



*Rise every day*

# Q4 & FY 2024 Earnings Presentation

FEBRUARY  
2025

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## Rounding

Rounding differences may appear throughout the presentation.

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## FY'24 Profit before Tax of AED 9.9Billion result of delivering on strategic plans

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**AED 9.9bn**  
**Net Profit Before  
Tax**

Net Profit Before Tax reached AED 9.9 billion, a 12% increase in 2024 and underlining Mashreq's solid financial foundation and efficient cost management

**AED 13.4bn**  
**Total Operating  
Income**

AED 13.4 billion in Total Operating Income, representing a 24% increase year-on-year and maintaining an impressive three-year CAGR of 32%

**AED 267bn**  
**Total Assets**

Growth in CASA balances support expansion of balance sheet across wholesale & retail

**29%**  
**Return on Equity**

Delivering strong shareholder returns consistently

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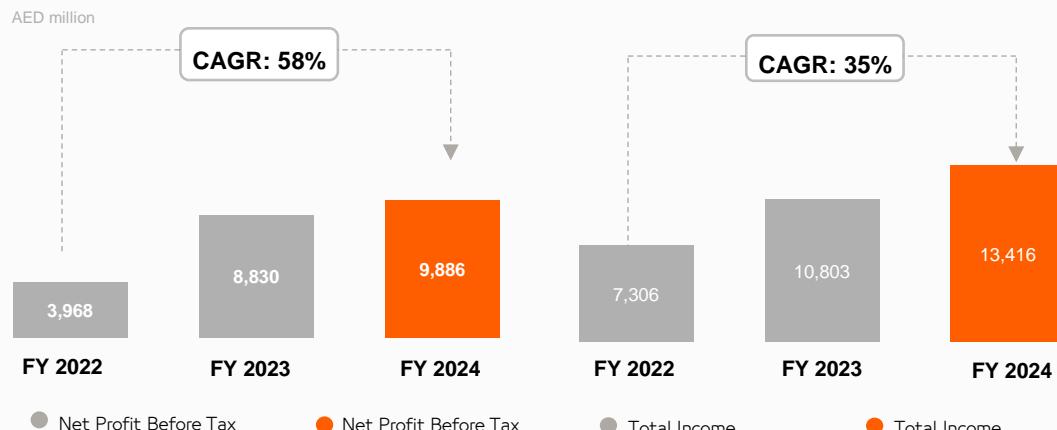
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04 Appendix

# FY'24 12% increase in Profit before Tax driven by Double Digit Growth in Operating Profit

## Key Highlights

- Net Interest Income grew by 9% year-on-year despite interest rate cuts in 2024, reflecting healthy margins on the back of strong high-quality balance sheet growth.
- Non-Interest Income surged by 63% to AED 5 billion highlighting the continued emphasis on diversifying revenue streams through robust fee-generating activities and strong client engagement in FX, derivatives, and commodities.
- Mashreq recognized a one-off net gain of AED 1.2 billion from the strategic partial sale of a subsidiary



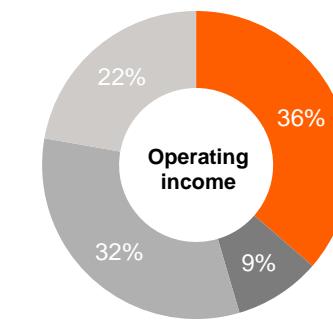
**Return on Asset**  
3.5%  
Dec 23: 4.1%

