



INVESTOR RELATIONS PRESENTATION

May 2021



Mashreq Investor Presentation

► UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

Trading history, rating and dividends

Corporate governance

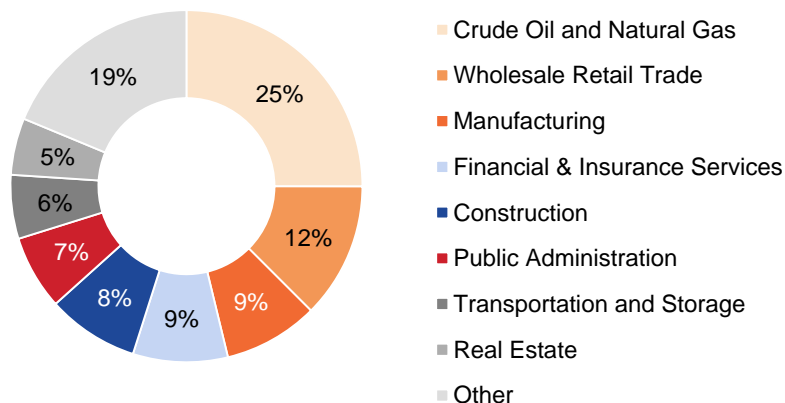
Accolades

UAE Macroeconomic Outlook: Underlying drivers remains Stable; Growth expected to rebound in 2021

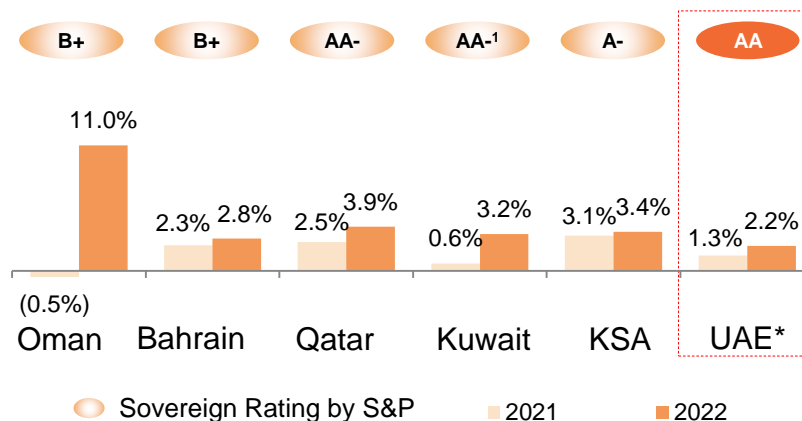
UAE – The second largest economy in the GCC

- Second largest economy in the GCC with nominal GDP of USD 671 billion (at PPP) for 2021F
- Well diversified economy with oil & gas contributing only ~25% of the total GDP
- Despite volatile oil prices, UAE economy remains strong with current account surplus
- Holds 8.0% of the proven OPEC crude oil reserves, primarily concentrated in Abu Dhabi
- Young population with ~68.0% aged between 25-54 years and a literacy rate of ~94%

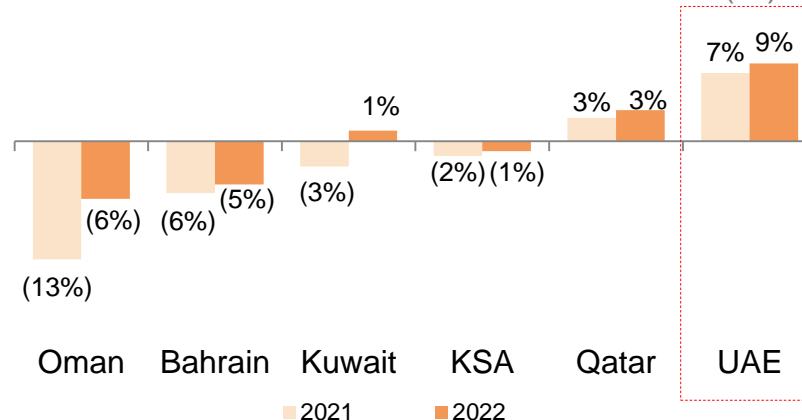
GDP Breakdown by Sector – 2019 (%)



Real GDP Growth – 2021-22F (%)



Current Account Balance to GDP – 2021-22F (%)

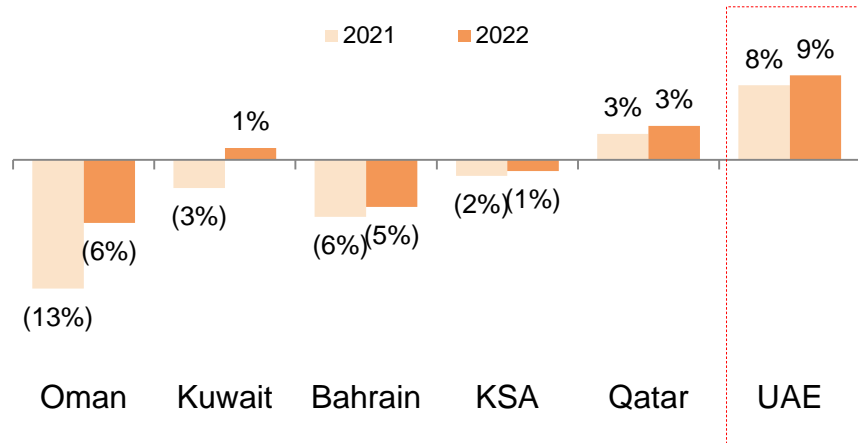


Source: IMF WEO Oct 2020, S&P Ratings, CIA & OPEC, Federal Competitiveness & Statistics Authority of UAE

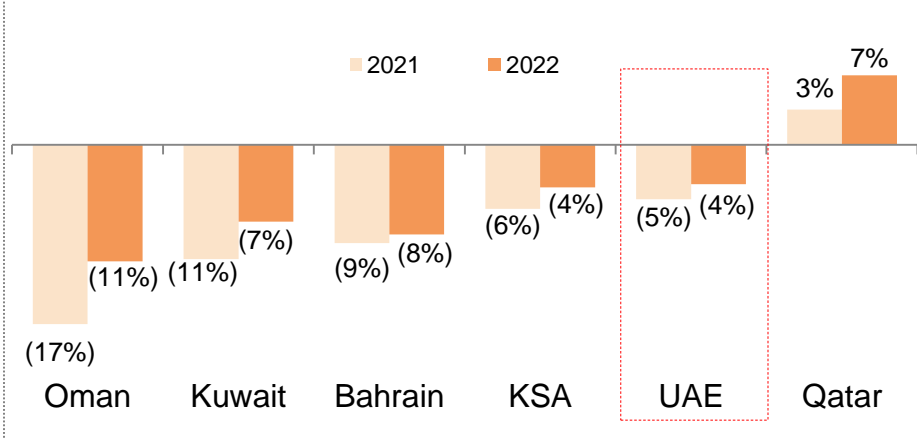
Note: * Represents rating of Abu Dhabi; (1) Negative Outlook

Best Ranked Economy on Ease of Doing Business and Global Competitive Index Among the GCC Nations

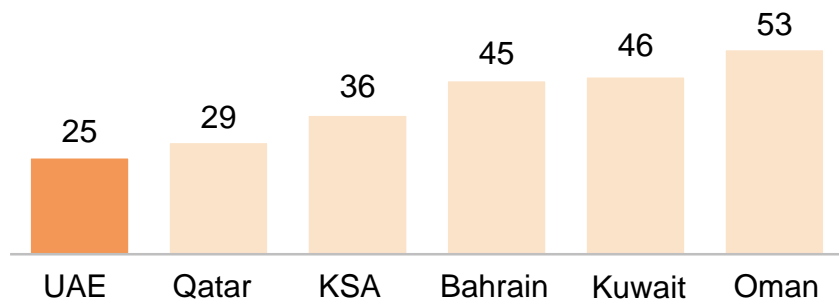
Current Account Balance to GDP – 2021-22F (%)



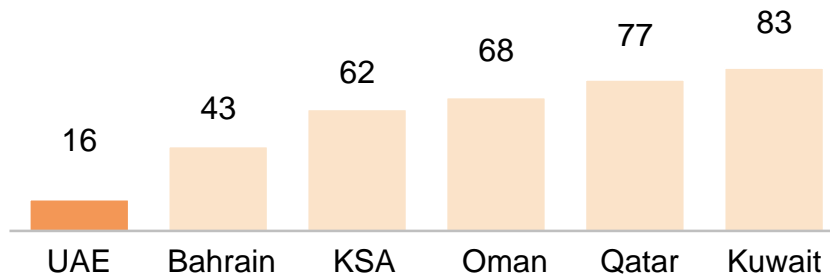
Govt. Net Lending/(Borrowings) to GDP – 2021-21F (%)



Global Competitiveness Index – 2019 Ranking¹



Ease of Doing Business – 2019 Ranking²

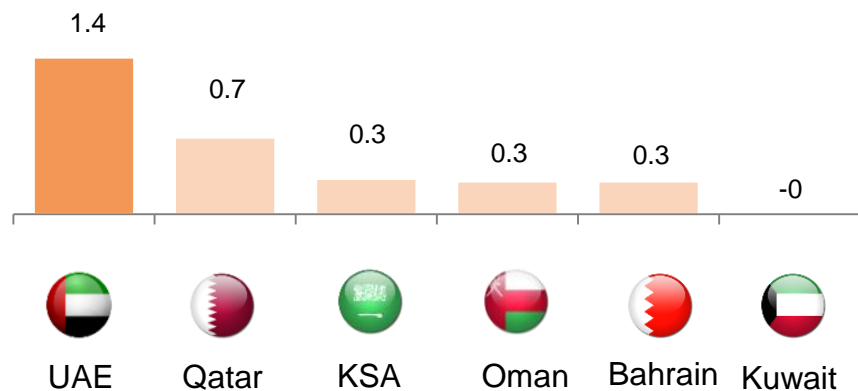


¹ Rank out of 141 economies; ² Rank out of 190 countries

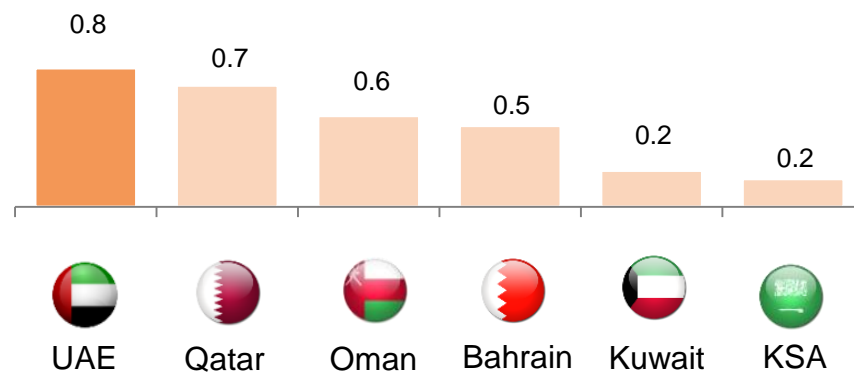
SOURCE: IMF WEO Oct 2020, World Economics Forum-Global Competitiveness Index 2019, Trading Economics

Solid Institutional and Policy Framework as Reflected by Relatively Higher Scores Among the GCC Nations

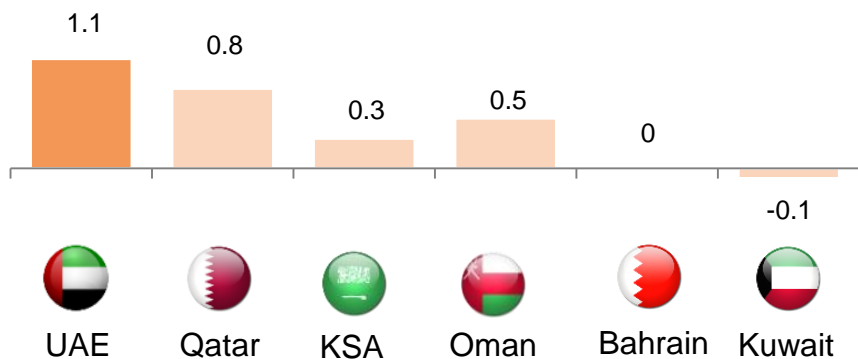
Scores Highest Among GCC on Govt. Effectiveness Index¹



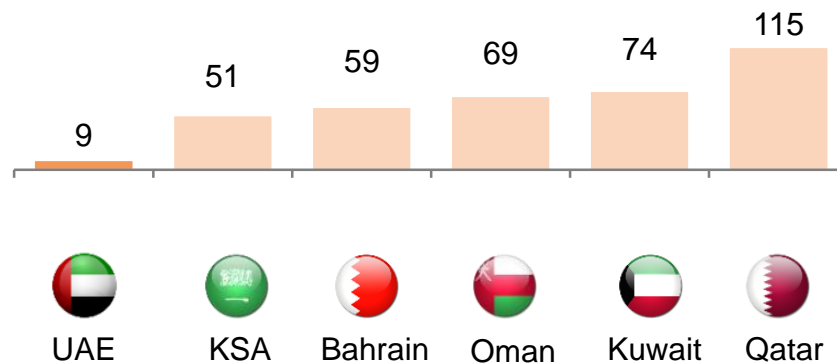
Among the Best Ranked in GCC on Rule of Law Index¹



Highest Ranking in GCC on Control of Corruption Index¹



Enforcement of Contracts - Ranked Best in GCC



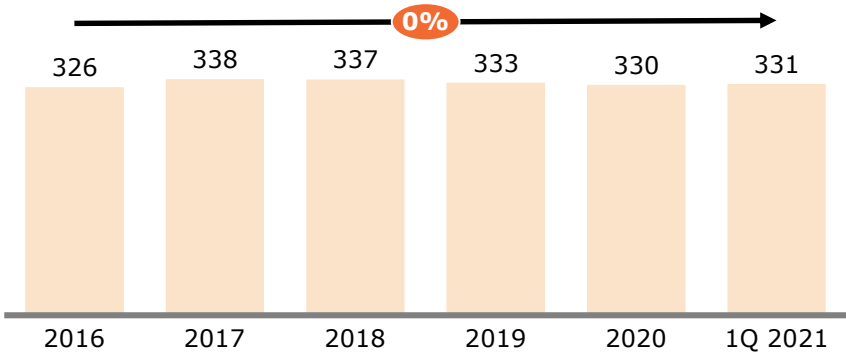
¹ Score ranges from -2.5 (weak) to 2.5 (strong)

SOURCE: World Bank – Worldwide Governance Indicators 2019 update, World Bank- Doing Business

Consumer borrowing has slowed due to weak economy and flat employment levels

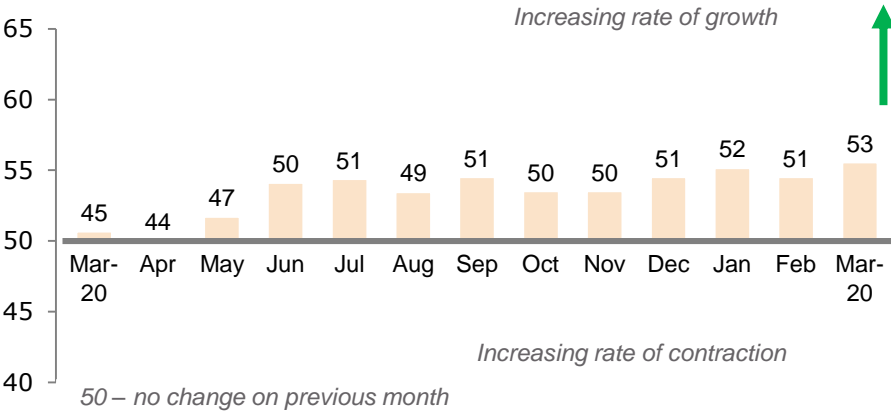
Consumer borrowing growth has slowed...

