



*Rise every day*

# INVESTOR RELATIONS PRESENTATION

JANUARY 2022

## ▶ UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

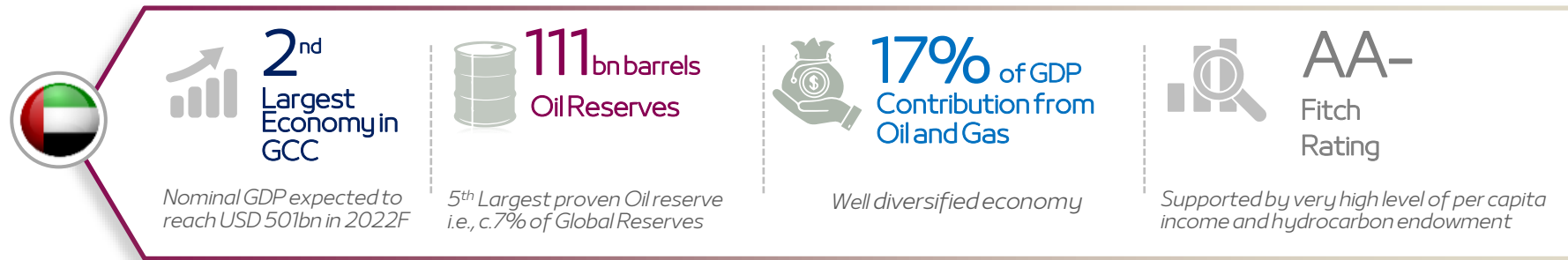
Trading history, rating & dividends

Corporate governance

Environment, Social & Governance (ESG)

Accolades

# UAE: Macroeconomic Outlook

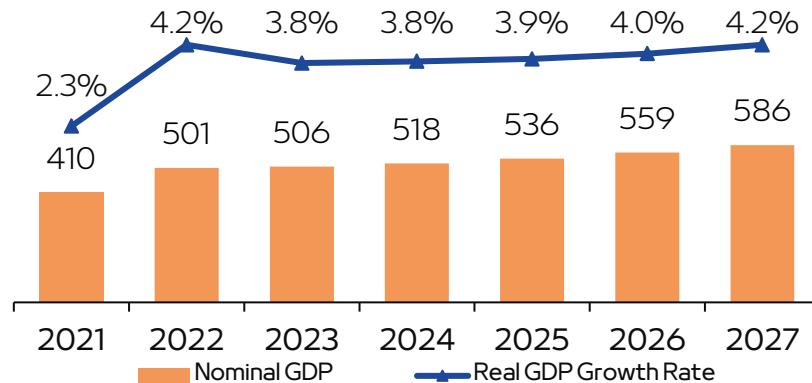


**Vaccination Rate in the UAE**  
As of Sep 2022, c.25mn vaccine doses have been provided in the UAE – more than 250% of the population

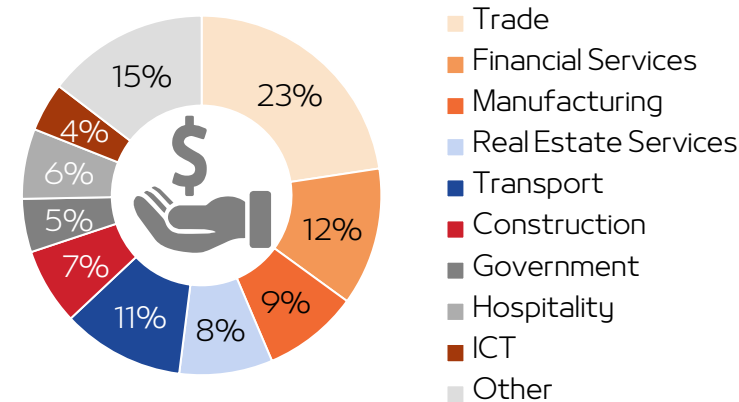


**Revival in Tourism**  
Easing of restrictions resulted in increased travel and tourism; Expo 2020 recorded more than 24 million visits

Nominal and Real GDP (USD billion)



Dubai GDP Breakdown by Sector – Q1 22 (%)

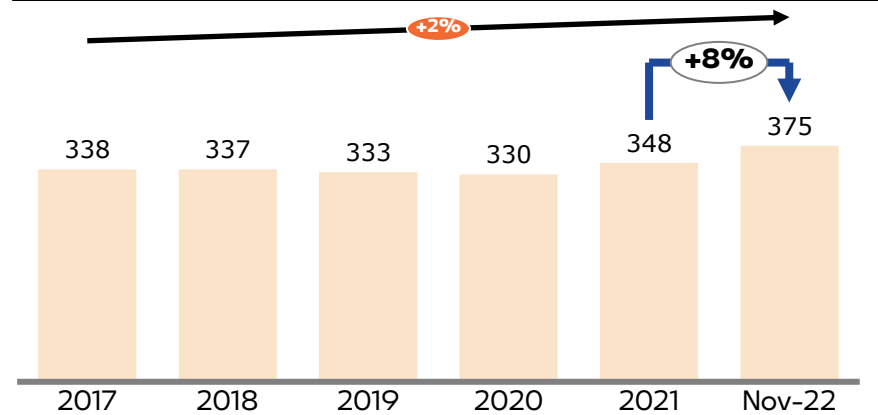


*Strong rebound in growth in 2022 is expected (vs. moderate growth of 2.3% in 2021) driven by rapid pace of vaccination, surge in tourism & hospitality sectors and increase in oil prices*

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

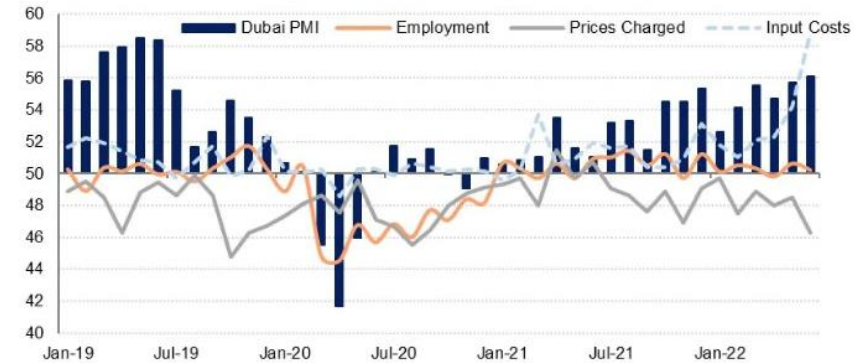
Consumer borrowing growth has picked up...

Domestic credit to Individuals [AED Bn]



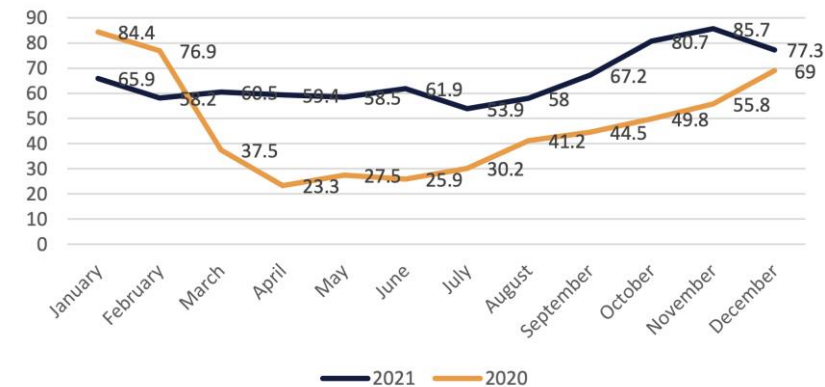
... with an increase in PMI and employment index

Emirates NBD PMI & Employment index [#]



Hotel occupancy rates also show a marked recovery

Dubai Hotel Occupancy rates [%]

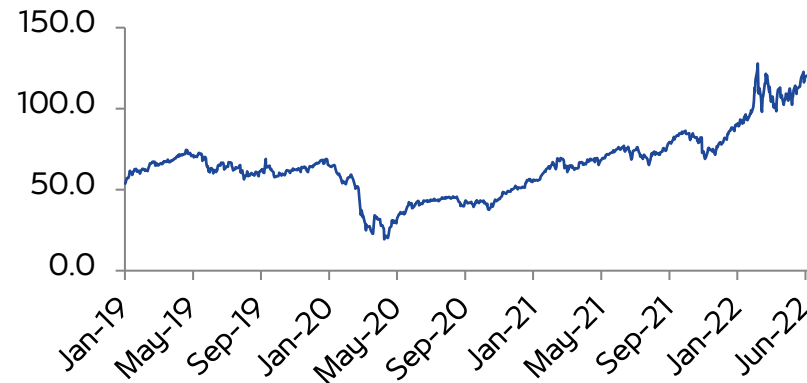


...while rents across the sectors increase

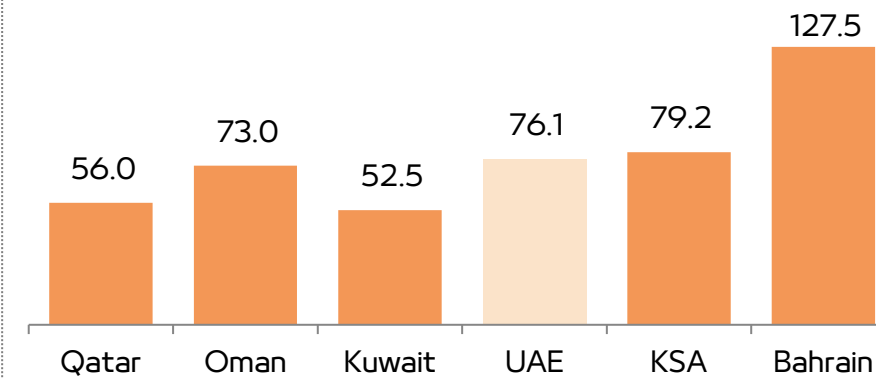
	Dubai 3Q'22	Abu Dhabi 3Q'22
Office	Average Grade A CBD rents up by 24% YOY	Average Grade A CBD rents up by 9% YOY
Residential	Average rental rates up by 25% YOY	Average rental rates up by 2% YOY
Retail	Average rental rates across primary and secondary malls up by 3%	Average rental rates across primary and secondary malls up by 5%

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

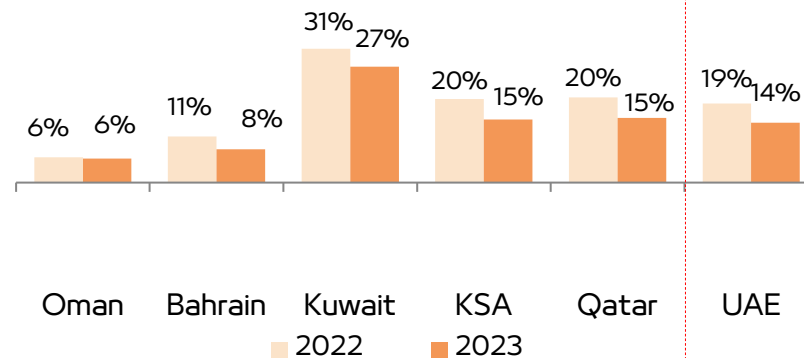
Brent Crude Oil Prices USD/barrel



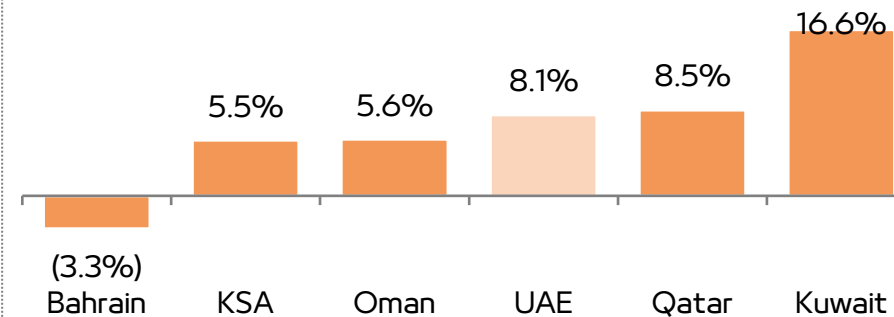
Fiscal Breakeven Oil Price – 2022F USD/barrel