**Return on Equity**  
29%  
Dec 23: 34%

**Cost to Income Ratio**  
28%  
Dec 23: 31%

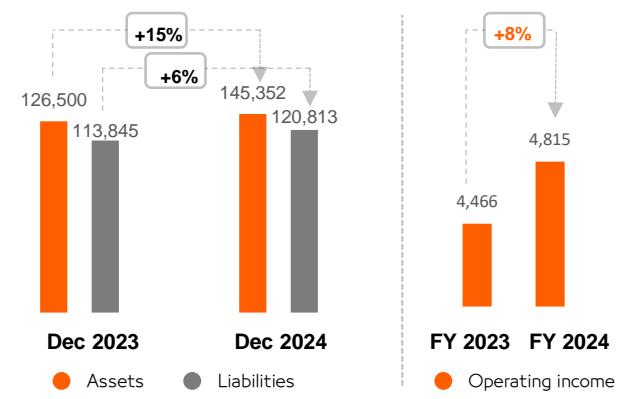
| Income Statement (AED million)                      | FY 2024       | FY 2023       | Y-o-Y (%)  |
|---|---------------|---------------|------------|
| Net Interest Income & Income from Islamic Financing | 8,388         | 7,710         | 9%         |
| Non- Interest Income                                | 5,028         | 3,093         | 63%        |
| <b>Total Operating Income</b>                       | <b>13,416</b> | <b>10,803</b> | <b>24%</b> |
| Operating Expenses                                  | (3,696)       | (3,342)       | 11%        |
| <b>Operating Profit</b>                             | <b>9,720</b>  | <b>7,461</b>  | <b>30%</b> |
| Impairment Allowance                                | 166           | 1,369         | -88%       |
| <b>Net Profit Before Tax</b>                        | <b>9,886</b>  | <b>8,830</b>  | <b>12%</b> |
| Tax Expense   | (869)         | (154)         | 465%       |
| <b>Net Profit After Tax</b>                         | <b>9,017</b>  | <b>8,676</b>  | <b>4%</b>  |

- Net Profit Before Tax
- Net Profit Before Tax
- Total Income
- Total Income

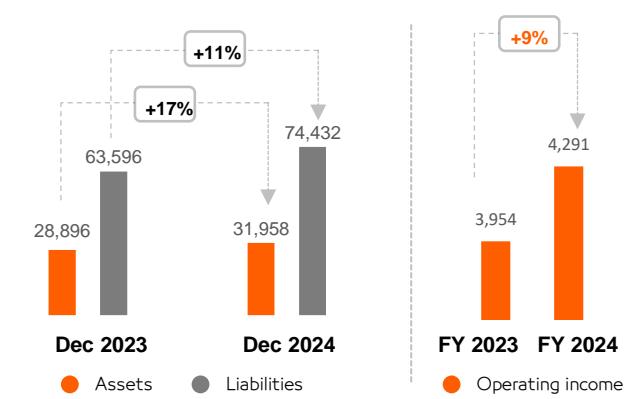


# Strong Growth across all Businesses

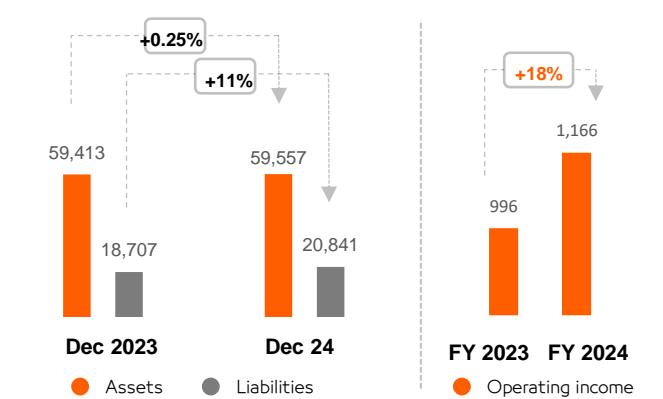
## Wholesale Banking



## Retail Banking



## Treasury & Capital Markets



- Wholesale banking is the biggest segment to Mashreq in terms of assets (54% of assets), liabilities (45% of total liabilities) and Operating Income ( 36% of total income) in 2024
- Assets increased by 15% and are at AED 145 billion. CIBG assets grew across segments with key performances coming from the public sector in terms of asset growth, Energy sector in terms of cross sell and FI returns and Services and Manufacturing segment in terms of securing key mandates in the Healthcare sector
- Operating income increased by 8% Y-o-Y. The increase was supported by an impressive performance of the investment banking team especially clocking in high fee incomes

- Retail banking is a key contributor to the operating income at 32% in 2024
- Y-o-Y operating income increased by 9% mainly from business banking and the digital banking segment NEO
- Retail banking assets increased by 11% and stands at AED 32 billion
- Liabilities have increased by 17% and are AED 74 billion as of 2024 (27% of total liabilities)

- Treasury & Capital Markets accounts for 22% of assets and 8% of liabilities as of Dec 2024
- Assets increased by 0.25% % year to date and stood at AED 59 billion.
- Y-o-Y operating income increased by 18% to AED 1.2 billion. This is from a one-off gain in investment and enhanced customer flow business thus increasing FX revenues significantly