Domestic credit to Individuals [AED Bn]



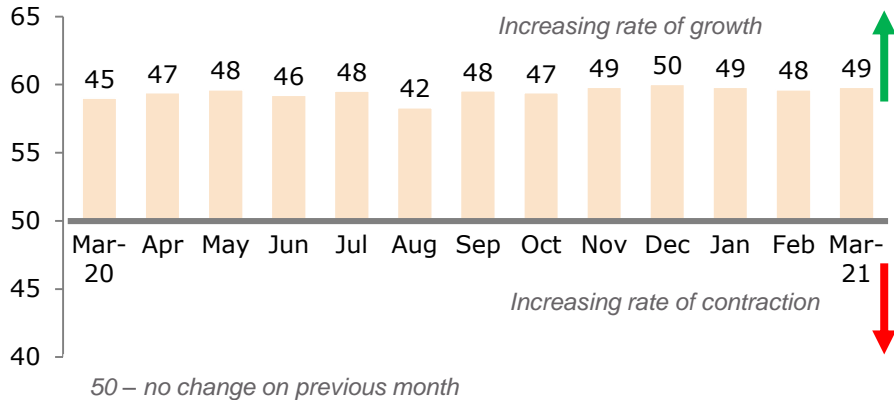
Non oil economy gaining slight traction as PMI slowly edges above 50

Emirates NBD UAE PMI [#]



... due to flat employment levels

Emirates NBD Employment index [#]



...while rents continue to bottom out

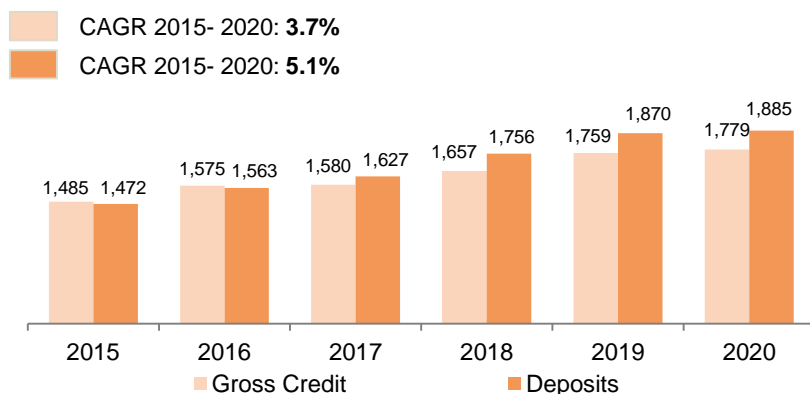
	Dubai 1Q'21	Abu Dhabi 1Q'21
Office	Average Grade A CBD rents down by 2% YOY	Average Grade A CBD rents down by 2% YOY
Residential	Average rental rates down by 10% YOY	Average rental rates down by 3.5% YOY
Retail	Average rental rates across primary & secondary malls down 10%	Average rental rates across primary & secondary malls down 7%

Well Regulated and Diversified Banking Sector

Diversified and Highly Regulated Banking Sector

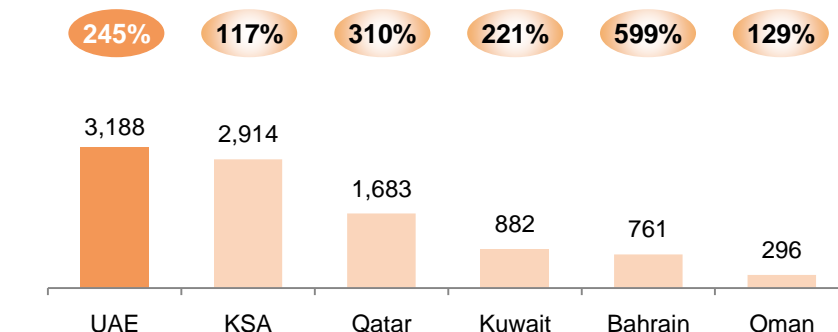
- As of December 2020, UAE banking sector comprised 48 banks
 - 21 National Banks with 541 branches (-115 branches vs 2019)
 - 27 Foreign Banks with 73 branches (-6 branch vs 2019)
- Diversified loan portfolio - Real Estate and Construction sector accounted for only ~21% of loan book in FY 2020
- Well regulated banking system, in line with internationally followed best practices
- UAE Banking sector has a long-standing track record of Government support during crisis situations

UAE – Gross Credit and Deposits (AED billion)



Source: UAE Central Bank

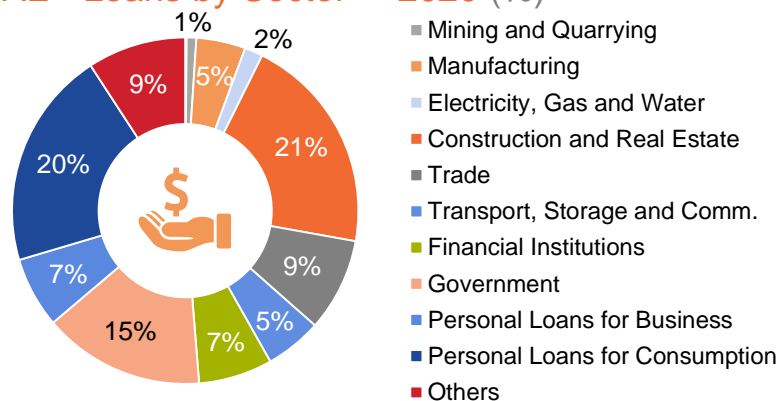
GCC Banking Assets – 2020 (AED bn)



Legend:
● Total Banking Assets to GDP Ratio

Source: IMF WEO Oct 2020, Central Bank of respective country

UAE - Loans by Sector – 2020 (%)



Source: UAE Central Bank

Note: Others include loans to Service Sector & Non Profit Institutions/Resident Credit

Largest banking system in the GCC with total assets of AED 3.2 trillion; sound regulatory framework with widespread support from the Government



Mashreq Investor Presentation

UAE economy

► **Mashreq heritage**

Structure and Leadership

Strategy

Financial track record

Trading history, rating and dividends

Corporate governance

Accolades

Mashreq is one of UAE's leading financial institutions

Heritage

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

Publicly listed

- Oldest regional bank based out of 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

Strong regional / international presence

- Prominent Regional bank with a presence in most GCC countries and a leading international network with 24 branches / rep-offices in MENA, Asia, Europe and United States
- Well positioned to finance regional trade flows

Diversified business case

- Universal bank offering a comprehensive suite of products and services to individuals and corporates across all lines of business
- Most diversified revenue streams with fee and other income contributing ~ 50% of total income

Strong management team

- Mix of long serving senior executives and executives with international management expertise

Strong and supportive ownership structure

- Stable ownership structure backed by strong institutional shareholders
- Mashreq has been the flagship business for the key shareholders since its inception in 1967

Stable and supportive ownership structure

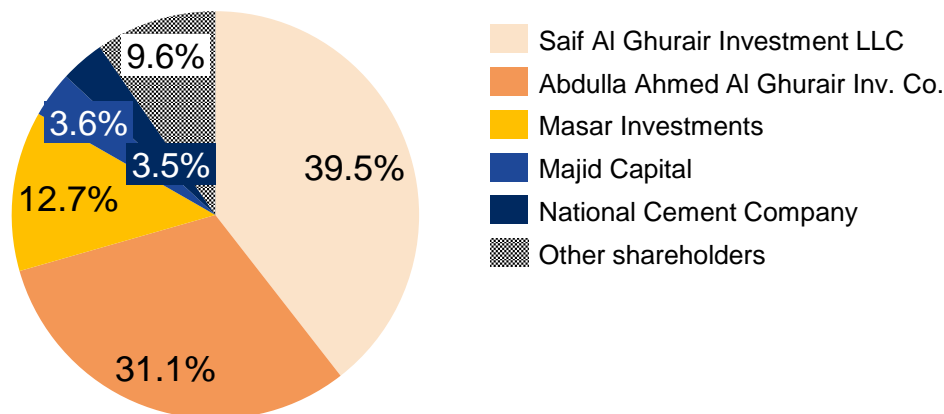
Mashreq's Leadership



H.E. Abdul Aziz Abdulla Al-Ghurair
Chairman

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

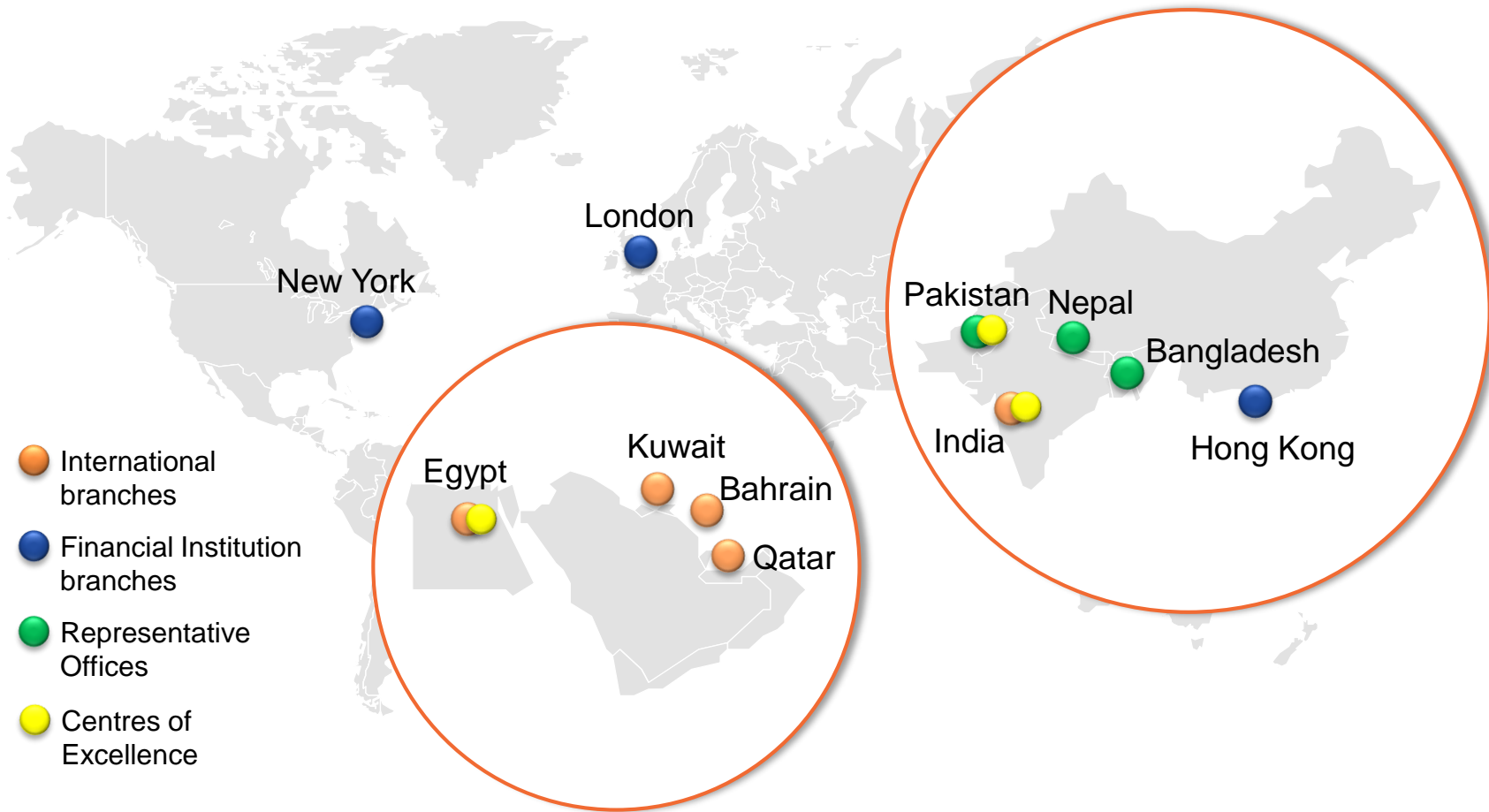
Key shareholders (March 2021)



