and Leadership

Strategy

▶ **Financial track record**

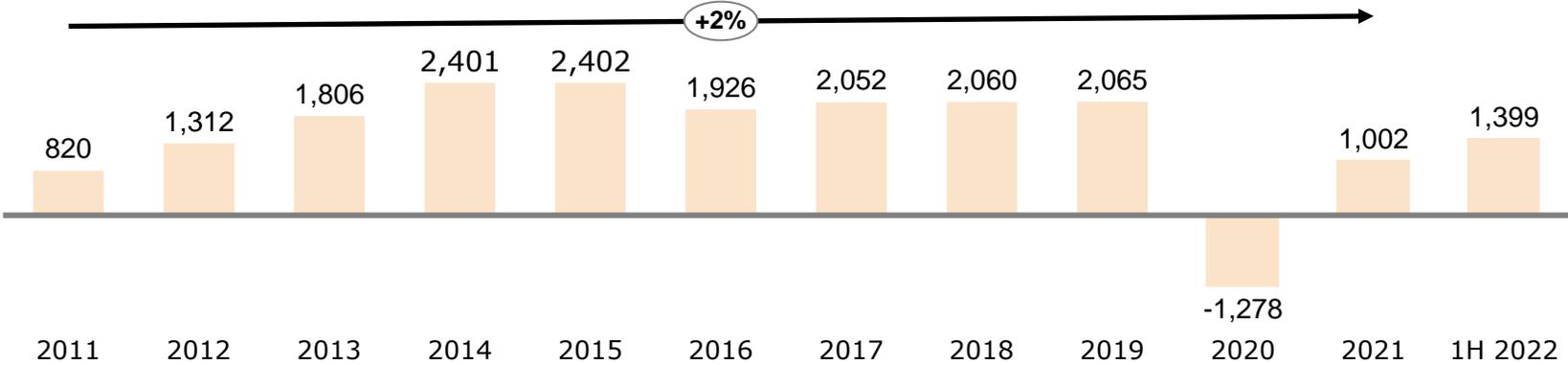
Trading history, rating & dividends

Corporate governance

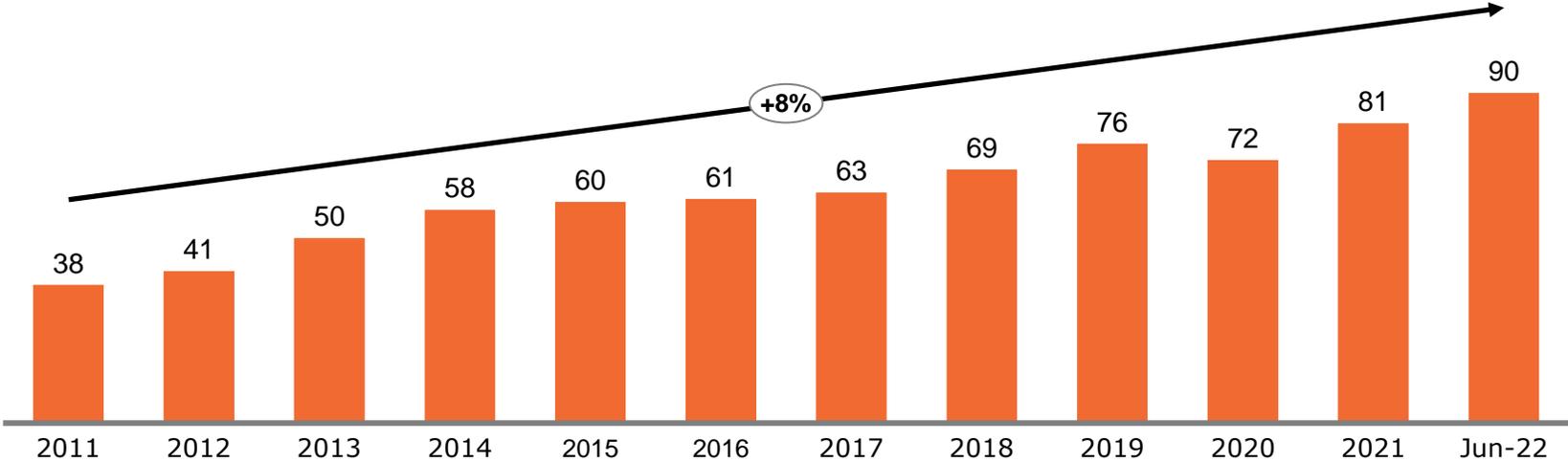
Accolades

Stable performance over the past decade

Net profit/loss (AED million)

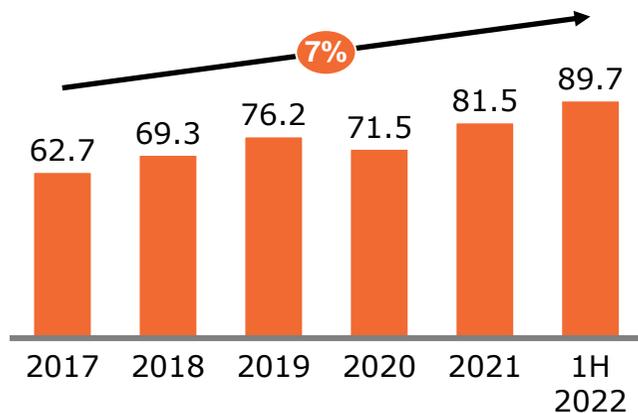


Net loans and advances (AED billion)