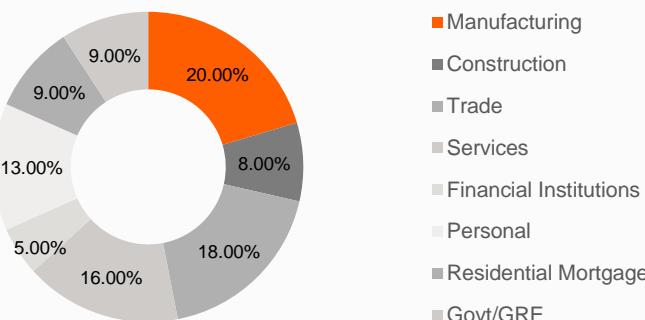
# Double-digit Loan Growth of 18% in 2024

## Key Highlights

- Total Assets in 2024 increased by 11% to reach AED 267 billion and a 5% increase on a quarter-on-quarter basis. This was supported by strong growth in lending to customers across wholesale and retail.
- Retail Banking assets grew 9% year-on-year to reach AED 31 billion and Wholesale Banking assets increased by 15% to AED 145 billion.
- Customer deposits increased to AED 161 billion in both wholesale and retail segments, with CASA now representing 66% of total customer deposits.

| Balance sheet (AED million) | Dec 2024       | Dec 2023 | Δ YOY % |
|-----------------------------|----------------|----------|---------|
| Total assets                | <b>267,453</b> | 239,981  | 11      |
| Loans & Advances            | <b>149,483</b> | 177,030  | 18      |
| Customer Deposits           | <b>160,940</b> | 146,232  | 10      |
| Shareholder's Funds         | <b>30,333</b>  | 36,713   | 21      |

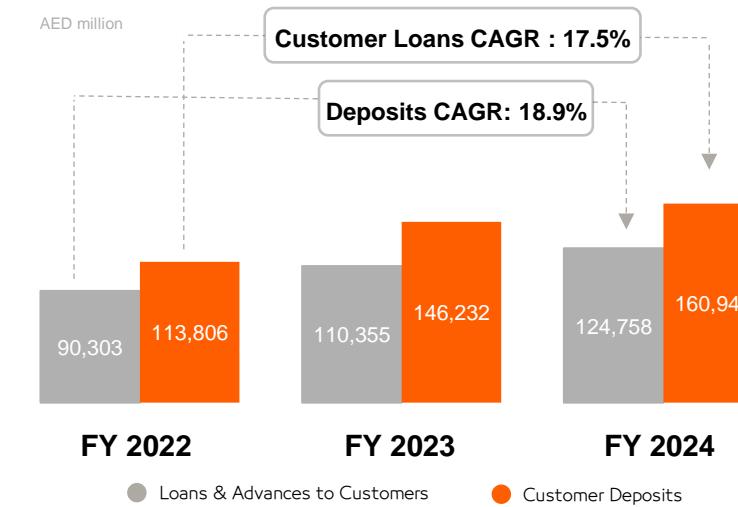
## Gross loans & Advances portfolio



**CASA**  
66%  
Dec 23: 60%

**Net Interest Margin**  
3.7%  
Dec 23: 3.99%

**Loan to Total Assets**  
77%  
Dec 23: 75%

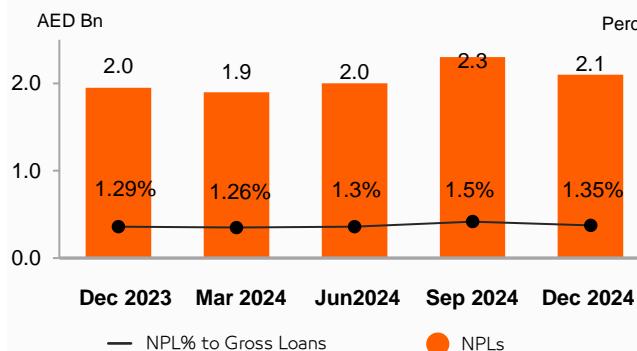


# Asset quality and liquidity

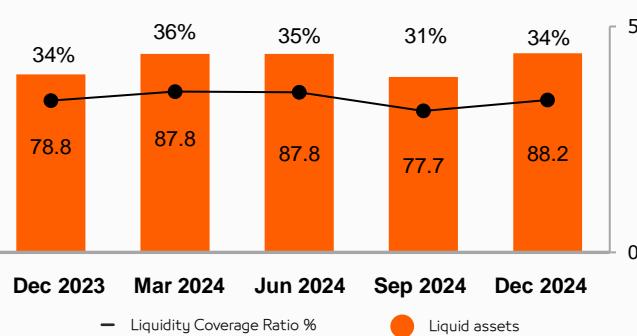
## Key Highlights

- Mashreq maintained a robust liquidity and capital position, reinforcing its ability to support growth while safeguarding against potential market disruptions.
- Liquid Assets Ratio was 34% and Liquidity Coverage Ratio stood at 150%, reflecting a prudent approach to liquidity management and the ability to exceed regulatory requirements.