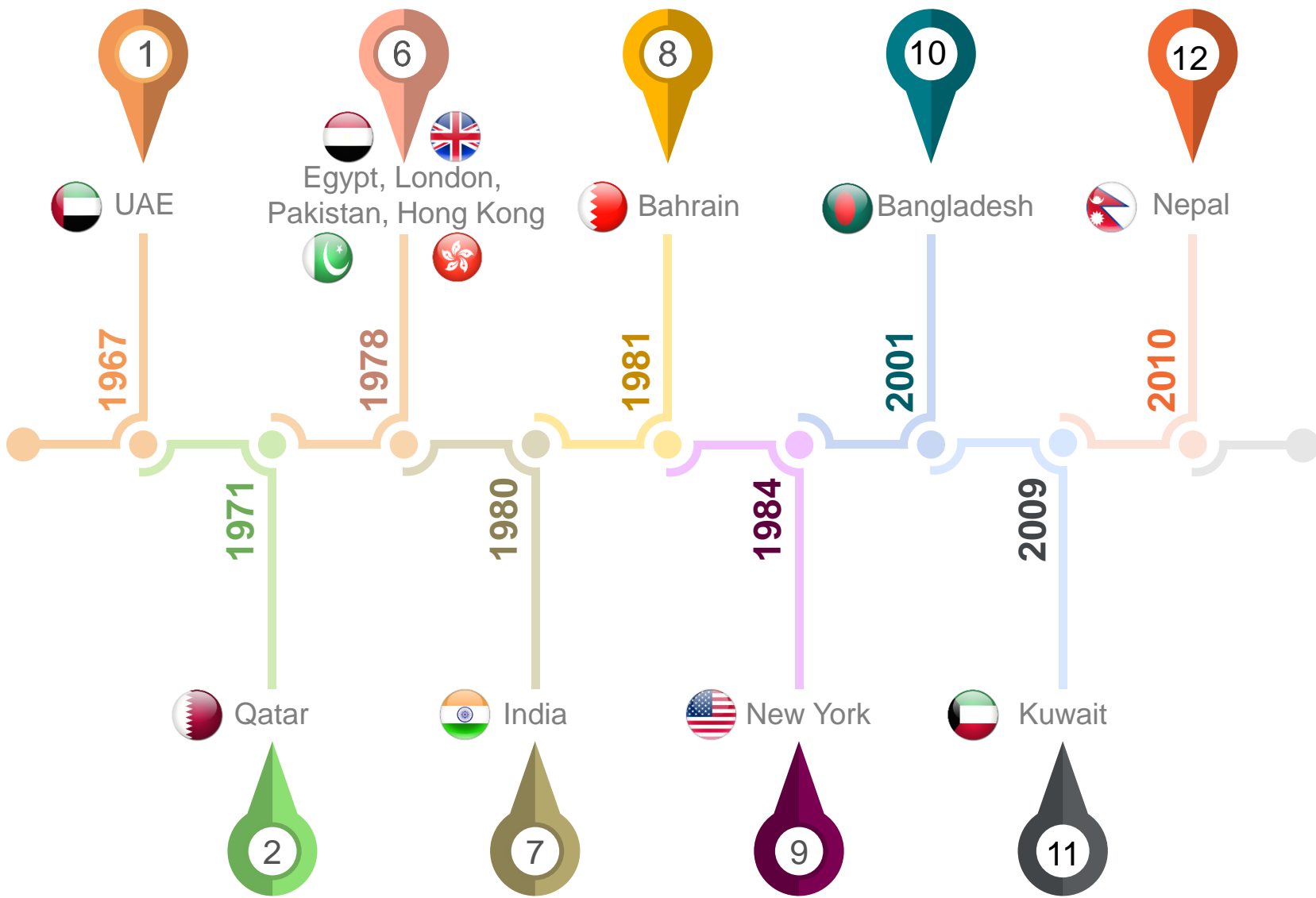
Ownership – Al-Ghurair flagship brand

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

Regional and international banking presence with ~23% of revenues from outside of UAE



Strong track record in International expansion





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Strategy

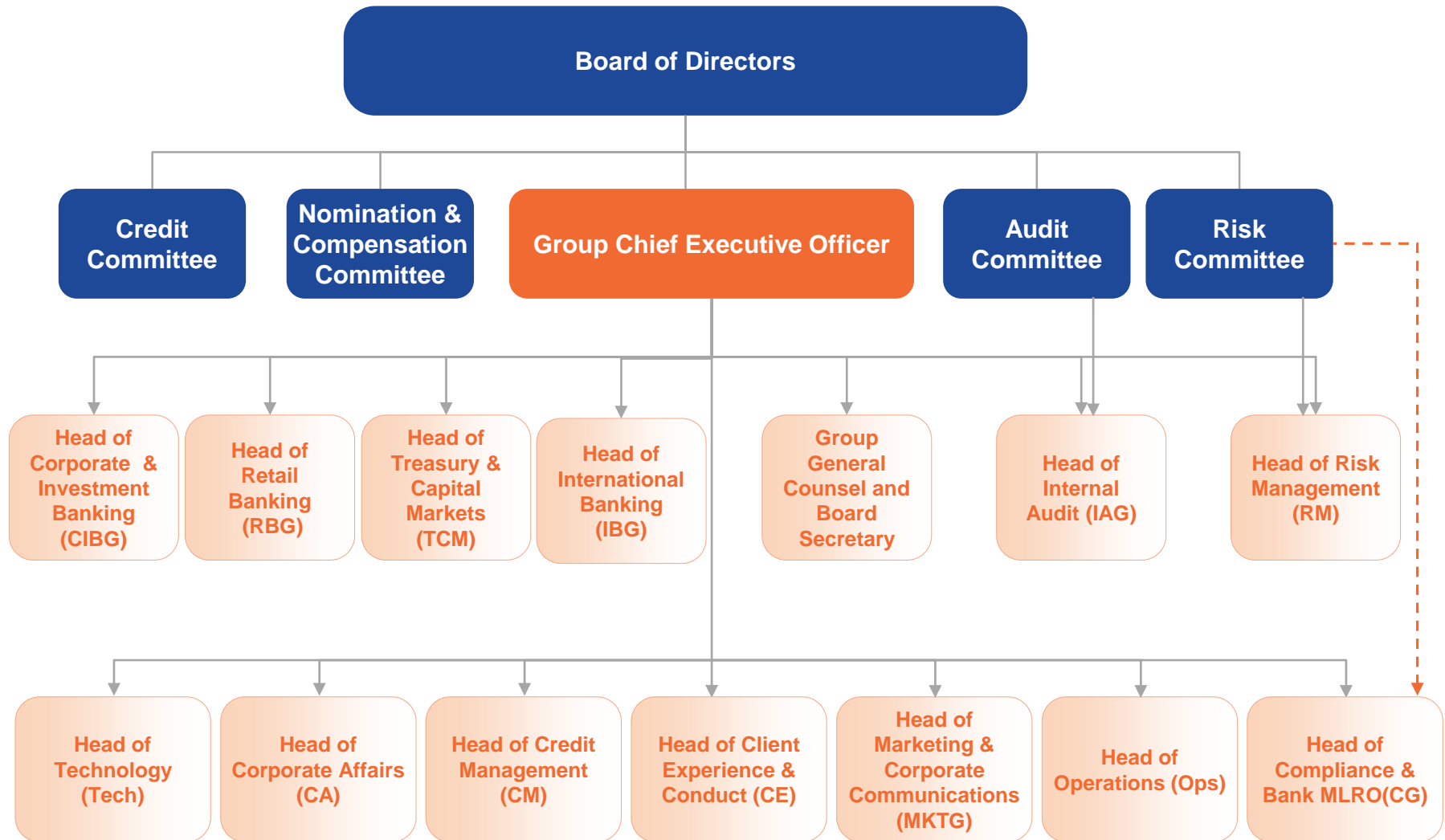
Financial track record

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Accolades

Simple Organization Structure



Professional and Experienced Management Team with Strong Execution Capabilities (1/2)



Ahmed Abdelaal

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



Tooran Asif

Acting Head of Retail Banking Group

- MBA from Institute of Business Administration, Karachi & B.E. Electrical Engineering, NED Karachi
- Joined Mashreq in 2012, has 25+ years experience in Retail Banking, Private Equity & FMCG.
- Previously worked for Standard Chartered, Citigroup, ANZ Bank, Philips and Sabre Capital



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

Professional and Experienced Management Team with Strong Execution Capabilities (2/2)



Roy Philip Sebastian

Head of Credit Management

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



Anuratna Chadha

Head of Risk Management Group

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



Scott Ramsay

Head of Compliance & Bank MLRO

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



Marouf Shweikeh

Group General Counsel and Board Secretary

- LL.M. 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



Ellis Wang

Head of Technology, Transformation and Information

- Holds a Master's degree in Computer Science and Information Engineering from the National Cheng Kung University in Taiwan
- Joined Mashreq in 2020
- Over 25 years of diverse experience with organizations including McKinsey, ICONIQ Motors, EJY365, Alibaba Group and Google (China and US)
- In his latest role at McKinsey, was responsible for providing solution-based consulting services for its global customers (new energy vehicles, IoT, and new internet economy)



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
- Has 25 years of experience in business operations and a banking veteran with international and regional experience across banking operations, shared services, business transformation, project management and corporate integration.



Aimee Peters

Head of Marketing and Corporate Communications Group

- Holds a Bachelor's degree in English Language & Literature from the University of Manchester, and a Fellow of the Chartered Institute of Marketing
- Prior to joining Mashreq in 2020, served as the Head of Marketing – Global B2B Coverage & Capital Markets at HSBC
- Over 20 years of experience in Marketing, Communications and PR, across the Middle East, South Africa and the UK



Rania Nerhal

Head of Client Experience & Conduct Group

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

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

Corporate & Investment Banking Group (CIBG)

Offers wholesale banking

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

Treasury & Capital Markets (TCM)

Offers treasury and investment products

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

Retail Banking Group (RBG)

Offers personal banking

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

International Banking Group (IBG)

Offers banking services outside UAE

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



Mashreq is a well diversified Universal Bank, covering significant lines of businesses while offering a comprehensive array of products and services

Oman Insurance is the largest subsidiary of Mashreq

Mashreqbank Psc

Oman Insurance Company (64.46%)

- Largest insurance company in the UAE
- Provides full range of Insurance Products & Services
- Mar '21 Equity: AED 2.1 Bn
- 3M 2021 profit: AED 60 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 1.8 Bn in asset under management
- Funds rated highest in the market
- Mar '21 Equity: AED 21 Mn
- 3M 2021 profit: AED 2.2 Mn

Mashreq Al Islami Finance (99.8%)

- Islamic Finance Company
- Provides full range of Islamic Products & Services
- Mar '21 Equity: AED 788 Mn
- 3M 2021 profit: AED 11 Mn

Mashreq Securities (99.98%)

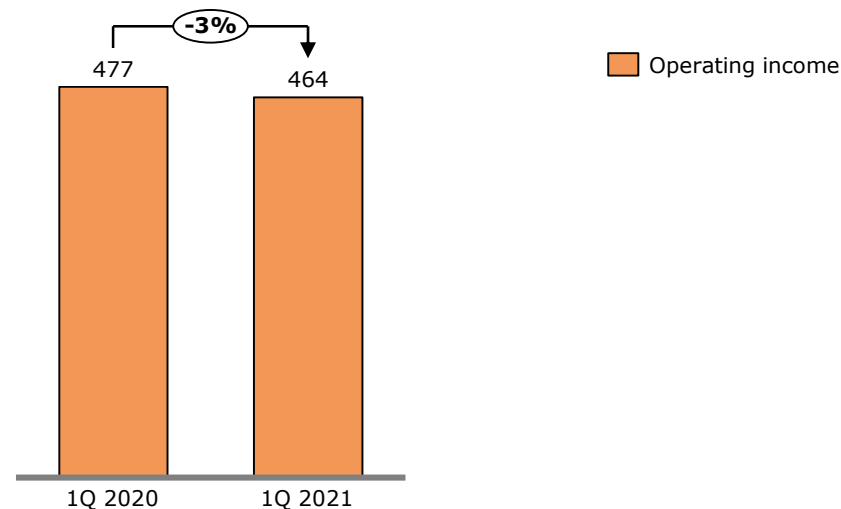
- Securities brokerage Company registered at Dubai Financial Market
- One of the leading brokerage in the UAE
- Mar '21 Equity: AED 64 Mn
- 3M 2021 loss: AED 0.38 Mn

Business Review – Corporate & Investment Banking

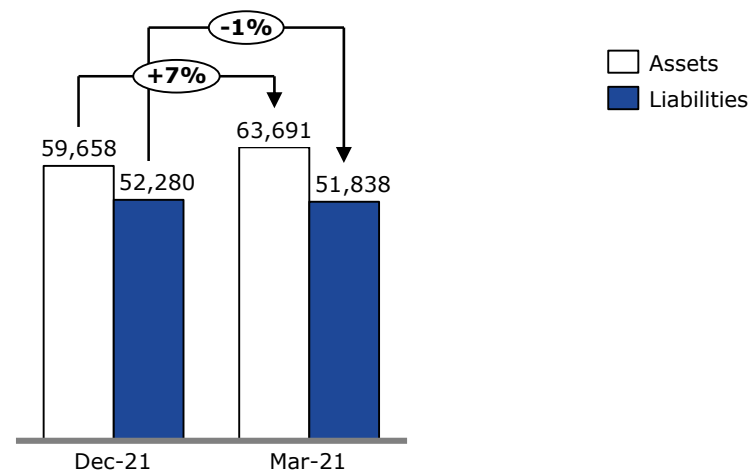
Business Highlights

- Corporate banking is the biggest segment in Mashreq in terms of assets (39% of assets) and liabilities (36% of total liabilities) as of March 2021
- Assets increased by 7% and stand at AED 63.7 billion. Loans and advances are at 63.2bn, 3% above 2020 advances. Non-funded assets are at 52.2bn which is 3% above 2020 balances
- Total deposits are at 50.8bn which is 2% below 2020 deposits. Advances/Deposits ratio is 125%
- Operating income decreased by 3% Y-o-Y - accounts for 33% of total operating income in 1Q 2021
- Mashreq and CIBG continued to receive numerous prestigious awards, but most notably, being the first time ever Mashreq is able to compete in this space and this award, was the Market Leader, Euromoney "Trade Finance" Survey, UAE & Middle East –award
- UAE Trade Connect (UTC): A truly first of its kind solution in the region. Led by Etisalat and a consortium of 7 UAE banks, UAE Trade Connect will leverage block chain technology to minimize risk in open account transactions.
- Key product offering includes solutions for Financial Institutions, trade finance, contracting finance, project finance, investment banking, corporate advisory, cash management and Islamic financing
- Operates via expertise-led coverage model catering to contracting finance, government, MNCs, real estate, trading companies, NBFIs and emerging corporates in the UAE (including Dubai, Northern Emirates & Abu Dhabi)
- The Corporate Finance team has retained its position amongst the premier institutions for debt capital raising in the region
 - Mashreq was amongst the top-5 loan Bookrunners in the GCC, as per Bloomberg
- Mashreq was also the 1st bank to go live in the region with SWIFT's Global Payment Initiative

Operating Income (AED million)



Segment Assets & Liabilities (AED million)



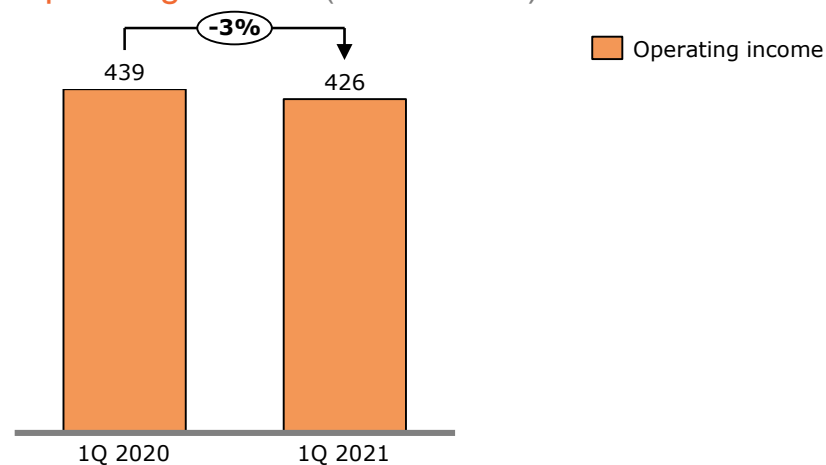
Note: Segments have been realigned in the year wherein Corporate and Investment banking includes global FI business. Previously this was included within International Banking. Prior period numbers have been restated accordingly.

