



*Rise every day*

# INVESTOR RELATIONS PRESENTATION

AUGUST 2023

## ▶ UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

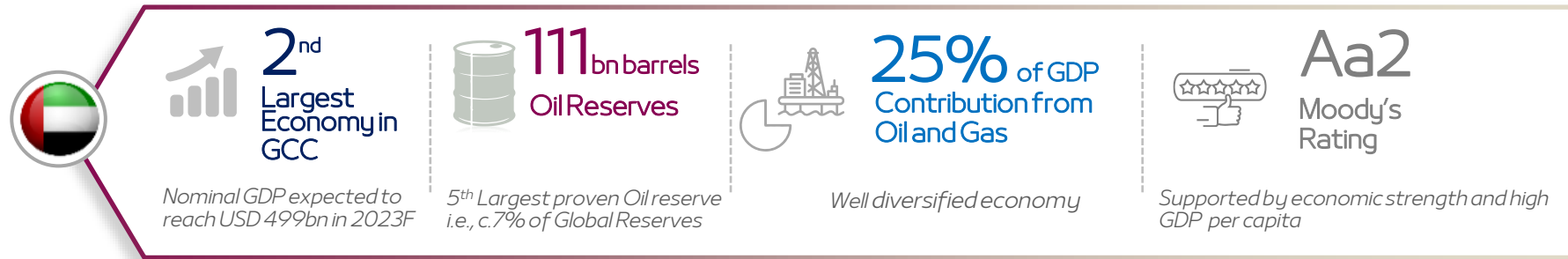
Trading history, rating & dividends

Corporate governance

Environment, Social & Governance (ESG)

Accolades

# UAE: Macroeconomic Outlook

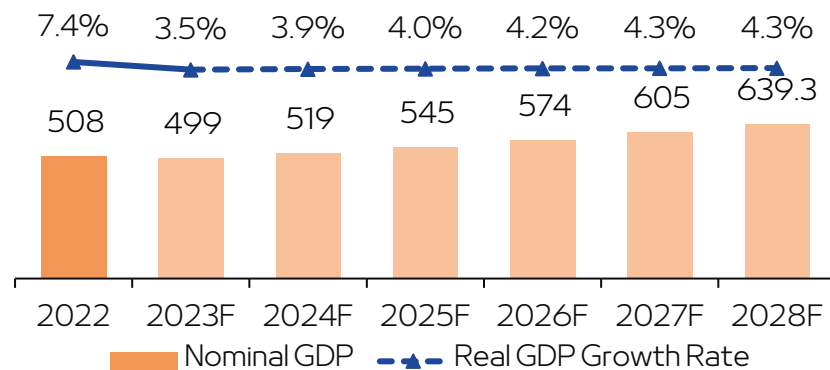


**Growth in Tourism**  
Easing of travel restrictions and 2022 World Cup in Qatar resulted in increased travel and tourism; International visitors in Dubai grew by more than 100% in 2022

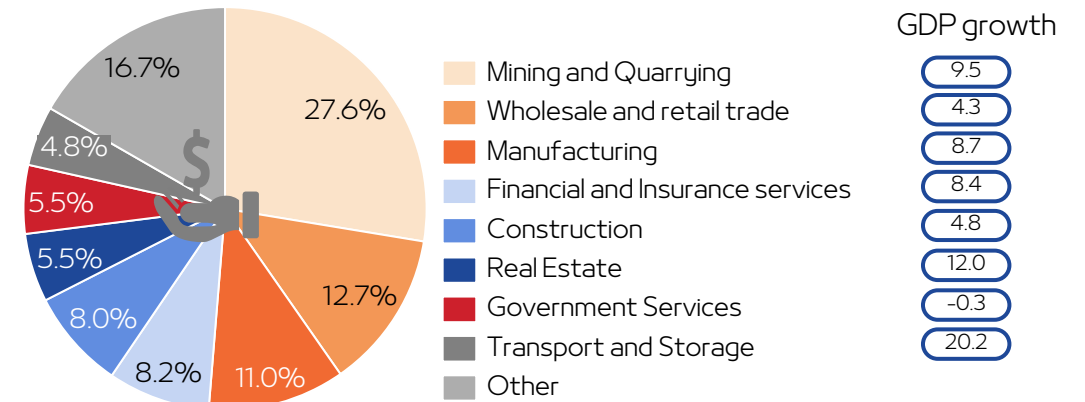


**Revival in Real Estate Market**  
Strong demand and launch of new initiatives by the government resulted in recovery in real estate market - 9.5% growth in residential prices in Dubai

Nominal and Real GDP (USD billion)



UAE GDP Breakdown by Sector – 2022 (%) and GDP growth (%)

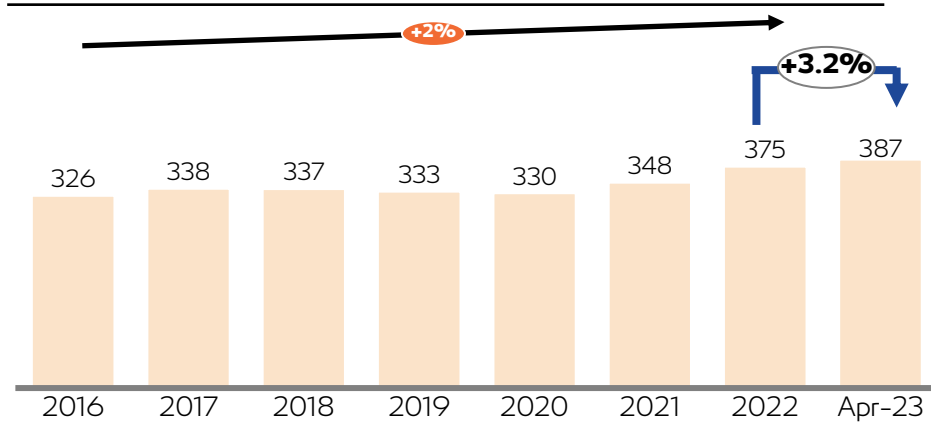


*UAE's economy is estimated to grow by c.3.5% in 2023 led by a strong rebound in real estate, construction, and travel & tourism activities*

# 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

**Purchasing Managers Index**



Hotel rates also show a marked recovery

**Dubai Hotel Occupancy rates [%]**

	<b>Dec-22</b>	<b>Apr-23</b>
Occupancy	76.60%	71.40%
Average daily rate (ADR)	Dh 892.84	Dh 751.90
Revenue per available room (RevPAR)	Dh 684.03	Dh 536.32

...while rents across the sectors increase

	<b>Dubai 1Q'23</b>	<b>Abu Dhabi 1Q'23</b>
<b>Office</b>	Average Grade A CBD rents up by 16% YoY	Average Grade A CBD rents up by 9% YoY
<b>Residential</b>	Average rental rates up by 28% YoY	Average rental rates up by 1% YoY
<b>Retail</b>	Average rental rates across primary and secondary malls down by 1%	Average rental rates across primary and secondary malls up by 0%

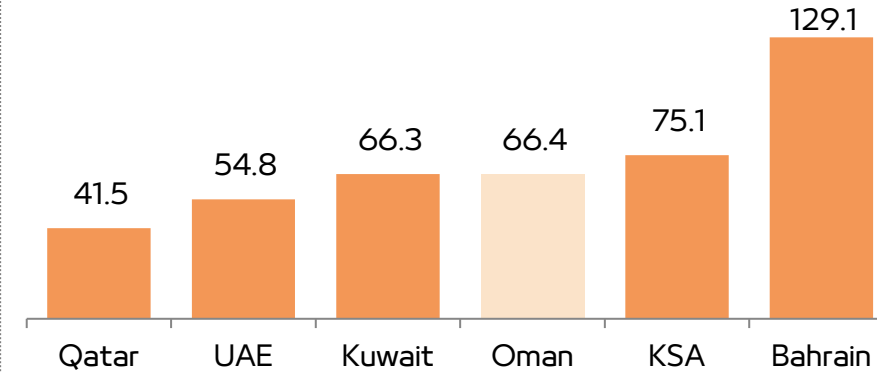
# ...along with an improved fiscal position driven by rebound in oil prices



Brent Crude Oil Prices USD/barrel

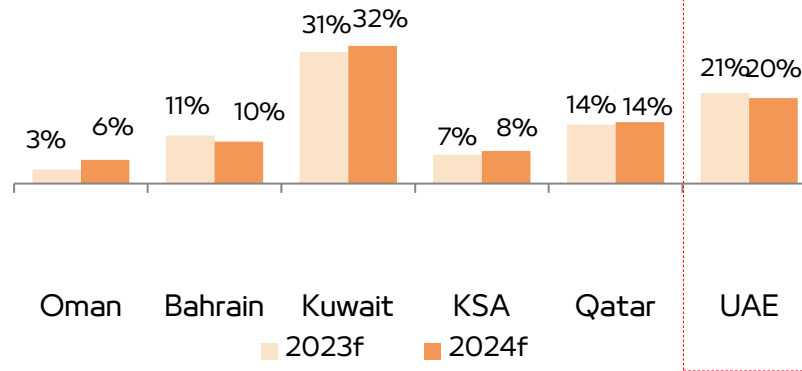


Fiscal Breakeven Oil Price – 2024F USD/barrel



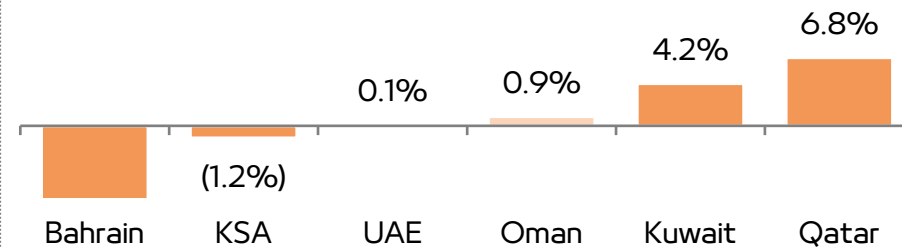
Kuwait fiscal breakeven oil price is calculated using the fiscal balance before 10% revenue transfer to Future Generations fund & includes investment income

Current Account Balance to GDP – 2023-24F



SOURCE: NBK Economic Outlook GCC & Egypt 2023-24

Govt. Net Lending/(Borrowings) to GDP – 2024F



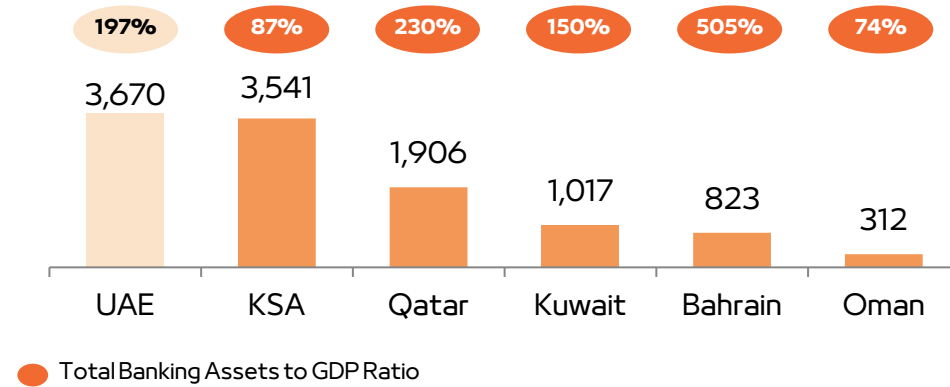
# UAE has the largest banking systems in the GCC and sound regulatory framework with widespread support from the Government



## Diversified and Highly Regulated Banking Sector

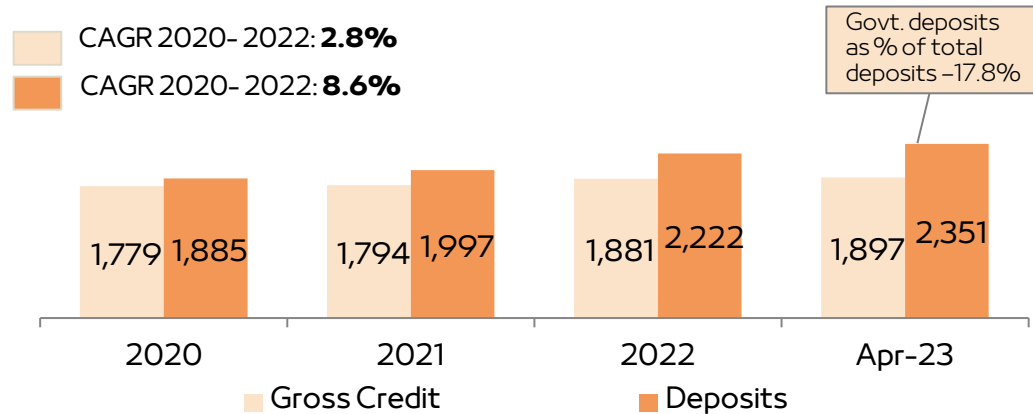
- As of Q1 2023, UAE banking sector comprised of 61 banks
  - 22 were national banks, and 39 were foreign banks
  - The number of banks' physical branches moderated further, reflecting continued digital transformation in the UAE banking sector.
- Diversified loan portfolio – Real Estate and Construction sector accounted for c.17.2% of loan book in Dec'22
- Well regulated banking system, in line with internationally followed best practices
- Long-standing track record of Government support during crisis

## GCC Banking Assets – 2022 (AED billion)



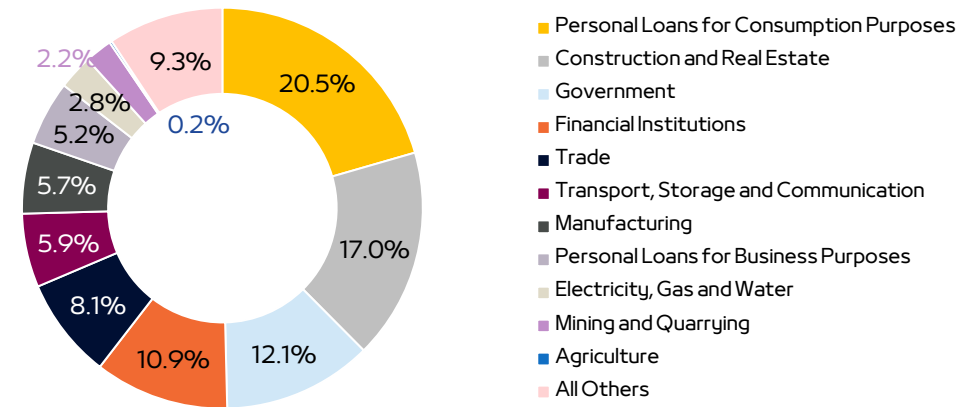
Source: IMF WEO April 2023, Central Bank of respective countries