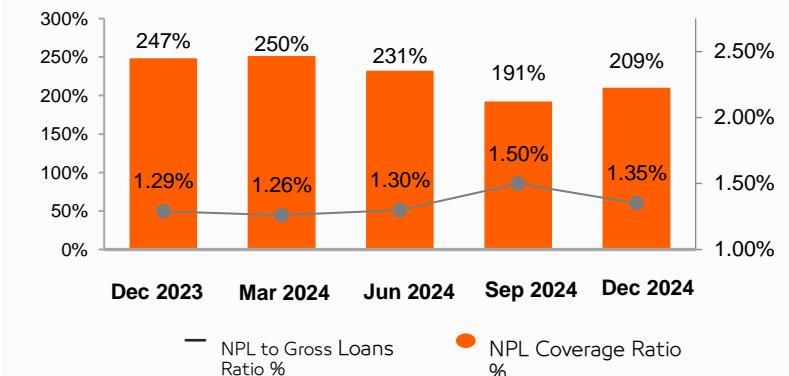
## NPL's and % of Gross Loans



## Liquid Assets Trend



## NPL Coverage Ratio %



- Non-Performing Loans to Gross Loans Ratio stands at 1.35% and remains the lowest in the industry.
- NPLs have remained stable year on year to reach AED 2.1 billion
- NPL Coverage ratio in Dec 2024 stands healthy at 209% (247.5% in December 2023)

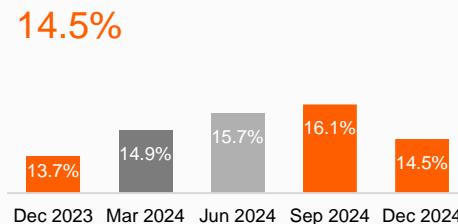
# Capital Adequacy Ratio strong at 17.5%

## Key Highlights

- Capitalization metrics further strengthened compared to FY 2023, with Capital Adequacy Ratio increasing to 17.5% , Tier 1 Capital Ratio rising to 16%, and CET1 Ratio reaching 14.5%.
- These levels highlight Mashreq's sound capital management strategy, which ensures a solid foundation for further growth.

| Key Metrics                | Dec 2024 | Dec 2023 | Δ YOY % |
|----------------------------|----------|----------|---------|
| Total Capital Base         | 33,547   | 28,986   | 16      |
| Total Risk-weighted Assets | 191,258  | 175,531  | 9       |