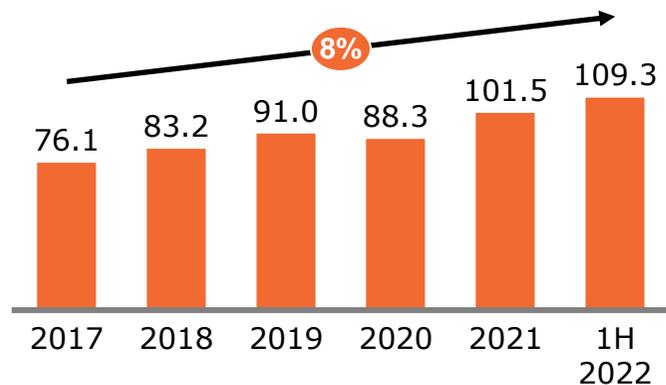


Steady performance over the last five years

Loans & Advances (AED billion)

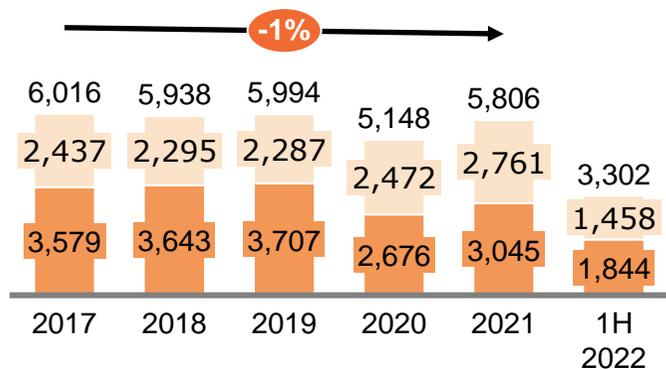


Customer deposits (AED billion)

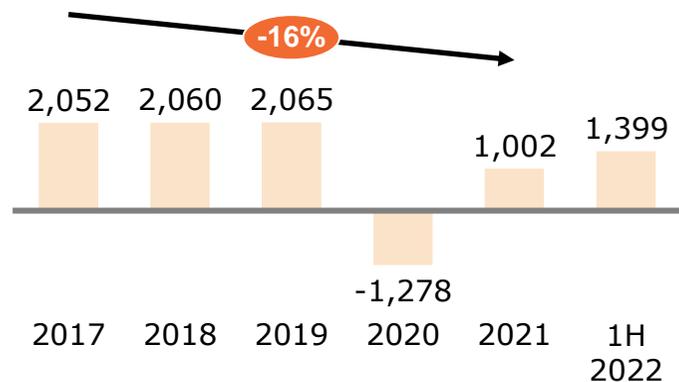


Total Revenue (AED million)

Fee and other income Net interest income



Net profit (AED million)

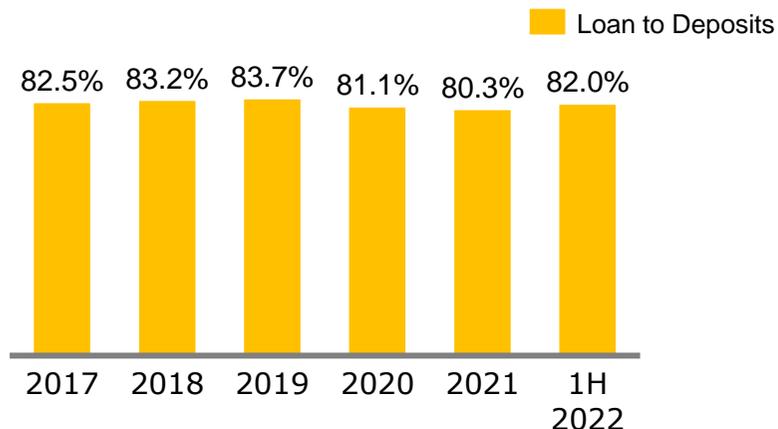


ROE

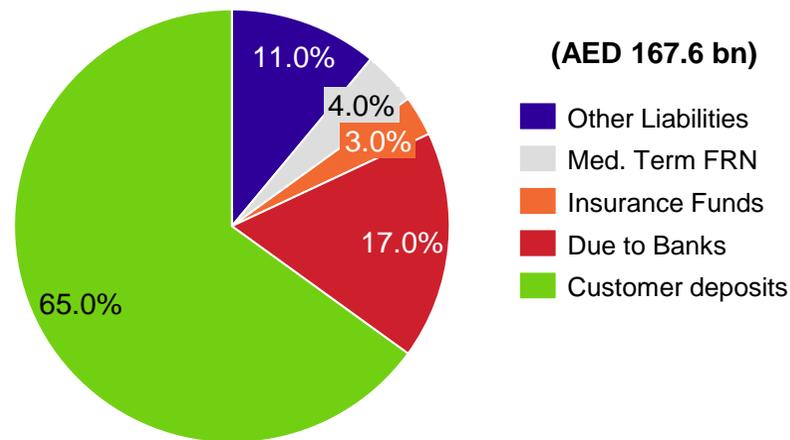


Comfortable liquidity position ...