Current Account Balance to GDP – 2022-23F



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

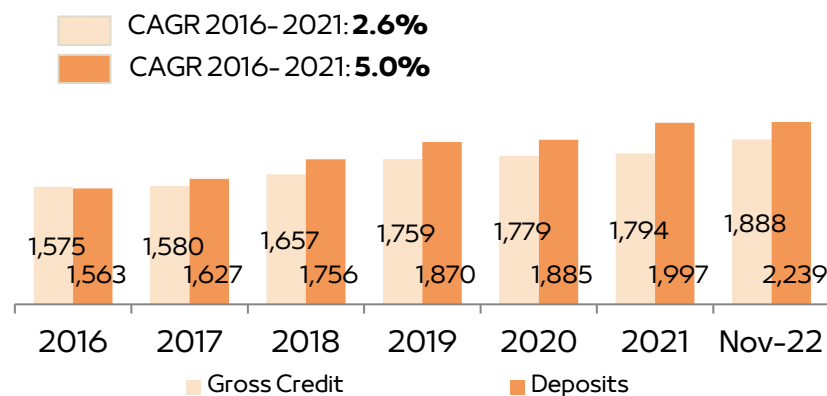


# UAE has one of the largest banking systems in the GCC and sound regulatory framework with widespread support from the Government

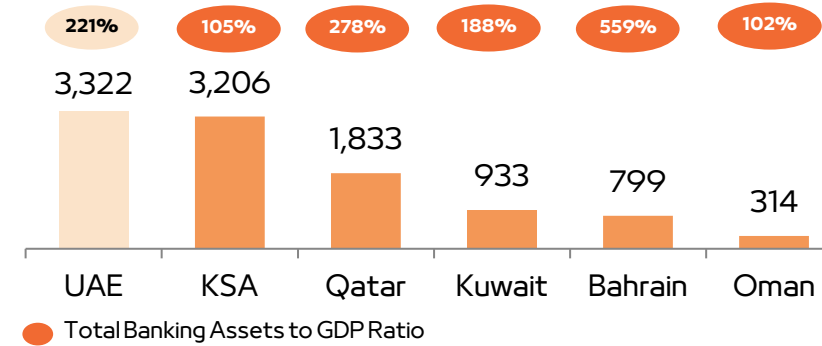
## Diversified and Highly Regulated Banking Sector

- 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

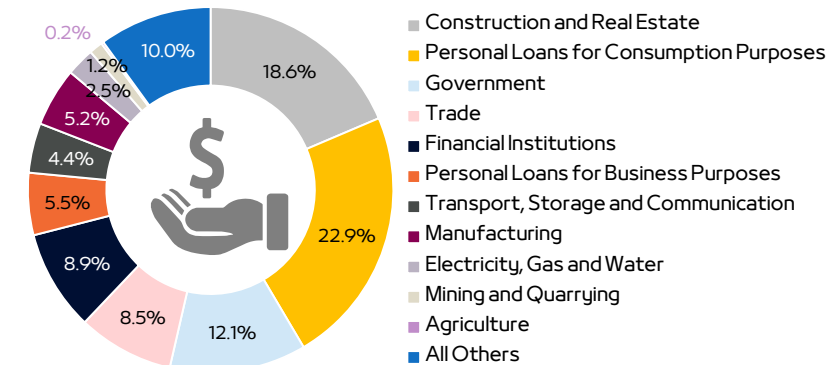
## UAE – Loans & Deposits (AED billion)



## GCC Banking Assets – 2021 (AED billion)



## Loans by Sector – Sep'22 (%)



- UAE economy
- ▶ Mashreq heritage
  - Structure and Leadership
  - Strategy
  - Financial track record
  - Trading history, rating & dividends
  - Corporate governance
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  - Accolades



# 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 39% 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



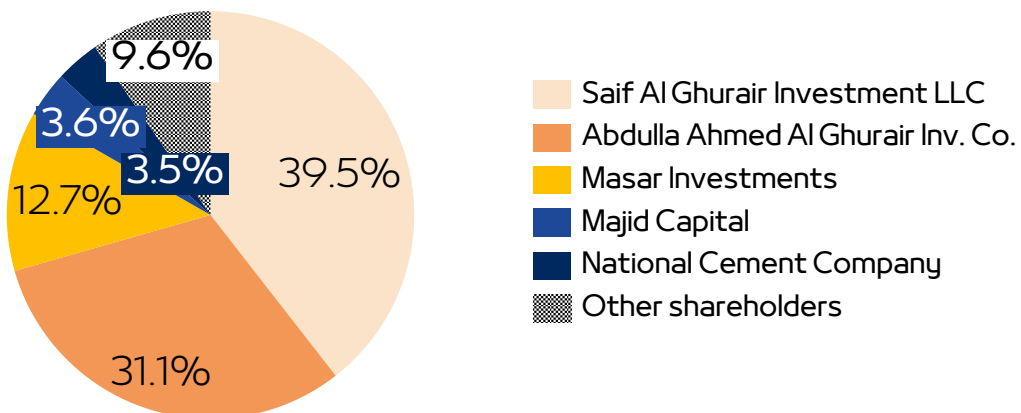
**H.E. Abdul Aziz Abdulla Al-Ghurair**  
Chairman

- 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

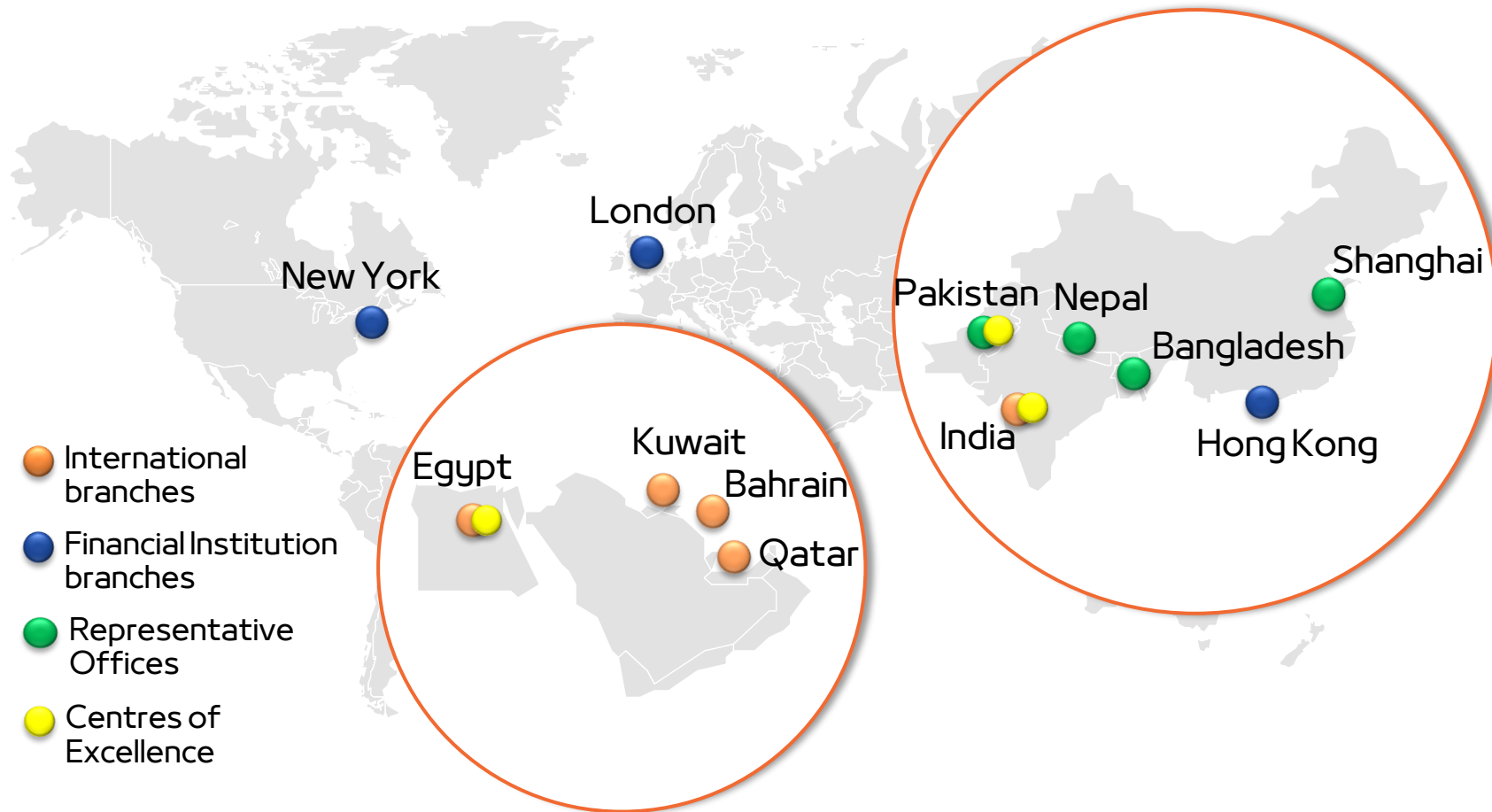
## Ownership – Al-Ghurair flagship brand

