المشرق
mashreq

Rise every day

Q1 2026 Earnings Presentation

April 2026

Disclaimer

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Rounding

Rounding differences may appear throughout the presentation.

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1. Performance Highlights

Key Highlights: Q1 2026

Income Statement

- **Non-interest income** rose by **20%** YoY at **AED 1.4 billion** contributing **41%** of total operating income reflecting the continued shift toward a more diversified, fee-accretive earnings mix.
- Net interest income proved resilient at AED 2.0 billion (+4% YoY) with NIM of 2.7%; 33% loan growth and 63% CASA absorbed the 175bps rate-cut headwind.

Balance Sheet

- **Total assets reached AED 344 billion (+26% YoY), with growth sustained across wholesale and retail platforms.**
- **Loans and advances (incl banks)** grew **25% YoY** supported by robust origination across corporate, institutional and retail portfolios funded by **23% YoY** growth in **customer deposits.**

Asset Quality

- Best-in-class asset quality with NPL ratio of 0.9% (improving YoY despite 33% loan growth) and provision coverage strengthened to 275%, among the highest in the sector.
- **Disciplined credit execution maintained across geographies and business lines; impairment charges of AED 87 million translate to a cost of credit of just 20bps.**

Capitalization

- Capital position strengthened in Q1'26, lifted by the USD 500m AT1 issuance, organic earnings retention and active balance-sheet management.
- CET1 12.7%, Tier 1 14.5% and CAR 15.8% all sit well above regulatory thresholds, including the full D-SIB buffer.

Key Financial Performance in Q1 2026

- AED **3.4bn** Total Operating Income
- AED **2.3bn** Net Profit Before Tax
- **25%** YoY Loans and Advances (inc. Banks) Growth
- **23%** YoY Deposit Growth
- **0.9%** NPL to Gross Loans Ratio
- **15.8%** Capital Adequacy Ratio

Delivering on Strategic Priorities

- Successful issuance of USD 500 million AT1 bond in Feb 2026 - first UAE bank capital transaction of 2026, with 4.2x oversubscription
- UAE's first fully digital home loan pre-approval
- First UAE bank to enable UAE-based Pakistani nationals to open accounts with Mashreq Pakistan fully remotely, via app
- AI-powered customer engagement: chatbot now resolves 89% of queries across 120 banking use cases without agent transfer

Recognised Across Industry

- Bank of the Year: United Arab Emirates by The Banker
- Number 1 listed bank in the Middle East by S&P
- Euromoney Private Banking Award for 2025
- Gartner Eye on Innovation
- Euromoney Trade Finance Survey
- Global Banking & Finance Awards
- Global Banking & Markets Middle East Award
- Forbes Most Sustainable Projects in the Middle East

Ratings

FitchRatings	A
Moody's	A3
S&P Global	A

ESG Score

SUSTAINALYTICS	27.1 Medium Risk
S&P Global	32

2. Financial Highlights

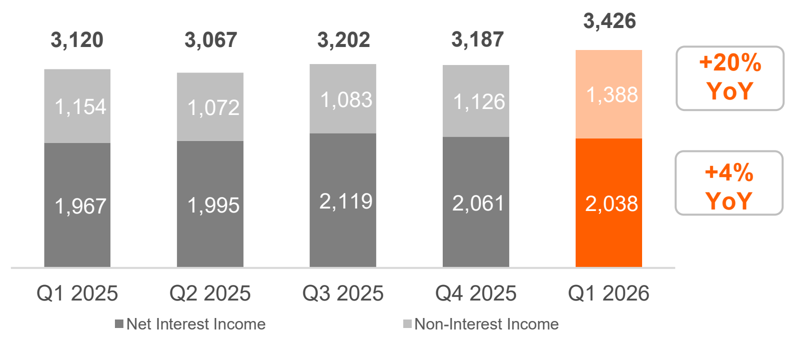
Strong Revenue Growth as Non-Interest Income Lifts Mix to 41%

AEDm	Q1 2025	Q1 2026	YoY (%)
Total Operating Income	3,120	3,426	10% ↑
Operating Expenses	(918)	(1,060)	15% ↑
Operating Profit	**2,202**	**2,367**	**7%** ↑
Impairment Allowance	(101)	(87)	(14%) ↓
Net Profit Before Tax	**2,101**	**2,280**	**9%** ↑
Tax	(309)	(353)	14% ↑
Net Profit After Tax	**1,792**	**1,927**	**8%** ↑

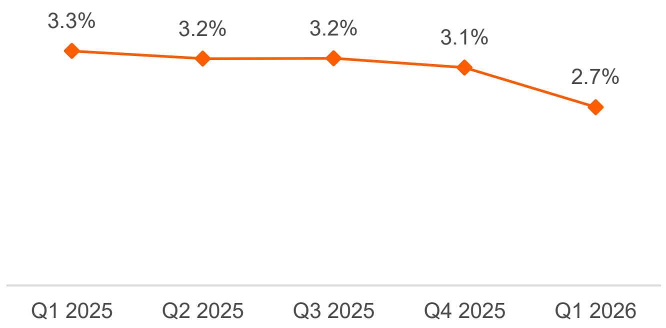
Key Highlights

- Operating income grew 10% YoY to AED 3.4 billion on broad-based volume expansion, disciplined asset repricing and continued revenue diversification.
- NII +4% YoY at AED 2.0 billion with NIM at 2.7%; sequential compression moderated to 38bps QoQ as the rate-cut cycle has been largely absorbed
- Non-interest income +20% YoY to AED 1.4 billion, lifting contribution to 41% of operating income, the highest in recent quarters.
- CASA at 63%, anchoring a low-cost funding base through the rate-cut cycle

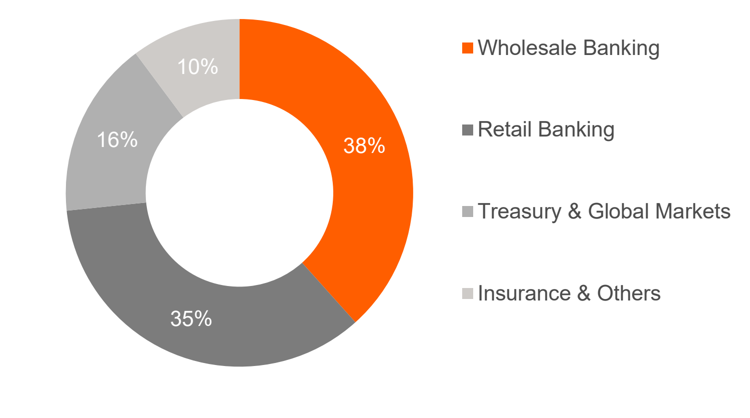
Total Operating Income (AEDm)