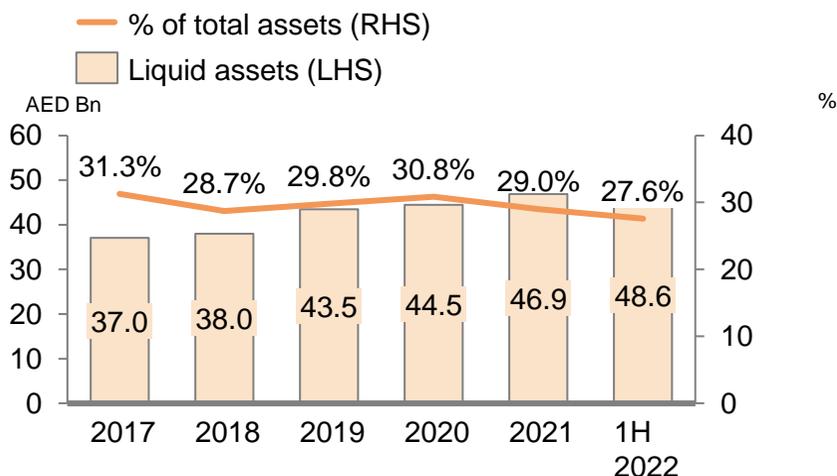
Operating leverage (%)



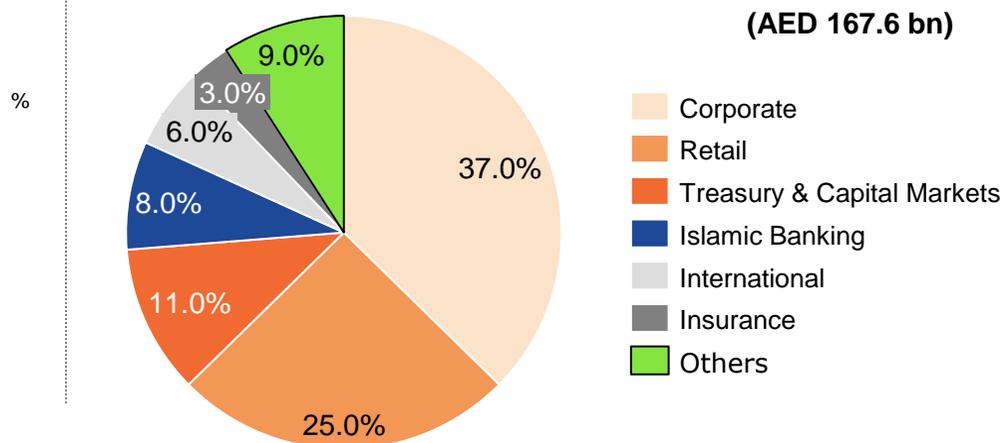
Liability by type as of June 2022



Liquidity (%)



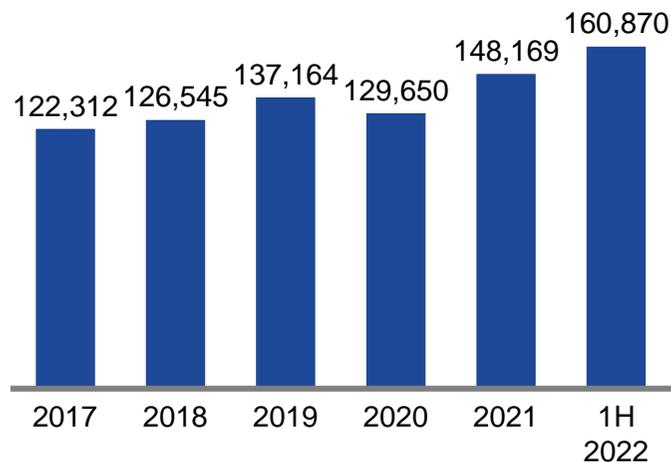
Liability segment split as of June 2022



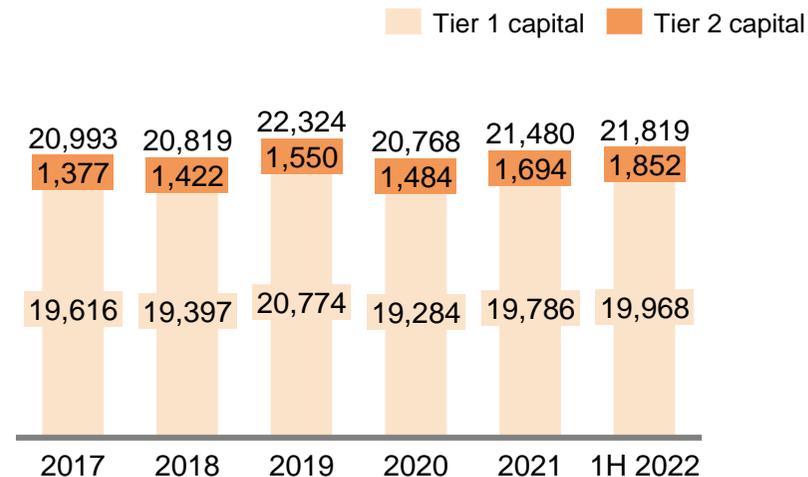
Note: Segments have been realigned in the year wherein Islamic Banking is shown as a separate segment. Previously the same was included within Retail, Corporate and International Banking. Prior period numbers have been restated accordingly