## UAE – Loans & Deposits (AED billion)



Source: UAE Central Bank

## Loans by Sector – Dec'22 (%)

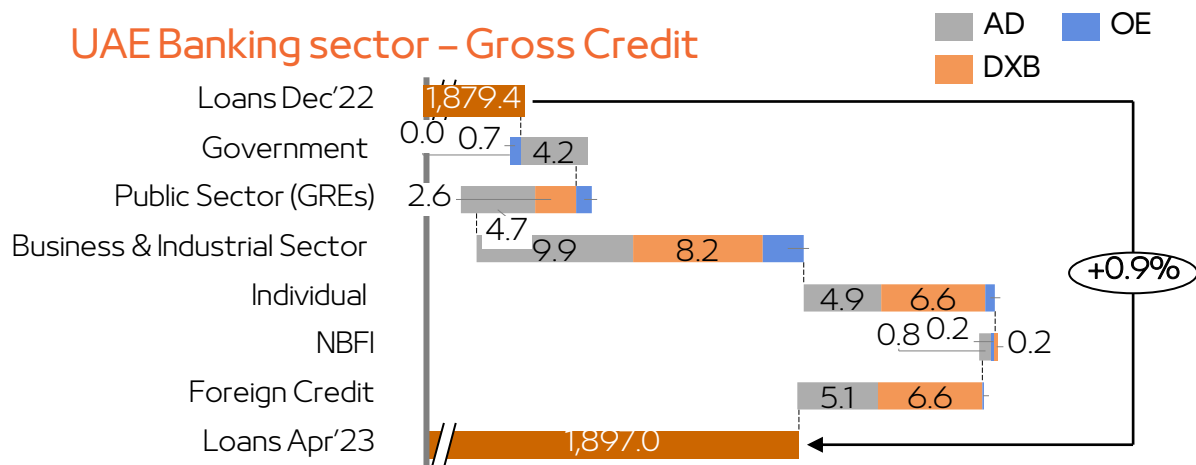


Source: UAE Central Bank, Preliminary data for December 2022

# UAE Central Bank Snapshot

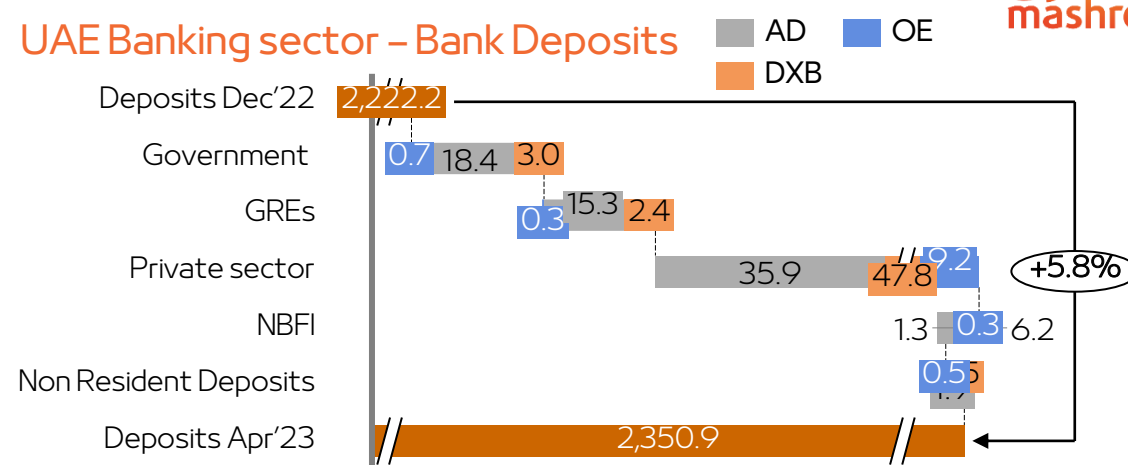


## UAE Banking sector – Gross Credit

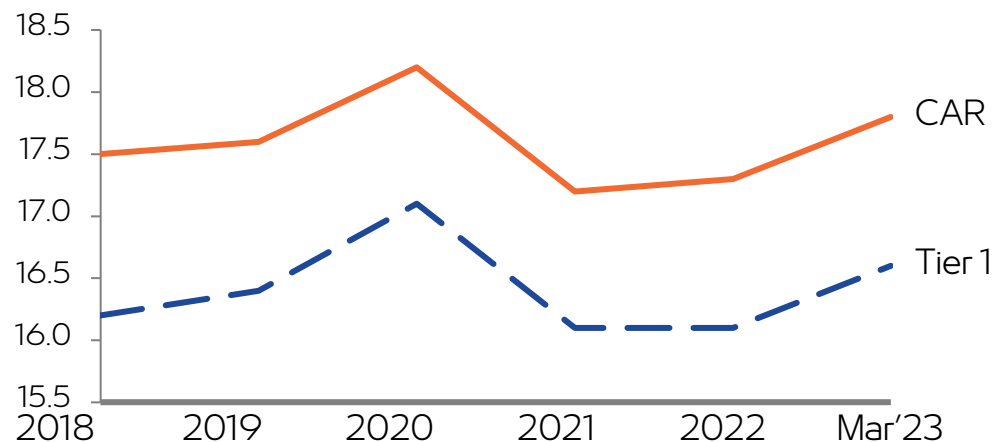


Foreign credit is lending to Non-Residents: Loans to NBF, Trade Bills discounted and Loans and Advances to Govt/Public sector, Private sector (corporate and individuals) in local and foreign currency

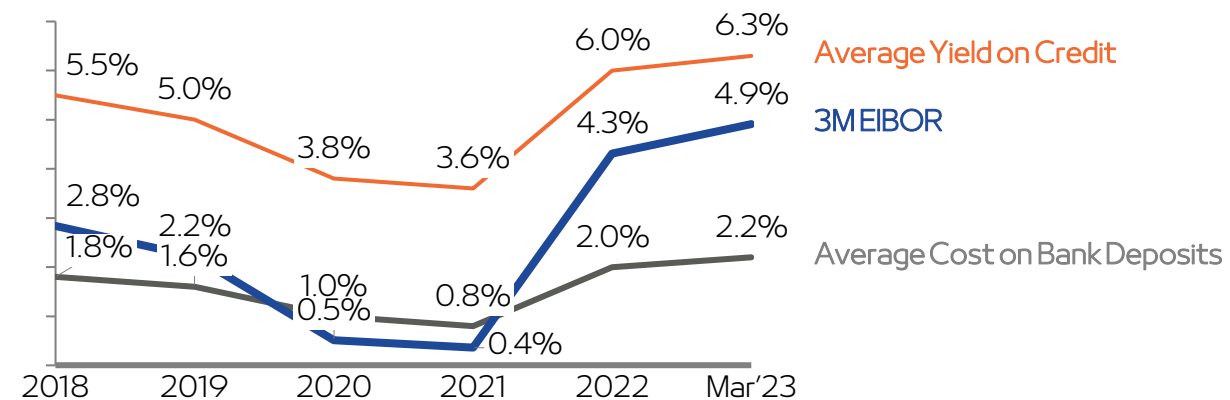
## UAE Banking sector – Bank Deposits



## UAE – Tier 1 Ratio & Capital Adequacy Ratio



## Average yield on credit & cost on deposits vs 3MEIBOR



- UAE economy
- ▶ **Mashreq heritage**
- Structure and Leadership
- Strategy
- Financial track record
- Trading history, rating & dividends
- Corporate governance
- Environment, Social & Governance (ESG)
- Accolades



# Mashreq is one of UAE's leading financial institutions



## Heritage

- Established in 1967
- 56 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 30% of total income

## Experienced management team

- Long serving senior executives with international management expertise backed by a reputable board of directors

# Stable and supportive ownership structure



## Mashreq's Leadership



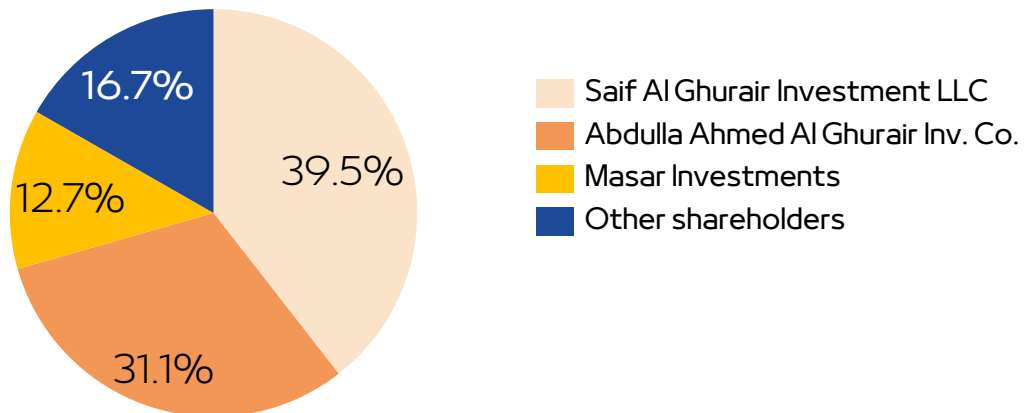
**H.E. Abdul Aziz Abdulla Al-Ghurair**  
Chairman

- 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

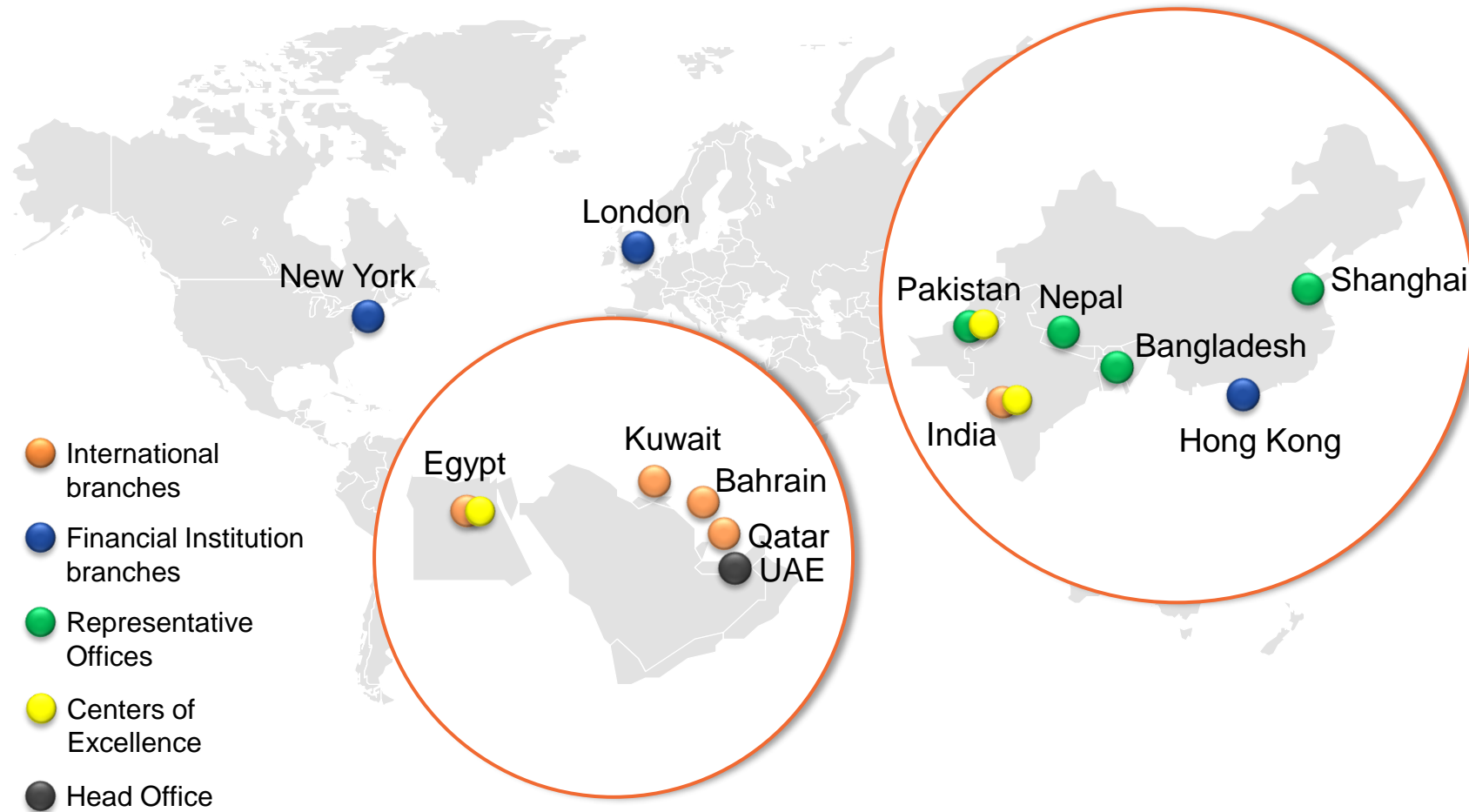
## Board Of Directors

- H.E. Abdul Aziz Abdulla Al Ghurair- Chairman
- Mr. Ali Rashid Ahmed Lootah - Vice Chairman
- Mr. Rashed Saif Saeed Al Jarwan Al Shamsi – Director
- Mr. Rashed Saif Ahmed Al Ghurair – Director
- Mr. John lossifidis – Director
- Mr. lyad Malas – Director
- Mr. Saeed Saif Al Ghurair – Director