Business Review – Retail Banking

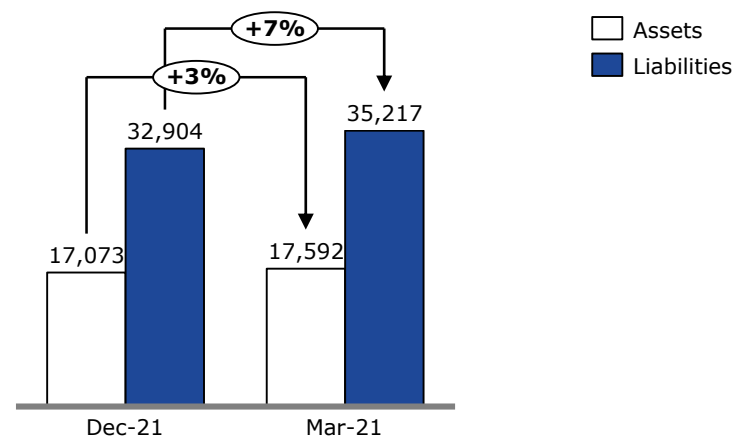
Business Highlights

- Retail banking is the second largest contributor of operating income at 30% in 1Q 2021
- Y-o-Y operating income decreased by 3% driven by a change in EIBOR
- Retail banking assets increased by 3% and stand at AED 17.6 billion. Liabilities have increased by 7% and are AED 35.2 billion as of March 2021 (25% of total liabilities)
- World Finance Awards
 - Best Consumer Digital Bank in the UAE
 - Best Mobile Banking Application 2020 in the UAE
- 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
- Select focus on fee based business including account management, forex and remittances among others, while unsecured lending has been ceased in the SME segment
- Key innovations include:
 - 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)
 - Launched Mashreq NeoBiz, a full-service digital bank exclusively for SMEs (Small and Medium Enterprises), Start-ups and Entrepreneurs in the UAE

Operating Income (AED million)



Segment Asset & Liabilities (AED million)

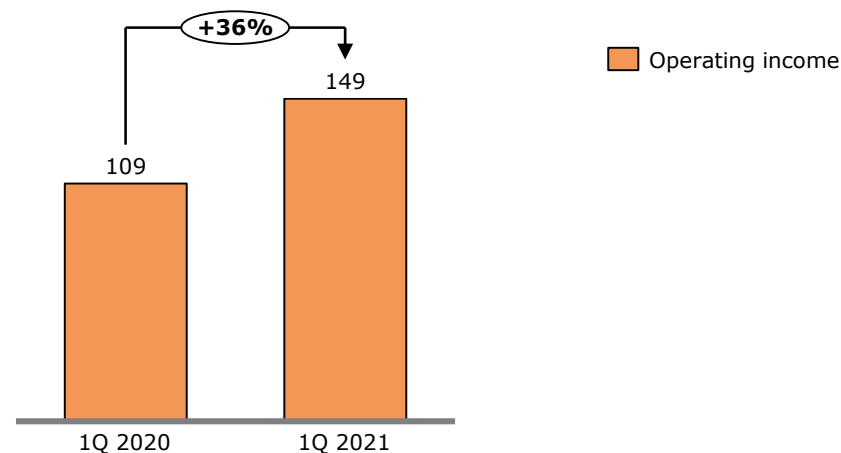


Business Review – International Banking

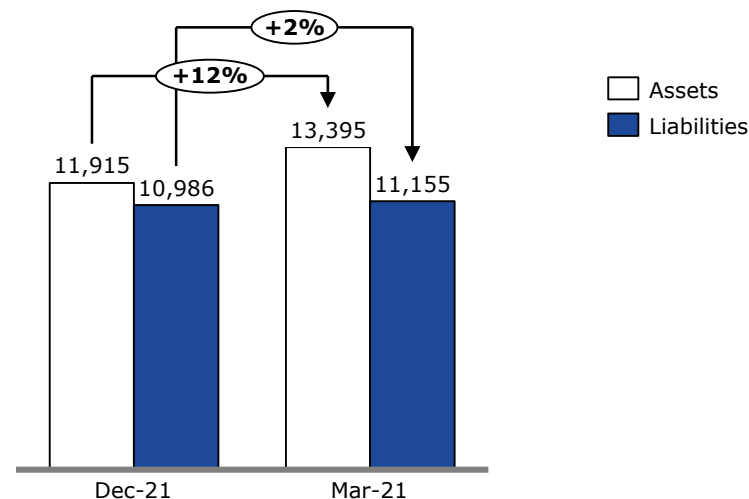
Business Highlights

- Contributing 11% of the group's operating income and 8% of liabilities in 1Q 2021, the International Banking Group ("IBG") is one of the key growth drivers for Mashreq with aspirations to further grow its corporate business in the 8 countries it operates in
- Strategically, IBG is focused on leveraging its product and location capabilities to bring unmatched value to our key client's evolving business needs
- Q1 2021 Financial performance
- IBG assets increased by 12% as compared to December 2020 and make up 8% of total group's assets. Liabilities increased by 2% and stand at AED 11 billion
- Cost to income ratio is down to 35% from 39% for the same period last year
- Healthy YoY growth of 18% in Net Interest Income, 13% in revenues and 26% in Net Profits
- Operating income increased by 36% YoY to AED 149 million
- Control and Governance remain an integral part of IBG's business model ensuring the appropriate response to regulatory dynamics and that operational resiliency, especially in light of the pandemic, is at the forefront of everyday decision making process

Operating Income (AED million)



Segment Assets & Liabilities (AED million)

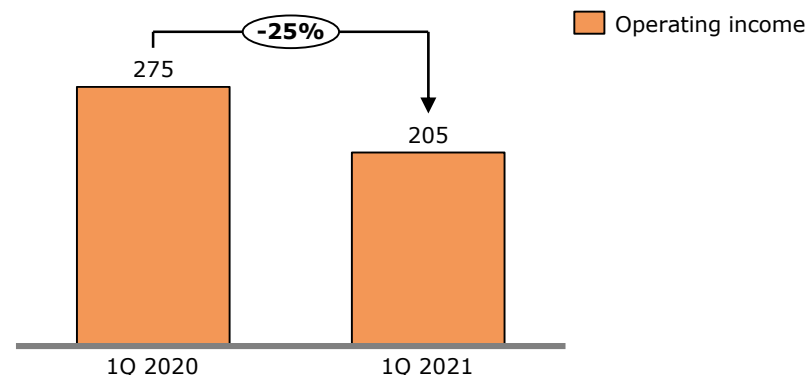


Business Review – Treasury and Capital Markets

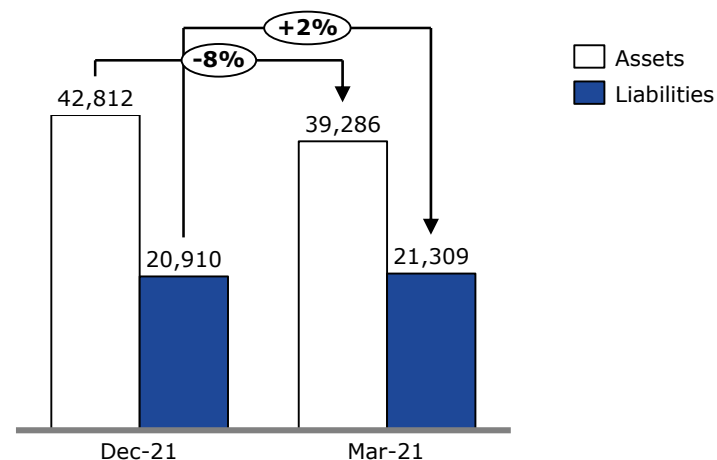
Business Highlights

- Treasury & Capital Markets accounts for 24% of assets and 15% of liabilities as of March 2021
- TCM Operating income contributed 15% to the total operating income in 1Q 2021.
- Operating income, which includes funding center income, decreased by 25%. 1Q 2020 had one off investments gains which led to 2020 revenue being higher.
- 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
- Treasury product suite grew across asset classes, supported by an online trading platform and 24 hour dealing room
- EMEA Finance - Treasury Services Awards:
 - Best Cash Management Services in the Middle East
 - Best Factoring Services in the Middle East

Operating Income (AED million)



Segment Assets & Liabilities (AED million)

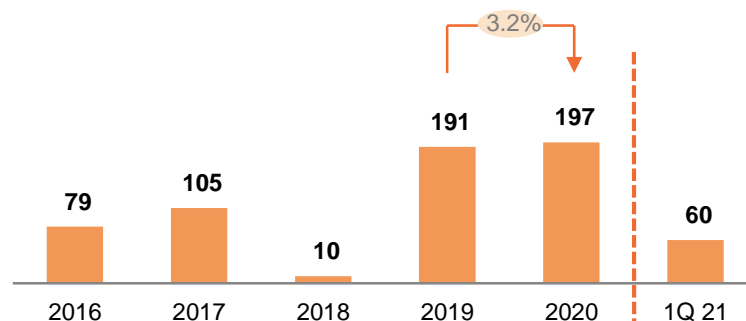


Business highlights – Insurance Business (Oman Insurance Company)

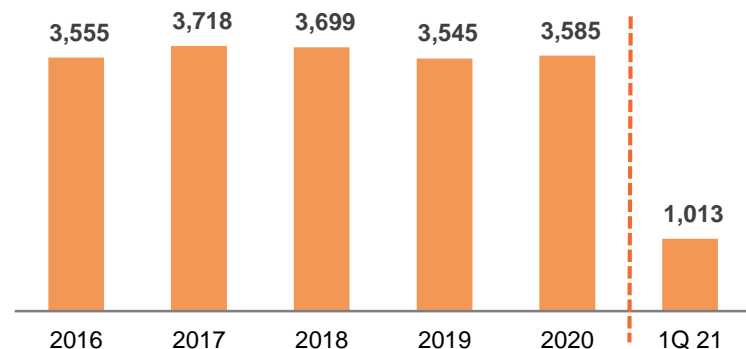
Business Highlights

- Oman Insurance Company contributes c. 5% to total assets and 10% to total operating income (as of 1Q 2021)
- Oman Insurance Company (OIC) is the largest insurance company in the UAE in terms of Net Premium Written. Products offered include life, medical, motor, marine cargo and hull, aviation, property, fire and general accidents, engineering, energy, liabilities and personal lines insurance
- Oman Insurance Company has 8 branches to manage operations across all Emirates. OIC also has international branches in the Sultanate of Oman and Turkey.
- Oman Insurance Company maintains an A- rating from Standard & Poor's, a global rating agency, with a revised outlook to Positive. OIC is rated 'A Excellent' by AM Best with an improved outlook from Negative to Stable. S&P Global ratings further mentioned in its report that the outlook revision reflects positive operating performance and an improving capital base. The company also maintains robust capital adequacy, well above the 'AAA' level. Furthermore, Moody's, the largest rating agency worldwide alongside S&P, assigned an A2 Insurance Financial Strength to Oman Insurance.
- Oman Insurance Company continued its digital focus and successfully launched several projects including a new cloud-hosted corporate website, a Straight Through Process motor insurance sales portal and a fully digitalized motor claims system.
- In 2021, the management is persistently following the strategy defined in 2018 based on the following pillars: (i) be obsessed by customer satisfaction; (ii) improve our underwriting and reinsurance technical expertise and focus on risks having the right pricing; (iii) be leaner, more efficient and less costly by revisiting all the processes of our value chain; (iv) relentless and non-compromising focus on cash collection and free cash flow generation; (v) in-depth review and improvement of our technological platforms and implementation of our digital transformation strategy.
- 1Q 21 exceptional achievements to ensure long term sustainable profitability:
 - Won multiple awards at 2021 Global Brands Magazine Awards
 - Net profit in 1Q 21 increased by +7.3% to 60.2M compared to 1Q 20
 - Net Investment income increased by +2.5% to 32.6M compared to 1Q 20
 - 89% of clients are Satisfied or Very Satisfied with OIC's service

Net Profit (AED million)



Gross Written Premium (AED million)





Mashreq Investor Presentation

UAE economy

Mashreq heritage

Structure and Leadership

► **Strategy**

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Vision, Mission and Values



Vision

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

Build long-term relationships by:

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



Mission

S

Socially
Responsible

P

Passionate
about clients

I

Innovative

R

Respect for
colleagues

I

Integrity

T

Transparent

3 Key Pillars of Our Strategy



**Put our
people first**

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



**Deliver superior
client
experience**

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



**Deliver
shareholder
value**

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

Strategic Priorities – Simplify Our Business

We will digitize and innovate our policies, processes and products to make it easier for customers to bank with us