...along with stable capital adequacy

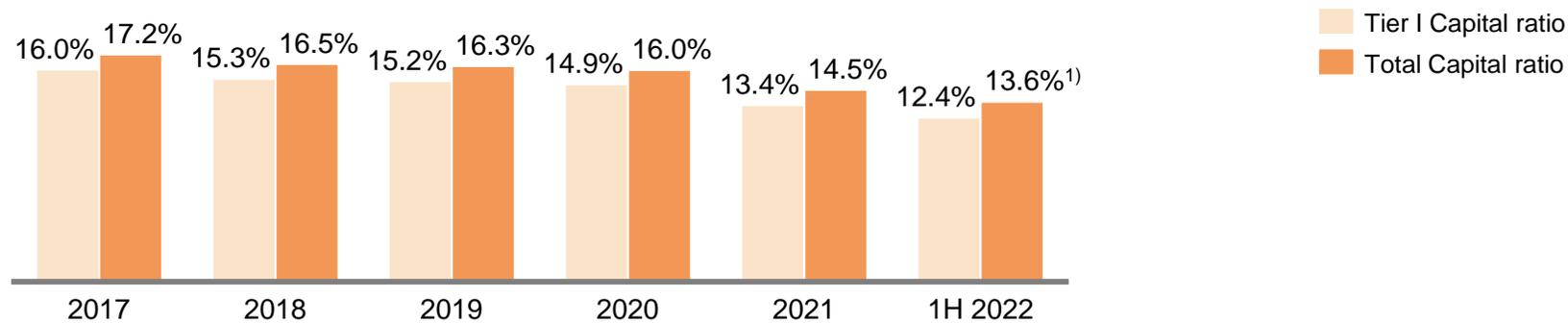
Risk weighted assets (AED million)



Tier 1 and Tier 2 capital (AED million)



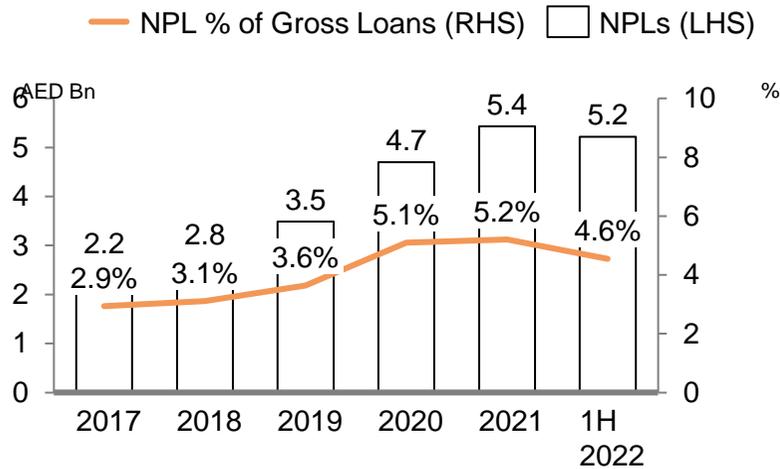
Capital adequacy (%)



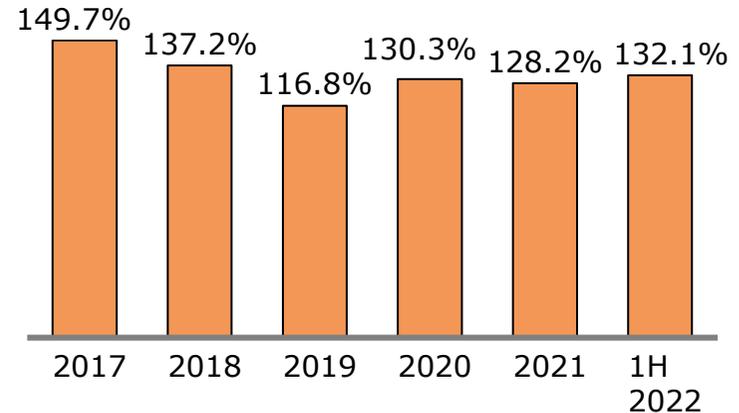
Note: 1) Subsequent to reporting date of 30 June 2022, the Bank issued US\$300 million (AED 1,101.9 million) Additional Tier 1 (AT1) perpetual securities following which the Group's capital adequacy ratio is 14.25%.

...and high coverage for non-performing loans

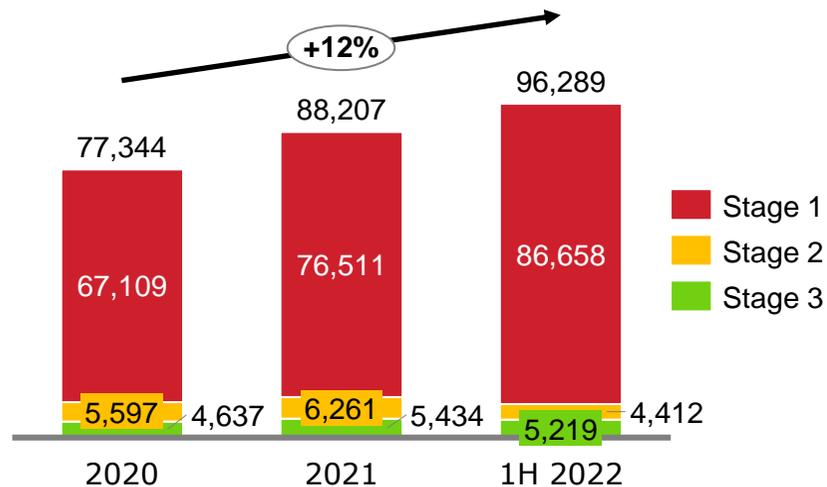
NPL's and % of Gross Loans (AED billion)