- 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

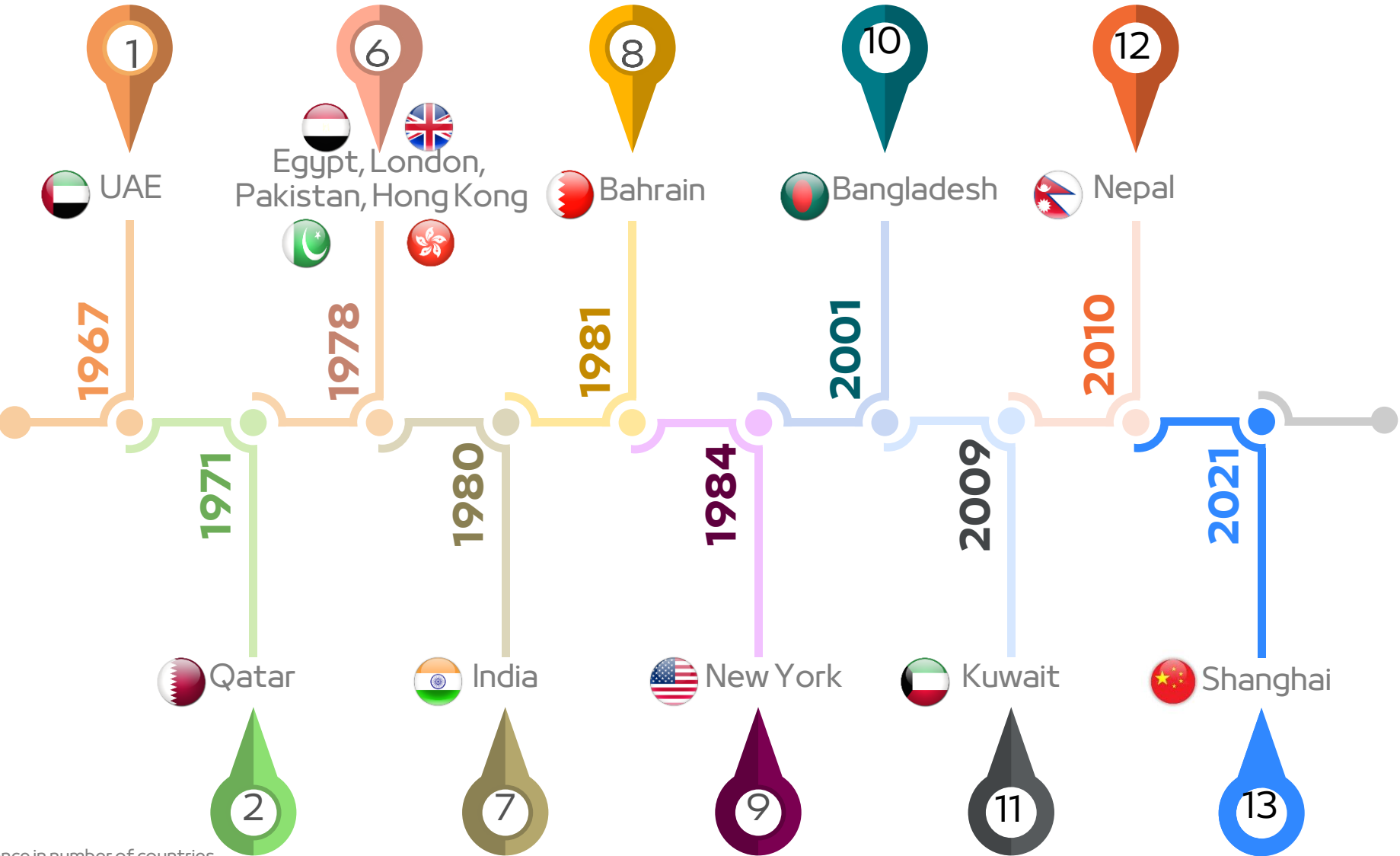
## Key shareholders (December 2022)



# Regional and international banking presence



# Strong track record in International expansion



UAE economy

Mashreq heritage

▶ **Structure and Leadership**

Strategy

Financial track record

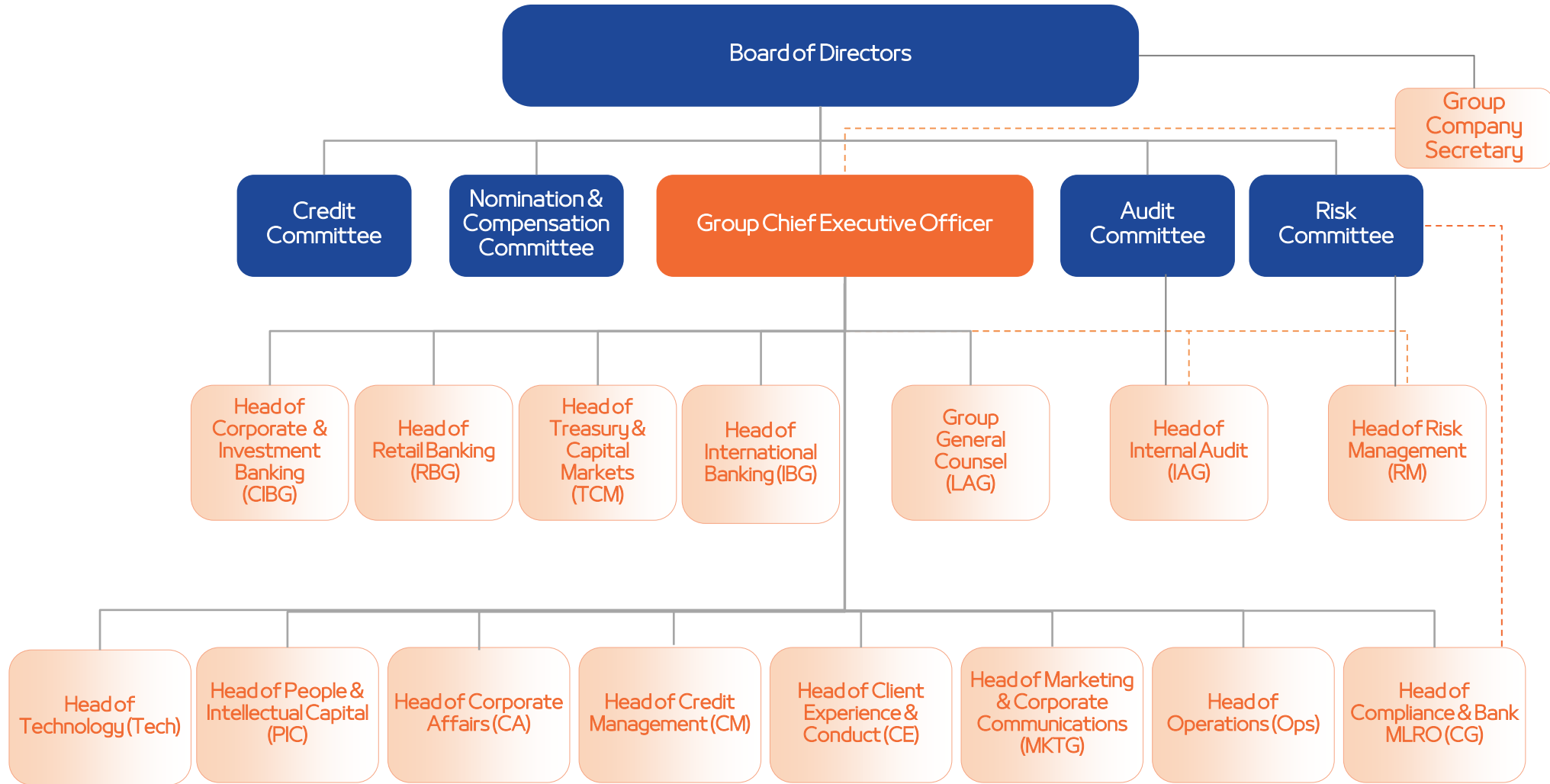
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# Simple Organization Structure



# 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**

**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**

- 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**

- 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



**Muna Al Ghurair**  
**Head of Marketing & Corporate Communications**

- Joined Mashreq in 2022
- Over 20 years of experience in communications, marketing, sales and business development with an outstanding track record with leading payments and financial institutions in the region.
- Holding a diploma in marketing from the UAE Polytechnic University



**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



**Hamda Al Shamali**  
**Head of People & Intellectual Capital Group**

- Holds a Bachelor's degree of Applied Science – Business Administration from Higher Colleges of Technology Dubai.
- Joined Mashreq in 2022.
- A seasoned senior Emirati human resources professional with a strong track record spanning more than 20 years of accomplishments with leading local and international organizations.



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



## *Offers wholesale banking inside and outside UAE*

- Energy, Services & Manufacturing
- Trading
- Contracting Finance
- Real Estate
- NBFIs / 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 insurance services*

- Includes life, medical, motor, marine cargo and hull, aviation, property, fire and general accidents, engineering, energy, liabilities and personal lines insurance

# Sukoon (Oman Insurance) is the largest subsidiary of Mashreq



## Mashreqbank Psc

### Sukoon (64.46%)

- Oman Insurance, the Largest insurance company in the UAE
- Provides full range of Insurance Products & Services
- Dec '22 Equity: AED 2.5 Bn
- 12M 2022 profit: AED 224 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 1.3 Bn in asset under management
- Funds rated highest in the market
- Dec '22 Equity: AED 20 Mn
- 12M 2022 profit: AED 4 Mn

### Mashreq Al Islami Finance (99.8%)

- Islamic Finance Company
- Provides full range of Islamic Products & Services
- Dec '22 Equity: AED 841 Mn
- 12M 2022 profit: AED 24 Mn

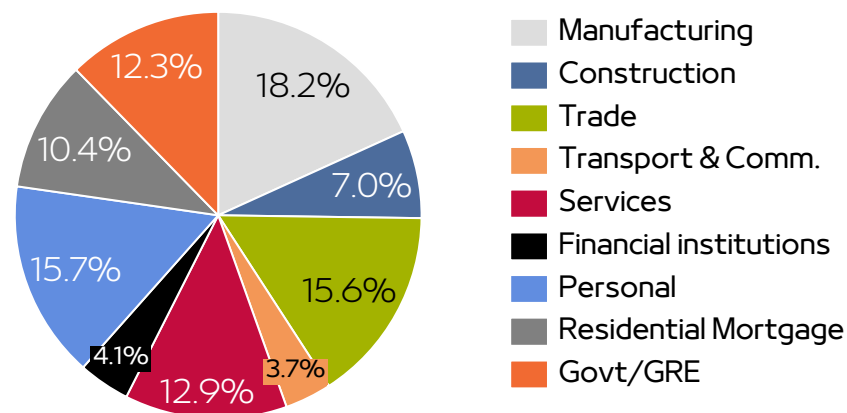
### Mashreq Securities (100%)

- Securities brokerage Company registered at Dubai Financial Market
- One of the leading brokerage in the UAE
- Dec '22 Equity: AED 68 Mn
- 12M 2022 profit: AED 5 Mn

# Diversified earnings base with strong growth potential



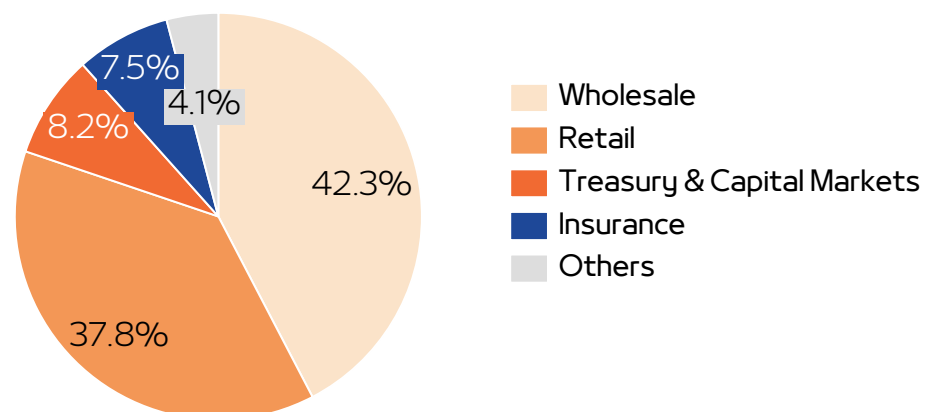
Gross Loans portfolio split as of December 2022 (AED 97.7 bn)



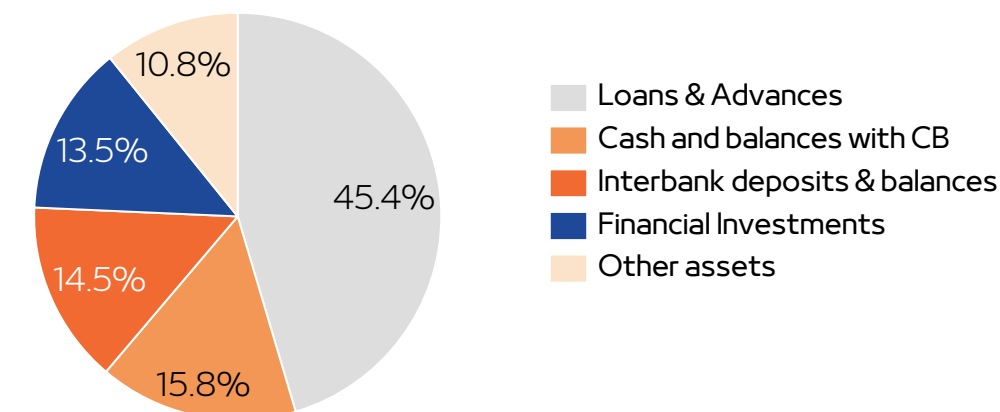
## Business segments outlook

- **Retail Banking:** Focus is on growth by leveraging digital and enhancing customer experience
- **Wholesale Banking:** Industry specialization and expertise to be the anchor for providing sector specific support in a post COVID-19 world along with tapping and strengthening the Regional market footprint to assist local corporations operating regionally
- **Insurance:** As the largest insurance company in the UAE, Sukoon (OIC - subsidiary of Mashreq) 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 FY 2022 (AED 7.5 bn)



Asset split as of December 2022 (AED 198.8 bn)



Note : Segments have been realigned in the year wherein Wholesale incorporates corporate and international banking. Previously segments were Corporate banking, Retail banking, International banking, Treasury and capital markets, Islamic banking, Insurance and others.