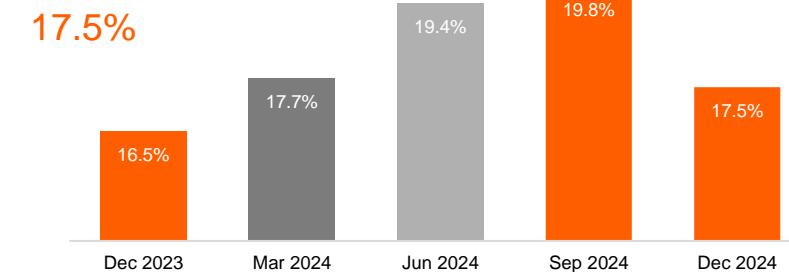
### CET1 ratio



### Tier 1 Ratio



### Capital Adequacy Ratio



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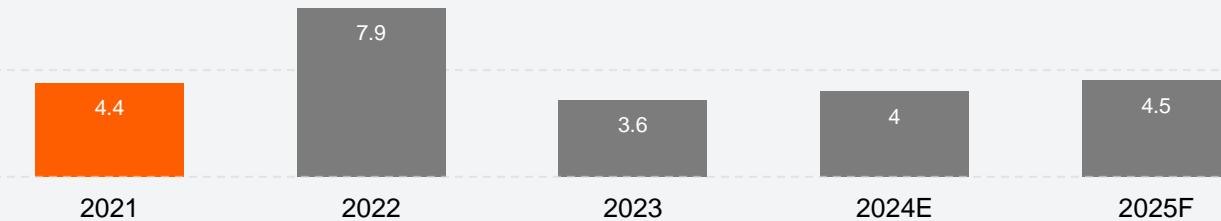
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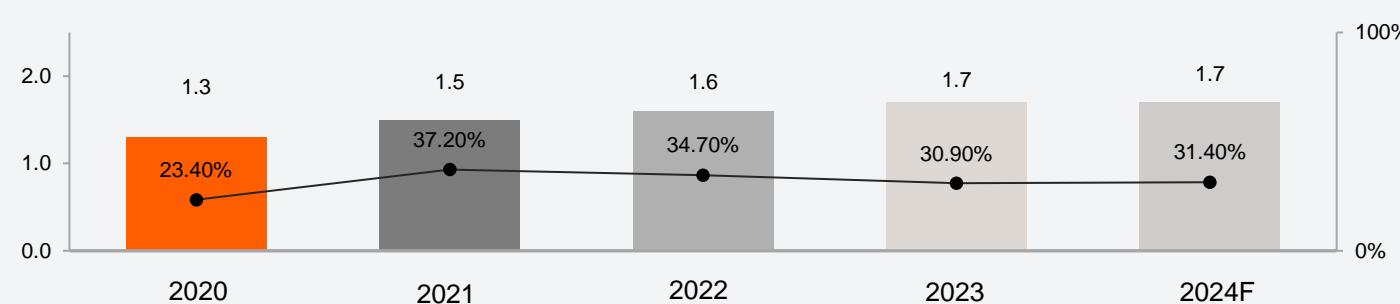
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## UAE ECONOMIC UPDATE

## UAE GDP Growth



## UAE GDP and Government Debt



Source: IMF, Dubai Statistics Centre



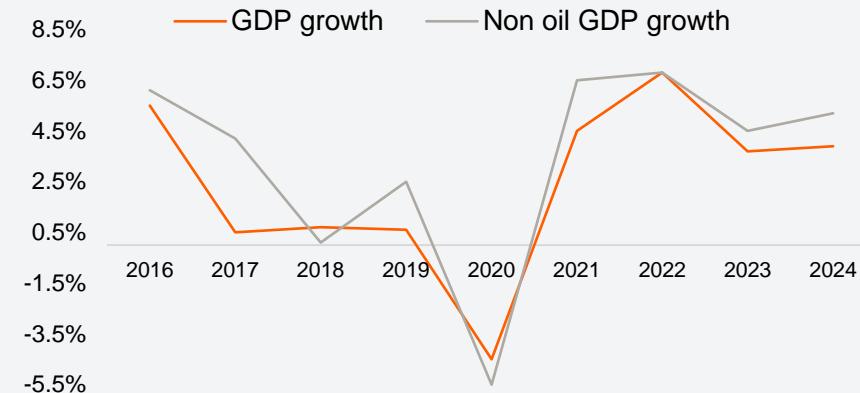
2nd Largest Economy in GCC

Nominal GDP expected to reach  
**USD 537bn** in 2024F\$51,290 per capita GDP for  
2024Aa-/Aa2 Fitch Rating/  
Moody's RatingSupported by the economic strength  
and high **GDP per capita**

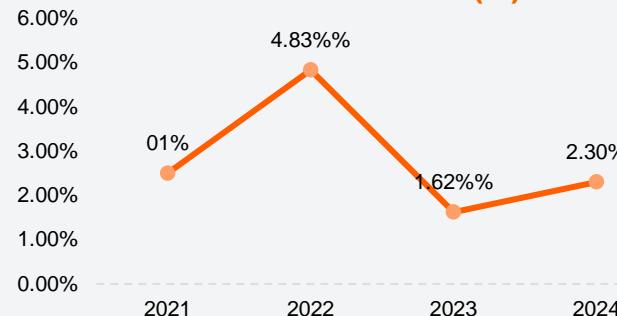
11th in Ease of Doing Business

Highest rank within Middle East and  
North Africa region

## UAE ECONOMIC UPDATE



UAE: Inflation Rate (%)