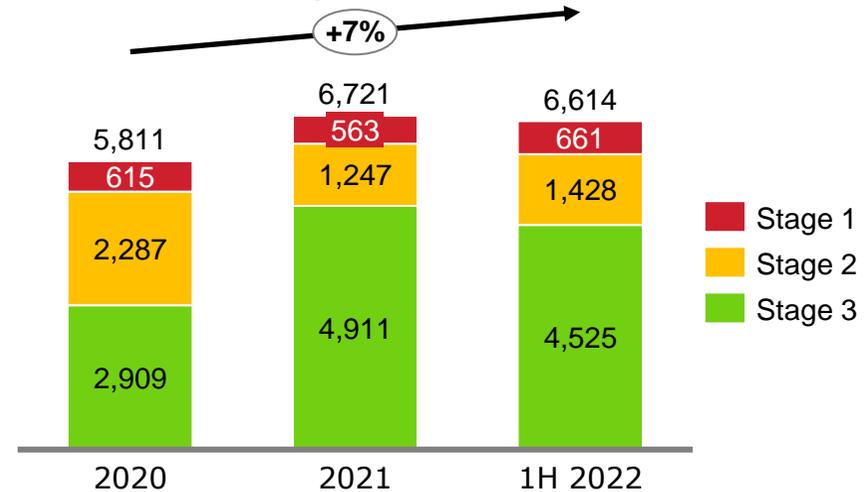
NPL Coverage Ratio (%)



Gross Loans – Stage wise (AED million)



Provisions – Stage wise (AED million)



Financial track record

| | <u>30 Jun 2022</u> | <u>30 Jun 2021</u> | <u>31 Dec 2021</u> |
|---|--------------------|--------------------|--------------------|
| Capital adequacy | | | |
| Tier I Capital Ratio | 12.4% | 12.8% | 13.4% |
| Total Capital Ratio ²⁾ | 13.6% | 14.0% | 14.5% |
| Liquidity | | | |
| Liquid Assets to Total Assets ¹⁾ | 27.6% | 27.6% | 29.0% |
| Advances to Deposits | 82.0% | 81.0% | 80.3% |
| Liquidity Coverage Ratio (LCR) | 113.6% | 123% | 149.3% |
| Asset quality | | | |
| NPL Coverage Ratio | 132.1% | 117.0% | 128.2% |
| NPL to Gross Advances | 4.6% | 4.7% | 5.2% |
| Performance | | | |
| ROA | 1.7% | 0.1% | 0.7% |
| ROE | 13.8% | 0.9% | 5.2% |
| Net Interest Margin | 2.4% | 2.1% | 2.2% |
| Efficiency Ratio | 41.4% | 42.5% | 45.2% |
| Fee and other income to total income | 44.2% | 49.8% | 47.5% |

Note: 1) Total Assets excludes contra items

2) Subsequent to reporting date of 30 June 2022, the Bank issued US\$300 million (AED 1,101.9 million) Additional Tier 1 (AT1) perpetual securities following which the Group's capital adequacy ratio is 14.25%.

Classification: Public

Investment Portfolio Details

Investment Details

| Investments by Type (AED million) | 2020 | 2021 |
|---|---------------|---------------|
| Financial assets measured at fair value | 8,439 | 16,441 |
| (i) Investment measured at FVTPL | 1,453 | 2,273 |
| Debt Securities | 816 | 1,548 |
| Equities | 7 | 38 |
| Mutual and Other Funds | 630 | 687 |
| (ii) Investment measured at FVTOCI (net for provisions) | 6,986 | 14,168 |
| Equities | 515 | 632 |
| Debt Securities | 6,471 | 13,481 |
| Financial assets measured at amortized cost (net for provisions) | 11,001 | 10,278 |
| Debt Securities | 11,022 | 10,302 |
| Total Investments | 19,440 | 26,719 |
| Investments / Total Assets | 12.3% | 15.1% |

Majority of the investment portfolio constitutes marketable securities, most of which are debt securities, implying high liquidity with low market risk