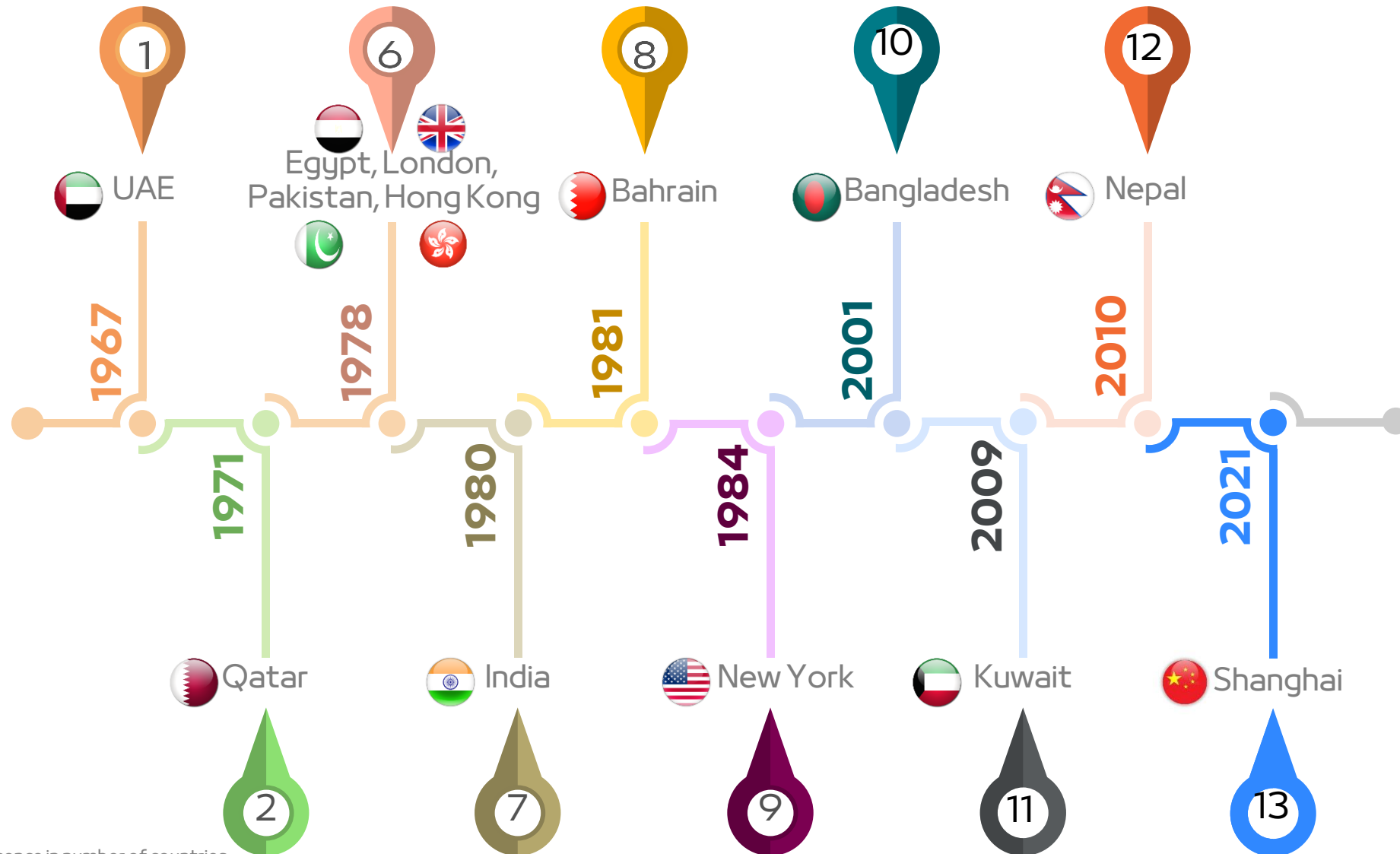
## Key shareholders (June 2023)



# Regional and international banking presence



# Strong track record in International expansion



 Presence in number of countries

UAE economy

Mashreq heritage

▶ **Structure and Leadership**

Strategy

Financial track record

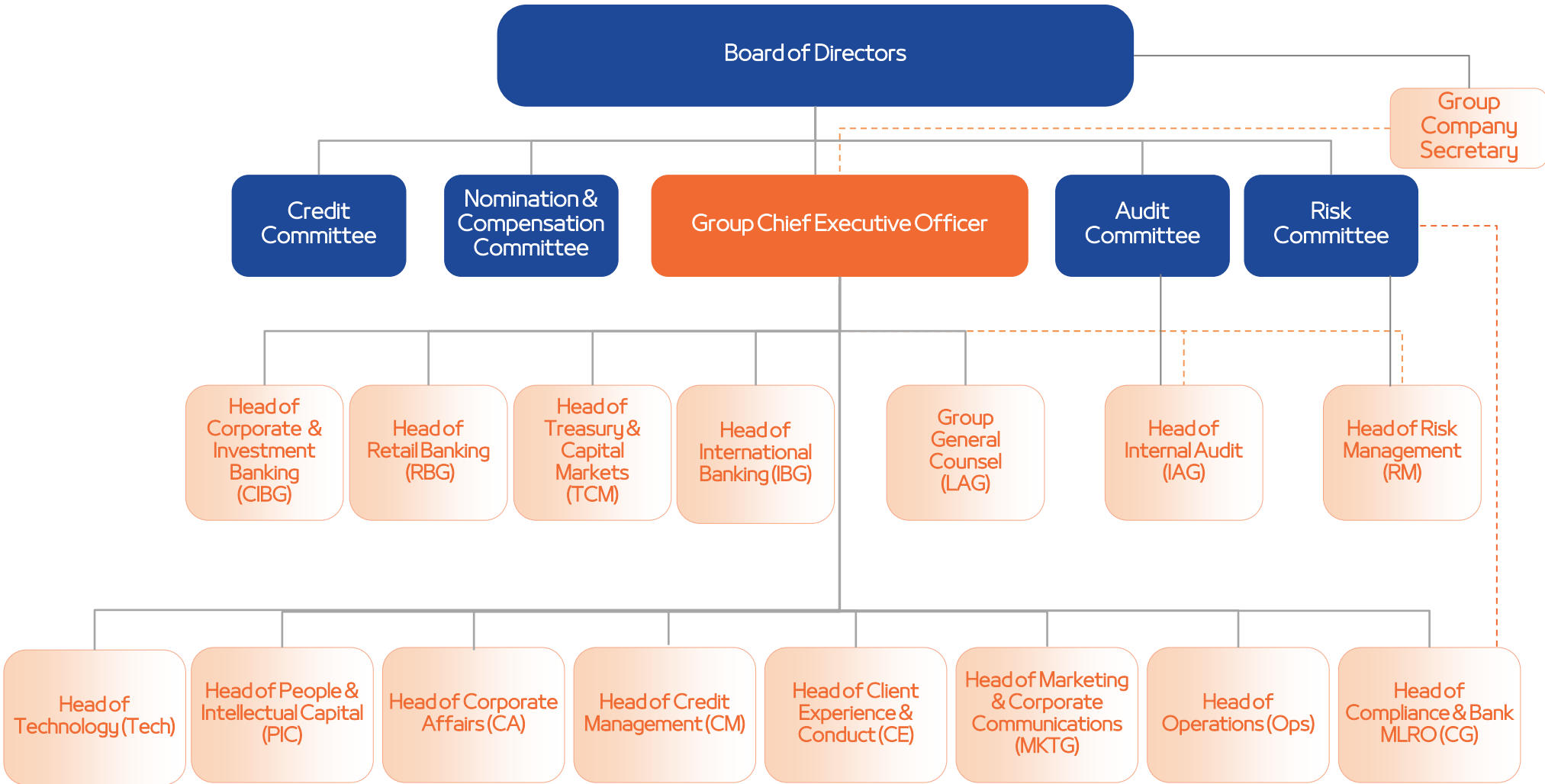
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# Simple Organization Structure



— Direct reporting  
 - - - Dotted line reporting

# 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



**Hassan Ali**  
**Internal Audit Group**

- Masters Degree in International Business from the University of Wollongong Dubai and Bachelor of Applied Science in Business & Management (Accounting) with Honors from the Higher Colleges of Technology.
- 20 years of experience from previous roles at Dubai Islamic Bank as Vice President - Head of Investments & Treasury Audit, and Noor Bank as Vice President - Head of Retail Banking Audit and Head of Support Functions & Sharia Audit



**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 and 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 and 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



**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 (CAIB)
- 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

# Profile of Senior Management(2/2)



**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



**Bassam Moussa**  
Group General Counsel

- Holds an LL.M. in International and Comparative Law from the Robert H. McKinney School of Law, Indiana, USA and postgraduate courses in International Finance Law from the University of London, UK.
- LMA Loan Documentation Training completed in London in 2014.
- Bassam carries an impressive record in the banking and finance sector, showcasing his extensive expertise in energy projects, corporate commercial, M&A, real estate, governance, and intelligent management of disputes and litigation



**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.



**Mohamed Abdel Razek**  
Group Head of Technology, Transformation and Information

- Degree in Electrical Engineering from McGill University in Canada
- A seasoned technology professional with around 30 years of experience, having led Group and Regional Technology functions in large corporations.



# 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
- NBF/ Financial Institutions Globally
- Emerging Corporates Division
- Global Transaction Services
- Corporate Finance
- Islamic Banking products



## *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 treasury and investment products*

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



## *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
- Jun '23 Equity: AED 2.6 Bn
- 6M 2023 profit: AED 122 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
- Jun '23 Equity: AED 23 Mn
- 6M 2023 profit: AED 2 Mn

### Mashreq Al Islami Finance (99.8%)

- Islamic Finance Company
- Provides full range of Islamic Products & Services
- Jun '23 Equity: AED 862 Mn
- 6M 2023 profit: AED 21 Mn

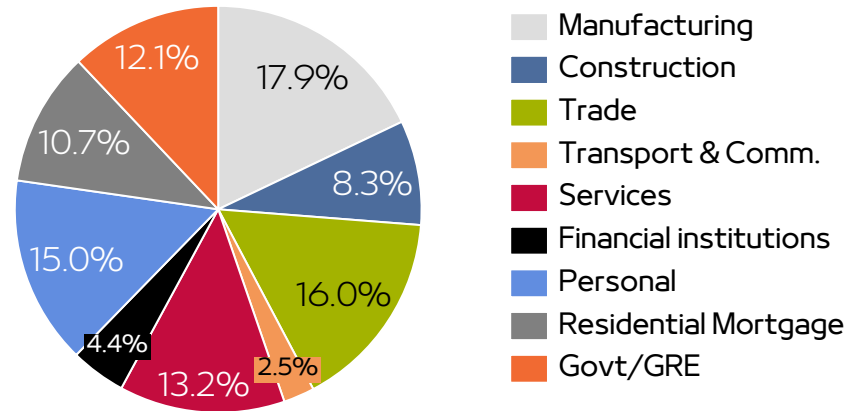
### Mashreq Securities (100%)

- Securities brokerage Company registered at Dubai Financial Market
- One of the leading brokerage in the UAE
- Jun '23 Equity: AED 70 Mn
- 6M 2023 profit: AED 1 Mn

# Diversified earnings base with strong growth potential



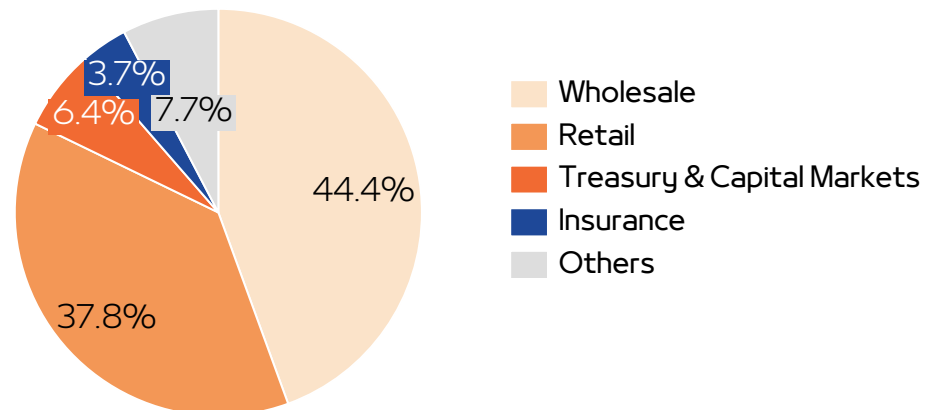
Gross Loans portfolio split as of June 2023 (AED 102.1 bn)



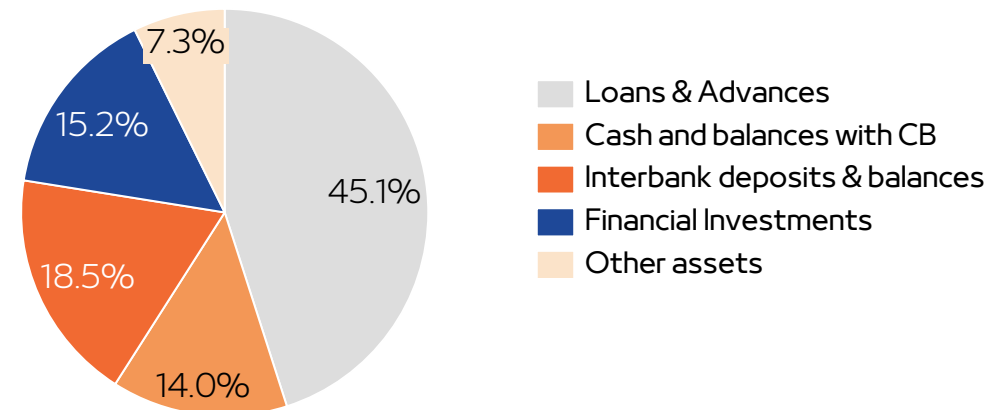
## Business segments outlook

- **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 1H 2023 (AED 5.1 bn)



Asset split as of June 2023 (AED 211.0 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.

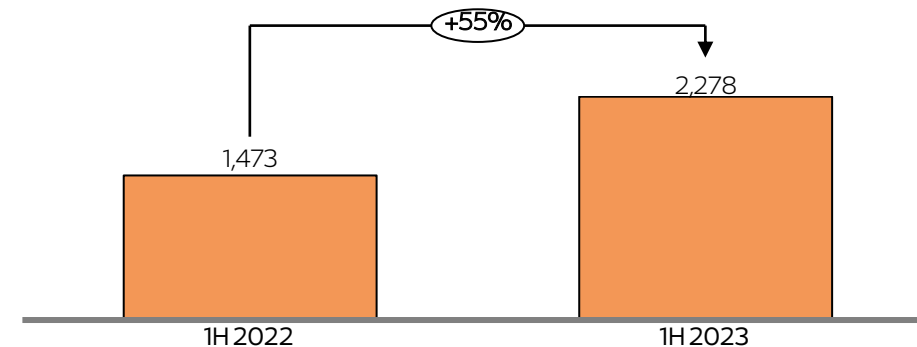
# Business Review – Wholesale Banking



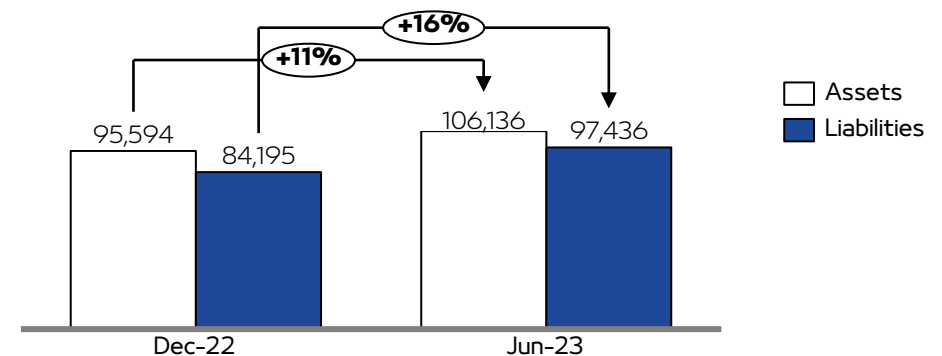
## Business Highlights

- Wholesale banking is the biggest segment in Mashreq in terms of assets (50.3% of assets) and liabilities (52.7% of total liabilities) as of June 2023
- Assets increased by 11% and stand at AED106 billion .
- Operating income increased by 54.6% YoY and accounts for 44% of total operating income in 1H 2023.
- 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 and geographic coverage across 14 global locations including New York, London, Hong Kong, Egypt and India