Making it easier for customers

Making it easier for our people

Creating value for all stakeholders

Making Banking

S

Superior
Client
Experience

I

Innovation
& Information
led
Transformation

M

Maximize
Shareholder
value

P

Performance
Excellence

L

Lean & Agile
organization

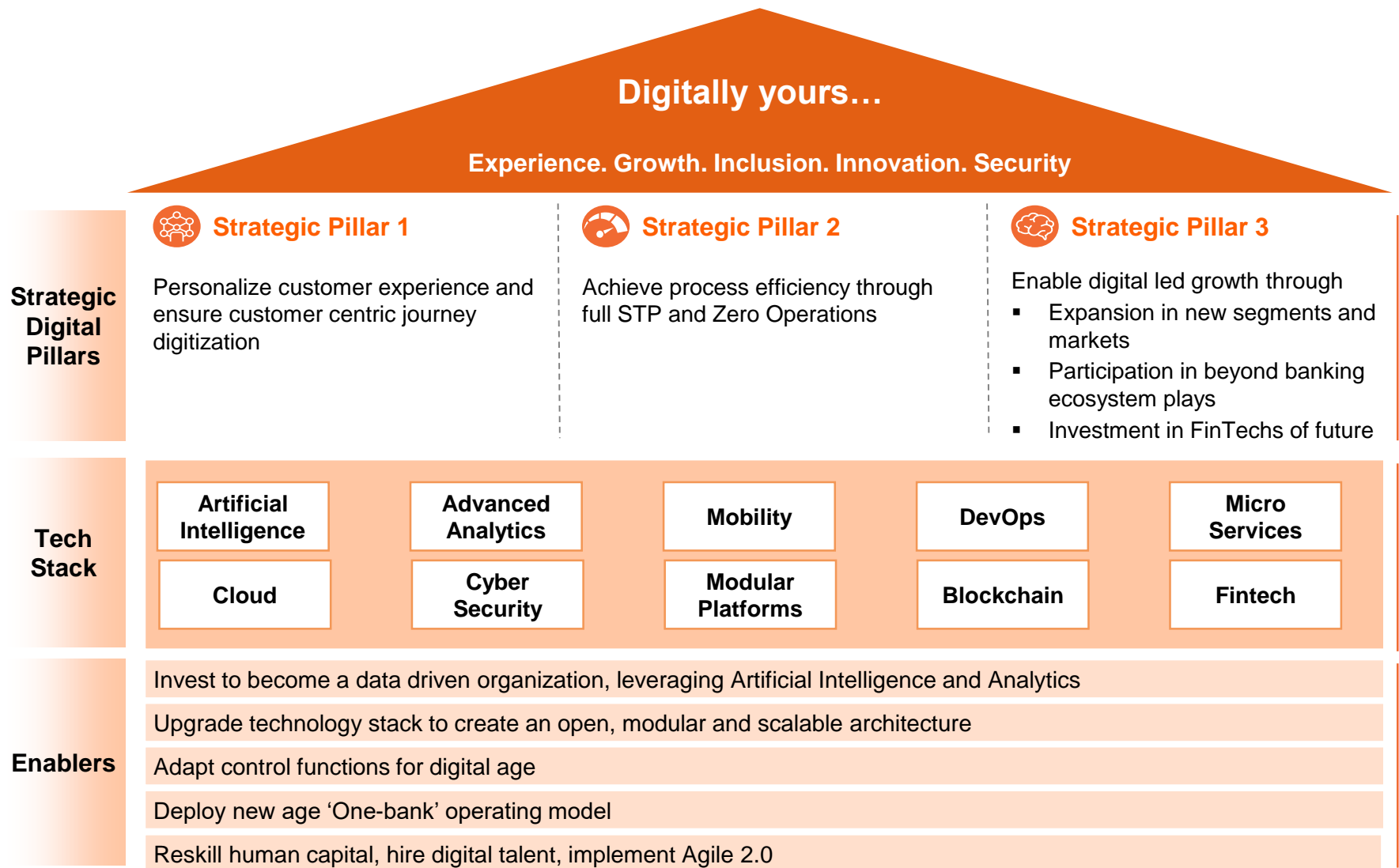
E

Empowering
people

Strategic Priorities – Simplify Our Business



Digital Strategy and its Key Enablers



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

New Operating Model

3 Key Imperatives

- 1 Best-in-class Cost Efficiency
- 2 Best Customer Experience
- 3 Manage Risk & Controls Globally



With focus on optimizing workforce in HQ, identified 3 Centers of Excellence

Mashreq India
Bengaluru

Mashreq Egypt
Cairo



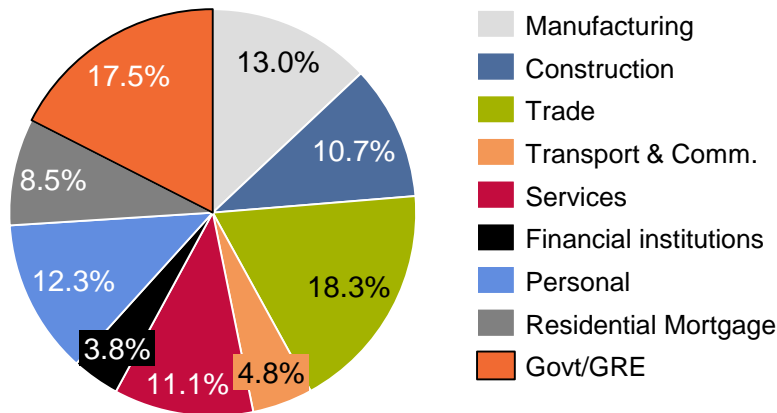
Mashreq Pakistan
Karachi

Offshoring a sizable percentage of positions to low-cost locations in India, Pakistan and Egypt by leveraging offshore Centers of Excellence

Diversified earnings base with strong growth potential

Gross Loans portfolio split as of March 2021

(AED 81.5 bn)

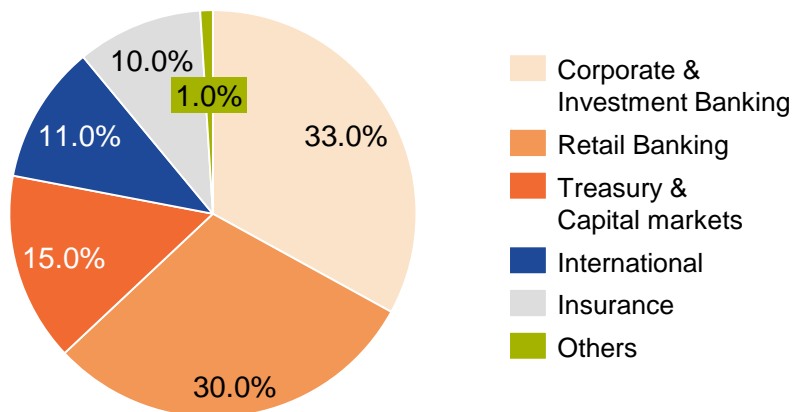


Business segments outlook

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

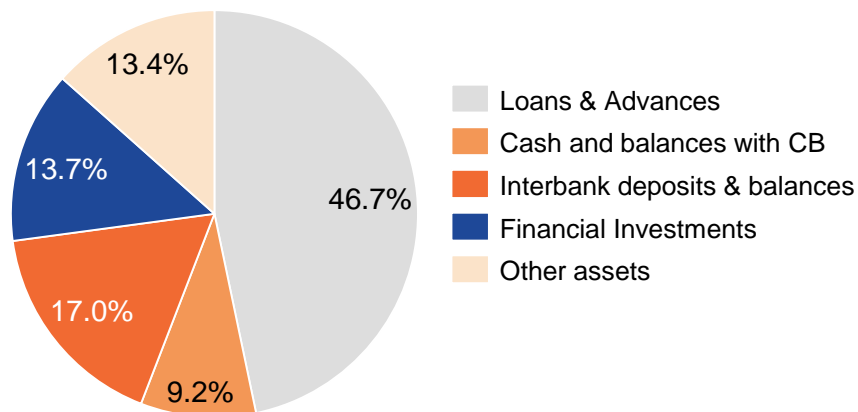
Revenue split 1Q 2021

(AED 1.4 bn)



Asset split as of March 2021

(AED 162.3 bn)





Mashreq Investor Presentation

UAE economy

Mashreq heritage

Structure and Leadership

Strategy

► **Financial track record**

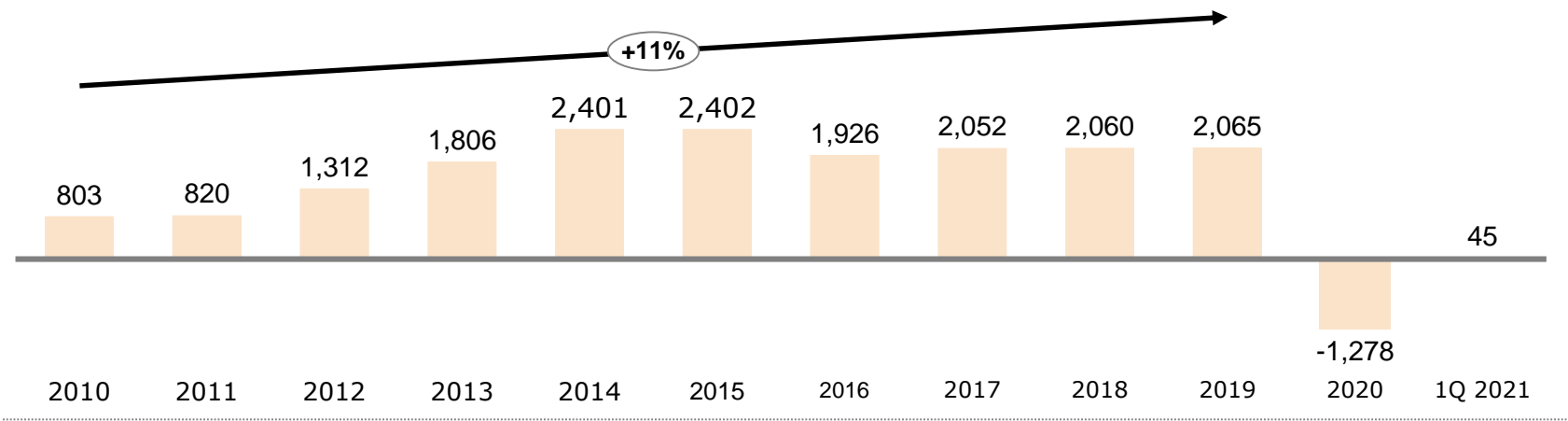
Trading history, rating and dividends

Corporate governance

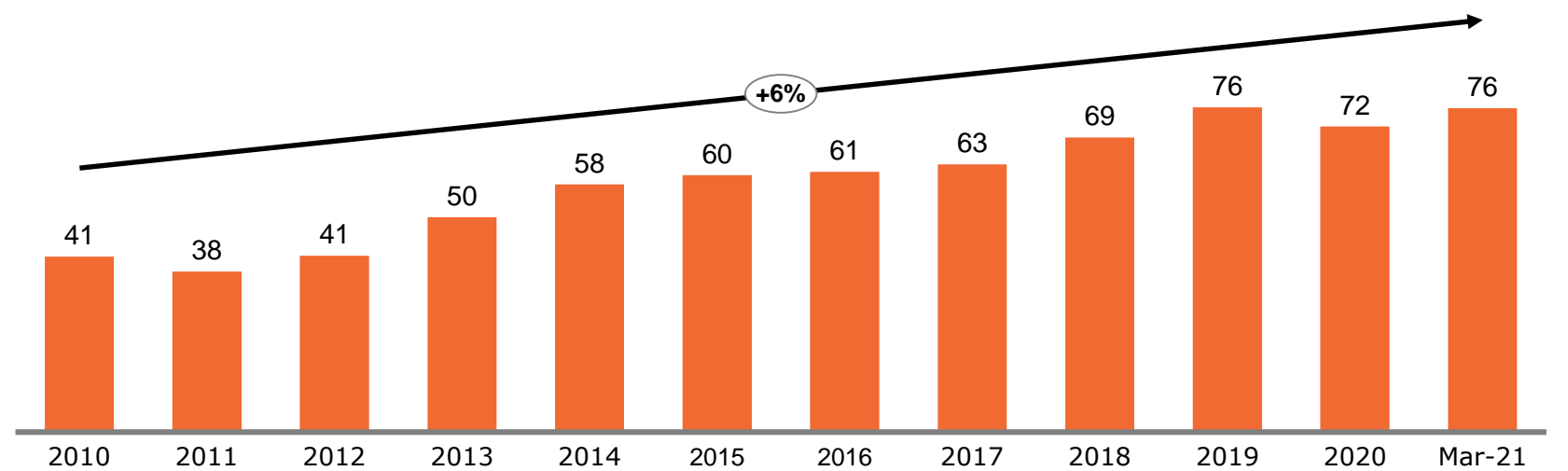
Accolades

Robust performance over the past decade

Net profit/loss (AED million)

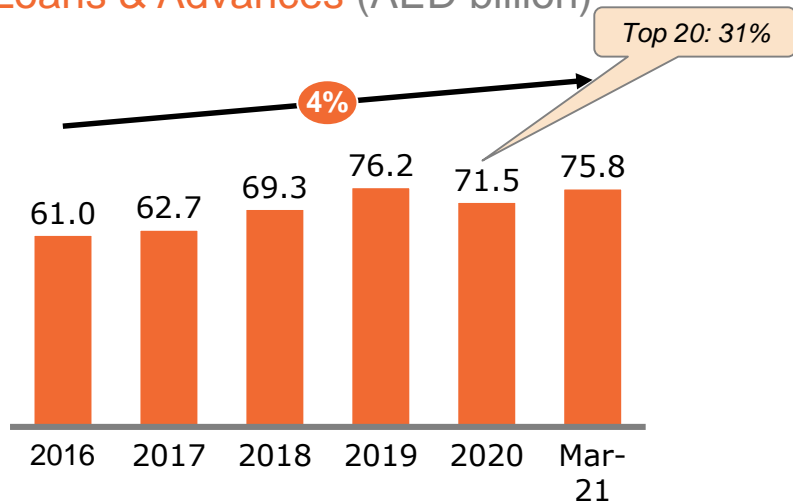


Net loans and advances (AED billion)