Net Interest Margin (%)

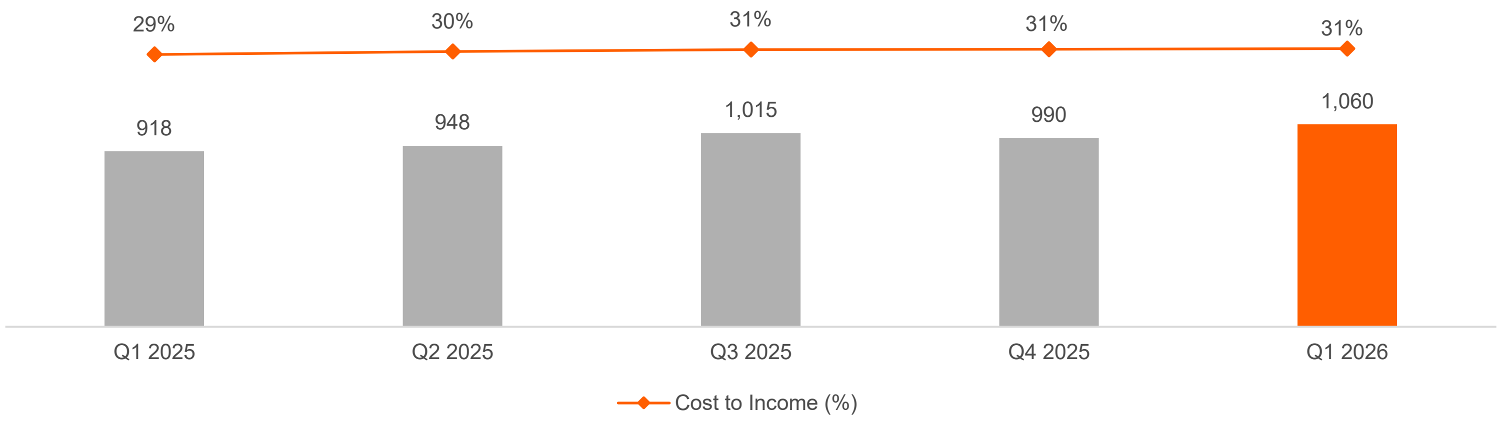


Total Operating Income by Segment (%)



Sustainable Returns Underscore the Resilience of the Business Model

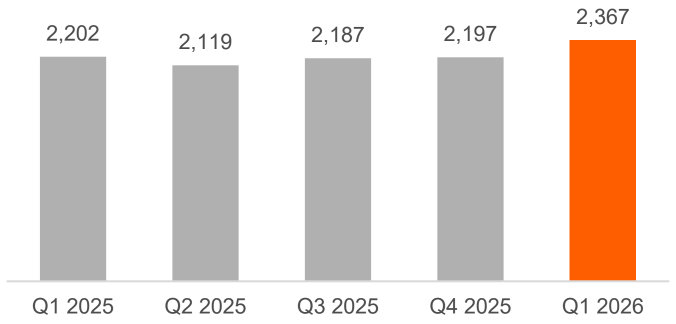
Operating Expense (AEDm) and Cost to Income Ratio (%)



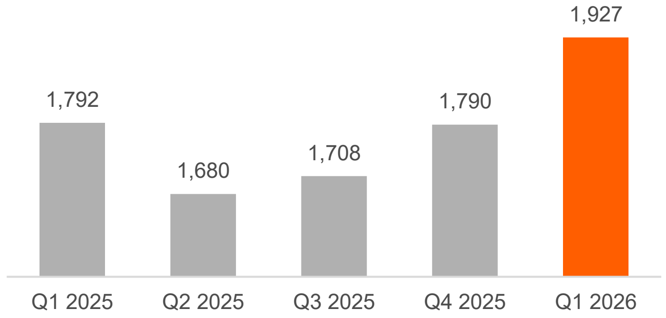
Key Highlights

- Operating expenses rose 15% YoY through deliberate investment in Gen-AI, digital onboarding and the continued build-out of Mashreq's international franchise.
- C/I sustained at 31%, well below industry benchmarks, with revenue growth and digitalization gains absorbing the rise in operating expenses.
- RoE recovered sequentially to 20.1% (from 19.5% in Q4'25) on strong revenue growth and balance-sheet momentum, demonstrating consistent high-quality returns through the rate-cut cycle.

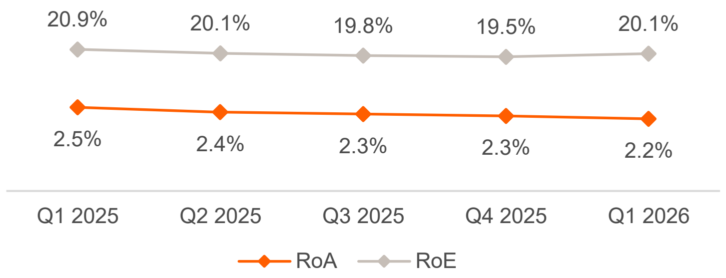
Operating Profit (AEDm)



Net Profit after Tax (AEDm)



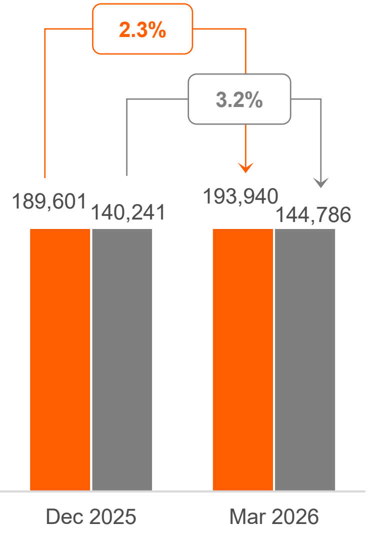
Return on Equity (%) and Return on Assets (%)

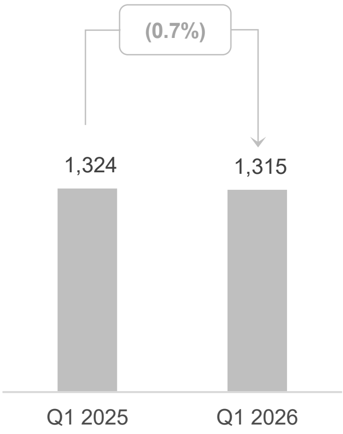


Diversified Segment Performance with Broad-Based Balance-Sheet Growth

Wholesale Banking (AEDm)