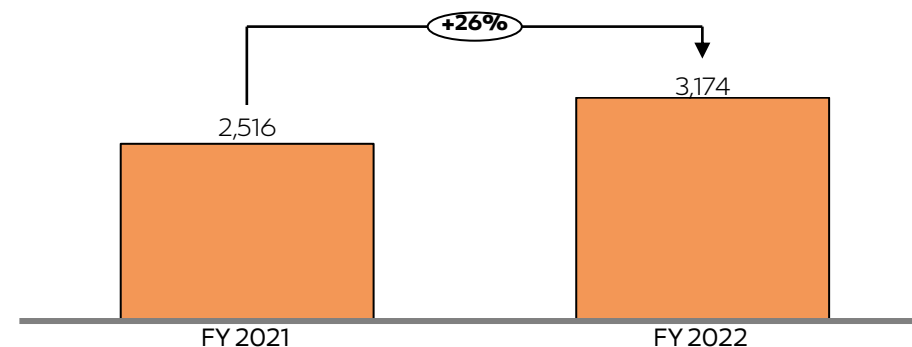
Classification: Public

# Business Review – Wholesale Banking

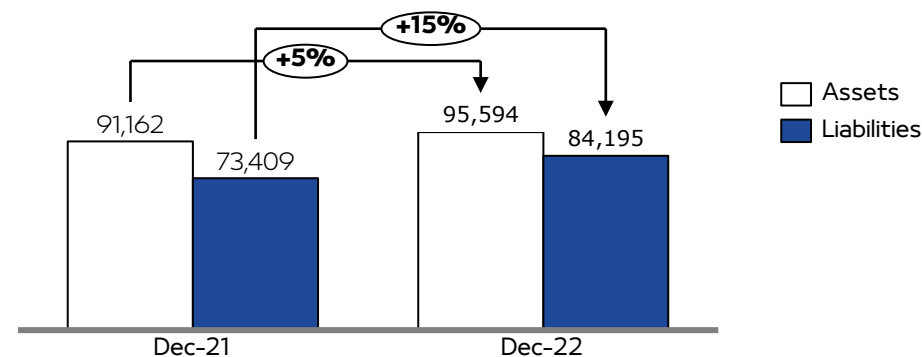
## Business Highlights

- Wholesale banking is the biggest segment in Mashreq in terms of assets (48% of assets) and liabilities (48% of total liabilities) as of December 2022.
- Assets increased by 4.9% and stand at AED 95.6 billion
- Operating income increased by 26% Y-o-Y and accounts for 42% of total operating income in FY 2022.
- 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.

## Operating Income (AED million)



## Segment Assets & Liabilities (AED million)

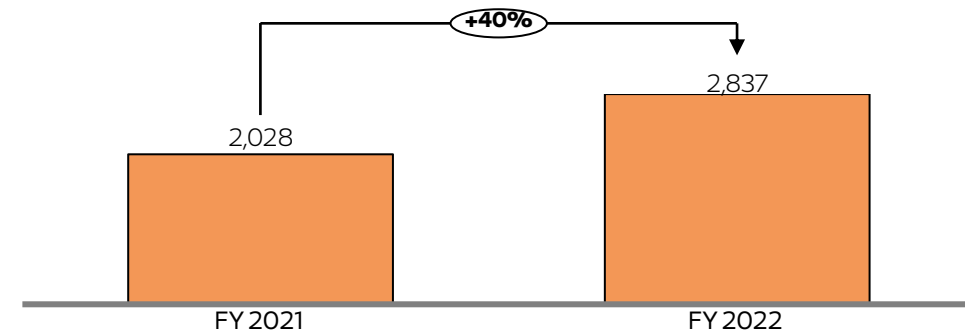


# Business Review – Retail Banking

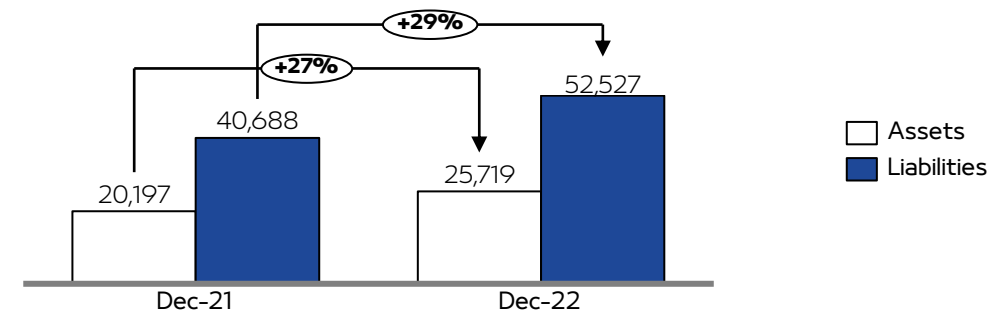
## Business Highlights

- Retail banking is a key contributor to the operating income at 38% in FY 2022.
- Y-o-Y operating income increased by 40%.
- Retail banking assets increased by 27.3% and stand at AED 25.7 billion. The Mortgages segment and loans to Emirati's were the top contributors of growth in FY 2022.
- Liabilities have increased by 29.1% and are AED 52.5 billion as of Dec 2022 (30% 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)

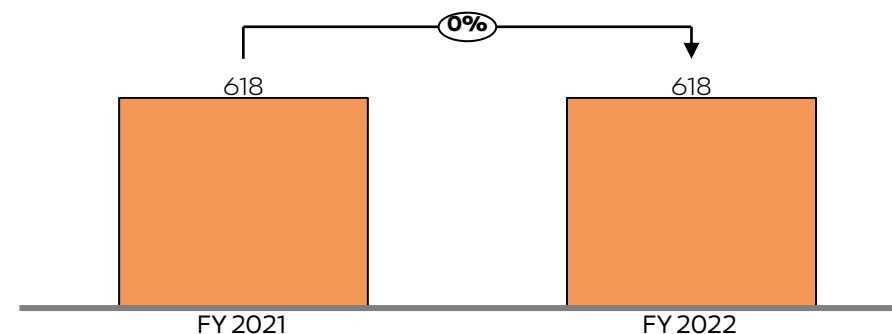


# Business Review – Treasury and Capital Markets

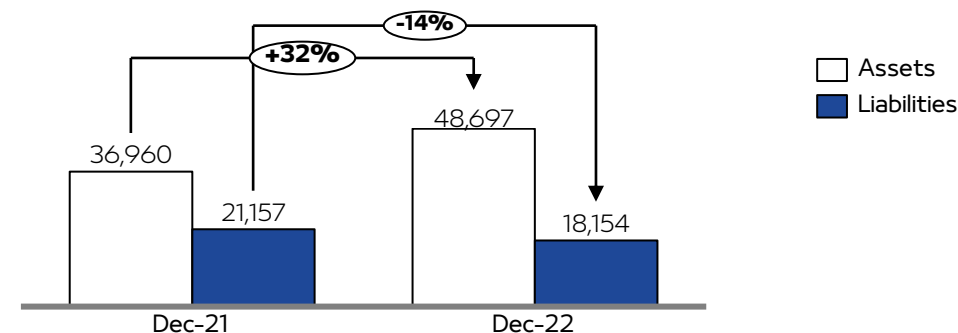
## Business Highlights

- Treasury & Capital Markets accounts for 24% of assets and 11% of liabilities as of Dec 2022
- Assets increased by 31.8% year to date and stood at AED 48.7 billion.
- TCM Operating income contributed 8% to the total operating income in FY 2022. Even though, operating income stands flat there has been growth in customer flow business which was offset by lower capital gains.
- 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)



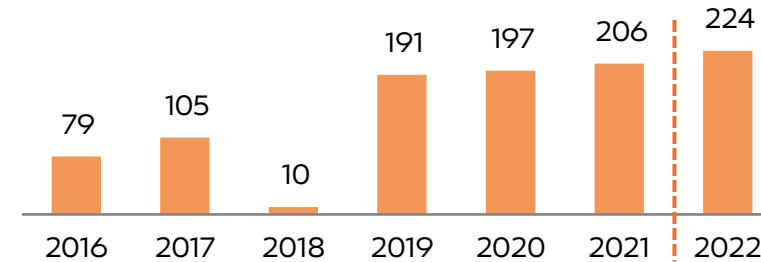
# Business highlights – Insurance Business (Sukoon Insurance)



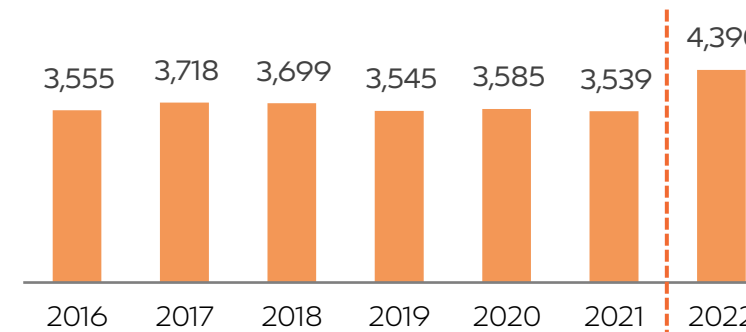
## Business Highlights

- Oman Insurance Company (Sukoon) contributes c. 4% to total assets and 9% to total operating income (as of YE 2021)
- Oman Insurance Company (Sukoon) is the one of 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 (Sukoon) has 7 branches to manage operations across all Emirates. OIC also has international branches in the Sultanate of Oman.
- Sukoon Insurance upgraded to 'A' from 'A-' with stable outlook rating from Standard & Poor's, a global rating agency. Sukoon 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 Sukoon Insurance.
- Sukoon Insurance 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 2022, 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.
- FY 2022 exceptional achievements to ensure long term sustainable profitability:
  - Successful rebranding, Oman Insurance is now Sukoon
  - Attained ISO 1002:2018 certificate for complaints management for the 3rd year in a row
  - Rollout of 'Kudos' platform for individual fleet business
  - DFSA (DIFC) in principle to grant license for Oman Insurance Management Services Limited ("OIMSL") for OIC's Syndicate 2880
  - Net profit in FY 2022 increased by +8% to 223.6M compared to FY 2021
  - Net Investment income decreased by -1% to 124.0M compared to FY 2021
  - 89% of clients are Satisfied or Very Satisfied with Sukoon's service