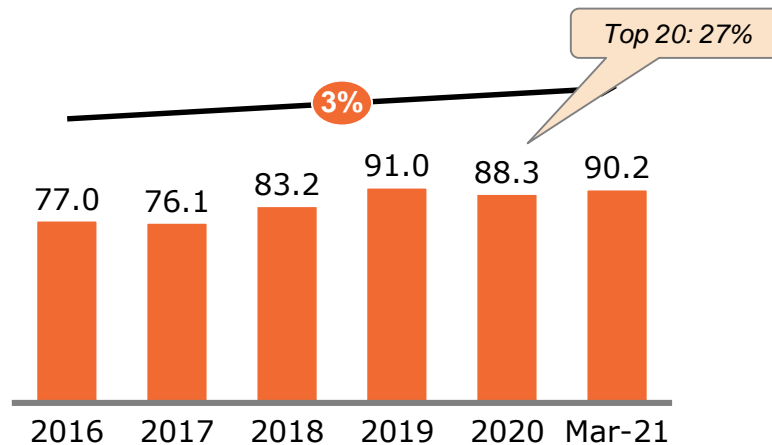


Steady performance over the last five years

Loans & Advances (AED billion)

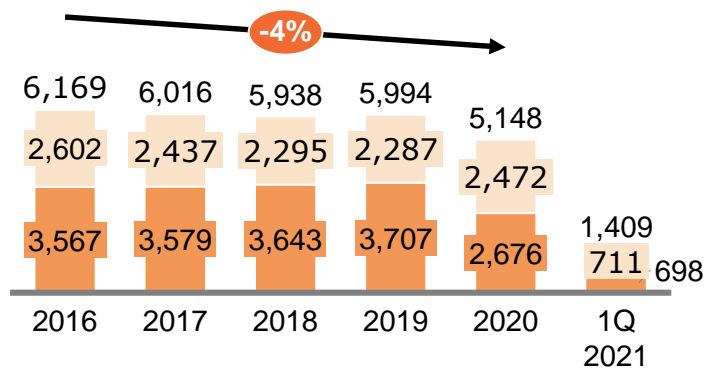


Customer deposits (AED billion)

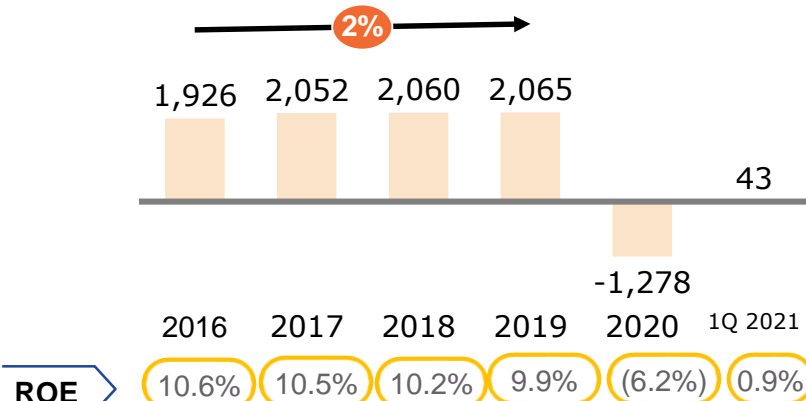


Total Revenue (AED million)

Fee and other income Net interest income

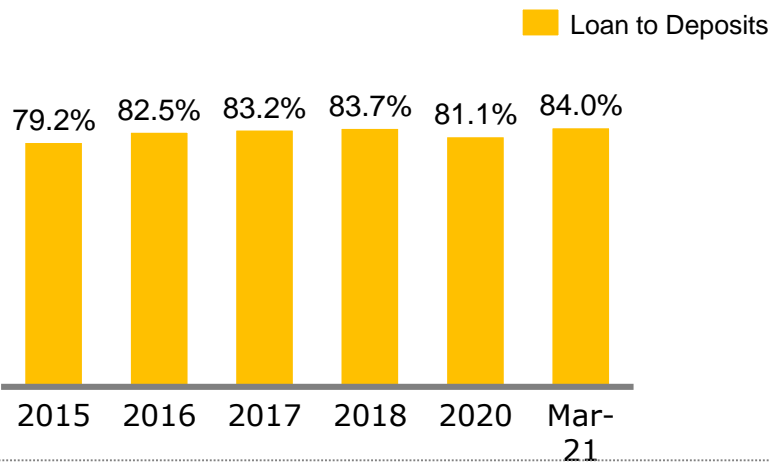


Net profit (AED million)

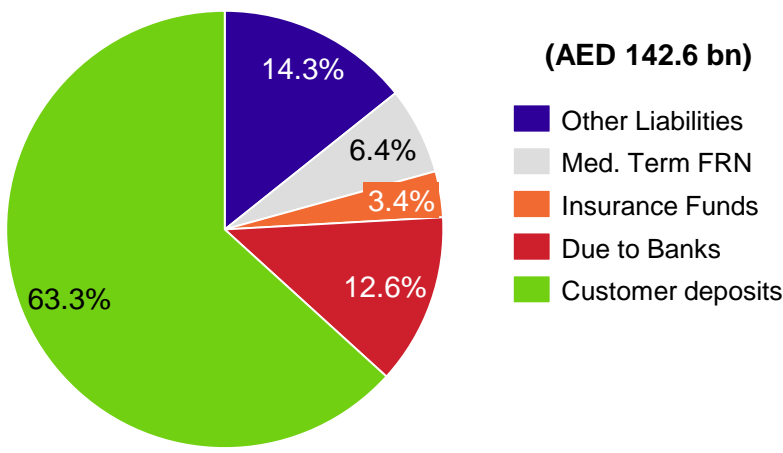


Well-funded balance sheet ...

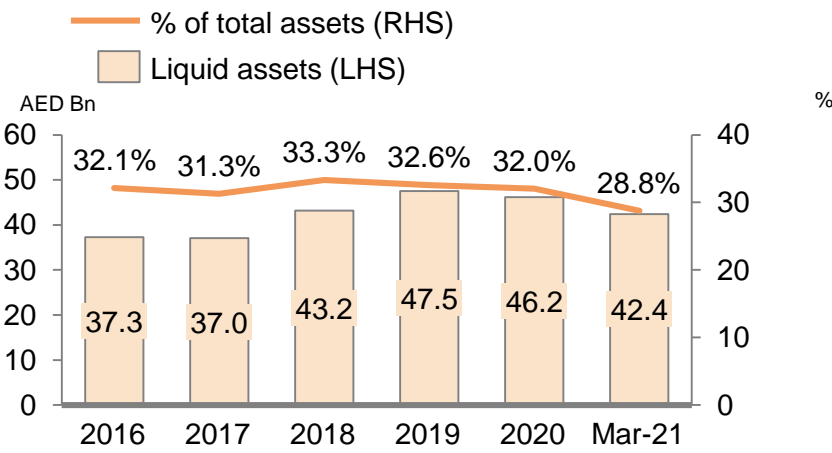
Operating leverage (%)



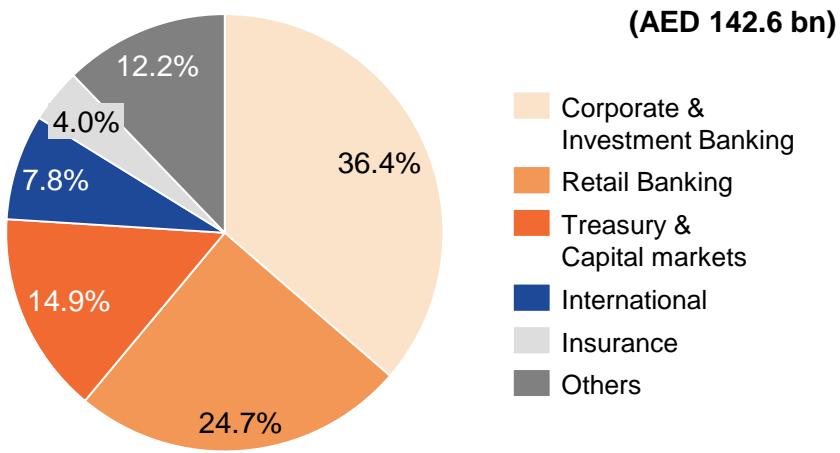
Liability by type as of March 2021



Liquidity (%)

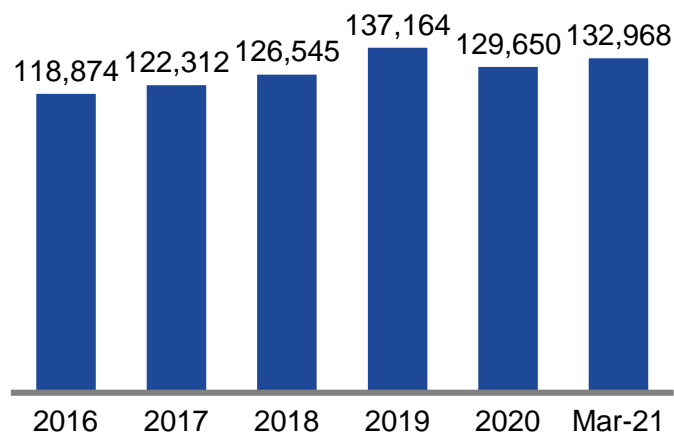


Liability segment split as of March 2021

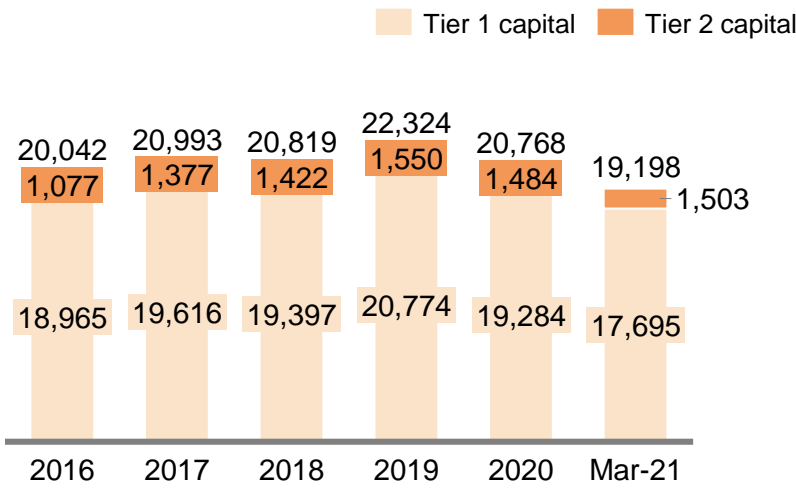


...along with stable adequacy

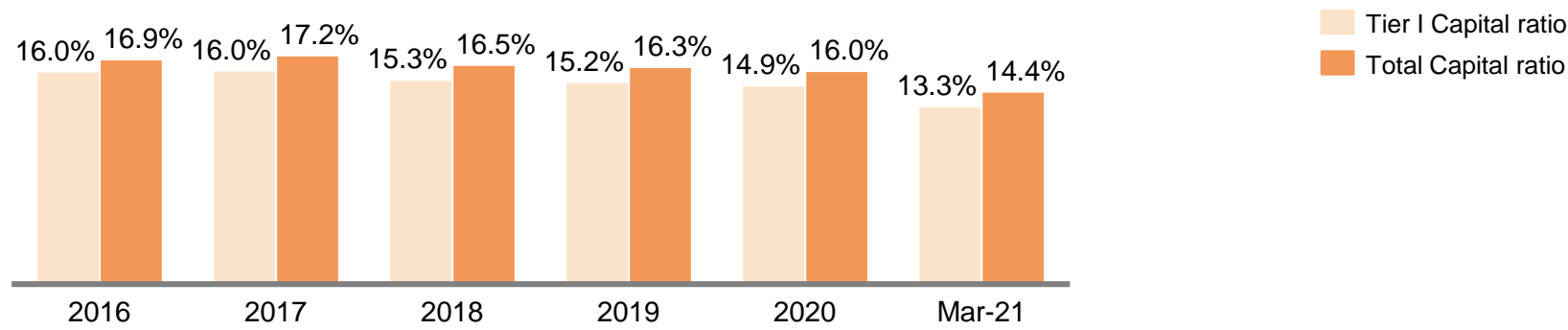
Risk weighted assets (AED million)



Tier 1 and Tier 2 capital (AED million)

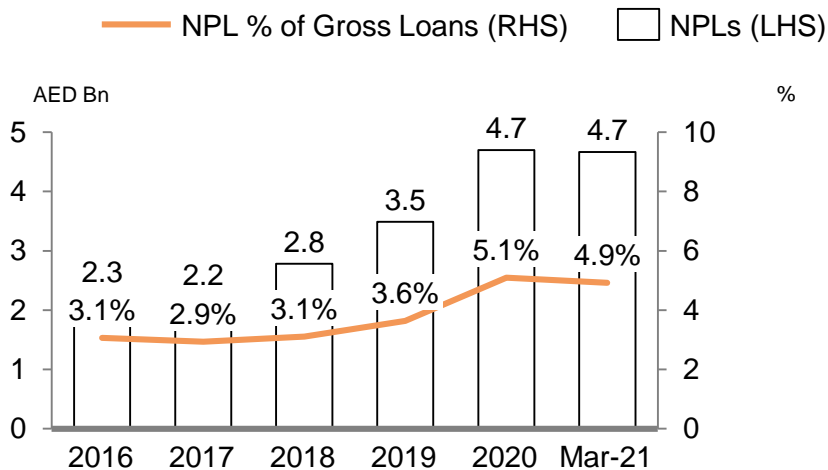


Capital adequacy (%)

