

Management Discussion and Analysis

For The Nine Months Ended 30th September 2026

FOR THE NINE MONTHS AND THIRD QUARTER ENDED 30 SEPTEMBER 2026

Mashreq's Nine-Month Pre-Tax Profit Rises 18% to a Record AED 7.3 Billion

Assets surpass AED 400 billion as customer lending grows 33% year-on-year and the non-performing loan ratio improves to 0.7%

Dubai, 29 October 2026 –Mashreq Bank PSC (MASQ) today reported record nine-month profit before tax of AED 7.3 billion for the period ended 30 September 2026, up 18% year-on-year. Operating income increased 11% to AED 10.4 billion, with growth in operating profit and an improvement in impairments supporting the increase in earnings. Customer lending expanded 13% during the third quarter, while the non-performing loan ratio improved to 0.7% and the Capital Adequacy Ratio stood at 16.7%.

9M 2026 Key Financials

₪ 7.3 bn

Net Profit Before Tax

₪ 10.4 bn

Operating Income

₪ 7.1 bn

Operating Profit

20.4%

Return on Equity

2.1%

Return on Assets

2.7%

Net Interest Margin

33%

Customer Loan Growth YoY

27%

Customer Deposit Growth YoY

58%

CASA

31%

Cost-to-Income Ratio

16.7%

Capital Adequacy Ratio

0.7%

NPL Ratio

H.E. Abdul Aziz Al Ghurair Chairman of Mashreq

“The global economy is undergoing a period of significant transformation, as evolving trade patterns, investment flows and geopolitical dynamics reshape the international economic landscape. For the region, this presents an opportunity to deepen economic diversification, strengthen global partnerships and build new avenues for sustainable growth.”

The UAE has continued to demonstrate the strength of its economic model, combining policy stability, international connectivity and sustained investment to reinforce its position as a leading global business and financial centre.

The UAE banking sector has been instrumental in supporting this momentum, facilitating economic activity while maintaining strong financial fundamentals. Against this backdrop, Mashreq delivered operating income of AED 10.4 billion in the first nine months of 2026, reflecting the strength of its diversified franchise and the confidence of its clients.

As a Domestic Systemically Important Bank, our responsibility extends beyond financial performance. The Board remains committed to ensuring that growth is supported by sound governance, disciplined risk management and responsible capital allocation. These principles

will continue to guide Mashreq as we support the UAE's economic ambitions, strengthen international connectivity and create sustainable value for our shareholders and the wider economy.



Ahmed Abdelaal Group Chief Executive Officer

Mashreq's first nine months of 2026 demonstrate our ability to grow the franchise while maintaining strong returns and credit quality. We delivered record nine-month profit before tax of AED 7.3 billion, up 18% year-on-year, and return on equity of 20.4%. Customer lending grew 33% year-on-year, while our non-performing loan ratio improved to 0.7%.

Our priority is to translate this growth into deeper client relationships and sustainable shareholder value. Supporting UAE companies and businesses contributing to the UAE economy remains central to our lending and trade finance activities, alongside serving the needs of our retail and SME clients. Across our international network, we are deepening relationships and connecting clients to financing, trade and investment opportunities. Selective capital allocation and a diversified funding base will continue to guide how we grow.

As we scale, our investment in AI and digital capabilities is directed at faster service, simpler customer journeys and greater productivity. Newton, our award-winning GenAI platform for financial crime investigations, has already lifted investigator productivity by around 40% while improving the quality and speed of our investigations. We are focused on embedding these capabilities across the business, supported by strong controls and clear accountability for the value they deliver.

We enter the final quarter focused on profitable growth, disciplined execution and strengthening the capabilities that will sustain Mashreq's performance over the long term. I thank our colleagues for their commitment and our clients for their continued trust.



Performance Review 9M 2026

Record nine-month profitability, 33% year-on-year growth in customer loans and improving asset quality, supported by disciplined capital management.

Operating income grew 11% year-on-year to AED 10.4 billion in 9M 2026, supported by net interest income on a substantially expanded loan book and 18% growth in non-interest income. Profit before tax rose 18% to a record AED 7.3 billion, with the third quarter contributing AED 2.5 billion, 19% more than in Q3 2025.