## Net Profit (AED million)



## Gross Written Premium (AED million)





UAE economy

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► **Strategy**

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# Vision, Mission and Values



"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



# 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



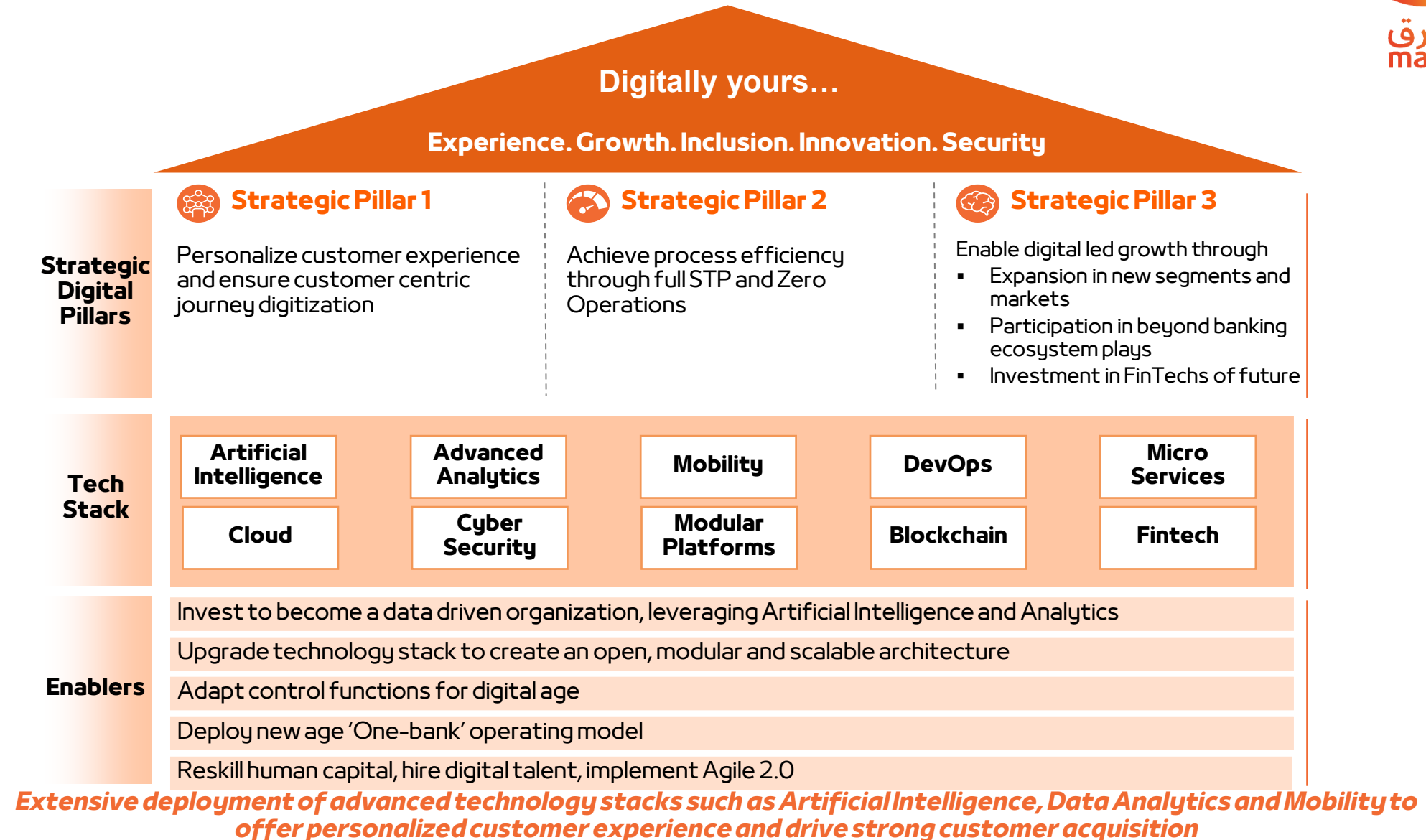
## Deliver shareholder value

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

# Strategic Priorities – Simplify Our Business






# Digital Strategy and its Key Enablers



# Successfully Repivoted Operating Model to Drive Sustainable Cost Advantage



Centers of Excellence	Employees	Progress Update
	1,590	<ul style="list-style-type: none"><li>▪ <b>Fully operational</b></li><li>▪ Supported by robust IT and InfoSec infrastructure to enable employees to work from home (WFH)</li></ul>
	268	<ul style="list-style-type: none"><li>▪ <b>Operational with prolonged work-for-home</b> for all new joiners / transferees</li><li>▪ Currently focusing on set-up of CoE premises and building local procurement capability</li></ul>
	66	<ul style="list-style-type: none"><li>▪ <b>Local COE premises recently completed</b></li><li>▪ Currently focusing on commercial register change, securing approval from ITIDA for call center operations and building local procurement capability</li></ul>

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

UAE economy

Mashreq heritage

Structure and Leadership

Strategy



**Financial track record**

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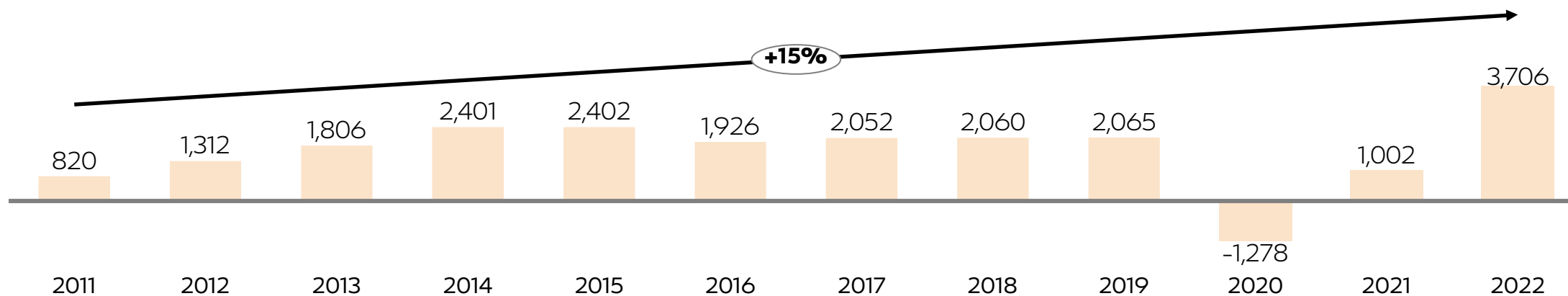
Accolades



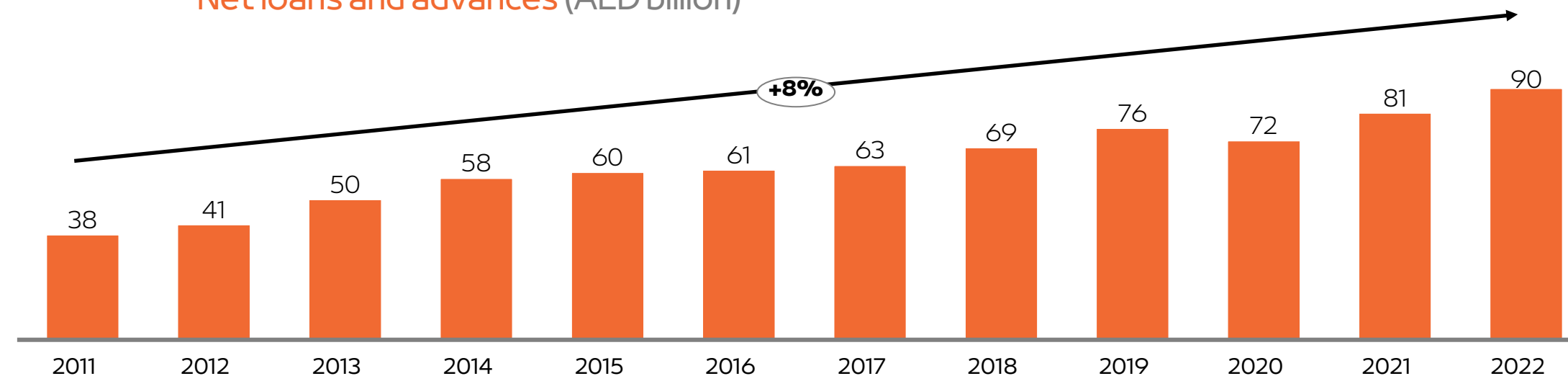
# Stable performance over the past decade



Net profit/loss (AED million)

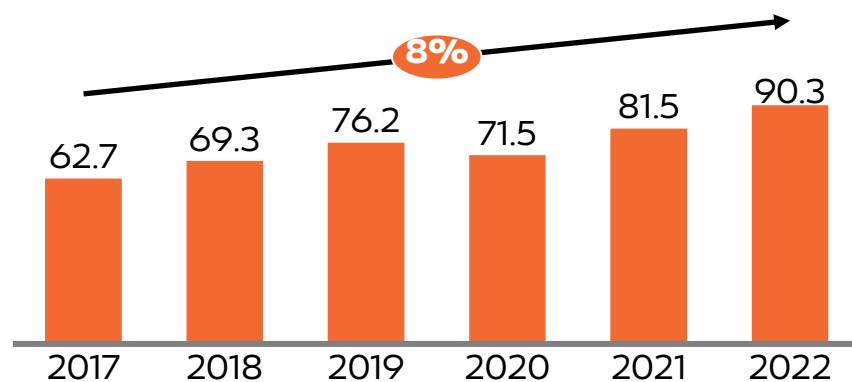


Net loans and advances (AED billion)

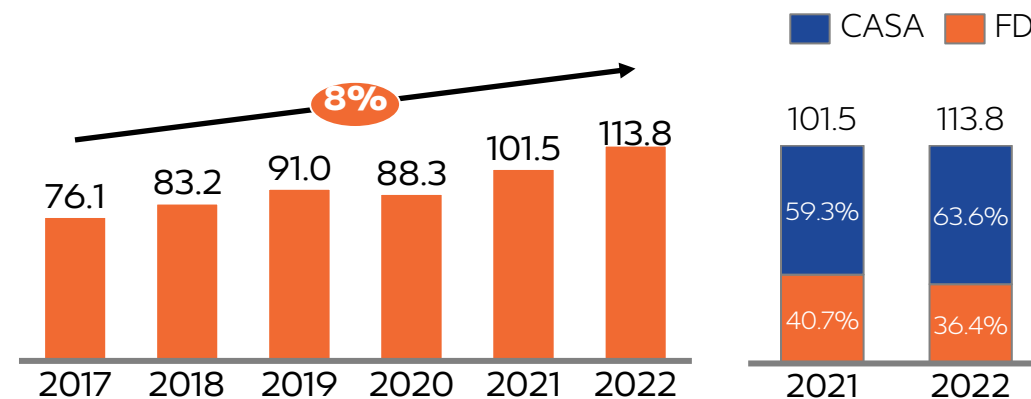


# Steady performance over the last five years

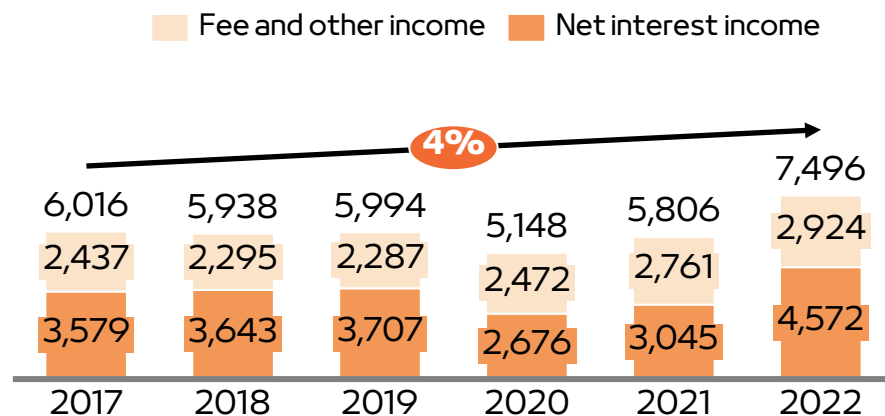
## Loans & Advances (AED billion)