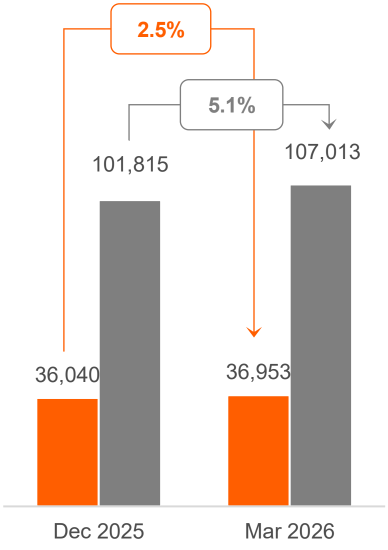
- **Mashreq's largest platform**: **56% of assets, 48% of liabilities and 38% of operating income**, anchoring the franchise across corporate, institutional and FI segments.
- **Assets grew 2.3% QoQ to AED 194 billion**, with strong origination across trading, FIs, manufacturing and construction.
- **Operating income broadly stable** YoY (–1%) as 175bps of rate cuts compressed institutional margins; balance-sheet momentum positions the segment to **re-accelerate as assets reprice.**

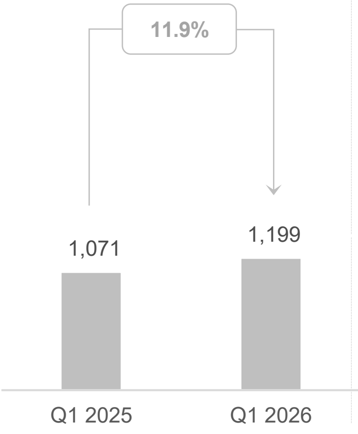




Retail Banking (AEDm)

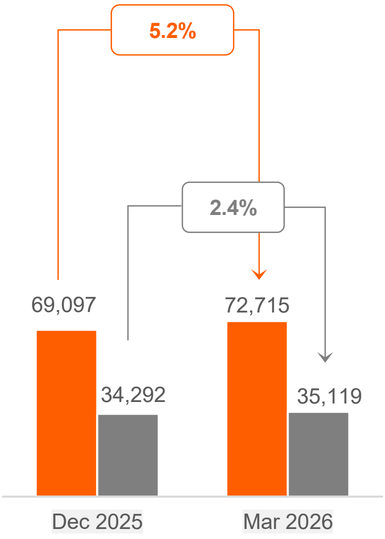
- **Assets grew 5.1% YTD to AED 37 billion** (11% of total assets), driven by **mortgage, business loans and wealth platform growth.**
- **Liabilities grew 5.2% YTD**, with **Retail contributing 35% of total deposits**, a granular and sticky funding base.
- **Operating income +12% YoY,** reflecting client acquisition, cross-sell momentum and digital onboarding contribution

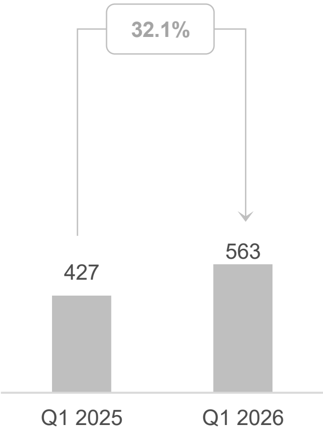




Treasury & Global Markets (AEDm)

- **Assets grew 5.2% YTD to AED 73 billion** (21% of total assets), with the investment book actively deployed into high-quality instruments
- **Investment portfolio expanded 65% YoY to AED 62.1 billion.**
- **Operating income +32% YoY,** fastest-growing segment, driven by platform transformation and stronger cross-border client flows.





■ Assets ■ Liabilities ■ Operating income

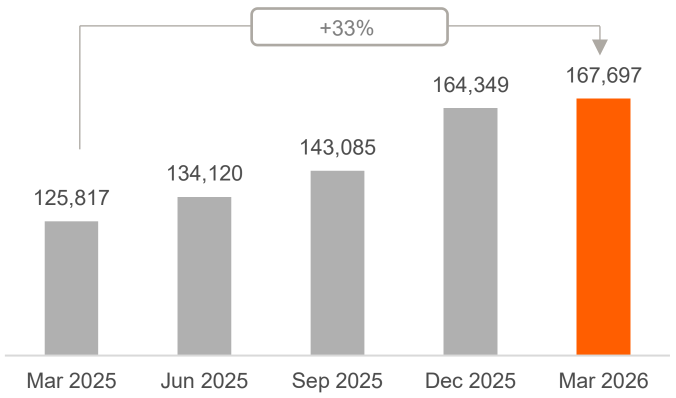
Accelerated Balance-Sheet Growth: Loans Up 33%; Funding Diversified via AT1 and Sukuk

AEDm	Mar'25	Mar-26	YOY (%)	Dec-25	QoQ (%)
Loans and Advances to Banks	55,266	58,325	6% ↑	65,721	(11)% ↓
Net Loans and Advances to Customers	103,780	139,501	34% ↑	138,071	1% ↑
Net Islamic Financing and Investment Products	22,038	28,196	28% ↑	26,278	7% ↑
Total Assets	**272,703**	**344,305**	**26%** ↑	**334,634**	**3%** ↑
Balances due to Banks	42,905	33,538	(22%) ↓	38,922	(14%) ↓
Customer Deposits	171,442	210,171	23% ↑	204,895	3% ↑
Total Liabilities	**237,357**	**302,583**	**27%** ↑	**294,057**	**3%** ↑
Shareholders' Funds	**34,269**	**40,527**	**18%** ↑	**39,374**	**3%** ↑

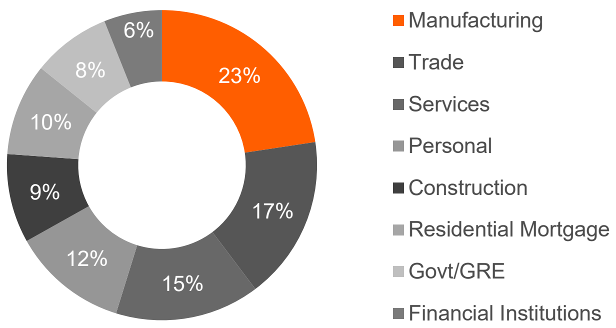
Key Highlights

- **Total assets reached AED 344 billion (+26% YoY) in Q1 2026, with momentum sustained across every core franchise.**
- **Robust origination across corporate, institutional and retail portfolios, fully matched by 23% YoY deposit growth.**
- **Well-diversified loan book with no single sector exceeding 23% of total exposure.**
- **Funding base diversified through the USD 500m AT1 and continued sukuk activity, with Loans and Sukuk reaching AED 16.8 billion.**