Total assets grew by AED 100 billion year-on-year to AED 405.6 billion, with customer lending growth of 33% and deposit growth of 27%. Customer deposits increased by AED 32.2 billion year-to-date, exceeding the AED 26.3 billion increase in customer loans. The Bank also raised term funding in the international capital markets during the third quarter.

Asset quality strengthened further, with a non-performing loan ratio of 0.7% and coverage of 311%, while the Capital Adequacy Ratio stood at 16.7%. The nine-month cost-to-income ratio was 31.4%, with continued investment in the Bank's digital and AI capabilities.

₹7.3 bn

Net Profit Before Tax

₹10.4 bn

Operating Income

33%

Total Asset Growth

Revenue and Income

Double-digit nine-month revenue growth, with all income lines rising year-on-year and non-interest income growing 18%.

- **Operating income grew 11% year-on-year to AED 10.4 billion**, with net interest income rising 7% to AED 6.5 billion and non-interest income 18% to AED 3.9 billion, lifting the non-interest contribution to 37% of the total.
- **Net interest income grew on the strength of a 33% expansion in customer loans**, with volume growth outweighing the effect of lower benchmark rates through most of the period. Net interest margin on earning assets was 2.71% for 9M 2026 and 2.67% in the third quarter, as strong deposit inflows were deployed into high-quality liquid securities ahead of their redeployment into lending. Third-quarter net interest income rose 5% quarter-on-quarter to AED 2.3 billion.
- **Net fee and commission income rose 4% year-on-year to AED 1,076 million**. Third-quarter net fee income increased 45% quarter-on-quarter to AED 360 million on stronger transaction banking, lending and trade finance activity, and was 7% lower year-on-year.
- **Net investment income almost doubled to AED 599 million** as the Bank's equity investment portfolio recorded favorable fair value movements and gains were realized across investment securities; the third quarter contributed AED 264 million, against AED 99 million in Q3 2025.
- **Insurance, FX and other income increased 13% to AED 2.2 billion**, supported by steady insurance-related income and foreign exchange income from cross-border client flows across Mashreq's international network.

Expenses and Efficiency

- **Purposeful investment in the platforms, technology and people that underpin Mashreq's growth**, with a nine-month cost-to-income ratio of 31.4%.

- **Operating expenses of AED 3.3 billion rose 13% year-on-year**, directed towards Gen-AI initiatives, digital platforms and the talent supporting the Bank's expansion across its markets. Operating income grew 11% over the same period, with the cost-to-income ratio at 31.4%, compared with 30.7% a year earlier.
- In the third quarter, operating income grew 5% quarter-on-quarter against a 4% rise in expenses, with the cost-to-income ratio improving to 31.3% from 31.9% in Q2.

Earnings Performance

Record nine-month earnings and a return on equity of 20.4%, with third-quarter profit before tax growing 19% year-on-year.

- **Net profit before tax increased 18% year-on-year to AED 7.3 billion**, with AED 635 million of the increase from operating profit growth of 10% on 11% revenue growth, and AED 482 million from the improvement in impairments, from a charge of AED 366 million in 9M 2025 to a net release of AED 116 million.
- **Third-quarter profit before tax reached AED 2.5 billion**, growing 19% year-on-year, with operating profit rising 6% quarter-on-quarter and 13% year-on-year, and net profit after tax for the quarter growing 21% year-on-year to AED 2.1 billion.
- **Net profit after tax rose 18% to AED 6.1 billion**, with the effective tax rate stable at 15.7% under the UAE Domestic Minimum Top-Up Tax (DMTT) and Pillar Two rules, and profit attributable to owners of the parent rising 18% to AED 6.0 billion.
- **Return on equity of 20.4%, against 19.8% in 9M 2025, and return on assets of 2.1%** were delivered on a shareholders' equity base that expanded 22% year-on-year to AED 46.0 billion, demonstrating the earnings power of a substantially larger asset base. Earnings per share rose 17% to AED 28.8.

18%

Non-Interest Income
Growth

20.4%

Return on Equity

18%

Net Profit Before
Tax Growth

Credit Quality

Asset quality strengthened further during a period of strong lending growth, with the non-performing loan ratio at 0.7% and coverage at 311%.