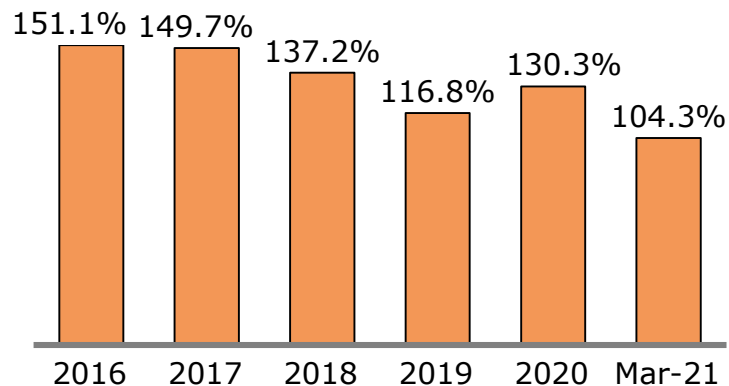


...and prudent provisioning

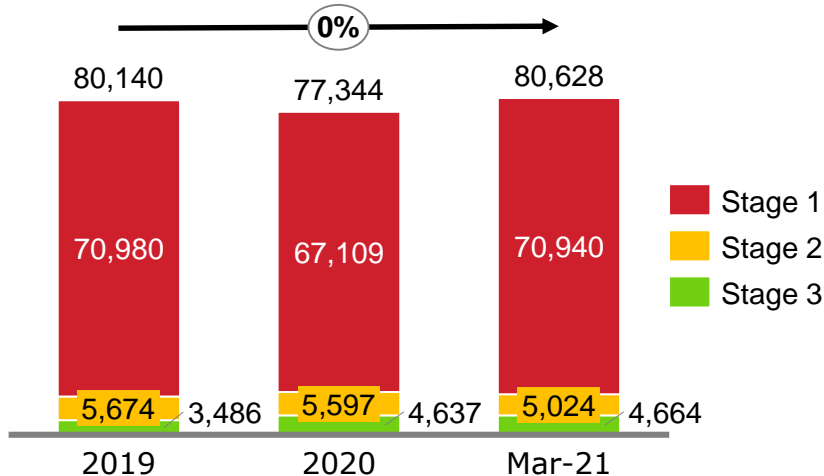
NPL's and % of Gross Loans (AED billion)



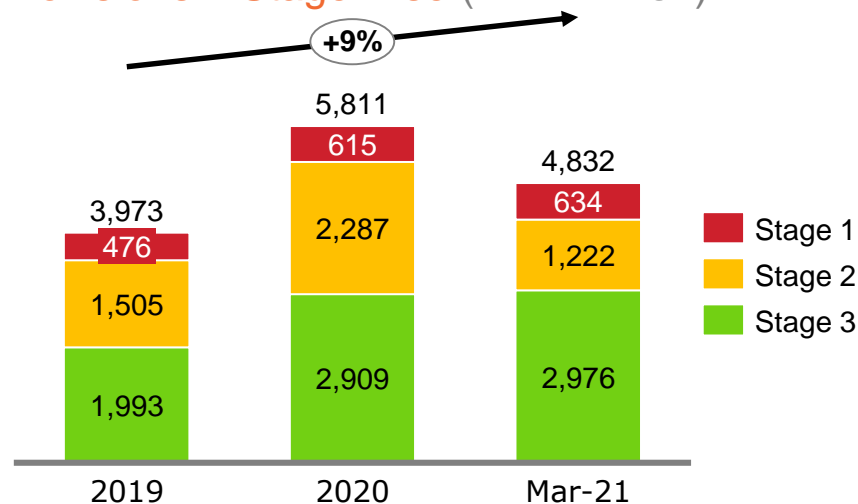
NPL Coverage Ratio (%)



Gross Loans – Stage wise (AED million)



Provisions – Stage wise (AED million)



Financial track record

	31 Mar 2021	31 Mar 2020	31 Dec 2020
Capital adequacy			
Tier I Capital Ratio	13.3%	14.8%	14.9%
Total Capital Ratio	14.4%	15.9%	16.0%
Liquidity			
Liquid Assets to Total Assets ¹⁾	28.8%	31.8%	32.0%
Advances to Deposits	84.0%	88.5%	81.0%
Liquidity Coverage Ratio (LCR)	133%	103%	160%
Asset quality			
NPL Coverage Ratio	104.2%	101.4%	130.3%
NPL to Gross Advances	4.9%	4.4%	5.1%
Performance			
ROA	0.1%	1.2%	(0.9%)
ROE	0.9%	8.5%	(6.2%)
Net Interest Margin	2.1%	2.4%	2.0%
Efficiency Ratio	44.0%	41.5%	57.2%
Fee and other income to total income	50.5%	48.7%	48.0%

Note: 1) Total Assets excludes contra items

Market performance in 1Q '21

Total assets (AED bn)

Peer group¹⁾

DXB AUH

Dec'20

Mar'21

Mashreq

159

162

+0.5%

0.4%

0.6%

+1.8%

Total loans (AED bn)

Peer group¹⁾

DXB AUH

Dec'20

Mar'21

Mashreq

76

76

-1.0%

(0.4%)

(1.6%)

-0.5%

Total deposits (AED bn)

Peer group¹⁾

DXB AUH

Dec'20

Mar'21

Mashreq

91

90

+1.2%

0.5%

1.9%

-0.8%

Total revenue (AED bn)

Peer group¹⁾

DXB AUH

Dec '20

Mar '21

Mashreq

1.5

1.4

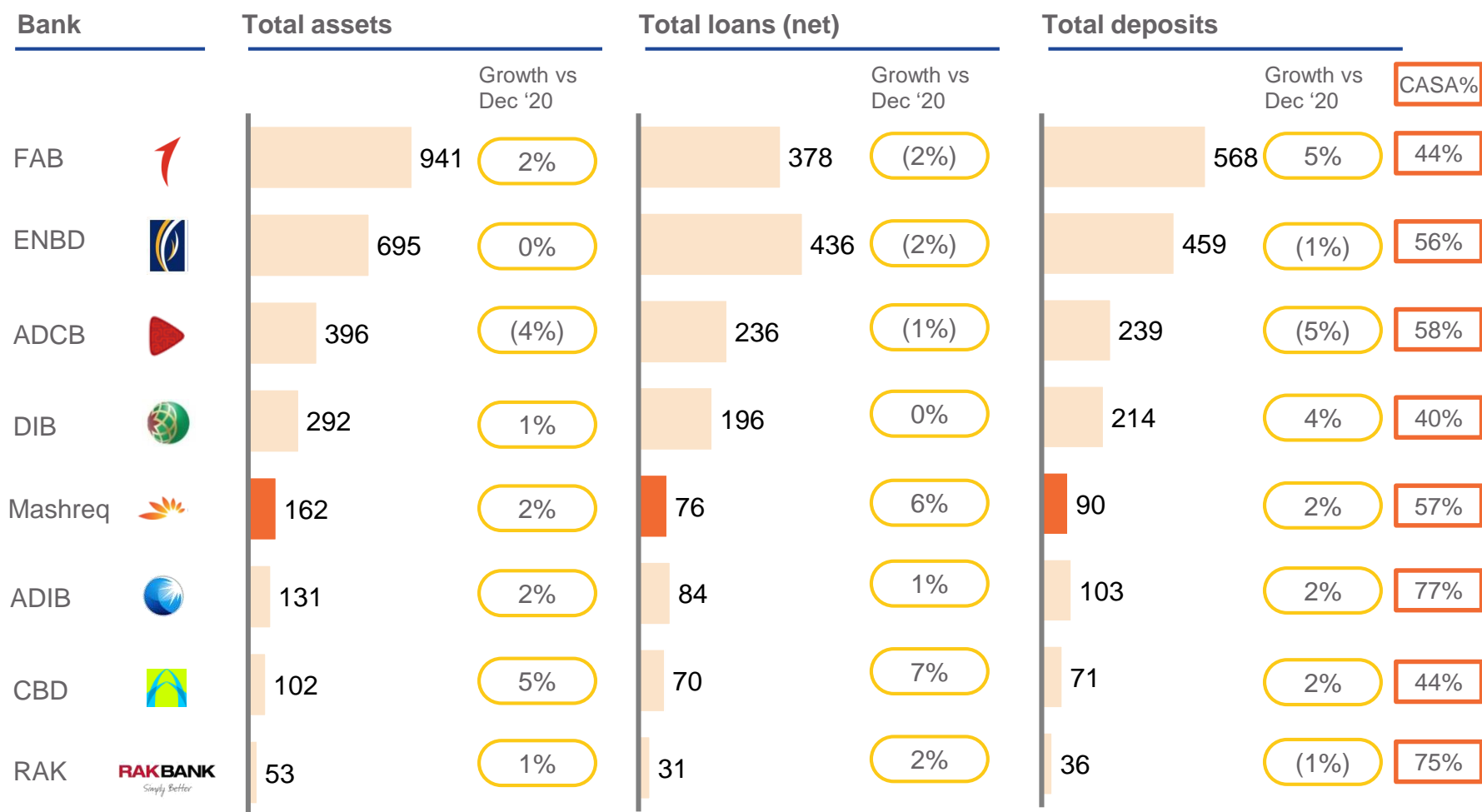
-9.1%

(10.4%)

(7.4%)

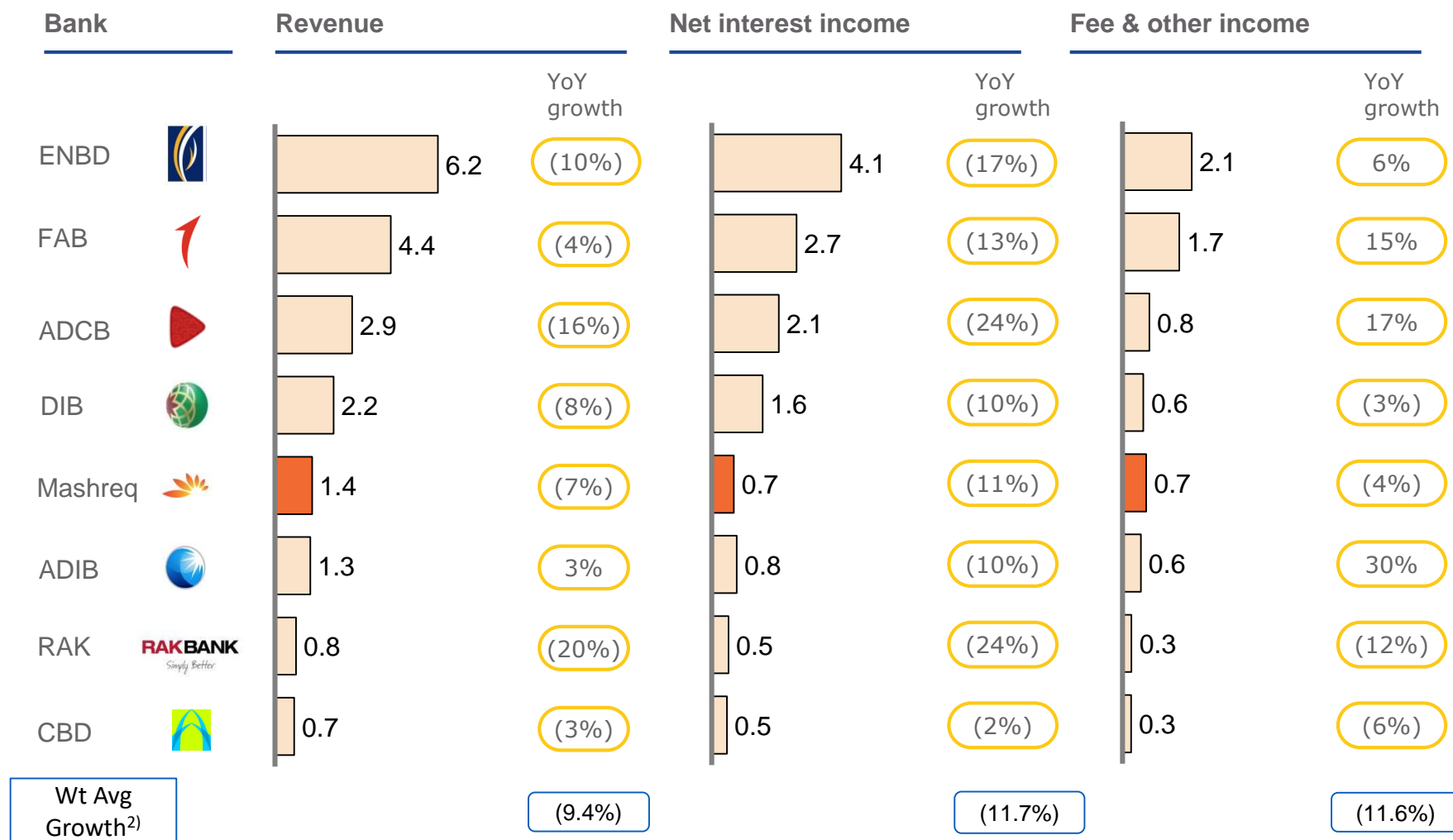
-7.5%

GROWTH - Mashreq YTD March 2021 performance compared to peer group¹⁾ [AED billion]



1) Total growth over the period and not CAGR
Source: Banks' financial statements

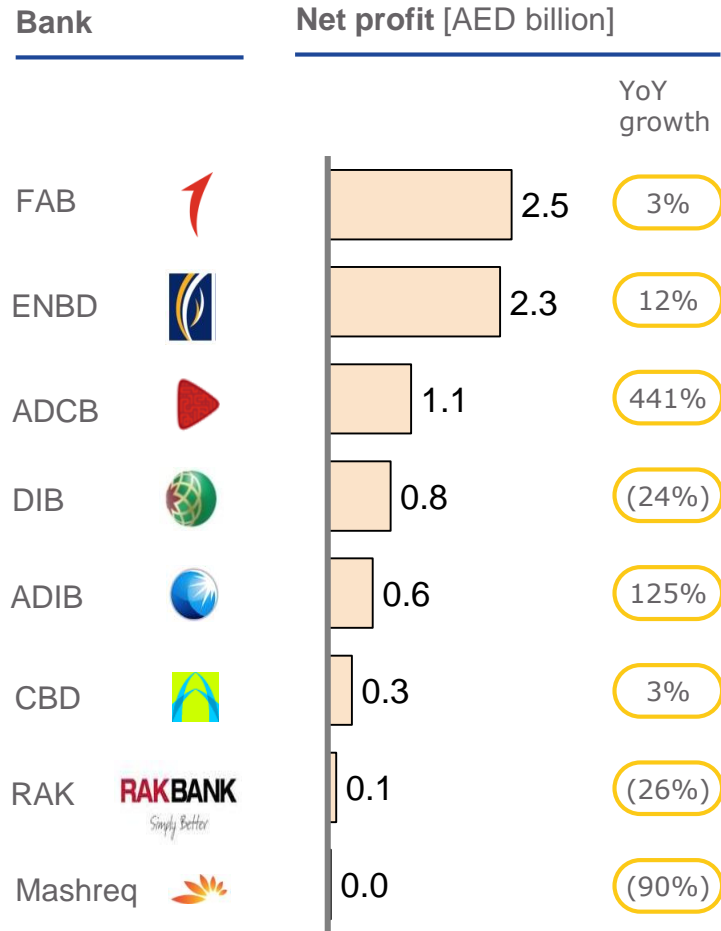
GROWTH - Mashreq 1Q '21 performance compared to peer group¹⁾ [AED billion]