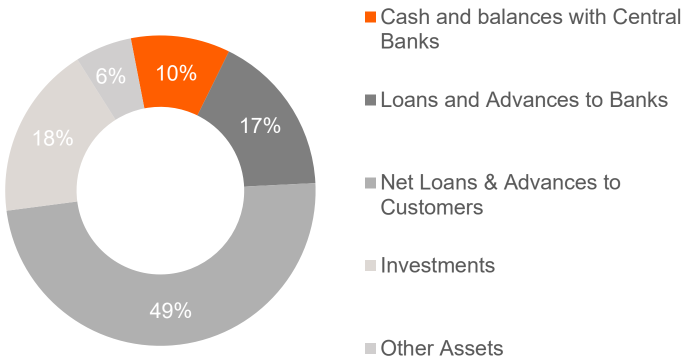
Customer Loans (AEDm)



Gross Loans and Advances Portfolio (%)

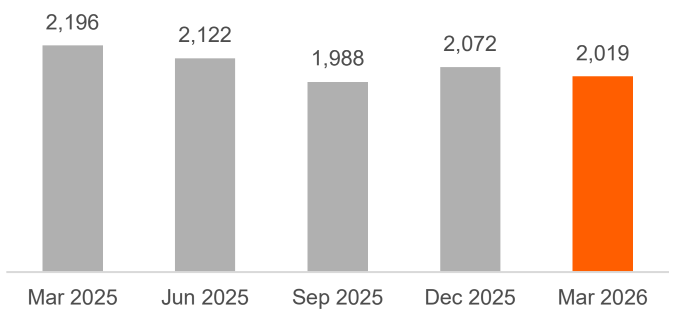


Asset Mix (%)

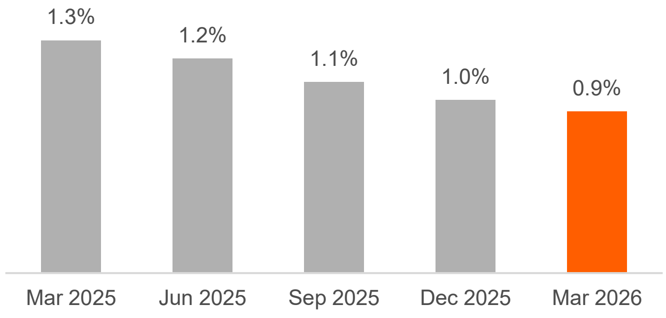


Best-in-Class Asset Quality: NPL at 0.9% with Coverage Built to 275%

Non-Performing Loans (AEDm)



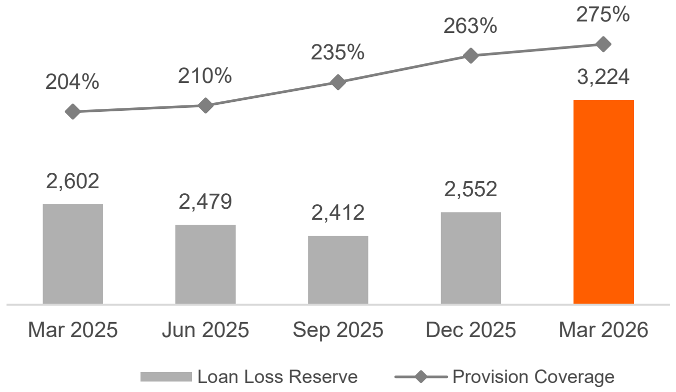
NPL Ratio (%)



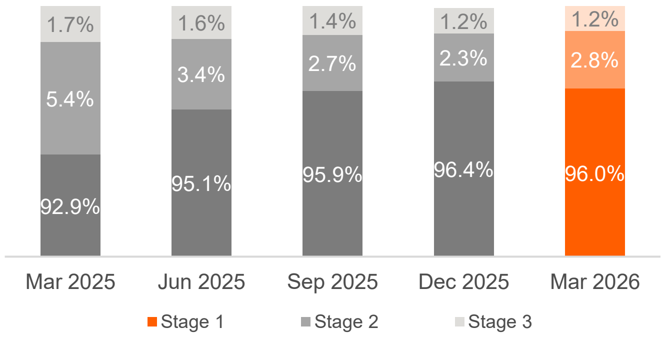
Key Highlights

- Best-performing asset quality through accelerated growth, supported by disciplined credit execution across geographies.
- Peer-leading NPL ratio at 0.9% (from 1.3% YoY) while absolute NPLs remained broadly stable.
- Coverage strengthened from 204% to 275% YoY, providing substantial buffer against future credit migration.
- Impairment charges contained at AED 87 million with cost of credit at 20bps, underscoring book quality and earnings stability.

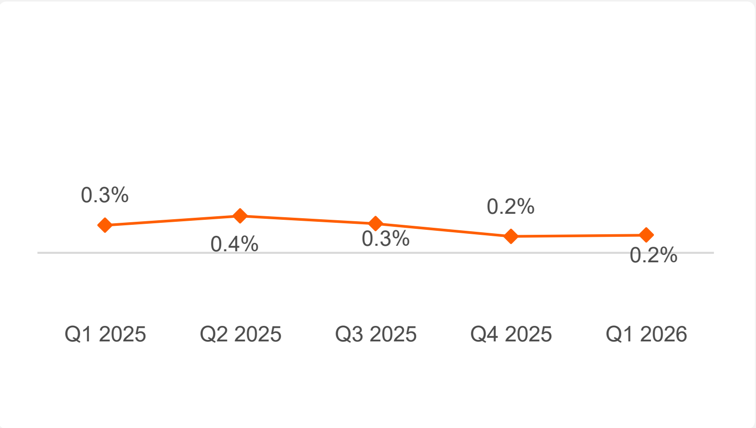
Loan Loss Reserve (AEDm) and Coverage Ratio (%)



Loans and Advances Split - ECL Staging as per IFRS-9 (%)