UAE: PMI Index



Source: IMF, Dubai Statistics Centre

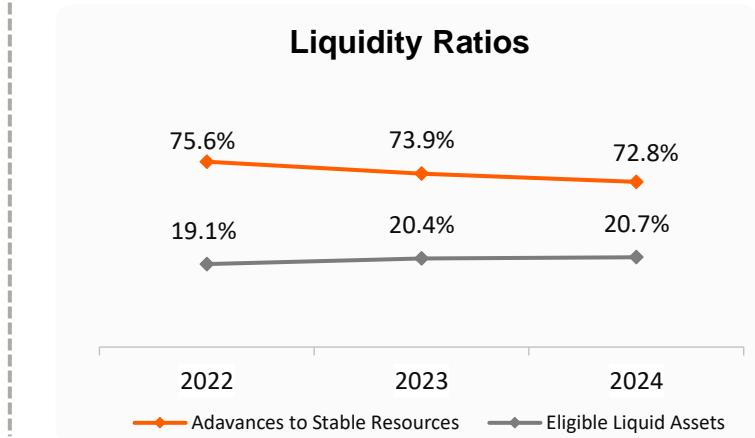
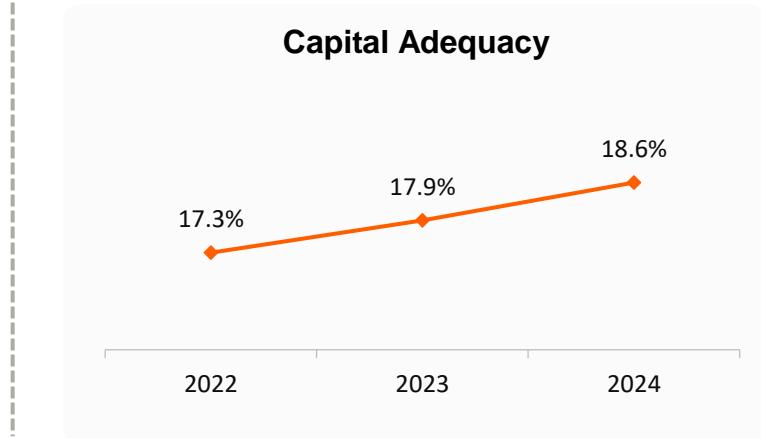
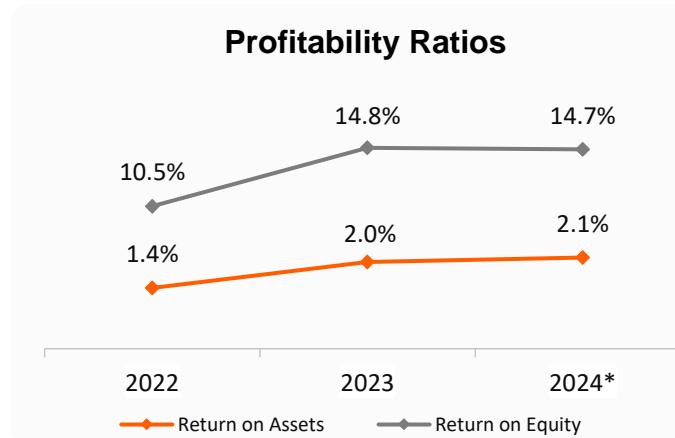
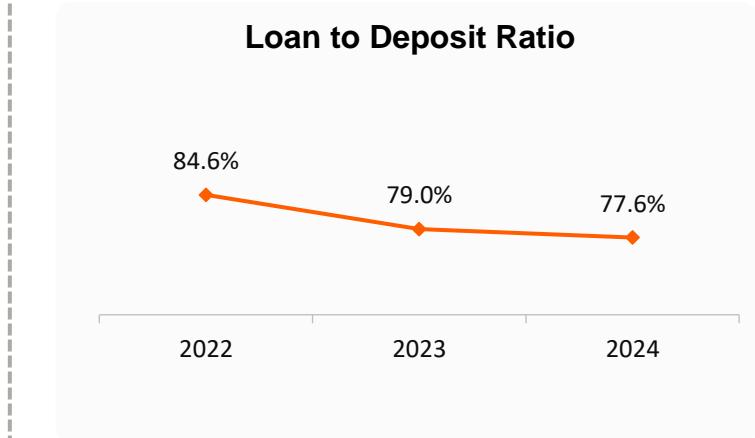
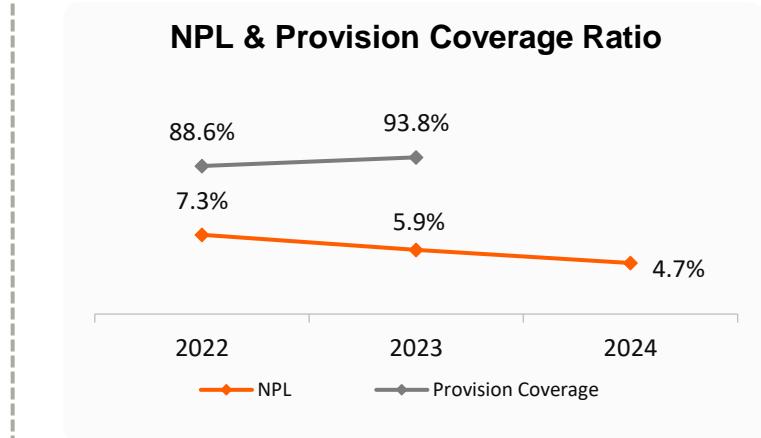
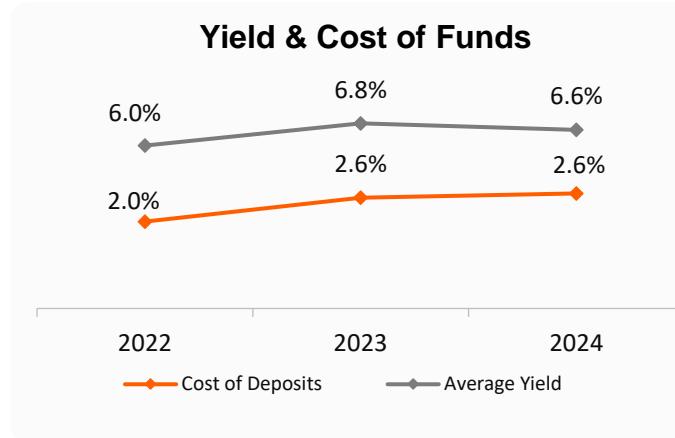
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Classification: Public