## Operating Income (AED million)



## Segment Assets & Liabilities (AED million)



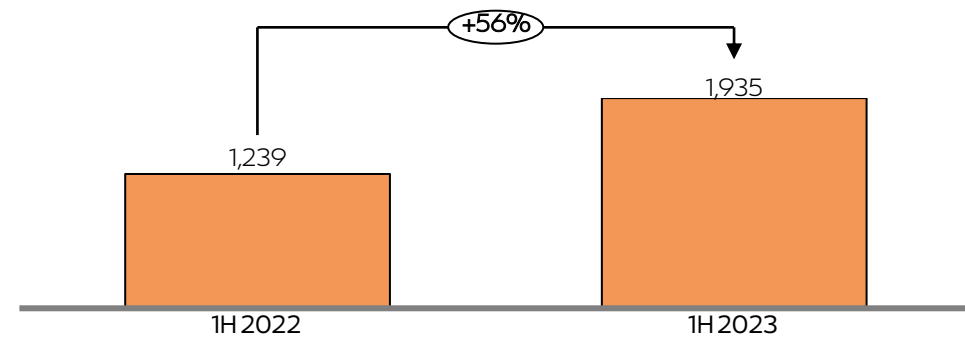
# Business Review – Retail Banking



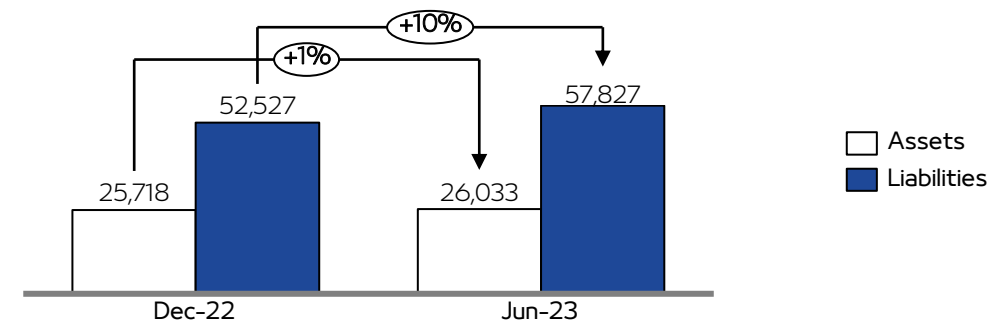
## Business Highlights

- Retail banking is a key contributor to the operating income at 38% in 1H 2023
- YoY operating income increased by 56.2% mainly from business banking and the wealth segment which includes both Mashreq Gold and Private Banking
- Retail banking assets increased by 1.2% and stand at AED 26.03 billion
- Liabilities have increased by 10.1% and are AED 57.8 billion as of June 2023 (31.3% 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 across both UAE and Egypt
- 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)



Note : The Retail segment includes products and services offered to individuals or small businesses within U.A.E and Egypt. The product offerings to customers include, current accounts, savings accounts, fixed deposits, investment products, "Mashreq Millionaire" deposits, personal loans, mortgage loans, business loans, credit cards with unique loyalty programs, bank assurance, overdraft, priority banking, SME, private banking, wealth management services and Islamic products.

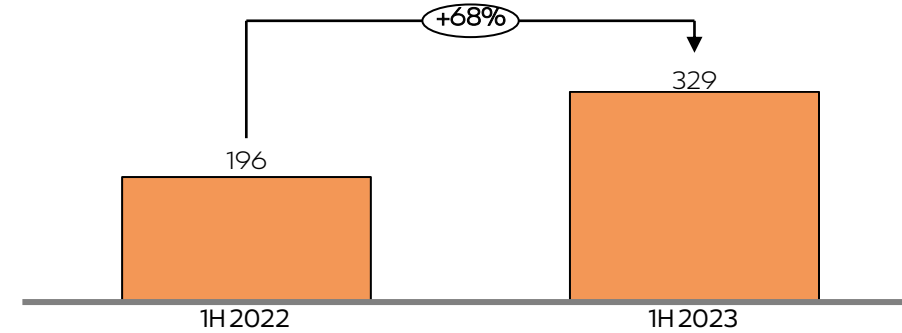
# Business Review – Treasury and Capital Markets



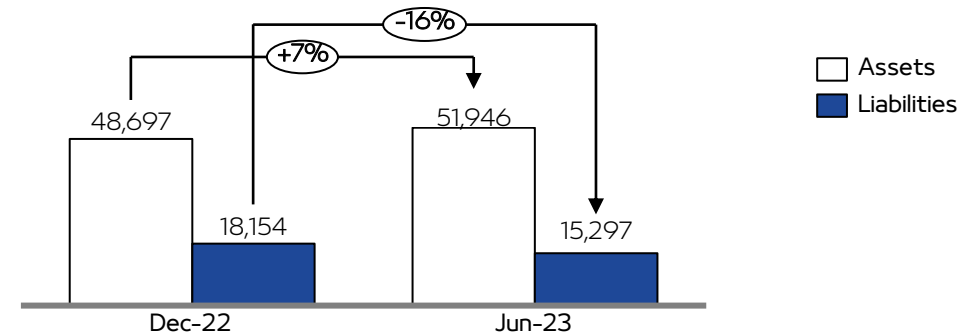
## Business Highlights

- Treasury & Capital Markets accounts for 24.6% of assets and 8.3% of liabilities as of June 2023
- Assets increased by 6.7% year to date and stood at AED 51.9 billion.
- TCM Operating income contributed 6.4% to the total operating income in 1H 2023.
- Y-o-Y operating income increased by 68.2% to AED 329 million
- Treasury and Capital Markets business consists of customer flow business, proprietary business and brokerage
  - 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
  - Mashreq securities looks at the brokerage function for the bank and allows customers to invest in the capital markets

## Operating Income (AED million)



## Segment Assets & Liabilities (AED million)



Note: The Treasury & Capital Markets segment consists of customer flow business and proprietary business and funding centre management. Customer flow business includes transactions for foreign exchange, derivatives, margin FX, futures, hedging, investment products, domestic equities (brokerage) and asset management undertaken on behalf of customers. The proprietary business includes trading and investing activity undertaken on behalf of the Group.

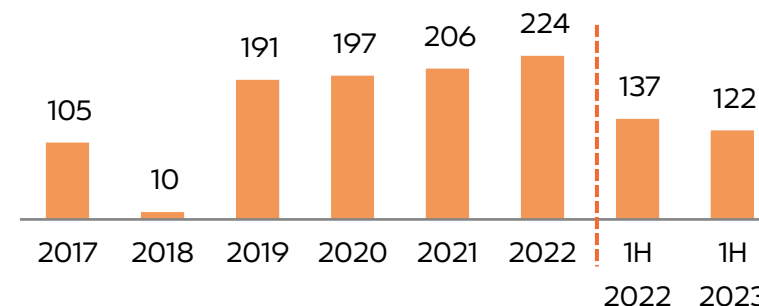
# Business highlights – Insurance Business (Sukoon Insurance)



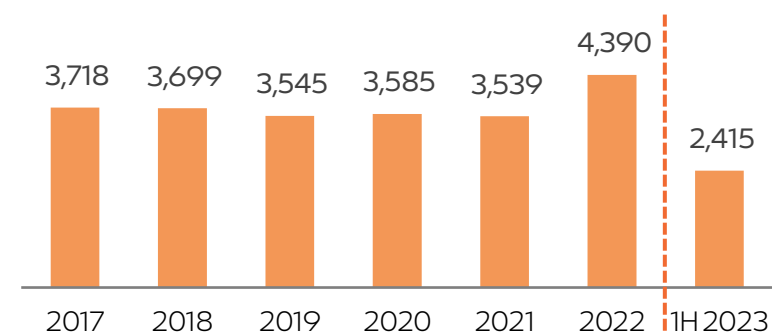
## Business Highlights

- Oman Insurance Company (Sukoon) contributed 3.7% of operating income and 3.1% of liabilities in 1H 2023
- 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 maintained '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. 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 has successfully completed the acquisition of 93.04% of Arabian Scandinavian Insurance Company P.S.C. (ASCANA). This acquisition is in line with our strategy to diversify our sources of business and strengthen our ability to meet a wider range of customer needs with Shariah-compliant products, further reinforcing our position as an insurer of choice in the UAE
- In 2023, 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.
- 1H 2023 exceptional achievements to ensure long term sustainable profitability:
- Successfully completed the acquisition of 93.04% of Arabian Scandinavian Insurance Company P.S.C. (ASCANA)
- Establishment of a dedicated life and workplace solutions company in DIFC (Oman Insurance Workplace Savings Solution Limited) and received license from DFSA for the same.
- Net profit reaches AED 121.6 million in 1H 2023
- Net investment income growth of 25% to reach AED 89.0 million in 1H 2023 compared to 1H 2022
- 86% of clients are Satisfied or Very Satisfied with Sukoon's service

## Net Profit (AED million)



## Gross Written Premium (AED million)



UAE economy

Mashreq heritage

Structure and Leadership

► **Strategy**

Financial track record

Trading history, rating & dividends

Corporate governance

Environment, Social & Governance (ESG)

Accolades



# Mashreq Vision, Mission and Values



## Vision

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



## Mission

### *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

# 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



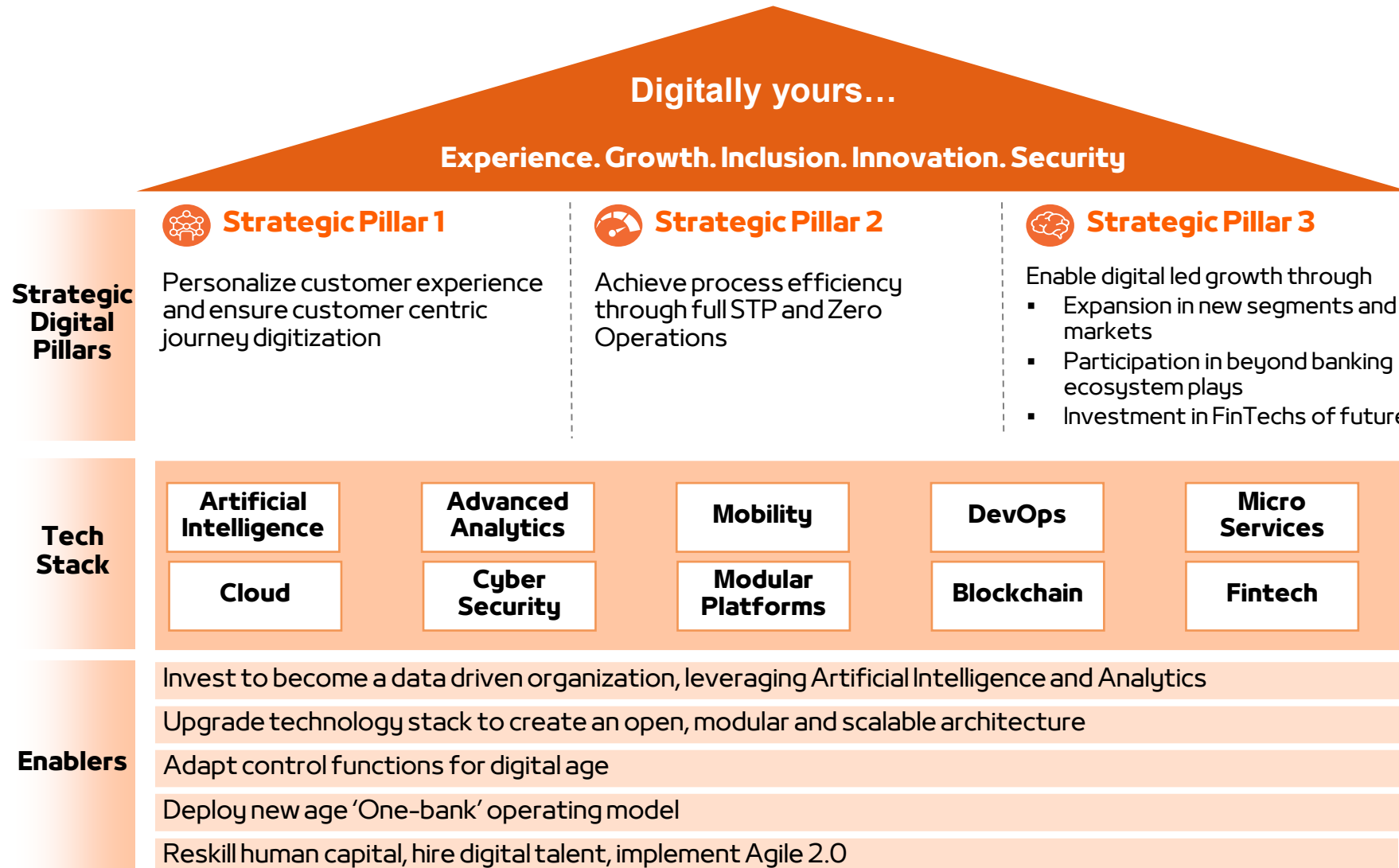
**Deliver  
shareholder  
value**

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

# Strategic Priorities – Simplify Our Business

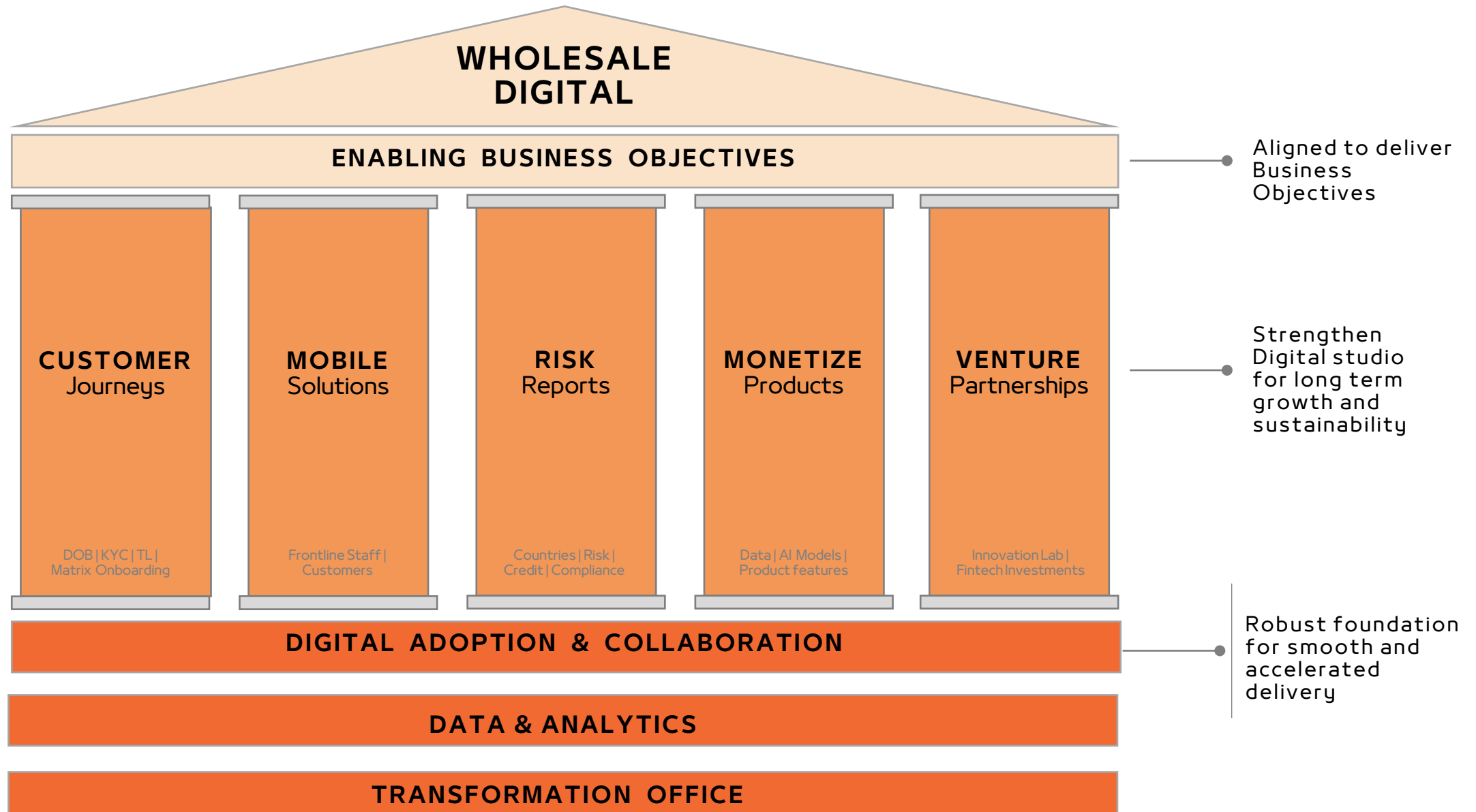


# Digital Strategy and its Key Enablers

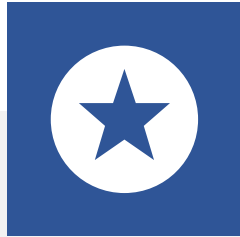


**Extensive deployment of advanced technology stacks such as Artificial Intelligence, Data Analytics and Mobility to offer personalized customer experience and drive strong customer acquisition**