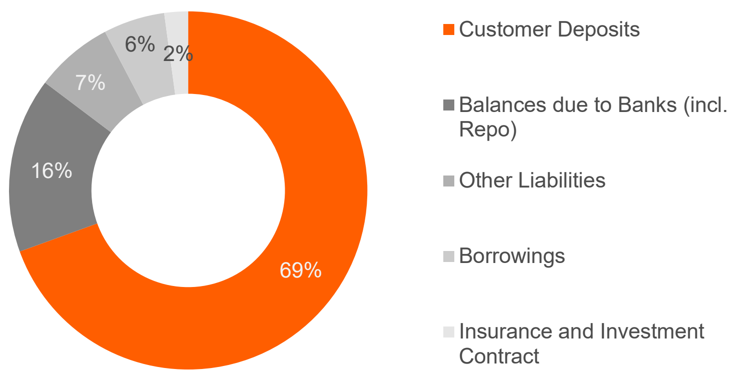


Cost of Credit (%)

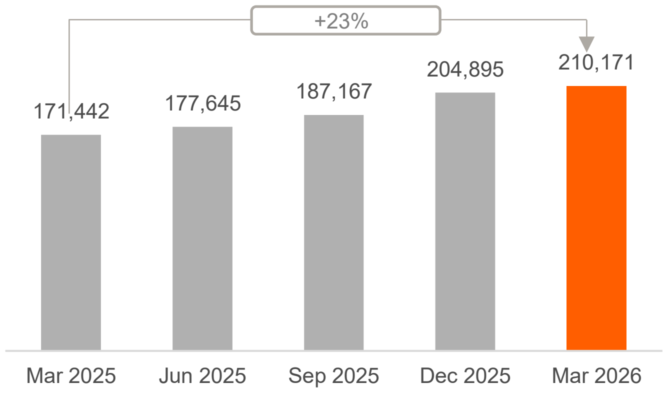


Resilient Funding: Deposits Cross AED 210 Billion

Liability Mix (%)



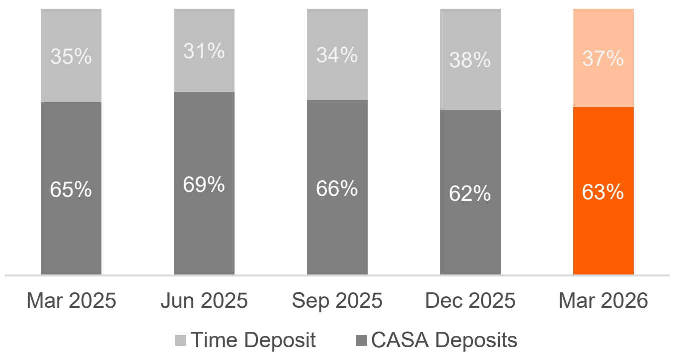
Customer Deposits (AEDm)



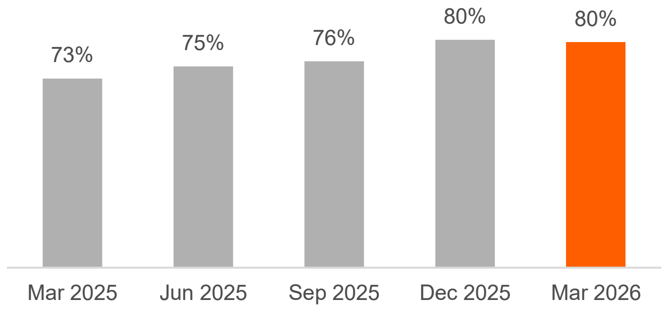
Key Highlights

- Customer deposits grew 23% YoY, accelerating past the AED 200 billion milestone reached in 2025 and underscoring the depth of client confidence.
- Balances due to banks fell 22% YoY, reflecting a deliberate shift to granular, lower-cost funding sources.
- CASA at 63% remains the structural low-cost anchor through rapid balance-sheet expansion.
- LDR at 80%, up from 73% YoY as the lending book accelerated; remains within prudent operating range.

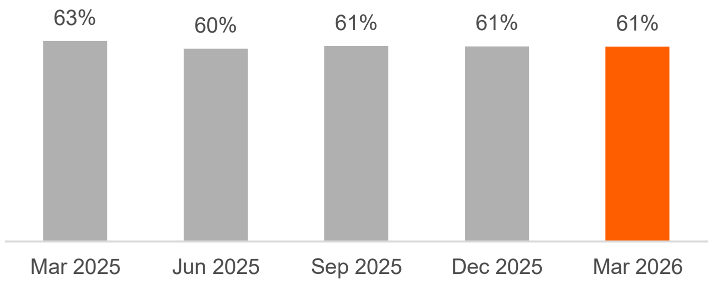
Deposit Breakdown (%)



Loans to Deposits (%)

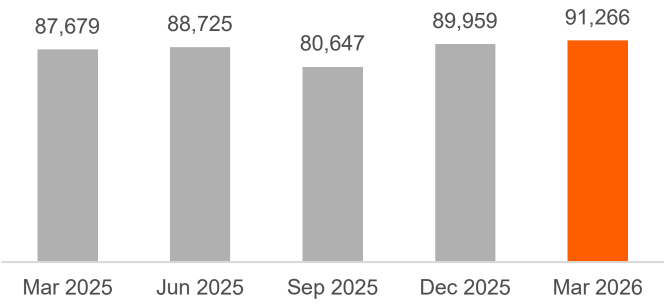


Deposit to Total Assets (%)

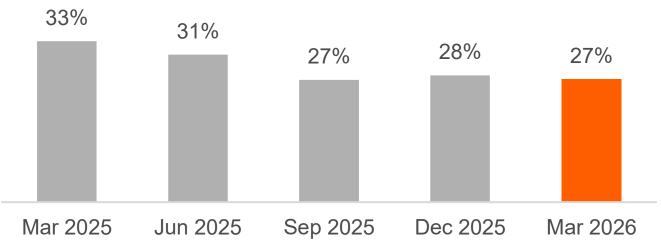


Industry-Leading Liquidity: LCR at 131%; Net Interbank Lender Position at 174%

Liquid Assets* (AEDm)



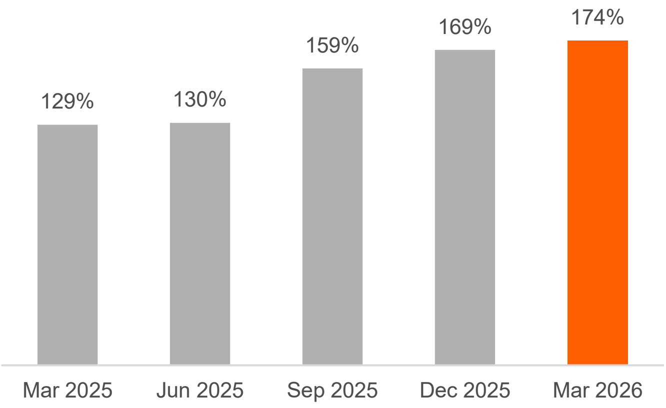
Liquid Asset Ratio (%)