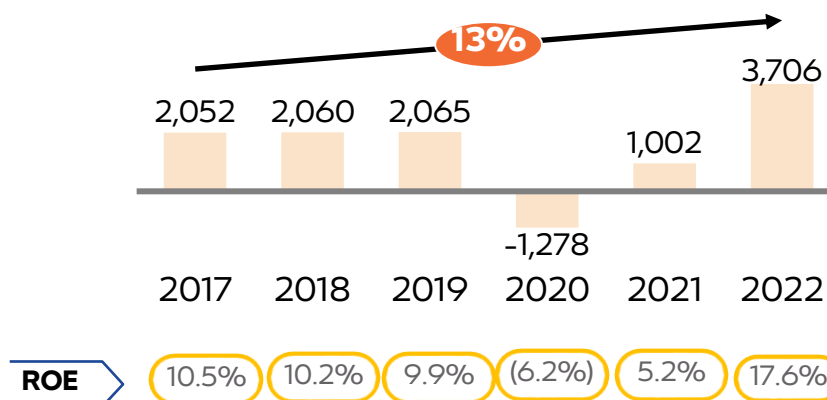
## Customer deposits (AED billion)



## Total Revenue (AED million)

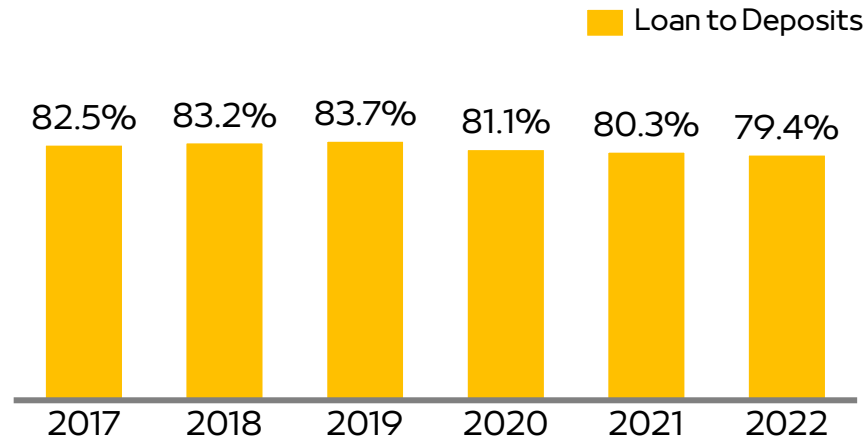


## Net profit (AED million)

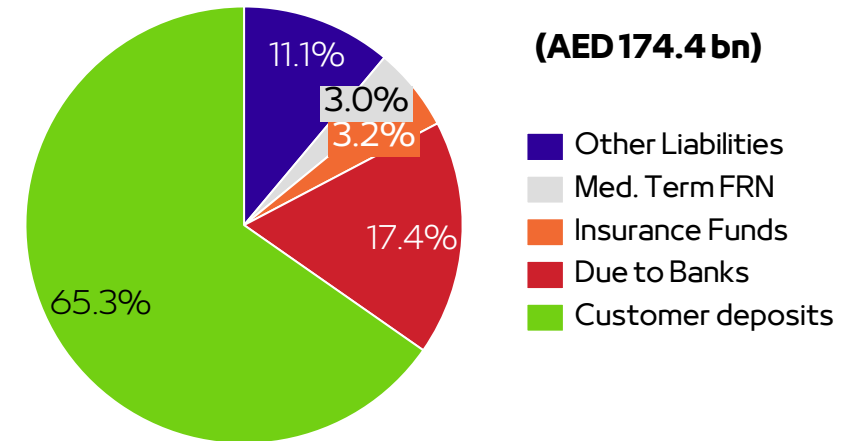


# Comfortable liquidity position ...

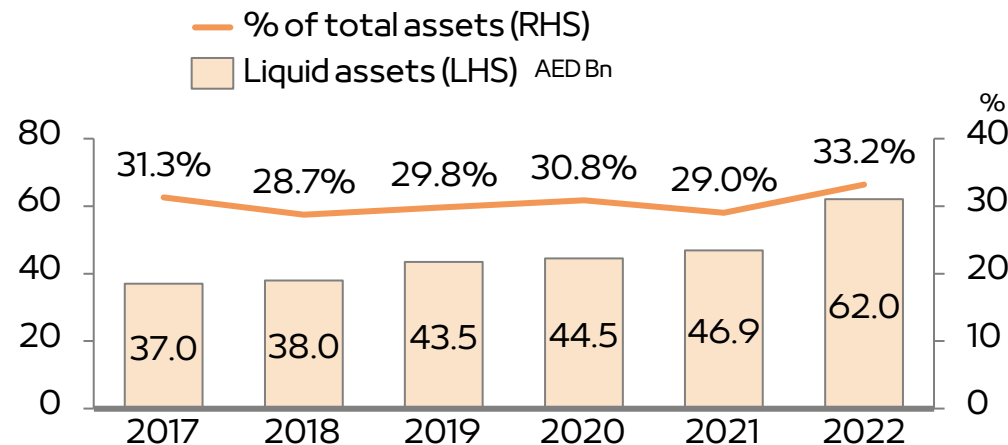
## Operating leverage (%)



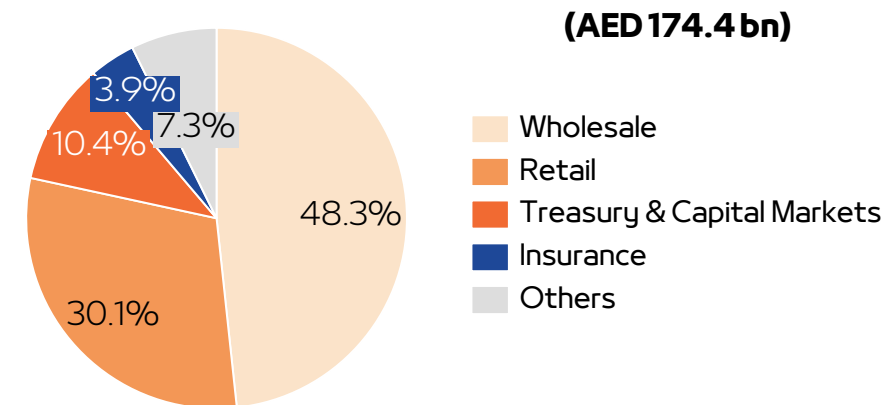
## Liability by type as of December 2022



## Liquidity (%)

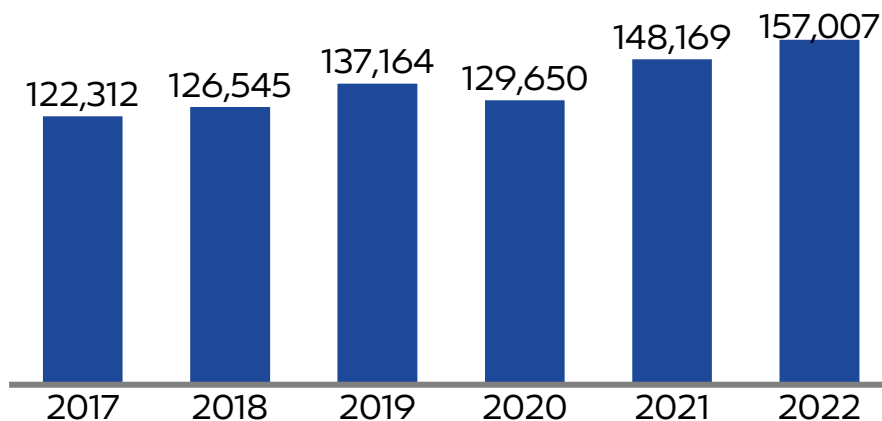


## Liability segment split as of December 2022

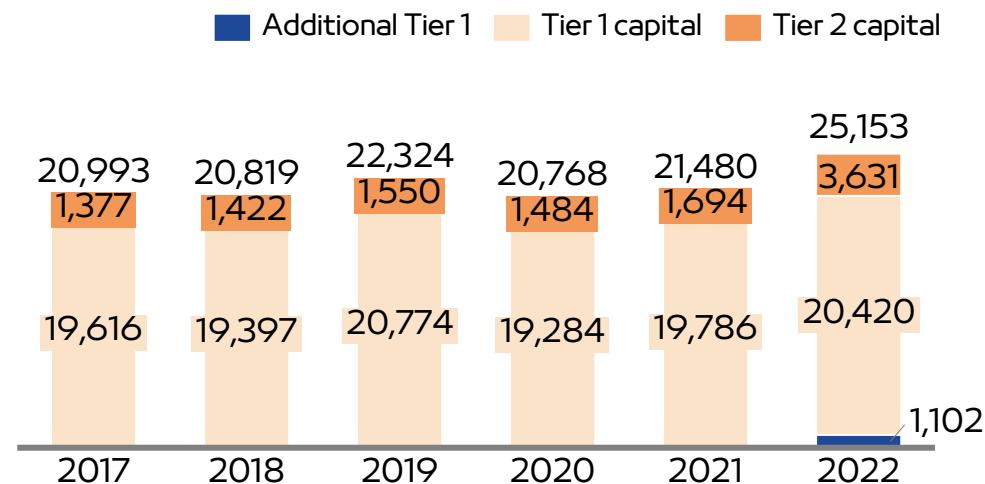


...along with stable capital adequacy

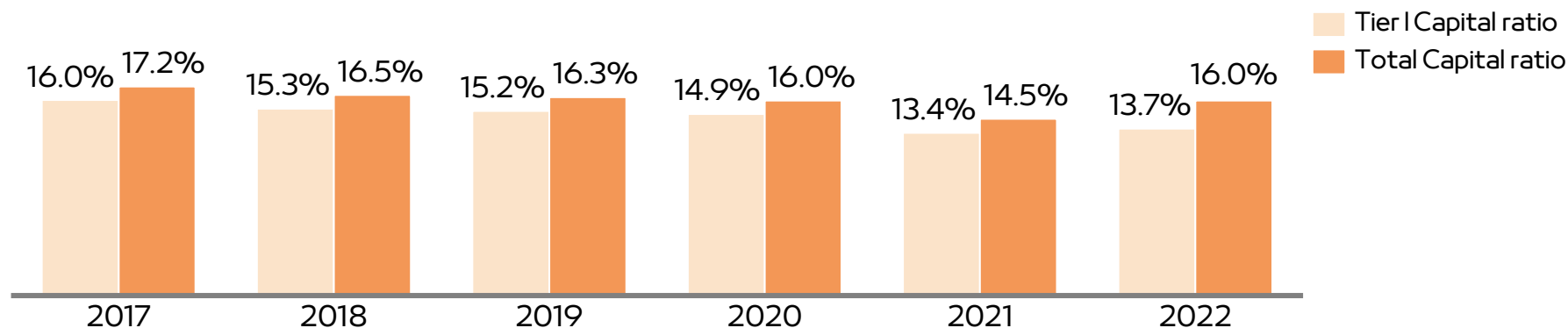
Risk weighted assets (AED million)