- **The non-performing loan ratio improved to 0.7%, from 1.1% at September 2025 and 0.9% at June 2026**, as customer loans grew 33% year-on-year. Non-performing loans also fell in absolute terms during a quarter in which customer lending expanded 13%, reflecting active credit portfolio management.
- **Impairments recorded a net release of AED 116 million in 9M 2026**, against a charge of AED 366 million in 9M 2025, with a charge of AED 7 million in the third quarter, as recoveries on previously written-off exposures continued to offset new provisioning.
- **Coverage rose to 311% from 235% at September 2025** with expected credit loss allowances increasing in step with the portfolio and providing ample protection against credit deterioration.

Balance Sheet

Total assets grew by AED 100 billion year-on-year to AED 405.6 billion, with customer lending growing 33% year-on-year and 13% in the third quarter.

- **Total assets rose 33% year-on-year and 11% in the quarter to AED 405.6 billion**, led by customer lending, investments and liquid assets.
- **Customer loans grew 33% year-on-year to AED 190.6 billion**, a net increase of AED 21.5 billion during the third quarter across wholesale and retail clients, taking total lending to customers and banks to AED 252.3 billion.
- **Customer deposits grew 27% year-on-year to AED 237.1 billion**, with year-to-date inflows of AED 32.2 billion exceeding loan growth of AED 26.3 billion. In the third quarter, loan growth of AED 21.5 billion was funded by AED 9.9 billion

of deposit inflows, the USD 500 million senior bond and repurchase agreements, with deposits remaining the core of the Bank's funding and the CASA ratio at 58%.

- **The investment portfolio expanded 75% year-on-year to AED 83.7 billion**, reflecting the deployment of surplus liquidity into securities.

Capital and Liquidity

A Capital Adequacy Ratio of 16.7%, strengthened by 222 basis points since December 2025 through retained earnings and the Bank's second Additional Tier 1 issuance of the year.

- The **Capital Adequacy Ratio stood at 16.7% at 30 September 2026**, against 14.5% at December 2025, with Tier 1 at 15.6% and Common Equity Tier 1 at 13.2%, each comfortably above regulatory requirements including the full D-SIB buffer.
- During the quarter, **Mashreq completed a USD 500 million perpetual Additional Tier 1 issuance and a USD 500 million five-year senior bond**, both well supported by international investors and extending the maturity profile of the Bank's funding.
- Liquidity remained strong, with a Liquidity Coverage Ratio of 124% and a Loan-to-Deposit Ratio of 80%.

Note: Figures may not add up due to rounding differences

0.7%

NPL Ratio

27%

Customer Deposit
Growth

33%

Total Assets
Growth

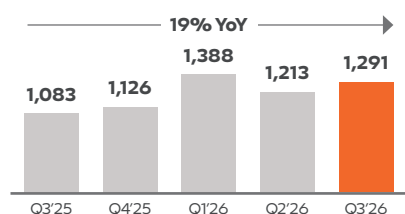
9M 2026 Financial Review

Strong Nine-Month Earnings, with Third-Quarter Operating Income Growing 12% Year-on-Year