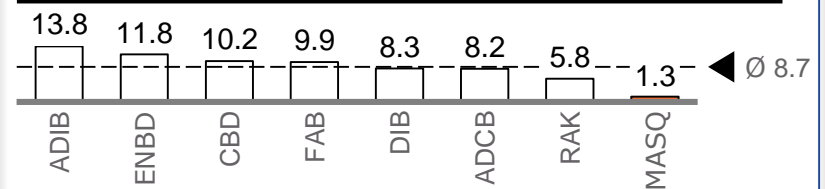
1) Total growth over the period and not CAGR; ADCB numbers are based on Pro Forma financials
Source: Banks' financial statements

2) Growth excludes Mashreq

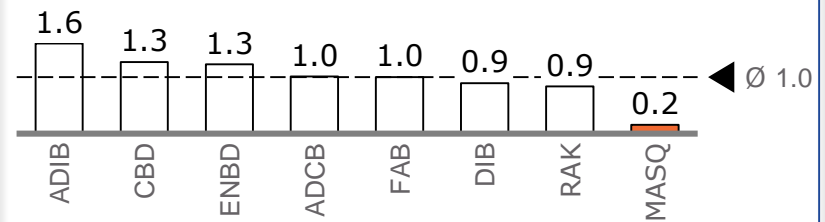
PROFITABILITY - Mashreq 1Q '21 performance compared to peer group [AED billion, %]



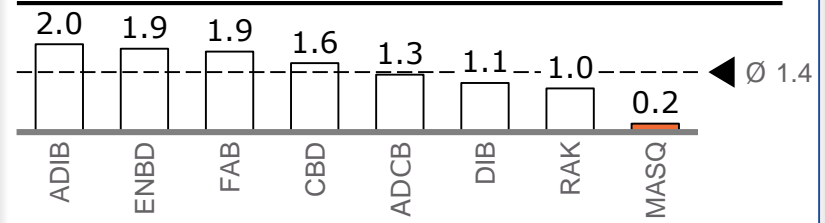
ROE¹⁾ [%]



ROA²⁾ [%]



Return on RWA [%]



Source: Banks' financial statements

1) Equity excludes tier 1 capital notes and their interest expense is deducted from net profits (minority is included)

2) Total net profits (including minority) after Tier 1 interest expense divided by total assets minus tier 1 notes



Mashreq Investor Presentation

UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

▶ Trading history, rating and dividends

Corporate governance

Accolades

Trading performance over the year

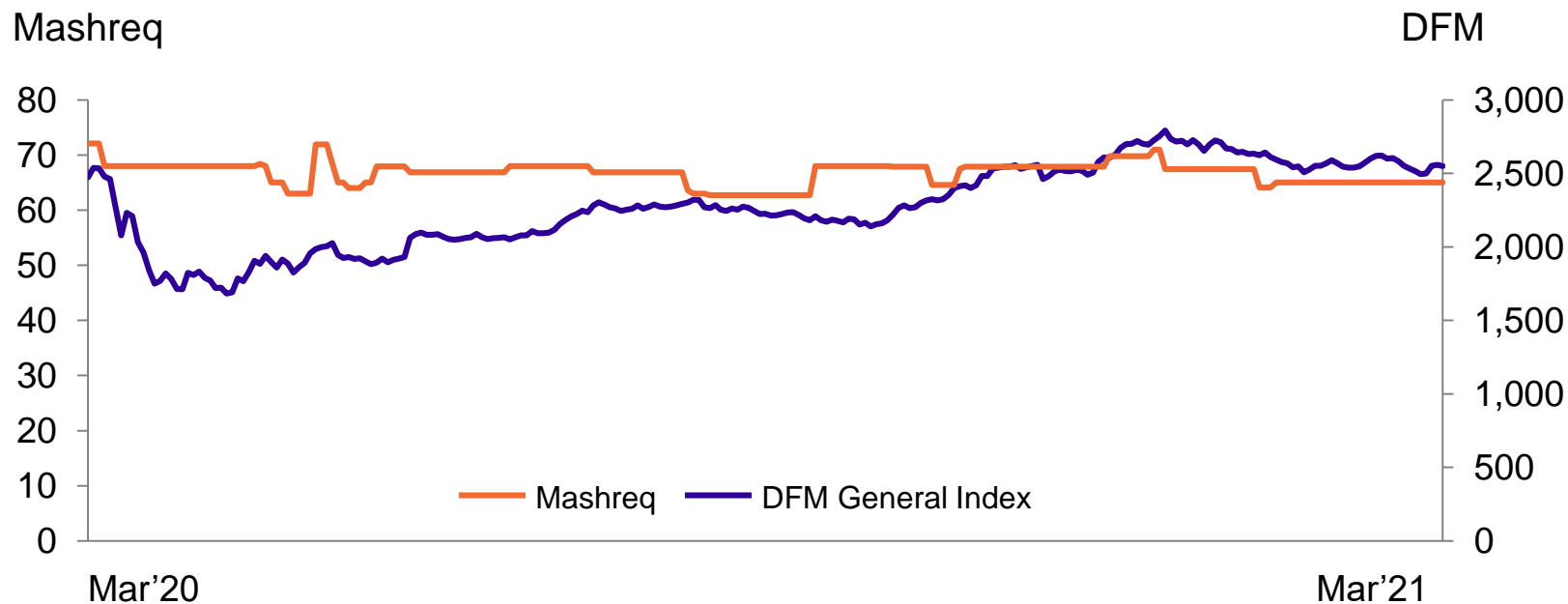
Mashreq's trading price (March 2020 – March 2021)

Share details

Currency	AED
Par value/ share	10
Number of shares (Mn)	177.5
Market Cap (4 May '21) (Bn)	11.54

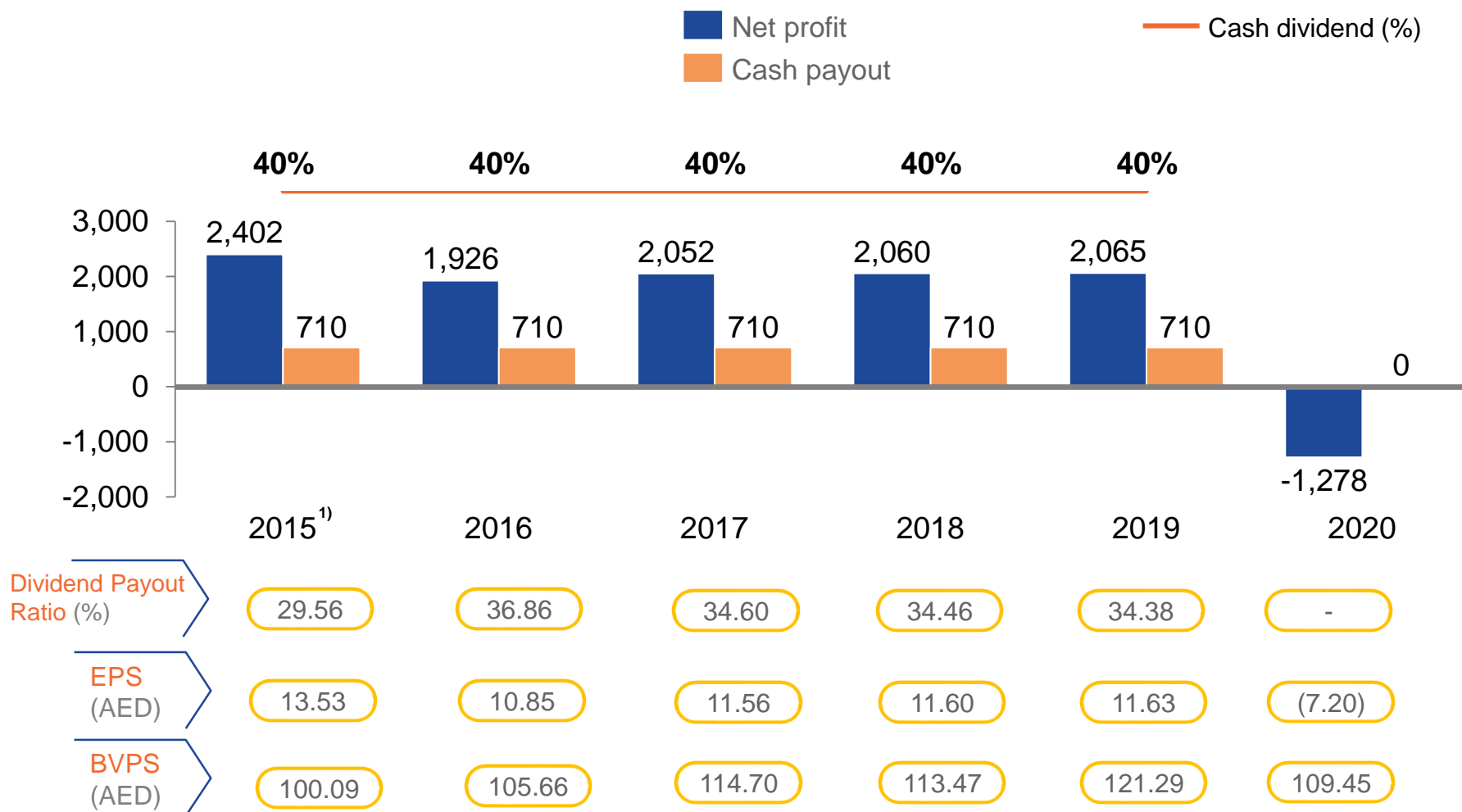
Share performance

Mashreq – 12 months	-10%
DFM GI – 12 months	3%
P/E (4 May '21)	NM
P/B (4 May '21)	0.6x



Progressive dividend policy


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




1) Plus 5% Bonus Shares


Rated by four rating agencies

Rating Agency	Long term	Short term
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	A	F1
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	A-	A-2
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	Baa1	P-2
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	A	A1
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Mashreq Investor Presentation

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► **Corporate governance**

Accolades

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

Supervisory Authority

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

Basel III

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

Bank monitoring - liquidity

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

Accounting Standard

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

Credit Limit

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

Robust Corporate Governance Framework

Board Supervision

- ✓ Chairman, Vice-Chairman and five Directors form Mashreq's Board. Two of the seven board members are independent; the Board of Directors meet at least once every quarter
- ✓ Management issues are raised at Board level where the bank's senior management presents details to the Board; Board has delegated certain powers to CEO for effective day-to-day management
- ✓ The Chief Risk Officer (CRO) and Head of Compliance report to the Board Risk Committee and Head of Audit reports to Audit Committee
- ✓ 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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Financial track record

Trading history, rating and dividends

Corporate governance

► **Accolades**

1Q 2021 Awards

- E-Business Awards 2021
 - Digital SME Bank of the Year
- DFM Brokers Excellence Rating Model Award
 - 5 Stars DFM Brokers Excellence Rating for 2020
- Global Good Governance Awards 2021
 - 3G Championship Award in Digital Transformational 2021
 - 3G Service Excellence Award 2021
- World Business Outlook Awards 2021
 - Best Digital Bank of the Year UAE 2021
- Euromoney Trade Finance Survey
 - Market Leader in United Arab Emirates
 - Market Leader in Middle East
 - Best Service in Africa – Digital offering
 - Best Service in Africa – Support & Advisory
 - Best Service in Africa – All trade finance related services
- 2020 Euromoney Cash Management Survey for Financial Institutions
 - Market Leader in Africa – All currency
 - Market Leader in Africa – US Dollar
 - Market Leader in Middle East – All currency
 - Market Leader in Middle East – US Dollar
 - Market Leader in Middle East – Euro
 - Best Service in Africa – All currency
 - Best Service in Africa – Business functions
 - Best Service in Africa – Financial facilities
- 21st annual World's Best Trade Finance Providers review
 - Best Trade Finance Provider in UAE.
 - Best Use of Artificial Intelligence in Trade Finance
- Global Finance – Best Investment Bank 2021

1Q 2021 financials – Consolidated Income statement [AED million]

Income statement	2021	2020	2020	Variance (% change)	
	1Q	4Q	1Q	1Q 2021 vs 4Q 2020 (Q-o-Q)	1Q 2021 vs 1Q 2020 (Y-o-Y)
Net interest income	698	616	782	13.2	(10.7)
Net Fees and commission	449	284	348	58.1	29.0
Net Investment income	29	32	127	(11.6)	(77.5)
Other income	234	244	266	(4.3)	(12.1)
Total operating income	1,409	1,177	1,523	19.7	(7.5)
Operating expenses	(620)	(1,061)	(632)	(41.6)	(1.9)
Operating profit	789	116	891	579.5	(11.4)
Impairment allowance	(711)	(1,714)	(409)	(58.5)	73.9
Tax expense	(14)	(19)	(11)	(25.3)	28.0
Non-Controlling Interest	(21)	(13)	(21)	62.4	2.6
Net Profit/(Loss)	43	(1,630)	450	NM	(90.6%)

March 2021 financials – Consolidated Balance sheet [AED million]

Balance sheet	31 Mar 2021	31 Dec 2020	YTD (%)
Assets			
Cash and balances with central banks	14,862	17,942	(17%)
Deposits and balances due from banks	27,571	28,239	(2%)
Other financial assets measured at fair value	11,077	8,439	31%
Other financial assets measured at amortised cost	11,160	11,001	1%
Loans and advances measured at amortised cost	61,419	57,286	7%
Islamic financing and investment products measured at amortised cost	14,377	14,246	1%
Acceptances	13,384	12,767	5%
Other Assets	3,313	3,478	(5%)
Reinsurance contract assets	2,885	2,892	(0%)
Investment in Associate	21	21	0%
Investment properties	450	450	0%
Property and equipment	1,452	1,467	(1%)
Intangible Assets	282	294	(4%)
Total assets	162,253	158,523	2%
Liabilities			
Deposits and balances due to banks	15,568	14,844	5%
Repurchase agreements with banks	2,442	2,290	7%
Customers' deposits	77,080	76,376	1%
Islamic customers' deposits	13,125	11,885	10%
Acceptances	13,384	12,767	5%
Other Liabilities	6,978	5,809	20%
Medium-term loans	9,177	9,616	(5%)
Insurance and life assurance funds	4,848	4,748	2%
Total liabilities	142,601	138,335	3%
Total Equity	19,652	20,188	(3%)
Total Liabilities and Equity	162,253	158,523	2%