Mashreq Investor Presentation

UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

▶ **Trading history, rating & dividends**

Corporate governance

Accolades

Trading performance over the year

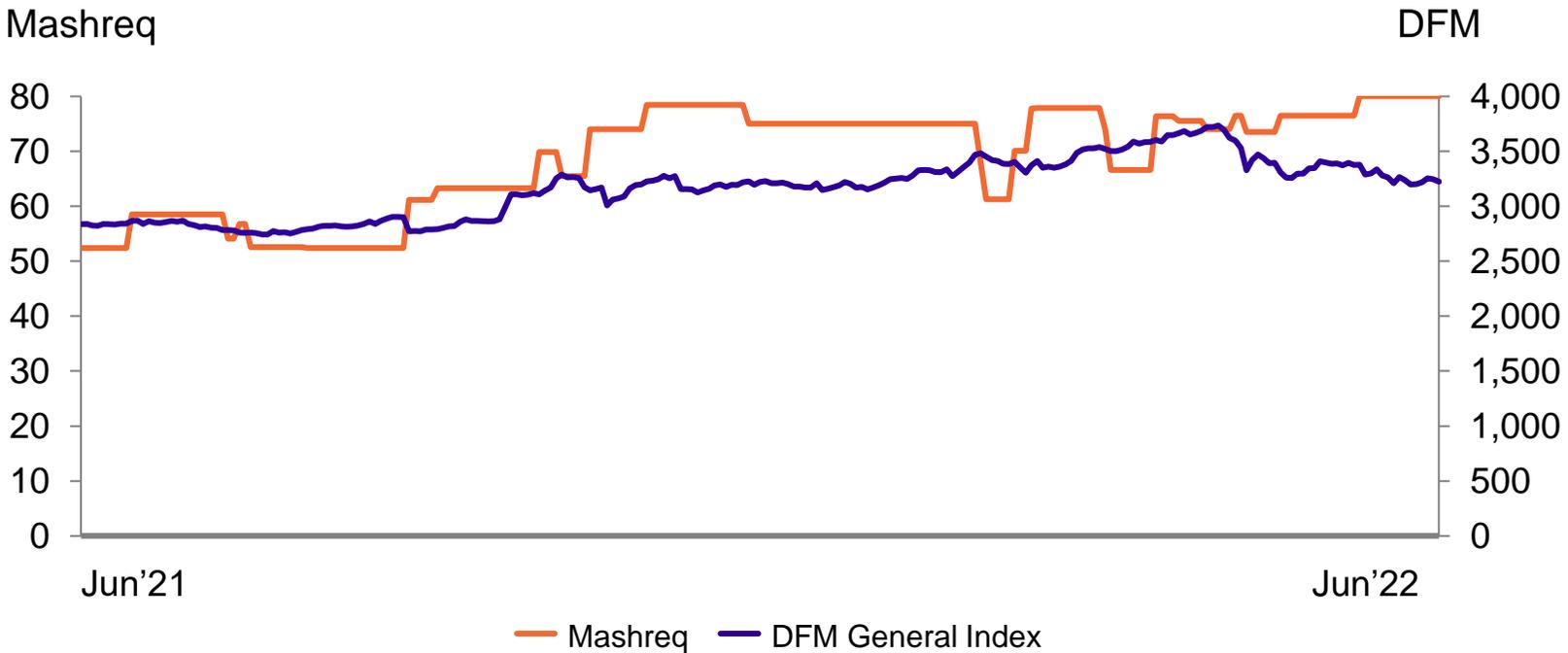
Mashreq's trading price (June 2021 – June 2022)

Share details

| | |
|----------------------------------|-------|
| Currency | AED |
| Par value/ share | 10 |
| Number of shares (Mn) | 200.6 |
| Market Cap (30 Jun '22) (AED Bn) | 16.04 |

Share performance

| | |
|---------------------|------|
| Mashreq – 12 months | 53% |
| DFM GI – 12 months | 14% |
| P/E (30 Jun '22) | 7.6x |
| P/B (30 Jun '22) | 0.8x |