# Wholesale Digital Strategy Overview



## Transforming the customer experience through digital



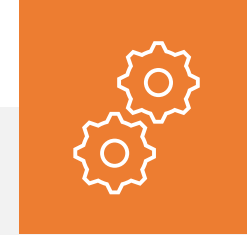
### Best-in-class Digital Onboarding

- **Instant customer onboarding** including digital KYC using face recognition and integration with Ministry of Interior (MOI)
- **Digital credit card onboarding**, with instant decisioning and instant digital card issuance - enabling customers to add cards to their digital wallets and make ecommerce transactions immediately
- **Instant IPO subscriptions** via the Mashreq mobile app, creating a National Investor Number (NIN), trading account and a Mashreq securities Brokerage account, in real-time
- **Instant loan approval** - real time Loan offers and approvals, at the click of a button



### Enhancing our Digital Products & Features

- **Wealth bundle:** Seamlessly enabling customers to open Transaction, Savings, and Investment accounts together with Lombard and Stock trading set-ups, in a single journey
- **Instant insurance policy issuance** for existing customers via the Mashreq mobile app - providing a '3-click' application across term, critical illness, life, motor, home, and pet insurance
- **Mashreq's Digital Ecosystem** integrates directly with freezones, to power 'one-click' applications for NEOBiz customers, and connects them with 'value added services' from a range of innovative companies and startups



### Improving Customer Service & Operating Efficiency

- **Comprehensive mobile self-service capabilities** across the customer lifecycle, including account maintenance, card activation, PIN set/reset, limit management, security, letter requests and account closure
- **Digital authorization for Wealth transactions:** replacing paper-based client signoffs with real-time digital authorizations within the mobile app
- **Document vault:** creating a single repository (source of truth) to store, view, update and share, all customer ID documents



# Mashreq Digital KPI's (1/2)

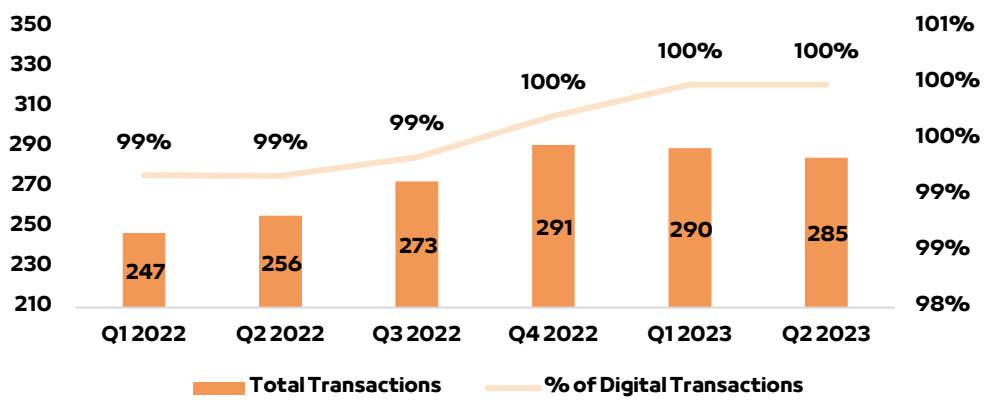


Retail Banking

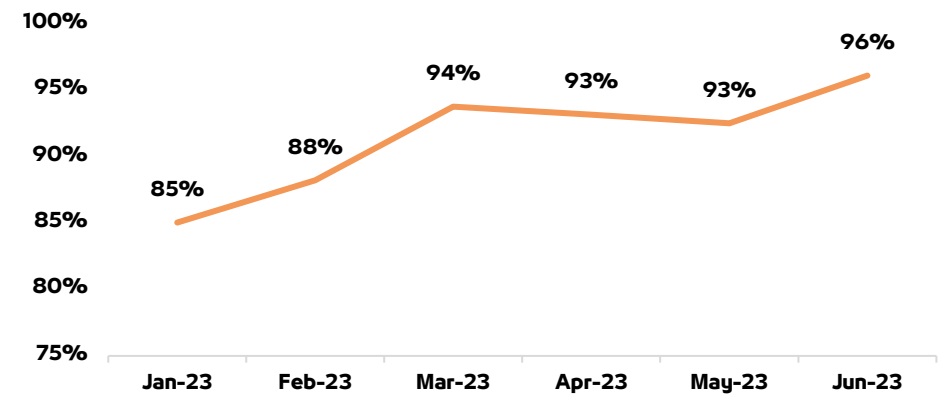
<b>Digital Transactions</b> 	<b>Onboarding</b> <b>&gt;140,000</b> in 6 months <b>100%</b> digitally acquired	<b>Financial Trx</b> <b>&gt;5,000,000</b> in 6 months <b>100%</b> digitally initiated	<b>Non-Financial Trx</b> <b>&gt;173,000</b> in 6 months <b>97%</b> digitally initiated
<b>Customer Experience</b> 	<b>Mobile/Online Customers</b> <b>93%</b> registered customers <b>92%</b> active customers	<b>Straight Through Processing</b> <b>~70%</b> cards onboarding <b>&gt;99%</b> local fund transfers	<b>NPS &amp; App Store Rating</b> NPS: <b>+48</b> iOS: <b>4.7</b> Android: <b>4.7</b>

Wholesale Banking

Payment Transactions ('000)



% Digital Submission of Trade transactions



# Mashreq Digital KPI's (2/2)

Retail Banking

## Key Digital Innovations



### Face Recognition

Mashreq can collect and validate customer's identity and profile seamlessly via **face recognition**. This capability is mainly used for two use cases:

1. **Onboarding** new customers
2. **Sensitive transactions** - e.g., update of mobile no. and activation of dormant accounts

### Ecosystem

**NEOBiz Connect API** enables SME customers to open a bank account with a single click at the point of company formation by integrating with trade license authority's own platform

**Non-Resident Indians (NRI)** allows non-residents to open a bank account in India via the Mashreq mobile app, thanks to partnership with an Indian bank. This enables NRIs to aggregate their UAE and Indian bank relationships.

### BaaS

**VAS platform** - a marketplace that connects Mashreq SME customers with fintech solutions, that provide services such as HR & Planning, Finance, Cloud, Co-working and Legal etc.

**Auto Loans** - Mashreq has integrated its auto loan services with dealerships by providing customers loans seamlessly at the time of purchasing a car.

### Artificial Intelligence

With an objective to elevate customer experience, **Mashreq Virtual Assistant** uses artificial intelligence to address customer inquiries and/or process their financial transactions directly in a chat-like experience with instant response time, within the mobile and online banking application.

### Digital Wealth

**Wealth Dashboard** - simplifying and elevating the experience for wealth customers. Customers gain complete control over their investment portfolio and access all solutions within a single page.

**IPO Subscription** - Entirely digital investment onboarding and IPO subscription journey, that integrates with UAE financial markets (ADX & DFM), allowing customers to open a brokerage account and subscribe for IPO(s) with instant leverage.

Wholesale Banking

## Bringing in new innovations for best customer experience

### Key Digital Developments

- Digitized the Trade Asset sell down process enabling the relationship management team seamless and quicker processing
- Pilot launch of flagship digitization program for Cash and Payments leading to enhanced customer experience and laying foundation for open banking
- 100% of the customer onboarding for corporate customer done digitally
- Launch of award winning features like Curated News providing relationship teams access to global curated news of their clients
- Automation of regulatory reporting in multiple geographies

## Constantly evolving digital ecosystem for WBG

### Partnerships and new avenues

- Mashreq has joined DIFC Innovation Launchpad as the founding member to accelerate the Innovation Agenda
- Participated in the Dubai Fintech Summit 2023 and showcased digital offering of the bank
- Partnered with DET to enable automated updated of expired Trade Licenses of corporate clients
- Partnership with an external company for behavioral analysis for AI based nudges leading to increase in performance of front end sales staff



UAE economy

Mashreq heritage

Structure and Leadership

Strategy



**Financial track record**

Trading history, rating & dividends

Corporate governance

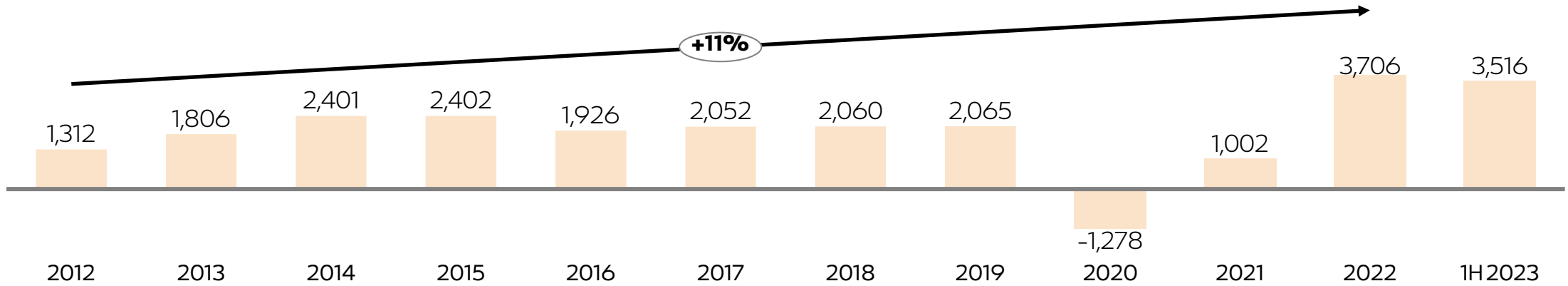
Environment, Social & Governance (ESG)

Accolades

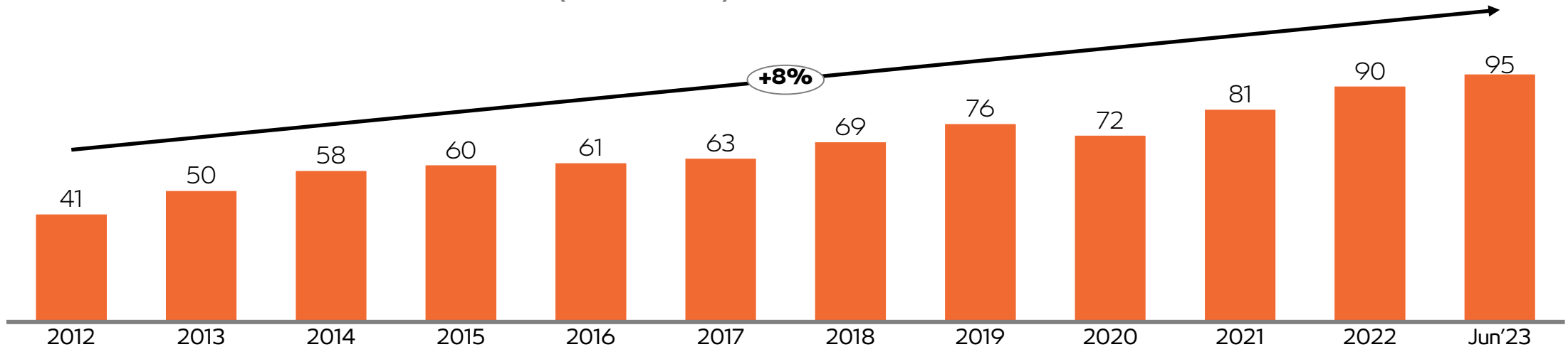
# Stable performance over the past decade



Net profit/loss (AED million)



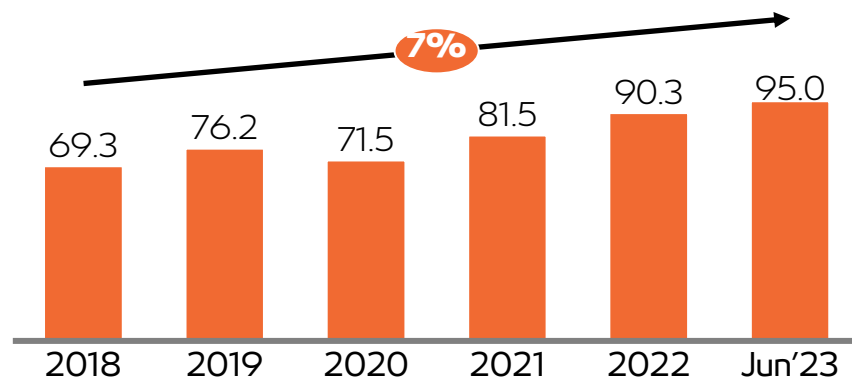
Net loans and advances (AED billion)