Tier 1 and Tier 2 capital (AED million)

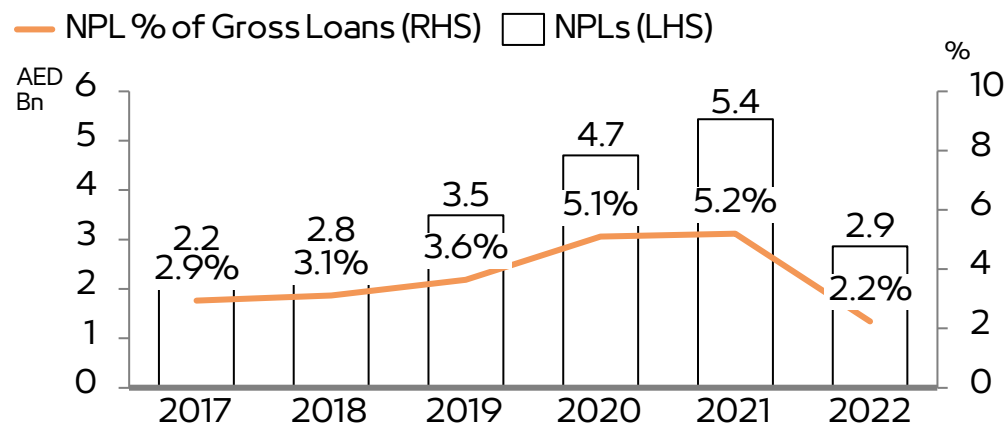


Capital adequacy – Net of Proposed Dividend (%)

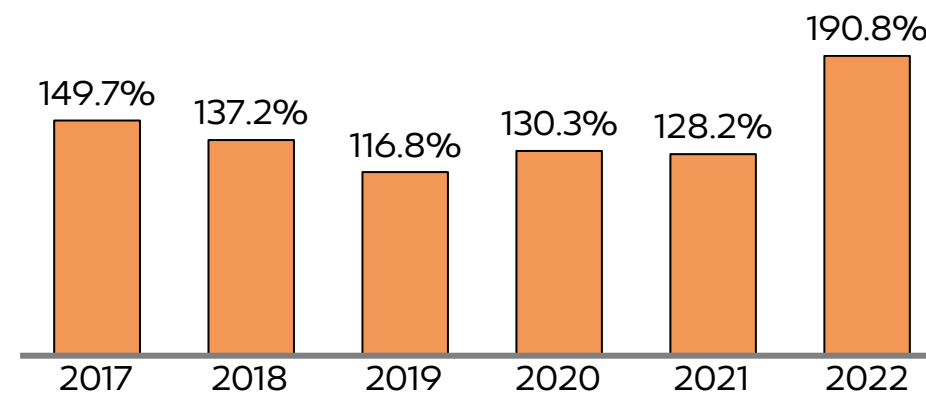


## ...and high coverage for non-performing loans

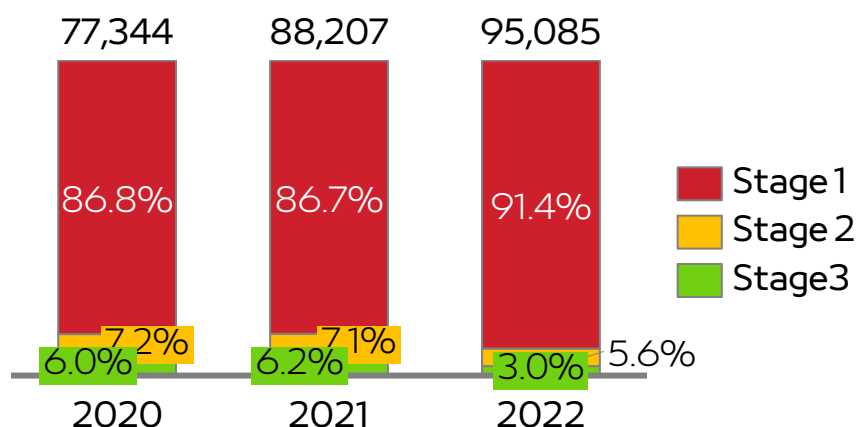
NPL's and % of Gross Loans (AED billion)



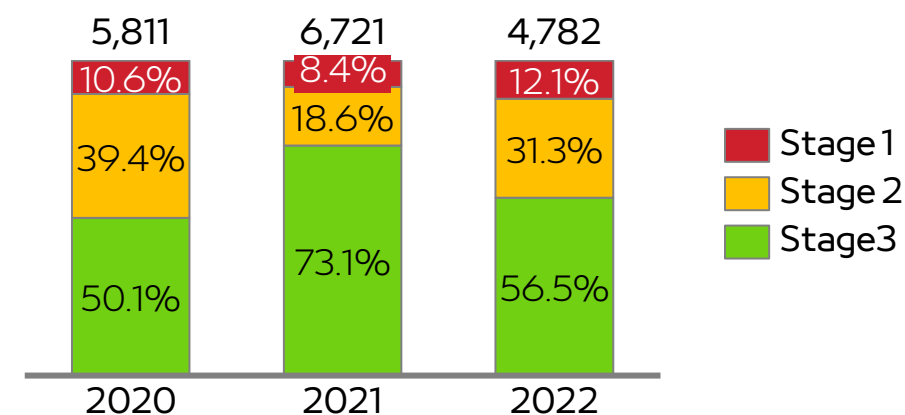
NPL Coverage Ratio (%)



Gross Loans – Stage wise (AED million)



Provisions – Stage wise (AED million)



# Financial track record



	31Dec 2022	30 Sep 2022	31Dec 2021
<b>Capital adequacy <sup>1)</sup></b>			
Tier I Capital Ratio	13.7%	14.0%	13.4%
Total Capital Ratio	16.0%	15.2%	14.5%
<b>Liquidity</b>			
Liquid Assets to Total Assets <sup>2)</sup>	33.2%	29.5%	29.0%
Advances to Deposits	79.3%	83.5%	80.3%
Liquidity Coverage Ratio (LCR)	151.8%	135.3%	149.3%
<b>Asset quality</b>			
NPL Coverage Ratio	190.8%	149.7%	128.2%
NPL to Gross Advances	2.2%	3.6%	5.2%
<b>Performance</b>			
ROA	2.1%	2.0%	0.7%
ROE	17.6%	16.7%	5.2%
Net Margin <sup>3)</sup>	2.9%	2.6%	2.2%
Efficiency Ratio	40.9%	40.5%	45.2%
Fee and other income to total income	39.0%	42.2%	47.5%

Note: 1) Year End figures are Net of proposed dividend 2) Total Assets excludes contra items 3) Annualized; Net Margin represents Net Interest Margin & Margin for Islamic products

Classification: Public

# Investment Portfolio Details



## Investment Details

Investments by Type (AED million)	2021	2022
Financial assets measured at fair value	<b>16,441</b>	<b>10,430</b>
(i) Investment measured at FVTPL	<b>2,273</b>	<b>2,652</b>
Debt Securities	1,548	1,348
Equities	38	17
Mutual and Other Funds	687	1,287
(ii) Investment measured at FVTOCI (net for provisions)	<b>14,168</b>	<b>7,778</b>
Equities	632	736
Debt Securities	13,481	6,935
Financial assets measured at amortized cost (net for provisions)	<b>10,278</b>	<b>16,423</b>
Debt Securities	10,302	16,451
Total Investments	<b>26,719</b>	<b>26,853</b>
Investments / Total Assets	15.1%	13.5%

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



UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

▶ Trading history, rating & dividends

Corporate governance

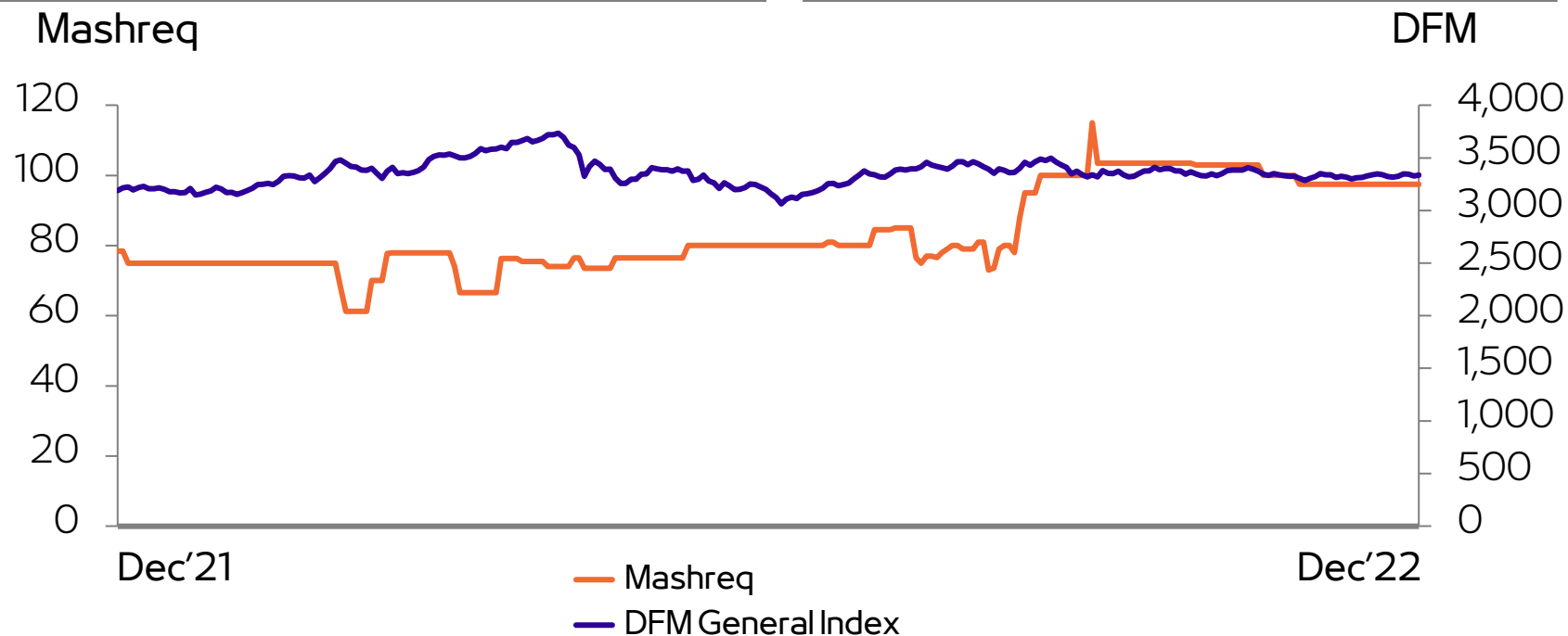
Environment, Social & Governance (ESG)

Accolades





# Trading performance over the year

## Mashreq's trading price (December 2021 – December 2022)

Share details		Share performance	
Currency	AED	Mashreq – 12 months	24%
Par value/ share	10	DFM GI – 12 months	5%
Number of shares (Mn)	200.6	P/E (31 Dec '22)	5.3x
Market Cap (31 Dec '22) (AED Bn)	19.6	P/B (31 Dec '22)	0.9x