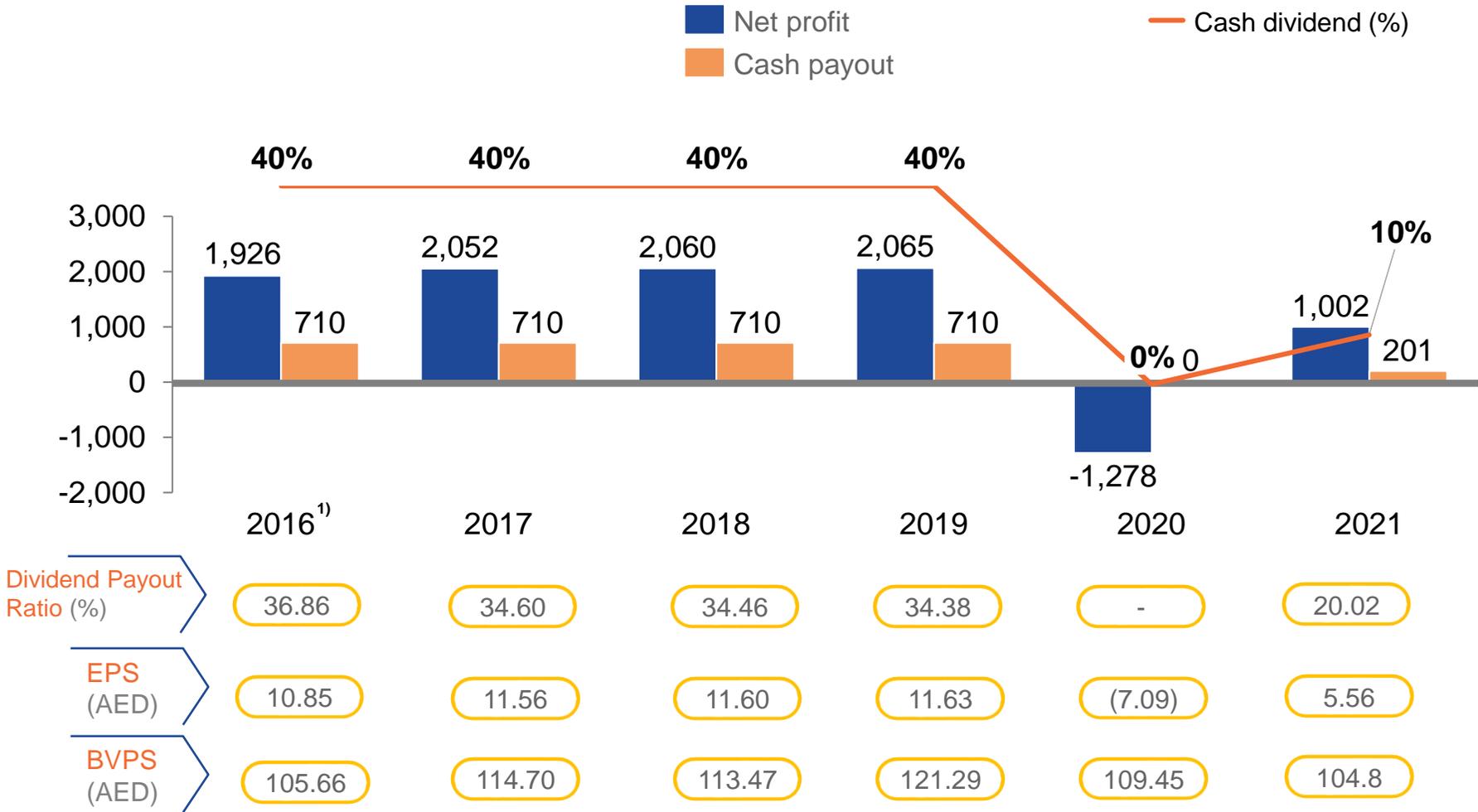
Source: DFM / Bloomberg

Rated by four rating agencies

| Rating Agency | Long term | Short term |
|---|-----------|------------|
|  | A | F1 |
|  | A- | A-2 |
|  | Baa1 | P-2 |
|  | A | A1 |

Progressive dividend policy

Net profit and Cash Payout (AED million) and Cash dividend (%)



1) Plus 5% Bonus Shares



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Trading history, rating & dividends

▶ **Corporate governance**

Accolades

Mashreq is regulated by the UAE Central bank and follows international banking standards

Supervisory Authority

- Mashreq's home supervisory authority is the UAE Central Bank which is responsible for licensing, monitoring and supervising banks, finance companies and exchange companies in the UAE
- Internationally, Mashreq comes under the purview of respective country regulators such as the Federal Reserve and NYSDFS in the USA and Prudential Regulation Authority & Financial Conduct Authority in the UK

Basel III

- Banks are expected to follow the Standardized Approach for both credit and operational risks as per Basel III effective 1st Jan 2018.
- UAE CB in Nov 2020 updated Standards and Guidance re Capital Adequacy for Basel III, which includes additional Guidance on the topics of Credit Risk, Market Risk, and Operational Risk with a phased implementation till Q2 2022.

Bank monitoring - liquidity

- Cash reserve ratio requirements (1% on Time Deposits and 7% on Demand Savings and Call deposits). The UAE CB effective 7th April 2020 reduced the cash reserve requirement on Demand Savings and Call deposits to 7% from 14% until further notice to mitigate the repercussions of COVID-19 pandemic .
- Maintenance of 1:1 ratio is mandatory, i.e. utilization of funds should not exceed stable sources.
- As per Basel III, liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) have been implemented and submitted to Central Bank of UAE regularly.

Accounting Standard

- The Central Bank made it mandatory in 2000 for all Banks to publish their Annual Financial Statement as per International Financial Reporting Standards (IFRS).

Credit Limit

- Lending limits fixed by the Central Bank in relation to capital:
 - Commercial entities of Federal Govts and UAE Local Govts: 25%, 100% aggregate
 - UAE Local Govts and non-Commercial entities: No individual cap for Local Governments, 25% for each Non commercial entities, 100% aggregate
 - Principal shareholders and their related entities: 20% Individual, 50% aggregate

Robust Corporate Governance Framework

Board Supervision

- ✓ Chairman, Vice-Chairman and five Directors form Mashreq's Board. Two of the seven board members are independent; the Board of Directors meet at least once every quarter
- ✓ Management issues are raised at Board level where the bank's senior management presents details to the Board; Board has delegated certain powers to CEO for effective day-to-day management
- ✓ The Chief Risk Officer (CRO) and Head of Compliance report to the Board Risk Committee and Head of Audit reports to Audit Committee, Company Secretary reporting to the Board (Chairman)
- ✓ To achieve high standards of Shari'ah Compliance, we have an Internal Shari'ah Supervision Committee that supervises every step of Islamic product development and its related contracts



Management Supervision

- ✓ Executive Management Committee (reporting to the CEO) discusses and debates bank-wide issues, develops strategic plans for the Board's approval and takes decisions on pan-bank issues