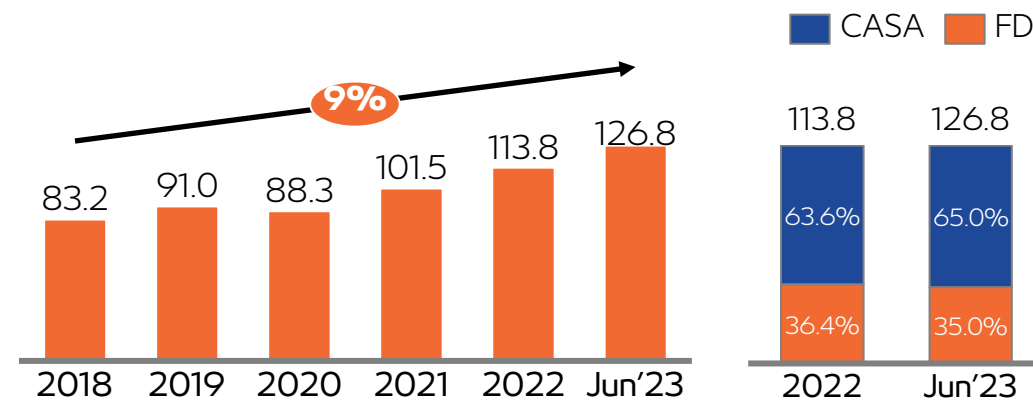
# Steady performance over the last five years



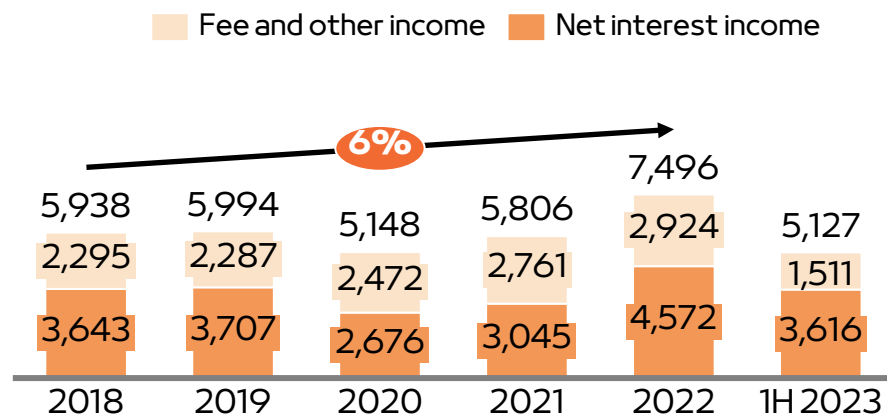
## Loans & Advances (AED billion)



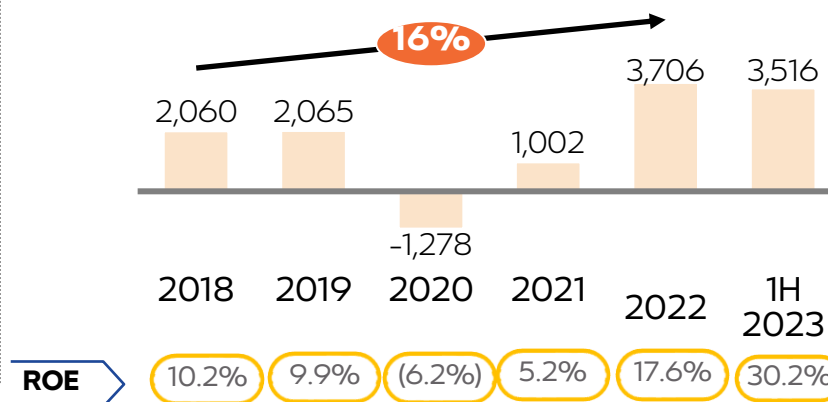
## Customer deposits (AED billion)



## Total Revenue (AED million)



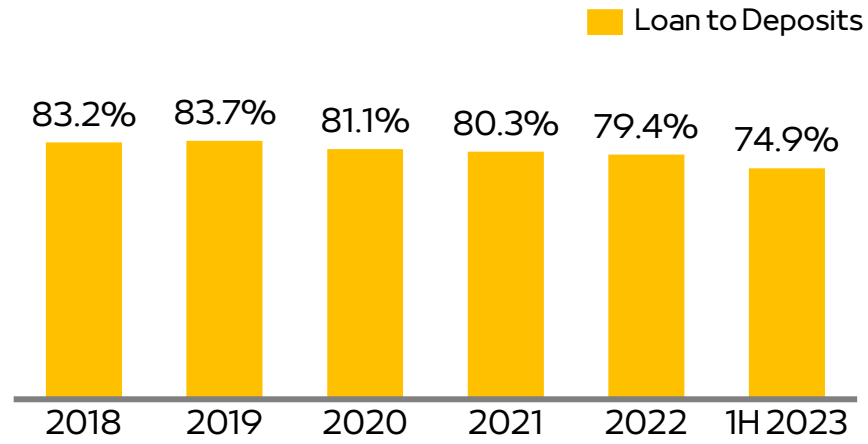
## Net profit (AED million)



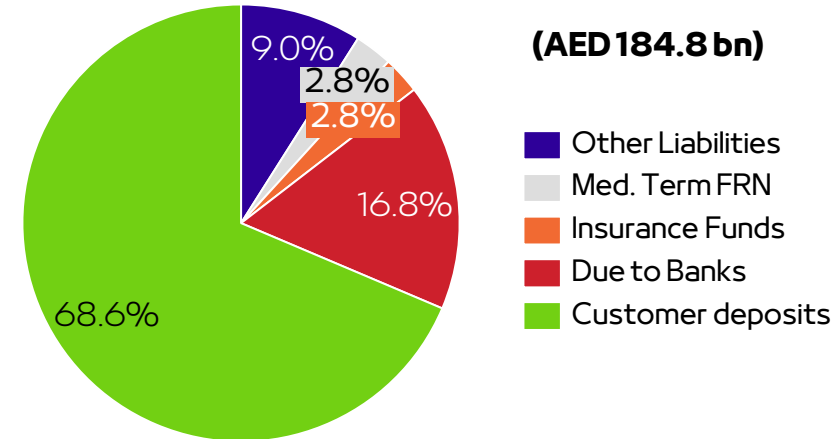
Note: ROE 1H2023 is annualized

# Comfortable liquidity position ...

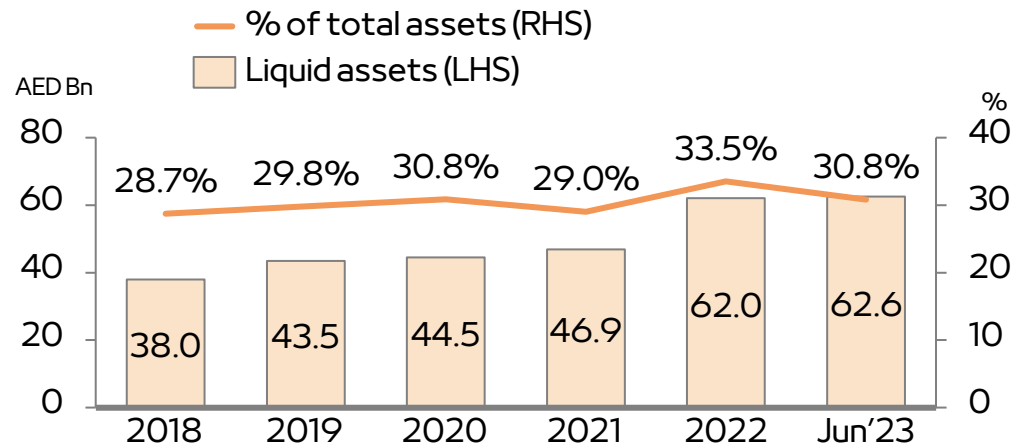
## Operating leverage (%)



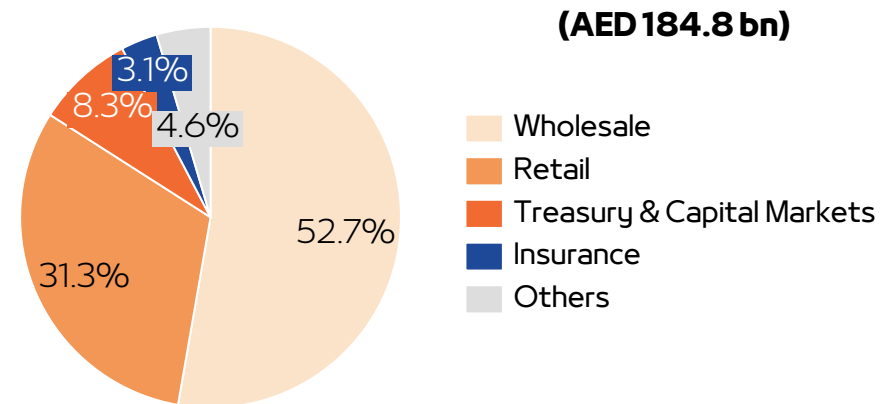
## Liability by type as of June 2023



## Liquidity (%)



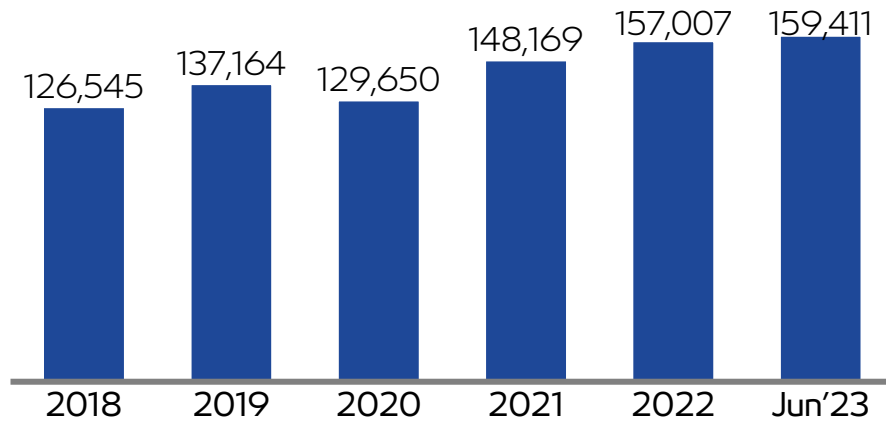
## Liability segment split as of June 2023



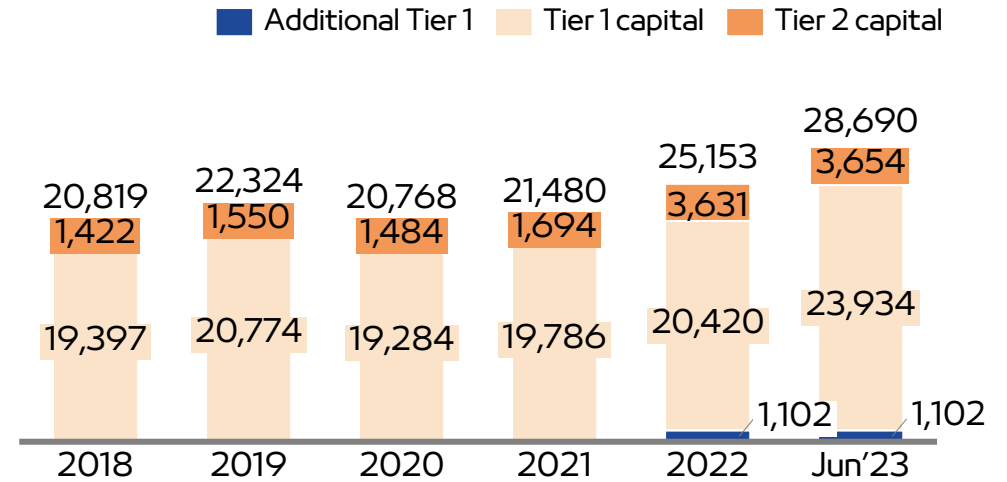
# ...along with stable capital adequacy



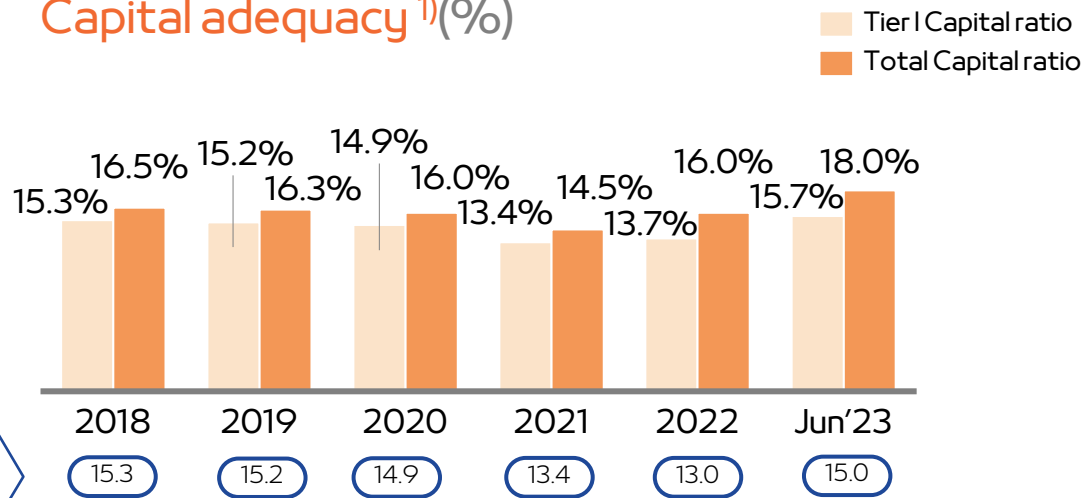
## Risk weighted assets (AED million)



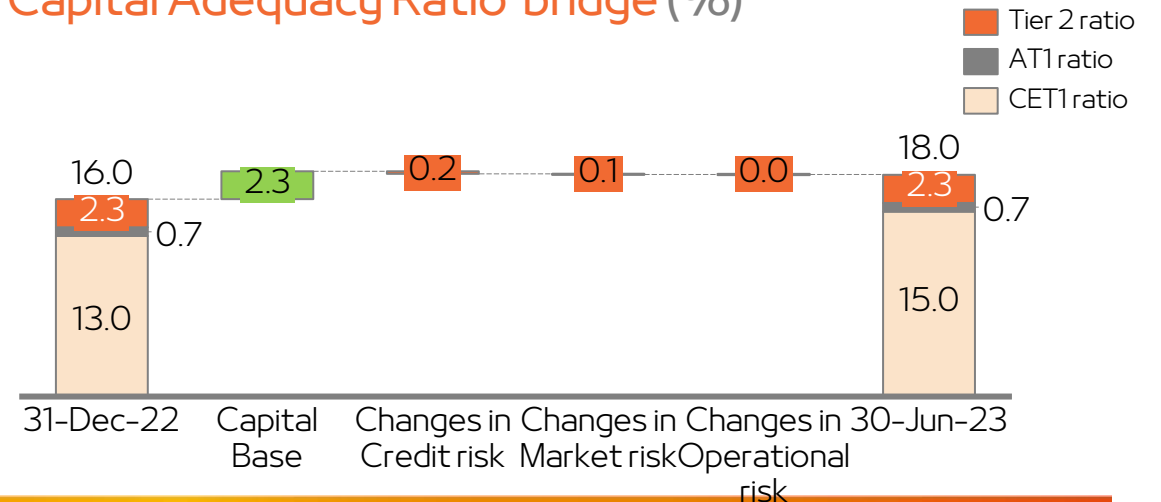
## Tier 1 and Tier 2 capital (AED million)