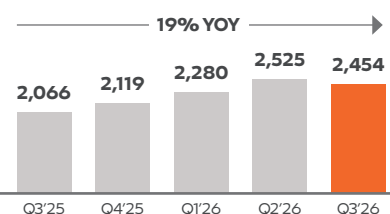
Income Statement Highlights

Income Statement (AED mn)	9M'26	9M'25	ΔYoY%	Q3'26	Q2'26	Q3'25	ΔQoQ%	ΔYoY%
Net Interest Income & Income from Islamic Financing	6,518	6,080	7%	2,293	2,187	2,119	5%	8%
Fees & Commission	1,076	1,032	4%	360	248	388	45%	(7%)
Investment Income	599	311	92%	264	286	99	(8%)	168%
Insurance, FX & Other Income	2,218	1,966	13%	667	679	597	(2%)	12%
Non-Interest Income	3,893	3,309	18%	1,291	1,213	1,083	6%	19%
Total Operating Income	10,411	9,389	11%	3,584	3,400	3,202	5%	12%
Operating Expenses	(3,267)	(2,882)	13%	(1,124)	(1,084)	(1,015)	4%	11%
Operating Profit	7,143	6,508	10%	2,461	2,316	2,187	6%	13%
Impairment Allowance	116	(366)	n.m.	(7)	209	(121)	n.m.	(95%)
Net Profit Before Tax	7,259	6,142	18%	2,454	2,525	2,066	(3%)	19%
Tax	(1,137)	(961)	18%	(380)	(404)	(357)	(6%)	6%
Net Profit after Tax	6,122	5,181	18%	2,074	2,121	1,708	(2%)	21%
Non-Controlling Interest	(133)	(92)	45%	(41)	(49)	(23)	(16%)	76%
Profit attributable to Owners of the Parent	5,988	5,089	18%	2,033	2,072	1,685	(2%)	21%
EPS (AED)	28.8	24.6	17%	9.7	10.0	8.2	(3%)	18%
Key Metrics								
Key Metrics (%)	9M'26	9M'25	Δbps YoY	Q3'26	Q2'26	Q3'25	Δbps QoQ	Δbps YoY
Cost to Income Ratio	31.4%	30.7%	70	31.3%	31.9%	31.7%	(54)	(37)
Return on Assets	2.1%	2.3%	(19)	2.0%	2.3%	2.2%	(26)	(20)
Return on Equity	20.4%	19.8%	64	19.8%	21.6%	19.2%	(171)	62
Net Interest Margin	2.7%	3.2%	(50)	2.7%	2.8%	3.2%	(11)	(52)

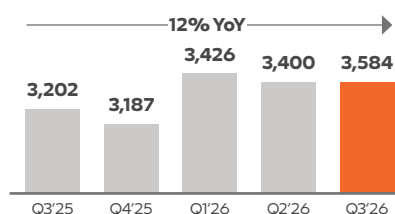
Non-Interest Income - Quarterly Trend (AED mn)



Profit Before Tax - Quarterly Trend (AED mn)



Operating Income - Quarterly Trend (AED mn)



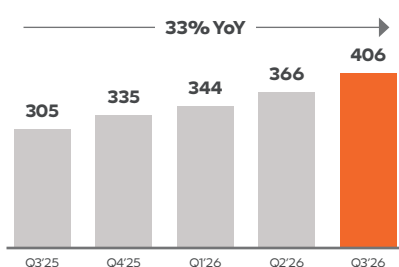
- **Net fee income of AED 360 million in the third quarter** increased 45% quarter-on-quarter, on stronger transaction banking, lending and trade finance activity across the Bank's markets.
- **Investment income of AED 264 million in Q3 2026** came principally from fair value gains on the equity portfolio and realised trading gains, more than double the Q3 2025 contribution.
- **Treasury & Global Markets grew operating income 24% year-on-year to AED 1.6 billion**, as a larger investment and liquidity management book lifted net interest income, while Retail Banking grew 10% to AED 3.7 billion on 20% growth in non-interest income, with segment assets expanding 54% year-to-date to AED 55.6 billion.
- **Wholesale Banking, the largest business at 39% of operating income, grew 3% to AED 4.1 billion**, with 14% growth in non-interest income outweighing lower net interest income.

Balance Sheet Strength

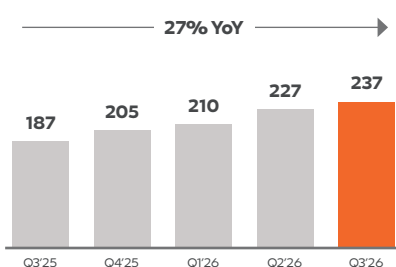
Strong Growth across Lending, Deposits and Investments, Funded by Deposit Inflows and Term Issuance