Executive Management Committee





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▶ **Accolades**

Recognitions and Awards - 2022



International Finance Awards

- Best Corporate Bank – Bahrain 2022

Global Business Magazine

- Best Corporate Bank Qatar 2022

The Global Economics awards 2022

- Best use of Technology in Banking - UAE 2022
- Most Innovative Retail Bank - UAE 2022

Seamless 2022

- Best Digital Banking Experience of the Year' for ETP-Onboarding Journey

Global Private Banking Innovation Awards 2022

- Best local Private Bank in the UAE
- Best Private Bank for Funds

Decarbonization and Climate Action (DACA) awards

- Torch bearer of Sustainable & Climate Friendly Investment
- Leader in Environmental, Social & Governance (ESG)

The Banker Magazines "Deals of the Year Awards 2022"

- Deal of the Year-APAC- FIG (Axis Bank's Inaugural USD600m 144A/Reg S Perpetual-NC5 AT1 Issuance)
- Deal of The Year-Middle East - BONDS: SSA (US\$ 4 Billion Triple Tranche Bond for Government of UAE)

World Finance

- Best Retail Bank in the UAE

Wealth Tech Awards - Professional Wealth Management

- Best private bank for client acquisition, Middle East

MEA Finance Banking Technology Awards 2022

- Best Innovation in User Experience award by MEA Finance

Global Business Outlook

- Most Innovative Islamic Banking Window –UAE 2022

Euromoney Awards for Excellence 2022

- Regional awards: Middle East's Best Digital Bank
- Country awards: Best Bank for Digital Solutions in the UAE

Customer Experience Live Middle East Awards 2022:

- Best Customer Care in the Middle East
- Best Contact Center Middle East

MIDDLE EAST WEALTHTECH AWARDS 2022

- Top Bank in Wealth Management of Middle East 2022

Global Finance – World's Best Financial Innovation Labs

Middle East and Africa Innovation Award 2022 from The Digital Banker

- Outstanding Achievement in AML / CFT in the Middle East' for CBIA – Correspondent Banking Interactive Analytics.

2022 Euromoney Trade Finance Survey

- Market Leader in the UAE
- Market Leader in Middle East
- Best Service – Africa
- Best Service – Pakistan
- Best Service – Qatar

International Business Magazine

- Best Digital Bank in the Middle East 2022
- Banking CEO of the Year in the Middle East 2022 - Ahmed Abdelaal

1H 2022 financials – Consolidated Income statement [AED million]

| Income statement | 2022 | 2021 | Variance (% change) |
|---|--------------|--------------|-------------------------------|
| | 1H | 1H | 1H 2022 vs 1H 2021 (Y-o-Y) |
| Net interest income & Income from Islamic products (net of distribution to depositors) | 1,844 | 1,440 | 28.0 |
| Net Fees and commission | 930 | 819 | 13.6 |
| Net Investment income | 4 | 134 | (96.9) |
| Other income | 524 | 477 | 9.8 |
| Total operating income | 3,302 | 2,870 | 15.1 |
| Operating expenses | (1,367) | (1,221) | 12.0 |
| Operating profit | 1,935 | 1,649 | 17.4 |
| Impairment allowance | (466) | (1,496) | (68.9) |
| Tax expense | (26) | (26) | 1.3 |
| Non-Controlling Interest | (44) | (41) | 6.7 |
| Net Profit | 1,399 | 85 | NM |

June 2022 financials – Consolidated Balance sheet [AED million]

| Balance sheet | 30 Jun 2022 | 31 Dec 2021 | YTD (%) |
|--|----------------|----------------|-----------|
| Assets | | | |
| Cash and balances with central banks | 20,082 | 17,508 | 15% |
| Deposits and balances due from banks | 33,325 | 28,805 | 16% |
| Other financial assets measured at fair value | 14,397 | 16,441 | (12%) |
| Other financial assets measured at amortised cost | 10,580 | 10,278 | 3% |
| Loans and advances measured at amortised cost | 74,734 | 66,433 | 12% |
| Islamic financing and investment products measured at amortised cost | 14,942 | 15,053 | (1%) |
| Acceptances | 10,683 | 14,341 | (26%) |
| Other Assets | 4,857 | 3,290 | 48% |
| Reinsurance contract assets | 2,830 | 2,700 | 5% |
| Investment in Associate | 72 | 35 | 106% |
| Investment properties | 463 | 463 | 0% |
| Property and equipment | 1,405 | 1,426 | (1%) |
| Intangible Assets | 275 | 281 | (2%) |
| Total Assets | 188,644 | 177,054 | 7% |
| Liabilities | | | |
| Deposits and balances due to banks | 25,287 | 19,566 | 29% |
| Repurchase agreements with banks | 3,196 | 2,729 | 17% |
| Customers' deposits | 97,516 | 87,151 | 12% |
| Islamic customers' deposits | 11,818 | 14,332 | (18%) |
| Acceptances | 10,683 | 14,341 | (26%) |
| Other Liabilities | 7,785 | 6,028 | 29% |
| Medium-term loans | 6,630 | 7,315 | (9%) |
| Insurance and life assurance funds | 4,668 | 4,567 | 2% |
| Total Liabilities | 167,585 | 156,029 | 7% |
| Total Equity | 21,059 | 21,024 | 0% |
| Total Liabilities and Equity | 188,644 | 177,054 | 7% |