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# UAE Banking Sector: KPIs

Strengthening balance sheet; Fitch upgraded operating environment score by one notch to “bbb+” in Sep’24



Source: UAE Central Bank; \*2024 RoA and RoE pertains to Q3 2024

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# Financial Highlights

| Income Statement Highlights (AED mln)                          | FY'24         | FY'23         | YoY %      | Q4'24        | Q3'24        | Q4'23        | QoQ%        | YoY%        |
|--|---------------|---------------|------------|--------------|--------------|--------------|-------------|-------------|
| <b>Net Interest Income &amp; Income from Islamic Financing</b> | <b>8,388</b>  | <b>7,710</b>  | <b>9%</b>  | <b>2,054</b> | <b>2,108</b> | <b>2,089</b> | <b>-3%</b>  | <b>-2%</b>  |
| Fees & Commission  | 1,465         | 1,433         | 2%         | 301          | 280          | 237          | 7%          | 27%         |
| Investment Income  | 229           | 30            | 669%       | 21           | 71           | 29           | -71%        | -29%        |
| Insurance, FX & Other Income                                   | 3,335         | 1,631         | 104%       | 1,941        | 512          | 541          | 279%        | 259%        |
| <b>Non Interest Income</b>                                     | <b>5,028</b>  | <b>3,093</b>  | <b>63%</b> | <b>2,263</b> | <b>863</b>   | <b>807</b>   | <b>162%</b> | <b>180%</b> |
| <b>Total Operating Income</b>                                  | <b>13,416</b> | <b>10,803</b> | <b>24%</b> | <b>4,317</b> | <b>2,971</b> | <b>2,896</b> | <b>45%</b>  | <b>49%</b>  |
| Operating Expenses   | (3,696)       | (3,342)       | 11%        | (1,155)      | (868)        | (1,038)      | 33%         | 11%         |
| <b>Operating Profit</b>  | <b>9,720</b>  | <b>7,461</b>  | <b>30%</b> | <b>3,162</b> | <b>2,103</b> | <b>1,858</b> | <b>50%</b>  | <b>70%</b>  |
| Impairment Allowance   | 166           | 1,369         | -88%       | 239          | (118)        | 1,027        | -303%       | -77%        |
| <b>Net Profit before Tax</b>                                   | <b>9,886</b>  | <b>8,830</b>  | <b>12%</b> | <b>3,402</b> | <b>1,985</b> | <b>2,886</b> | <b>71%</b>  | <b>18%</b>  |
| Tax  | (869)         | (154)         | 465%       | (225)        | (197)        | (43)         | 14%         | 423%        |
| <b>Net Profit After Tax</b>                                    | <b>9,017</b>  | <b>8,676</b>  | <b>4%</b>  | <b>3,177</b> | <b>1,788</b> | <b>2,843</b> | <b>78%</b>  | <b>12%</b>  |
| Non-Controlling Interest                                       | (100)         | (87)          | 15%        | (34)         | (17)         | (22)         | 99%         | 54%         |
| <b>Profit attributable to Owners of the Parent</b>             | <b>8,917</b>  | <b>8,589</b>  | <b>4%</b>  | <b>3,143</b> | <b>1,771</b> | <b>2,821</b> | <b>77%</b>  | <b>11%</b>  |