Balance Sheet (AED mn)	Sep 2026	Sep 2025	ΔYoY%	Jun 2026	ΔQoQ%	Dec 2025	ΔYTD%
Loans to Customers	190,618	143,085	33%	169,088	13%	164,349	16%
Loans to Banks	61,671	65,380	(6%)	62,043	(1%)	65,721	(6%)
Investments	83,659	47,789	75%	76,145	10%	50,624	65%
Cash & Due from Central Bank	47,001	31,402	50%	41,782	12%	33,532	40%
Other Assets	22,417	17,658	27%	16,506	36%	20,224	11%
Investments in Properties	184	150	23%	184	0%	184	0%
Total Assets	405,550	305,464	33%	365,748	11%	334,634	21%
Customer Deposits	237,090	187,167	27%	227,190	4%	204,895	16%
Balances Due to Banks	36,916	41,123	(10%)	32,793	13%	38,922	(5%)
Loans and Sukuk	23,986	6,267	283%	20,833	15%	15,310	57%
Other Liabilities	30,559	26,438	15%	24,814	23%	27,793	10%
Repo	29,719	5,546	436%	16,073	85%	7,136	316%
Minority Interest	1,315	1,153	14%	1,260	4%	1,202	9%
Shareholder's Equity	45,966	37,771	22%	42,785	7%	39,374	17%
Total Equity	47,281	38,924	21%	44,045	7%	40,577	17%
Total Equity & Liabilities	405,550	305,464	33%	365,748	11%	334,634	21%

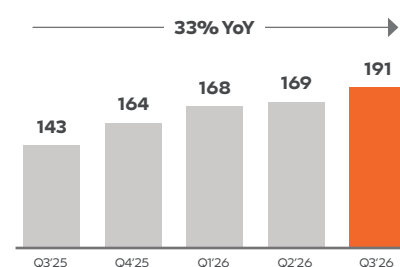
Total Assets - Quarterly Trend (AED bn)



Customer Deposits - Quarterly Trend (AED bn)



Loans to Customers - Quarterly Trend (AED bn)



- Customer loans grew 33% year-on-year and 13% quarter-on-quarter to AED 190.6 billion, with strong origination across wholesale and retail clients, while loans to banks were broadly stable at AED 61.7 billion.
- Customer deposits grew 27% year-on-year and 4% quarter-on-quarter to AED 237.1 billion, with growth in the quarter weighted towards term deposits. With lending outpacing deposit inflows in Q3 2026, the loan-to-deposit ratio moved to 80% from 74% at June 2026, in line with December 2025.
- Investments rose 10% quarter-on-quarter to AED 83.7 billion and cash and central bank balances 12% to AED 47.0 billion, as the Bank deployed liquidity into high-quality securities.
- Loans and sukuk rose 15% quarter-on-quarter to AED 24.0 billion, including the USD 500 million five-year senior bond issued in September, extending the maturity profile of the Bank's funding, while balances due to banks were 10% lower year-on-year at AED 36.9 billion.

Capital Adequacy

A Strong Capital Position, Sustained Through a Quarter of Significant Asset Growth

Capital Adequacy (%)	Sep 2026	Sep 2025	Δbps YoY	Jun 2026	Δbps QoQ	Dec 2025	Δbps YTD
Capital Adequacy Ratio (CAR - Basel III)	16.7%	16.8%	(3) bps	16.9%	(19) bps	14.5%	222 bps
Common Equity Tier 1 (CET1)	13.2%	14.2%	(100) bps	13.8%	(61) bps	12.3%	94 bps
Tier 1 Capital Ratio	15.6%	15.5%	10 bps	15.6%	(7) bps	13.4%	218 bps

- **The Capital Adequacy Ratio stood at 16.7%, 222 basis points above December 2025**, with Tier 1 at 15.6% and CET1 at 13.2%, each comfortably above regulatory requirements including the full D-SIB buffer.
- **Retained earnings and the Bank's second Additional Tier 1 issuance of 2026 supported the capital base** as customer lending grew by AED 21.5 billion in Q3. CET1 stood at 13.2%, compared with 13.8% at June 2026.
- **The regulatory capital base grew to AED 46.6 billion**, from AED 37.5 billion at December 2025
- **The Liquidity Coverage Ratio of 124% and Liquid Assets Ratio of 23%** remained well above regulatory requirements, and the Loan-to-Deposit Ratio of 80% leaves the Bank with capacity to continue meeting client demand.

Note: Figures may not add up due to rounding differences

16.7%

Capital Adequacy
Ratio

124%

Liquidity Coverage
Ratio

80%

Loan-to-Deposit
Ratio

Sustaining Growth and Returns

Mashreq's focus for the remainder of 2026 is to translate its expanded client franchise into sustainable revenue and returns.