Key Highlights

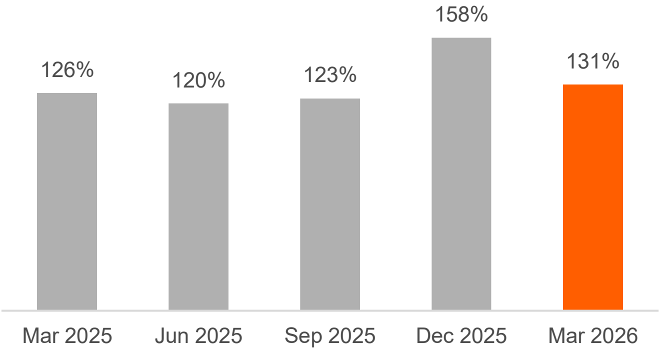
- **Liquid assets ratio at 27%, reflecting deliberate deployment into investments and loan growth.**
- **High-quality liquid book, with Level 3 AFS holdings at just 0.1%**
- **LCR comfortably above the 100% regulatory minimum and normalised from the Q4'25 year-end peak.**
- **Net interbank lender position rose from 129% YoY, reflecting Mashreq's growing role as a regional liquidity provider.**

Interbank Assets to Interbank Liabilities (%)

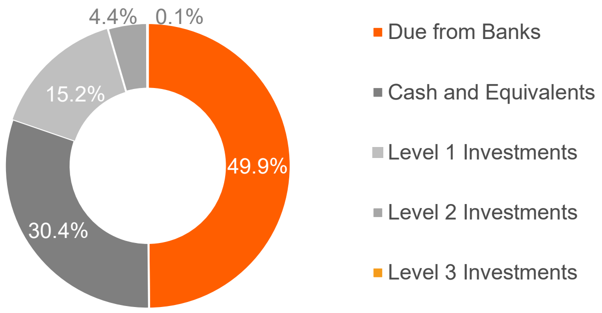


*Stock of HQLA and total cash inflows during 30-day period

Liquidity Coverage Ratio (%)

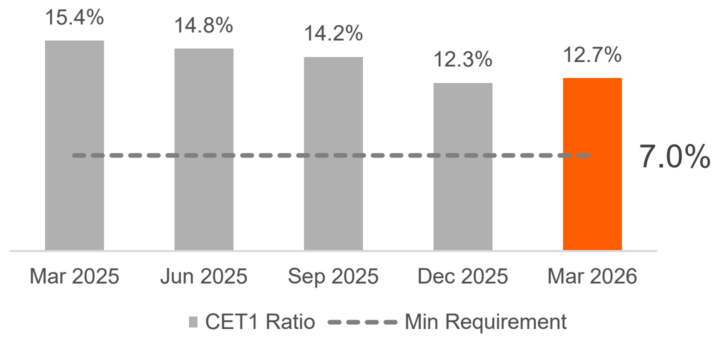


Liquid Asset Mix (%)

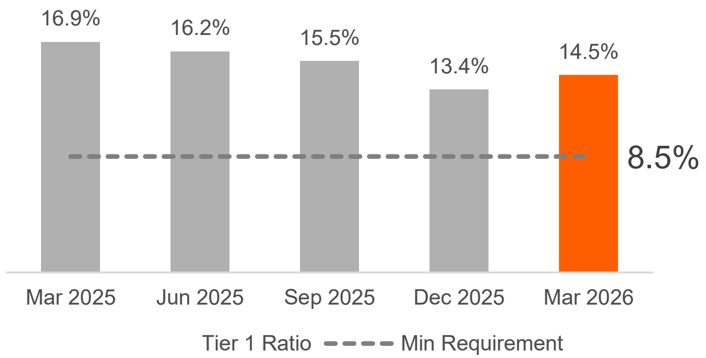


Capital Strengthened: AT1 Issuance Lifts CAR by 127bps to 15.8%

CET 1 Ratio (%)



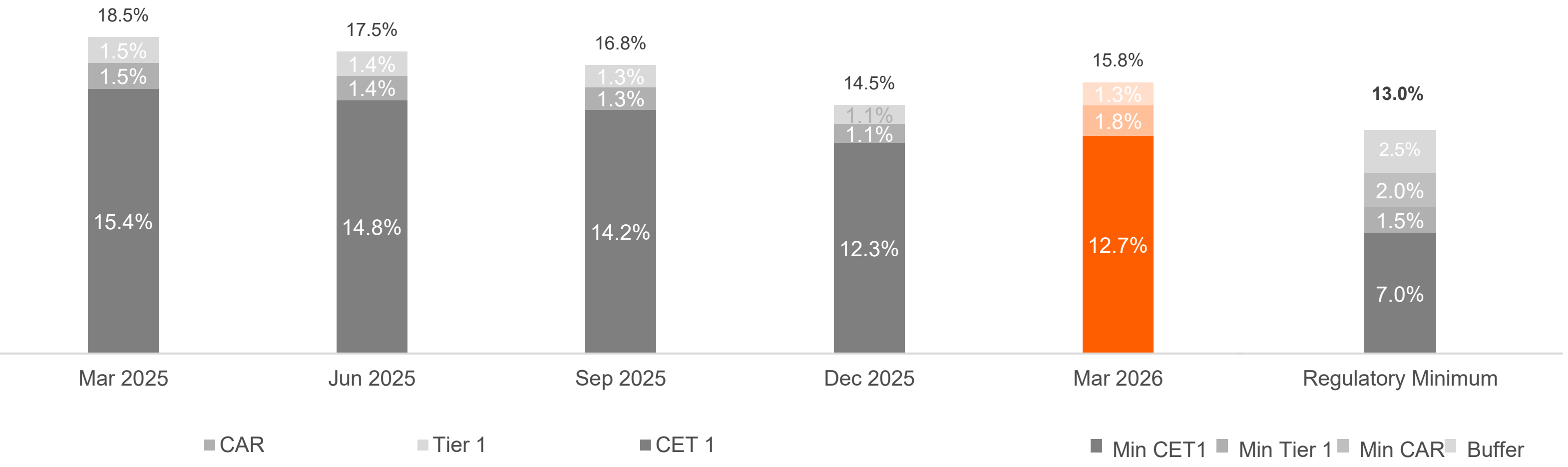
Tier 1 Capital Ratio (%)