# Financial Highlights

| Balance Sheet Highlights (AED mln) | Dec'24         | Dec'23         | YoY %      | Dec'24         | Sep'24         | Dec'23         | QoQ%      | YoY%       |
|------------------------------------|----------------|----------------|------------|----------------|----------------|----------------|-----------|------------|
| Loans to Customers                 | 124,758        | 110,355        | 13%        | 124,758        | 118,534        | 110,355        | 5.25%     | 13%        |
| Loans to Banks                     | 52,272         | 39,127         | 34%        | 52,272         | 49,596         | 39,127         | 5.39%     | 34%        |
| Investments                        | 36,422         | 36,020         | 1%         | 36,422         | 37,916         | 36,020         | -3.94%    | 1%         |
| Cash & Due from Central Bank       | 40,593         | 41,760         | -3%        | 40,593         | 33,484         | 41,760         | 21.23%    | -3%        |
| Other Assets                       | 13,258         | 12,216         | 9%         | 13,258         | 14,634         | 12,216         | -9.41%    | 9%         |
| Investments in Properties          | 152            | 502            | -70%       | 152            | 246            | 502            | -38.37%   | -70%       |
| <b>Total Assets</b>                | <b>267,453</b> | <b>239,981</b> | <b>11%</b> | <b>267,453</b> | <b>254,410</b> | <b>239,981</b> | <b>5%</b> | <b>11%</b> |
| Customer Deposits                  | 160,940        | 146,232        | 10%        | 160,940        | 156,063        | 146,232        | 3%        | 10%        |
| Balances due to banks              | 43,374         | 37,335         | 16%        | 43,374         | 37,132         | 37,335         | 17%       | 16%        |
| Medium Term notes                  | 3,903          | 6,990          | -44%       | 3,903          | 4,554          | 6,990          | -14%      | -44%       |
| Other Liabilities                  | 19,381         | 17,043         | 14%        | 19,381         | 19,750         | 17,043         | -2%       | 14%        |
| Repo                               | 2,076          | 1,063          | 95%        | 2,076          | 1,609          | 1,063          | 29%       | 95%        |
| Minority Interest                  | 1,067          | 984            | 8%         | 1,067          | 1,030          | 984            | 4%        | 8%         |
| Total Equity                       | 36,713         | 30,333         | 21%        | 36,713         | 34,272         | 30,333         | 7%        | 21%        |
| <b>Total Liabilities</b>           | <b>267,453</b> | <b>239,981</b> | <b>11%</b> | <b>267,453</b> | <b>254,410</b> | <b>239,981</b> | <b>5%</b> | <b>11%</b> |

# Financial Highlights

| Key Metrics (%)                              | Dec'24 | Dec'23 | YoY bps | Dec'24 | Sep'24 | Dec'23 | QoQ%  | YoY bps |
|--|--------|--------|---------|--------|--------|--------|-------|---------|
| CAR (Capital Adequacy Ratio - Basel III) (1) | 17.5%  | 16.5%  | 99      | 17.5%  | 19.8%  | 16.5%  | (227) | 99      |
| CET1 (Common Equity Tier 1) ratio            | 14.5%  | 13.7%  | 75      | 14.5%  | 16.1%  | 13.7%  | (161) | 75      |
| Tier 1 Ratio                                 | 16.0%  | 14.3%  | 165     | 16.0%  | 17.7%  | 14.3%  | (167) | 165     |
| EPS  | 44.45  | 42.82  | 4%      | -      | -      | -      | -     | -       |
| Cost to Income Ratio (1)                     | 28%    | 31%    | (339)   | 27%    | 29%    | 36%    | (247) | (909)   |
| Return on Assets                             | 3.5%   | 4.1%   | (59)    | 4%     | 3%     | 4%     | 44    | (59)    |
| Return on Equity                             | 29%    | 34%    | (529)   | 29%    | 26%    | 34%    | 321   | (529)   |



Thank You!

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