Priorities include deepening lending, trade and transaction banking relationships with UAE businesses and clients contributing to the UAE economy, strengthening the retail and SME franchises, and pursuing opportunities across the Bank's established international network.

Investment in AI and digital capabilities will remain directed at simpler customer journeys and greater productivity. Execution will be supported by disciplined credit selection, diversified funding and prudent capital allocation, with the pace of growth calibrated to market conditions and client demand.



Awards Q3 2026

Mashreq received multiple prestigious awards in Q3 2026, attesting to its leadership and excellence across the Middle East and globally.

Asian Banking & Finance Retail Banking Awards:

- Open Banking Initiative of the Year - United Arab Emirates
- Customer Experience Initiative of the Year - UAE
- Fraud Initiative of the Year - UAE
- Digital Transformation of the Year - UAE
- Insurance Product Innovation of the Year - UAE
- Private Bank of the Year - UAE
- Wealth Management Platform of the Year - UAE
- SME Bank of the Year - UAE

Asian Banking & Finance Wholesale Banking Awards:

- AI Initiative of the Year - UAE
- Technology and Operations Bank of the Year - UAE

The Digital Banker Middle East and Africa Retail Banking Innovation Awards:

- Best Digital Bank - United Arab Emirates
- Best Digital Bank - Middle East
- Best Mobile Banking App of the Year
- Best Hybrid Wealth Management Offering
- Best New Wealth Management Product of the Year
- Best Sustainability Marketing Initiative
- Best Internet Banking Initiative
- Best SME Bank - United Arab Emirates
- Best SME Bank - Middle East
- Outstanding Digital Innovation in SME Banking

MENA Banking Excellence Retail, Digital & SME Awards:

- MENA Best Islamic Retail Bank

Global Finance:

- Most Innovative Financial Institution in the Middle East

Global Finance World's Best Digital Bank Awards: Corporate Digital Bank Awards & Consumer Digital Bank Awards:

- Best Neobank - Middle East
- Best Corporate Mobile Banking App - UAE
- Best Neobank - UAE
- Best Personal Finance Management (PFM) Solution - UAE

TAB Global Middle East Awards:

- Best Customer Loyalty/Rewards Programme in the United Arab Emirates
- Best Digital Consumer Lending Service in the United Arab Emirates
- Best Digital Credit Evaluation Initiative in the United Arab Emirates

CX Live Awards:

- Best Customer Journey Mapping
- Best Quality Assurance

Asian Experience Awards, Asian Business Review:

- United Arab Emirates Customer Experience of the Year - Banking

The Digital Banker's Global Islamic Finance Awards:

- Best Islamic Retail Bank - Middle East and United Arab Emirates
- Best Islamic Neo/Challenger Bank
- Outstanding Advancement in Islamic Banking

Disclaimer

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Basis of preparation. The financial information in this document is derived from Mashreq's reviewed but unaudited interim condensed consolidated financial statements for the nine months ended 30 September 2026, prepared in accordance with International Financial Reporting Standards (IFRS), and from management information. It should be read together with those financial statements. Comparative figures for 2025 are audited for the year ended 31 December 2025 and reviewed for interim periods.

Alternative performance measures. This document includes measures that are not defined under IFRS, including return on equity, return on assets, net interest margin, cost-to-income ratio, non-performing loan ratio, coverage ratio and loan-to-deposit ratio. These measures are used by management to assess performance, are not a substitute for IFRS measures and may not be comparable with similarly titled measures used by other institutions. Ratios are annualised where applicable. Regulatory ratios are calculated in accordance with the requirements of the Central Bank of the UAE.

Rounding. Figures are rounded and totals or percentages may not add up precisely. Percentage changes are calculated on unrounded figures.

Forward-looking statements. This document may contain forward-looking statements that set out management's current views on future events, financial condition and performance. Such statements are subject to known and unknown risks and uncertainties, including macroeconomic and geopolitical developments in the region and globally, interest rate and foreign exchange movements, credit and market conditions, regulatory, tax and accounting changes, and operational and cyber risks, and actual results may differ materially. Mashreq undertakes no obligation to update or revise such statements except as required by applicable law.

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