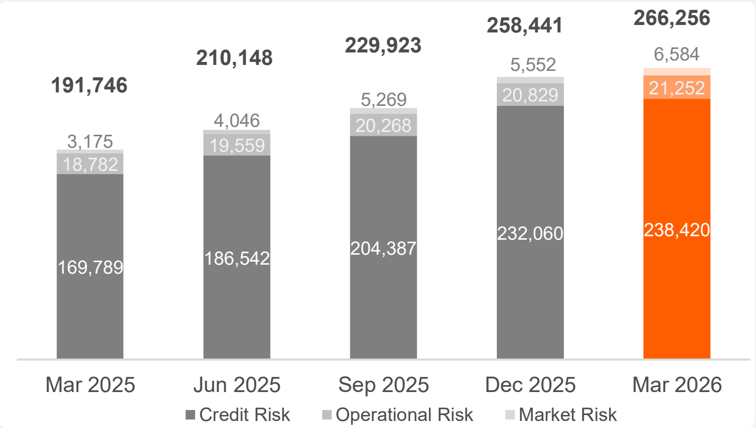
Key Highlights

- **Capital ratios remained robust - CET1 12.7%, Tier 1 14.5%, CAR 15.8%- comfortably above regulatory minimums plus the 2.5% buffer.**
- **USD 500m AT1 issuance attracted exceptional global investor demand, supporting active deployment of capital through 2025.**
- **RWA grew 39% YoY to AED 266 billion, driven by 33% customer loan growth and 26% balance-sheet expansion.**

Capital Ratio Stack (%) Vs Regulatory Min Stack (%)



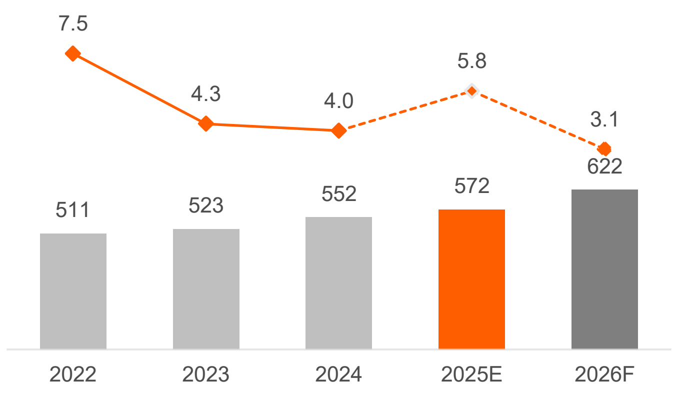
Risk-weighted Assets (AEDm)



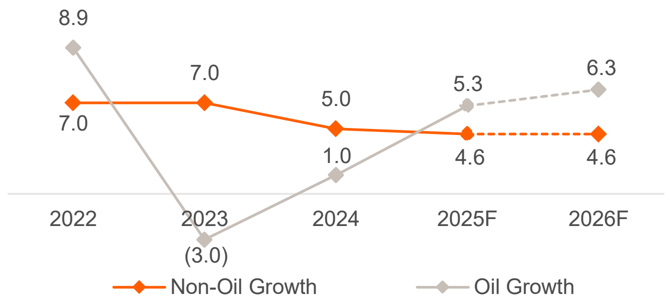
3. Macroeconomic Overview

UAE Economy: Highly Attractive with Solid Fundamentals and Resilient

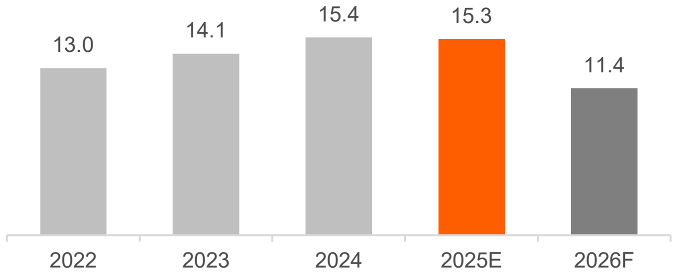
UAE: Nominal GDP (USDbn) and Real GDP Growth (%)



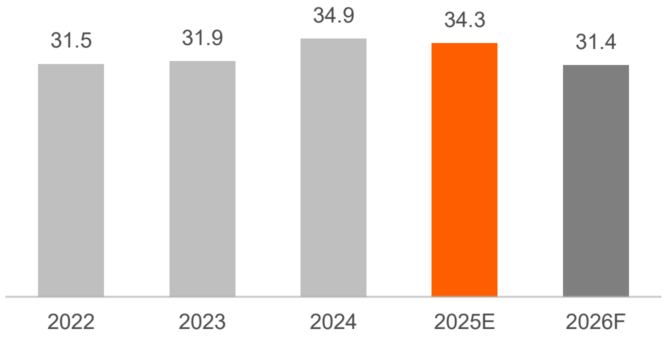
Oil and Non-Oil GDP Growth[1] (%)



Current Account Balance as % of GDP



Government Gross Debt to GDP (%)



Source: IMF Apr'26, World Bank, OPEC ASB 2025; (1) IMF Oct'25

2nd largest economy in the GCC

Nominal GDP expected to reach USD 572 billion in 2025E

$50,231 per capita GDP

Current price for 2025E

"AA-"/ "Aa2" / "AA"