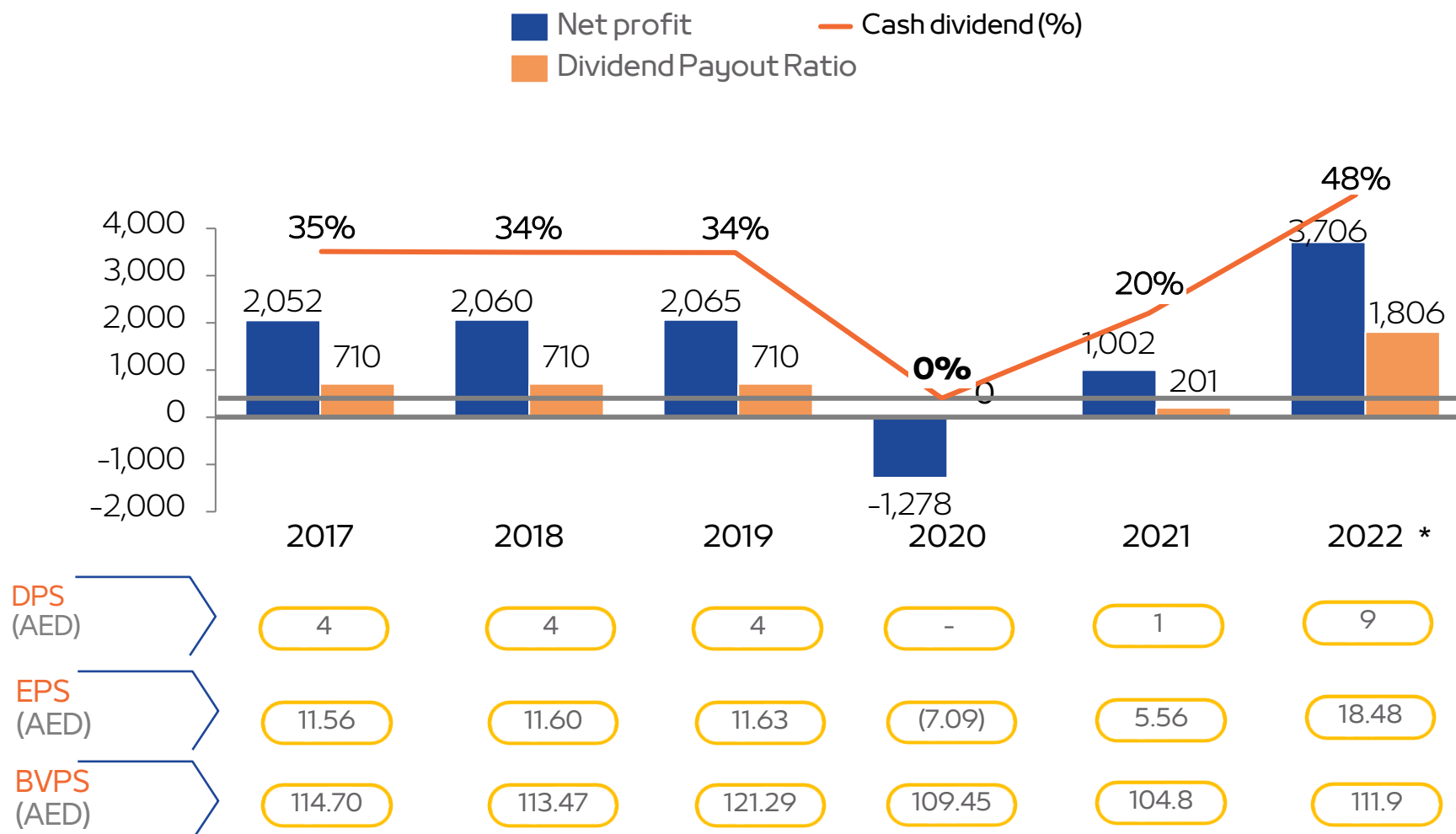


## Rated by four rating agencies

Rating Agency	Long term	Short term
 FitchRatings	A	F1
 STANDARD & POOR'S	A-	A-2
 MOODY'S	Baa1	P-2
 CI CAPITAL intelligence	A	A1

# Progressive dividend policy

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



UAE economy

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▶ **Corporate governance**

Environment, Social & Governance (ESG)

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 1<sup>st</sup> Jan 2018.

## 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).

## Bank monitoring - liquidity

- Cash reserve ratio requirements (1% on Time Deposits and 7% on Demand Savings and Call deposits). The UAE CB effective 7<sup>th</sup> 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.

## 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

Nomination & Compensation Committee

Audit Committee

Risk Committee

Credit Committee

## 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

Enterprise Risk Committee

Investment Committee

Asset-Liability Committee

Compliance Risk Management Committee

Information Security Committee

Human Resources Committee

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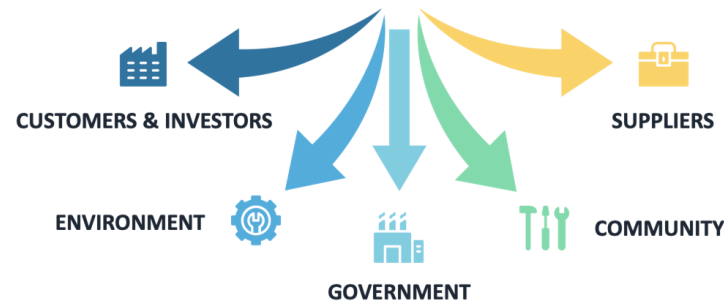


# SUSTAINABILITY OVERVIEW

We are embedding all the 3 pillars of Sustainability



... We integrate responsible practices in the core strategy of Mashreq, ultimately **creating a shared value** for our stakeholders.

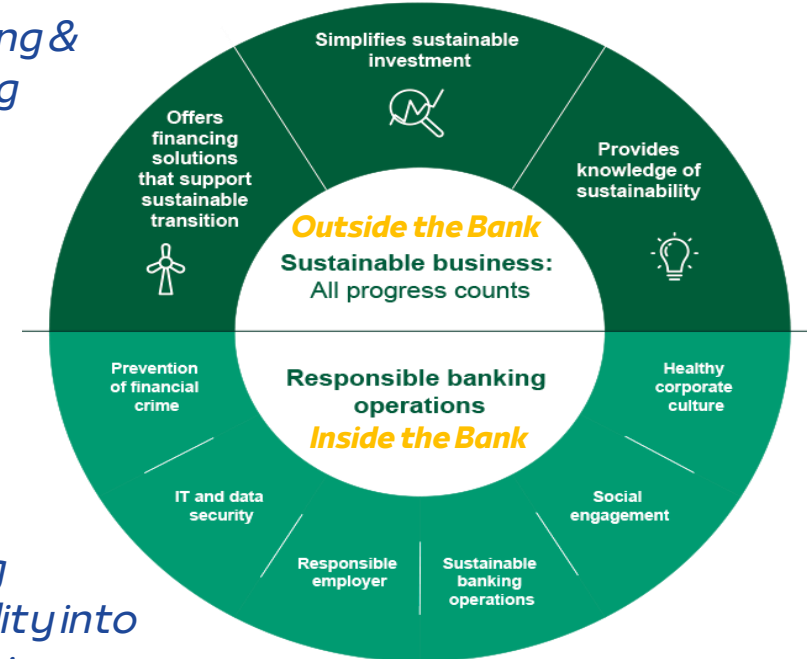


It will be Embedded across **every department** at Mashreq

Our Sustainability focus is focused into 2 broad areas:

**Sustainable Finance** (outside the Bank)  
and **Sustainability within the Bank's Operations** (within the Bank).

*Responsible Investing & Lending*



*Integrating Sustainability into our Operations*

# MASHREQ'S 4E SUSTAINABILITY FRAMEWORK



# MATERIAL TOPICS MAPPED AGAINST THE 4E'S

## Enabling a Low Carbon Transition & Environmental Stewardship

- Climate Risk & GHG Emissions

## Empowering Employees & Communities

- Diversity & Inclusion
- Employee Wellbeing & Talent Attraction
- Nationalization
- Community Engagement

## Embedding Responsible Business Practices throughout our Organization

- Systemic Risk Management
- Business Ethics
- Data Privacy & IT Security

## Exceeding Customer Expectations

- Responsible Banking Products
- Customer Delight
- Digitization & Innovation, Financial Inclusion

UAE economy

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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/RegS 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

# FY 2022 financials – Consolidated Income statement [AED million]



Income statement	2022	2021	Variance (% change)
	FY	FY	FY 2022 vs FY 2021 (Y-o-Y)
Net interest income	4,572.0	3,045.5	50.1
Net Fees and commission	1,741.2	1,576.8	10.4
Net Investment income	91.9	176.8	(48.0)
Other income	1,091.0	1,007.0	8.3
<b>Total operating income</b>	<b>7,496.0</b>	<b>5,806.1</b>	<b>29.1</b>
Operating expenses	(3,066.3)	(2,623.0)	16.9
<b>Operating profit</b>	<b>4,429.8</b>	<b>3,183.1</b>	<b>39.2</b>
Impairment allowance	(497.5)	(2,058.6)	(75.8)
Tax expense	(146.1)	(48.8)	199.5
Non-Controlling Interest	(79.9)	(73.5)	8.7
<b>Net Profit</b>	<b>3,706.3</b>	<b>1,002.2</b>	<b>269.8</b>

# Dec 2022 Financials – Consolidated Balance sheet [AED million]



Balance sheet	31 Dec 2022	31 Dec 2021	YTD(%)
<b>Assets</b>			
Cash and balances with central banks	31,436	17,508	80%
Deposits and balances due from banks	28,846	28,805	0%
Other financial assets measured at fair value	10,430	16,441	(37%)
Other financial assets measured at amortised cost	16,423	10,278	60%
Loans and advances measured at amortised cost	75,630	66,433	14%
Islamic financing and investment products measured at amortised cost	14,673	15,053	(3%)
Acceptances	9,311	14,341	(35%)
Other Assets	6,799	3,290	107%
Reinsurance contract assets	3,128	2,700	16%
Investment in Associate	44	35	25%
Investment properties	465	463	0%
Property and equipment	1,395	1,426	(2%)
Intangible Assets	231	281	(18%)
<b>Total assets</b>	<b>198,811</b>	<b>177,054</b>	<b>12%</b>
<b>Liabilities</b>			
Deposits and balances due to banks	28,399	19,566	45%
Repurchase agreements with banks	1,926	2,729	(29%)
Customers' deposits	98,827	87,151	13%
Islamic customers' deposits	14,979	14,332	5%
Acceptances	9,311	14,341	(35%)
Other Liabilities	8,253	6,028	37%
Medium-term loans	5,224	7,315	(29%)
Subordinated Debt	1,831	0	NM
Insurance and life assurance funds	5,642	4,567	24%
<b>Total liabilities</b>	<b>174,393</b>	<b>156,029</b>	<b>12%</b>
<b>Total Equity<sup>1)</sup></b>	<b>24,419</b>	<b>21,024</b>	<b>16%</b>
<b>Total Liabilities and Equity</b>	<b>198,811</b>	<b>177,054</b>	<b>12%</b>

1) Equity Attributable to owners of parent including noteholders of the Group and minority interest



*Rise every day*

**THANK YOU.**