## Capital adequacy <sup>1)</sup>(%)



## Capital Adequacy Ratio bridge (%)

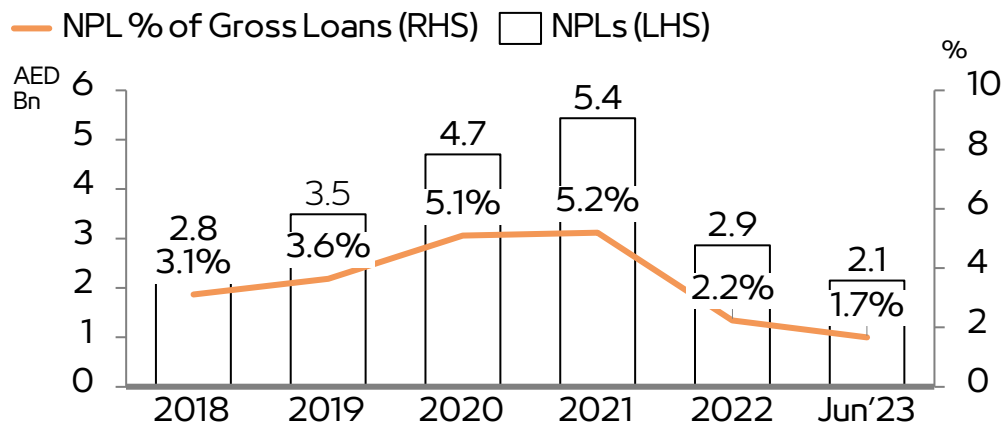


1) Annual CAR values are net of proposed dividends

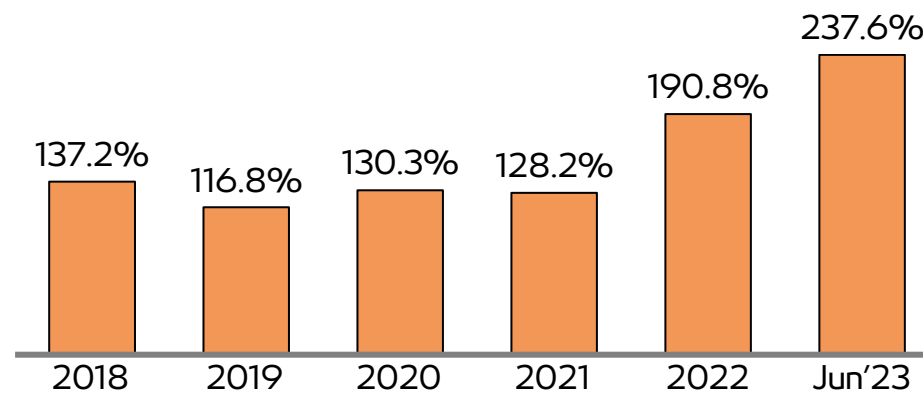
# ...low NPL ratio and high coverage for non-performing loans



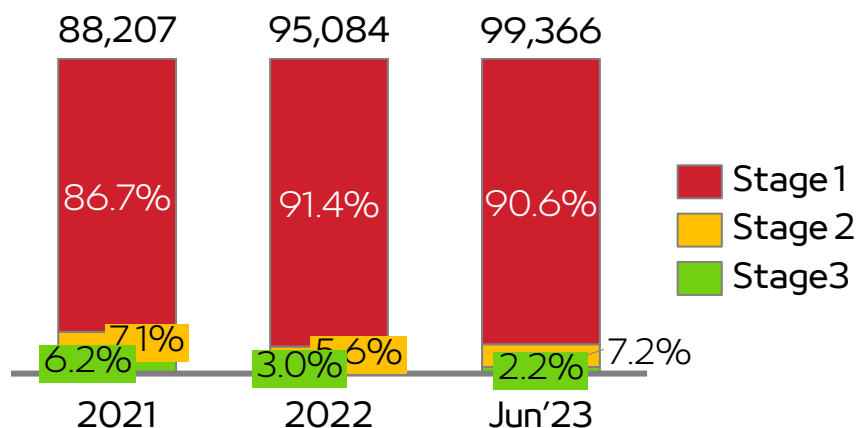
### NPL's and % of Gross Loans (AED billion)



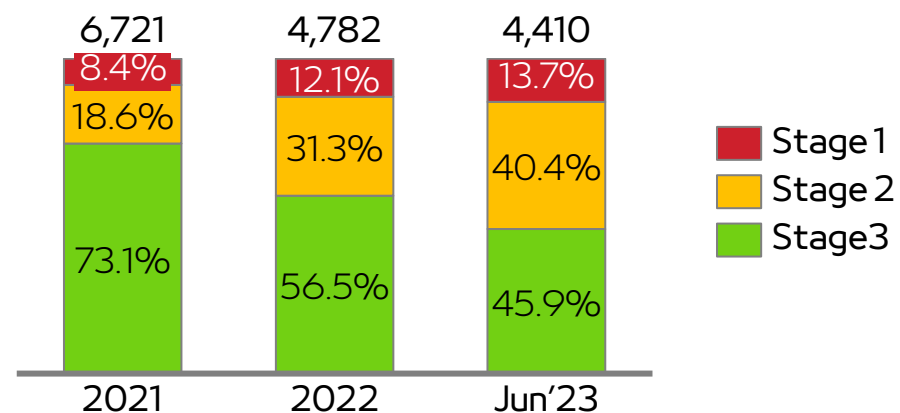
### NPL Coverage Ratio (%)



### Gross Loans – Stage wise (AED million)



### Provisions – Stage wise (AED million)



# Financial track record



	30 Jun 2023	31 Mar 2023	30 Jun 2022
<b>Capital adequacy</b>			
CET1 Ratio	15.0%	14.4%	12.4%
Tier I Capital Ratio	15.7%	15.1%	12.4%
Total Capital Ratio	18.0%	17.4%	13.6%
<b>Liquidity</b>			
Liquid Assets to Total Assets <sup>1)</sup>	30.8%	35.6%	27.6%
Advances to Deposits	74.9%	75.8%	82.0%
Liquidity Coverage Ratio (LCR)	133.7%	124.3%	113.6%
<b>Asset quality</b>			
NPL Coverage Ratio	237.6%	231.2%	132.1%
NPL to Gross Advances	1.7%	1.9%	4.6%
<b>Performance</b>			
ROA <sup>2)</sup>	3.6%	3.4%	1.7%
ROE <sup>2)</sup>	30.2%	28.4%	13.9%
Net Margin <sup>3)</sup>	4.1%	4.0%	2.4%
Efficiency Ratio	28.3%	30.2%	38.7%
Fee and other income to total income	29.5%	30.7%	42.4%

Note:1) Total Assets excludes contra items

2) Annualized;

3) Net Margin represents Net Interest Margin & Margin for Islamic products calculated on Earning Assets

Classification: Public

# Mashreq 2023 Financial Guidance



Parameter (%)	2023
<b>Loan Growth</b>	High single digit growth
<b>Cost to Income</b>	=<40%
<b>Cost of Risk</b>	~50 bps
<b>CET1</b>	> 14%
<b>Net Margin</b>	> 3.5%
<b>ROE</b>	> 25%
<b>NPL Ratio</b>	< 2%
<b>Coverage Ratio</b>	~200%



UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

▶ Trading history, rating & dividends

Corporate governance

Environment, Social & Governance (ESG)

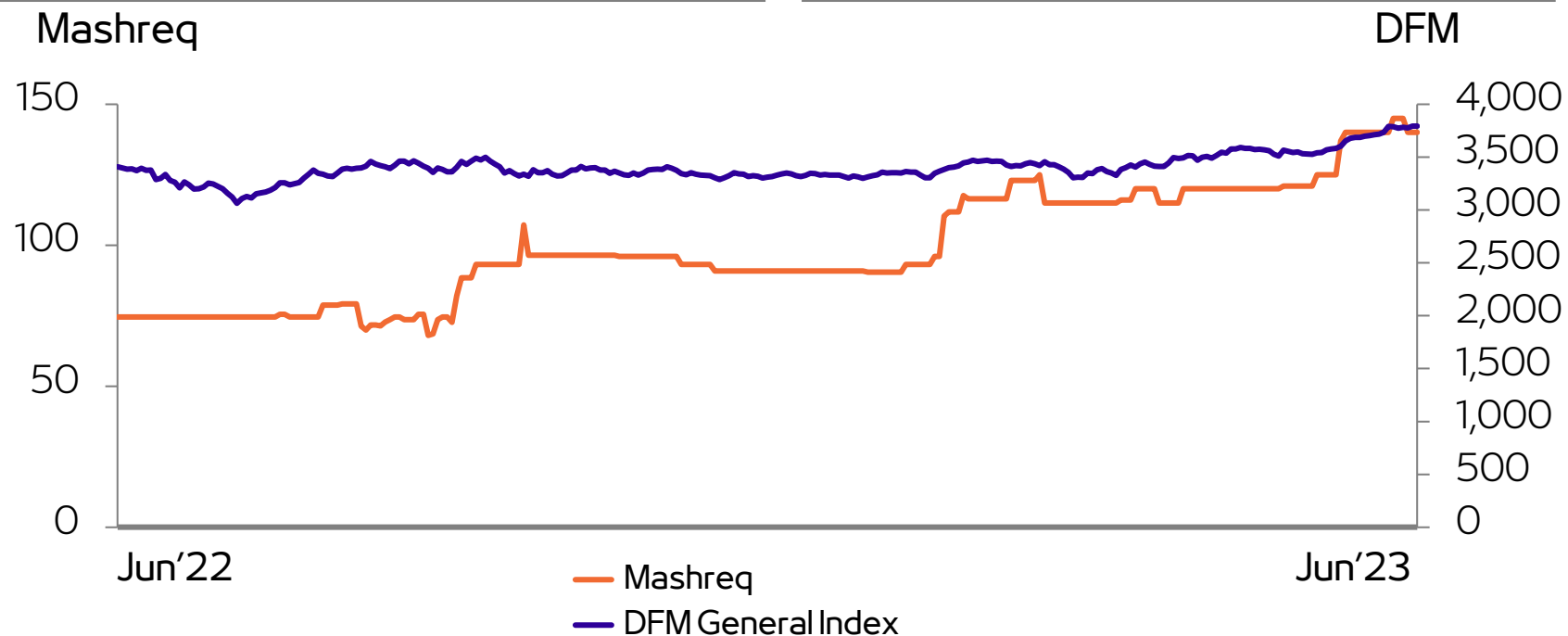
Accolades

# Trading performance over the year



## Mashreq's trading price (1 June 2022 – 30 June 2023)

Share details		Share performance	
Currency	AED	Mashreq – 12 months	88%
Par value/ share	10	DFM GI – 12 months	11%
Number of shares (Mn)	200.6	P/E (30 Jun '23)	8.2x
Market Cap (30 Jun '23) (AED Bn)	28.9	P/B (30 Jun '23)	1.1x



# Rated by four rating agencies



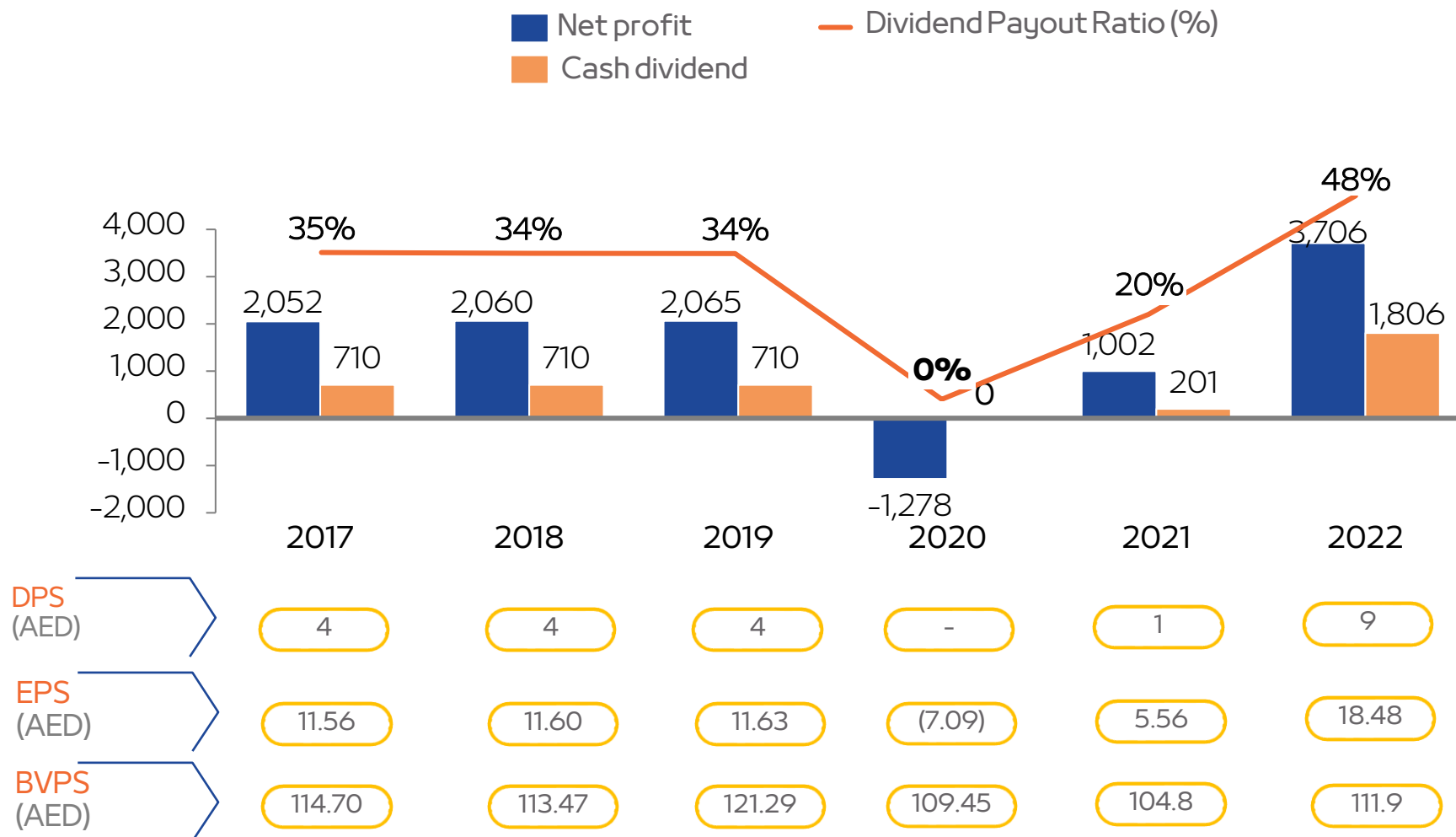
Rating Agency	Long term	Short term	Outlook
 Fitch Ratings	A	F1	Stable
 STANDARD & POOR'S	A-	A-2	Stable
 MOODY'S	Baa1	P-2	Positive
 <b>ci</b> CAPITAL intelligence	A	A1	Stable