Fitch / Moody's / S&P Rating

Supported by the economic strength and high GDP per capita

113bn

Barrels Oil Reserves

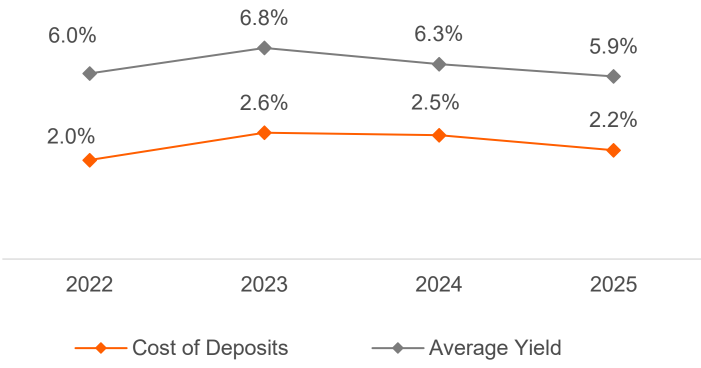
6th

largest proven Oil reserve

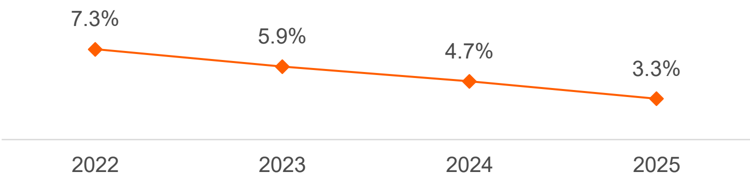
i.e., c.7% of Global Reserves

UAE Banking Sector: Sound Fundamentals - Mashreq Outperforms across Key Metrics

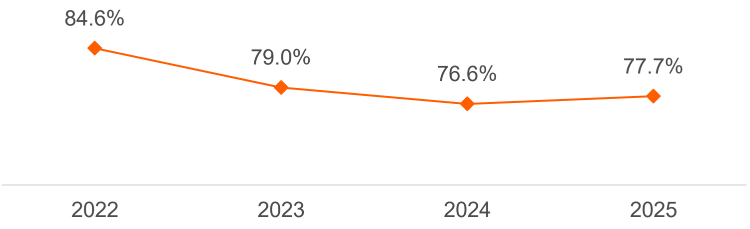
Yield & Cost of Funds (%)



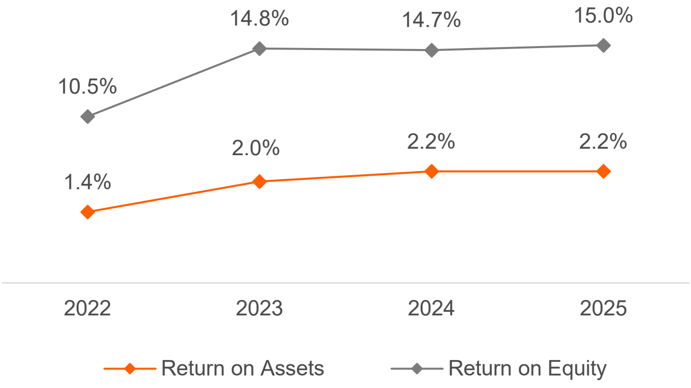
NPL Ratio (Gross, %)



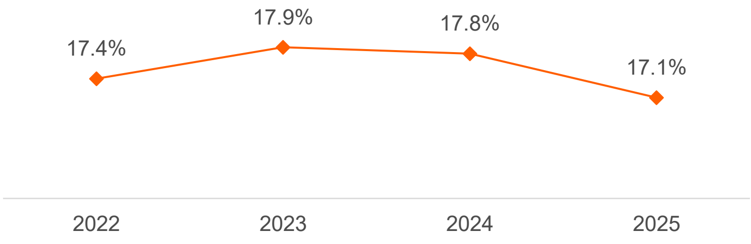
Loan to Deposit Ratio (%)



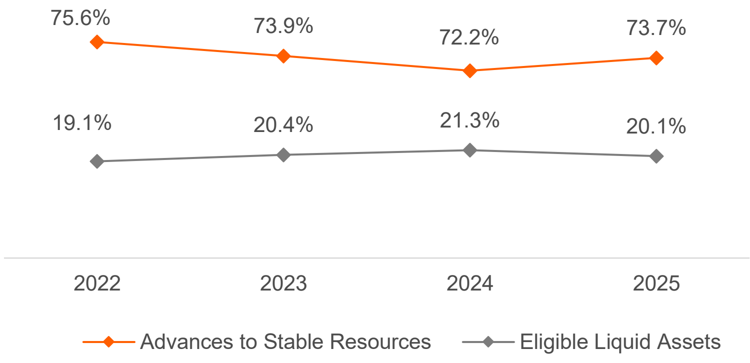
Profitability Ratios (%)



Capital Adequacy (%)



Liquidity Ratios (%)



Mashreq outperforms the UAE banking sector across key metrics with NPL ratio of 0.9%, ROE of 20.1%, and a LDR of 80% in Q1’26.

Source: UAE Central Bank

4. Appendix

Financial Highlights

Income Statement (AEDm)	Q1 2026	Q4 2025	Q1 2025	Δ% QoQ	Δ% YoY
Net Interest Income and Income from Islamic Financing	**2,038**	**2,061**	**1,967**	**(1%)**	**4%**
Fees & Commission	468	301	348	55%	35%
Investment Income	48	39	112	23%	(57%)
Insurance, FX and Other Income	872	785	694	11%	26%
Non-Interest Income	**1,388**	**1,126**	**1,154**	**23%**	**20%**
Total Operating Income	**3,426**	**3,187**	**3,120**	**8%**	**10%**
Operating Expenses	(1,060)	(990)	(918)	7%	15%
Operating Profit	**2,367**	**2,197**	**2,202**	**8%**	**7%**
Impairment Allowance	(87)	(78)	(101)	10%	(14%)
Net Profit before Tax	**2,280**	**2,119**	**2,101**	**8%**	**9%**
Tax	(353)	(329)	(309)	7%	14%
Net Profit after Tax	**1,927**	**1,790**	**1,792**	**8%**	**8%**
Non-Controlling Interest	(43)	(39)	(36)	12%	20%
Profit attributable to Owners of the Parent	**1,883**	**1,751**	**1,756**	**8%**	**7%**

Financial Highlights

Balance Sheet Highlights (AEDm)	Mar 2026	Dec 2025	Mar 2025	Δ% QoQ	Δ% YoY
Loans to Customers	167,697	164,349	125,817	2%	33%
Loans to Banks	58,325	65,721	55,266	(11%)	6%
Investments	62,117	50,624	37,578	23%	65%
Cash and Due from Central Bank	35,596	33,532	41,423	6%	(14%)
Other Assets	20,385	20,224	12,467	1%	64%
Investments in Properties	184	184	152	0%	21%
Total Assets	**344,305**	**334,634**	**272,703**	**3%**	**26%**
Customer Deposits	210,171	204,895	171,442	3%	23%
Balances due to banks	33,538	38,922	42,905	(14%)	(22%)
Loans and Sukuk	16,753	15,310	3,613	9%	364%
Other Liabilities	27,787	27,793	19,397	(0%)	43%
Repo	14,335	7,136	-	101%	NM
Minority Interest	1,195	1,202	1,078	(1%)	11%
Shareholder’s Equity	40,527	39,374	34,269	3%	18%
Total Liabilities & Equity	**344,305**	**334,634**	**272,703**	**3%**	**26%**

Thank You!

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