ESG Rating Agency	Rating/ Score	Comment
Sustainalytics	30.3 (High)	Significant improvement in score
Moody's ESG Credit Impact Score	CIS-2 (Neutral-to-Low)	Overall influence of ESG attributes on the credit rating is non-material

# 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.

## 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.

## 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 6 time a year
- ✓ 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 GCEO 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

UAE economy

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Corporate governance

▶ Environment, Social & Governance (ESG)

Accolades



# Environment, Social & Governance (ESG) – 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)

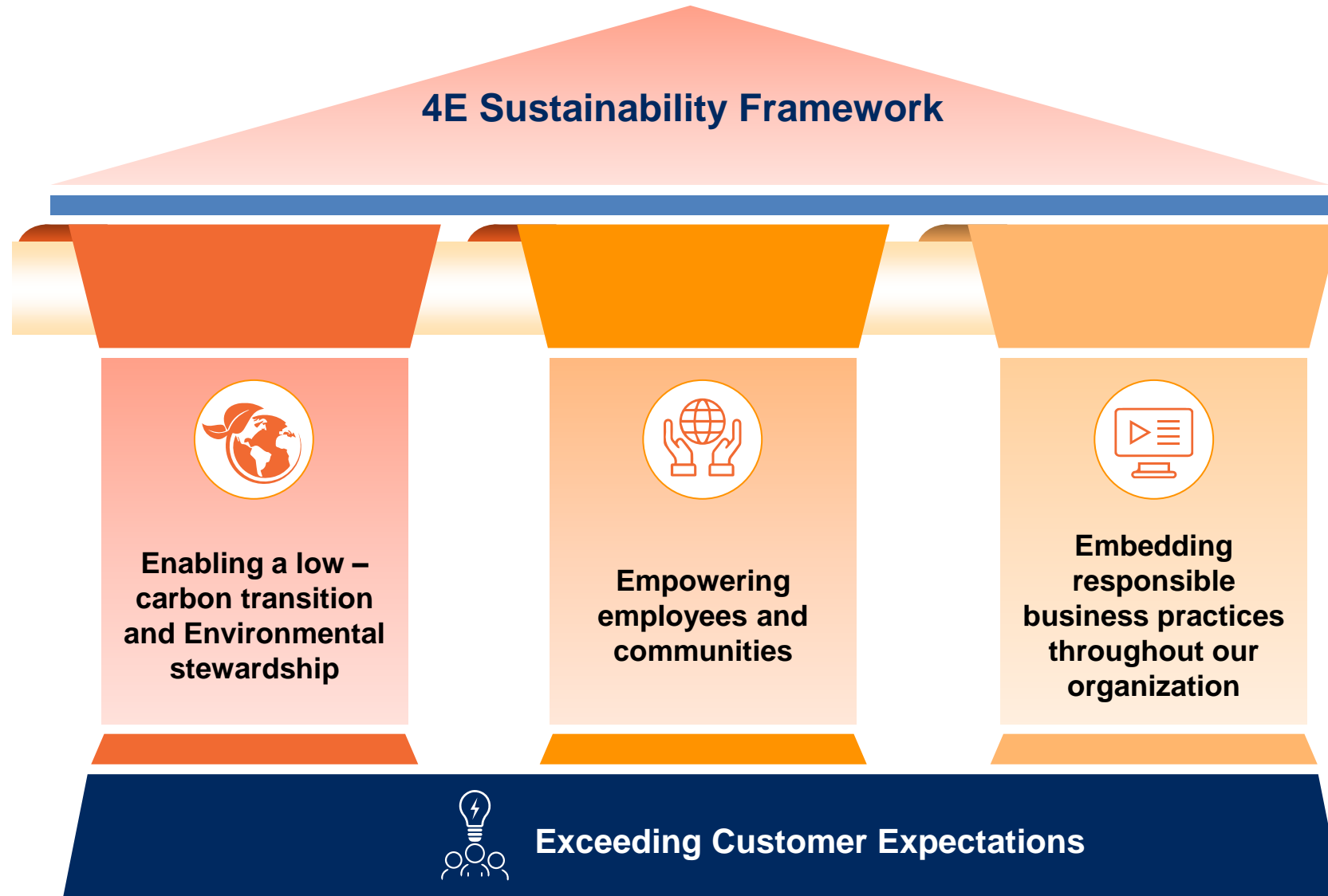
## Responsible Investing & Lending



## Integrating Sustainability into our Operations

*Mashreq has facilitated USD 15.5bn of sustainable finance deals and the ambition is to double that to USD 30bn by 2030*

# Mashreq's 4E Sustainability Framework



# Material Topics Mapped Against the 4Es



## Enabling a Low Carbon Transition & Environmental Stewardship

- Climate Risk & GHG Emissions



## Empowering Employees & Communities

- Diversity and Inclusion
- Employee well being and talent attraction
- Nationalization
- Community Engagement



## Embedding Responsible Business Practices throughout our Organization

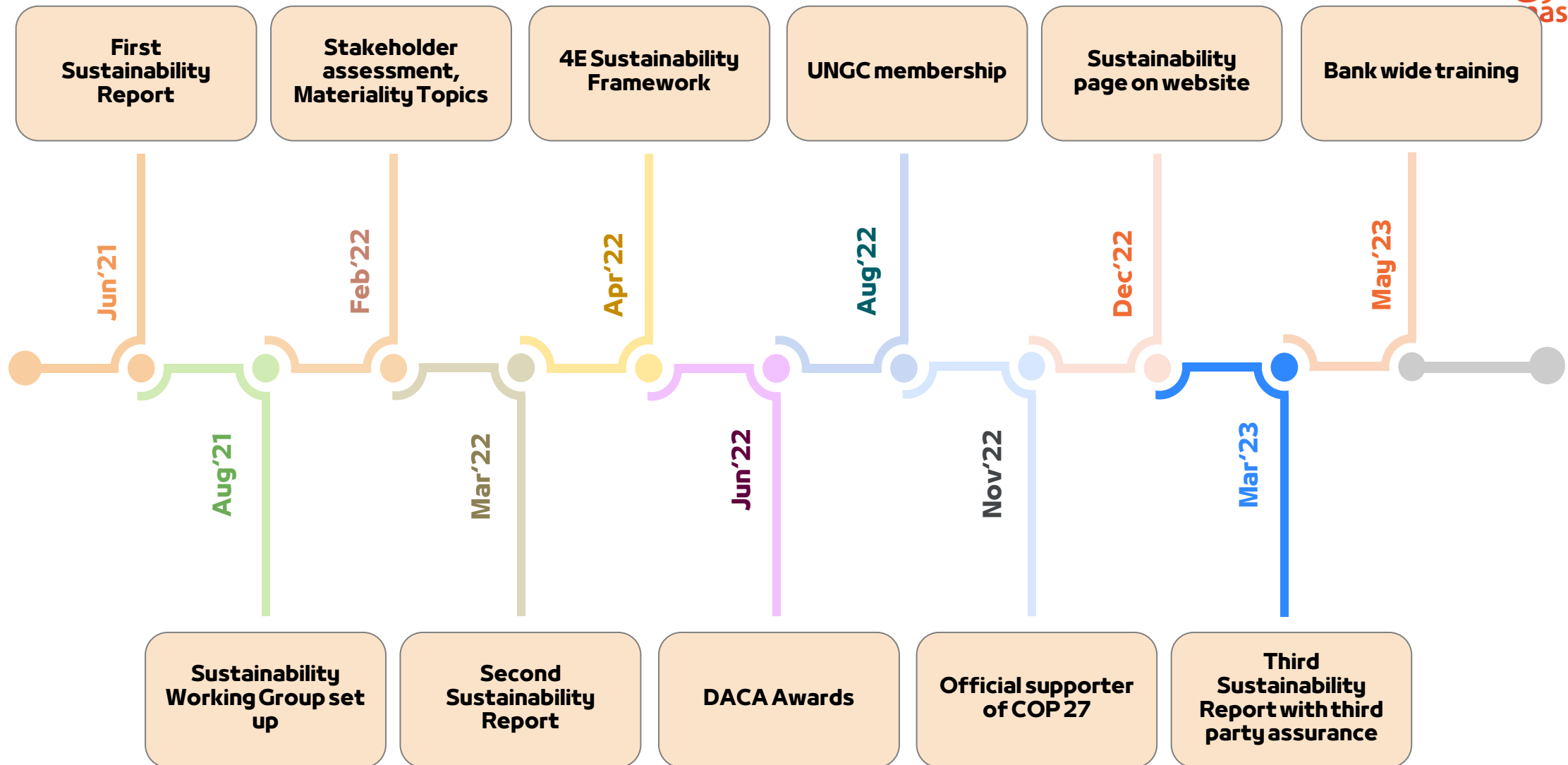
- Systemic Risk Management
- Business Ethics
- Data Privacy & IT Security



## Exceeding Customer Expectations

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

# Key Milestones in the Sustainability Journey



UAE economy

Mashreq heritage

Structure and Leadership

Strategy

Financial track record

Trading history, rating & dividends

Corporate governance

Environment, Social & Governance (ESG)

▶ **Accolades**

# Recognitions and Awards



## **The Asian Banking & Finance Retail Banking Awards 2023**

- Wealth Management Platform of the Year - UAE

## **Forbes Middle East**

- Top 100 listed companies in the Middle East for 2023

## **Euromoney Awards for Excellence**

- Best Digital Bank in the Middle East

## **LEED Zero Energy certification by the U.S. Green Building Council**

## **LEED Gold Certified by the U.S. Green Building Council**

## **MEED's MENA Banking Excellence Awards 2023**

- Best Private Bank UAE

## **International Banker Awards**

- Best Banking CEO of the Year Middle East 2023
- Best Commitment to ESG Principles UAE 2023

## **MEA Finance Summit & Awards 2023**

- Best Innovation in Retail Banking'
- Digital Banking Innovation of the Year - UAE'

## **Infosys Finacle Innovation Awards 2023**

- Business Model innovation - Federal-Mashreq Neo partnership for end-to-end digital NR onboarding journey

## **Global Business Magazine**

- Best Mobile Banking Application UAE 2023
- Most Innovative Corporate Bank UAE 2023
- Best Online Services Bank UAE 2023

## **Global Private Banking Innovation Awards 2023**

- Best Private Bank for Funds
- Best Private Bank - UAE
- Best Family Office Offering

## **Global Finance - The Innovators 2023**

- Most Innovative Bank in the Middle East
- Best Innovation Labs for 2023 - Mashreq Wholesale Digital Innovation Lab

## **Euromoney Islamic Finance Awards 2023**

- Mashreq Al Islami - Best Islamic Digital Bank- Global

## **EMEA Finance Achievement Awards 2022**

- Best restructuring house in the Middle East

## **Wealth Tech Awards 2023**

- Best private bank for digital customer service in the Middle East
- Most Innovative Client Lifecycle Management of the Middle East

## **MENA Banking Excellence Awards 2023**

- Best Private Bank - UAE

## **Bonds, Loans & ESG Capital Markets Africa Award**

- Financial Institutions Debt House of the Year

## **2023 Middle East & North Africa Stevie® Awards**

- Gold Stevie Trophy for Innovation Management in the Financial Industries

# Appendix

# 2Q 2023 financials – Consolidated Income statement [AED million]



Income statement	2023		2022	Variance (% change)	
	2Q	1Q	2Q	2Q 2023 vs 1Q 2023 (Q-o-Q)	2Q 2023 vs 2Q 2022 (Y-o-Y)
Net interest income	1,869.6	1,746.3	1,014.1	7.1	84.4
Net Fees and commission	293.4	583.3	376.2	(49.7)	(22.0)
Net Investment income	(14.7)	18.4	(13.6)	(179.8)	7.8
Other income	458.5	171.9	318.1	166.8	44.2
<b>Total operating income</b>	<b>2,606.7</b>	<b>2,519.8</b>	<b>1,694.7</b>	<b>3.4</b>	<b>53.8</b>
Operating expenses	(690.2)	(760.7)	(633.4)	(9.3)	9.0
<b>Operating profit</b>	<b>1,916.6</b>	<b>1,759.1</b>	<b>1,061.3</b>	<b>9.0</b>	<b>80.6</b>
Impairment allowance	42.6	(96.3)	(212.1)	(144.3)	(120.1)
Tax expense	(33.8)	(28.4)	(31.1)	19.0	8.9
Non-Controlling Interest	(19.2)	(24.4)	(21.8)	(21.4)	(12.1)
<b>Net Profit/(Loss)</b>	<b>1,906.2</b>	<b>1,610.0</b>	<b>796.4</b>	<b>18.4</b>	<b>139.4</b>



# 1H 2023 financials – Consolidated Income statement [AED million]



Income statement	2023	2022	Variance (% change)
	1H	1H	1H 2023 vs 1H 2022 (Y-o-Y)
Net interest income	3,616	1,842	96.3
Net Fees and commission	877	733	19.7
Net Investment income	4	4	(11.2)
Other income	630	620	1.7
<b>Total operating income</b>	<b>5,127</b>	<b>3,198</b>	<b>60.3</b>
Operating expenses	(1,451)	(1,239)	17.1
<b>Operating profit</b>	<b>3,676</b>	<b>1,959</b>	<b>87.6</b>
Impairment allowance	(54)	(440)	(87.8)
Tax expense	(62)	(61)	2.0
Non-Controlling Interest	(44)	(49)	(11.3)
<b>Net Profit/(Loss)</b>	<b>3,516</b>	<b>1,409</b>	<b>149.6</b>

# June 2023 financials – Consolidated Balance sheet [AED million]



Balance sheet	30 Jun 2023	31 Dec 2022	YTD (%)
<b>Assets</b>			
Cash and balances with central banks	29,431	31,436	(6%)
Deposits and balances due from banks	38,994	28,846	35%
Other financial assets measured at fair value	21,434	10,430	106%
Other financial assets measured at amortised cost	10,580	16,423	(36%)
Loans and advances measured at amortised cost	79,492	75,630	5%
Islamic financing and investment products measured at amortised cost	15,464	14,673	5%
Acceptances	5,545	9,311	(40%)
Other Assets	5,227	5,988	(13%)
Reinsurance contract assets	2,598	2,374	9%
Investment in Associate	36	44	(16%)
Investment properties	579	465	--%
Property and equipment	1,354	1,395	(3%)
Intangible Assets	229	231	(1%)
<b>Total Assets</b>	<b>210,964</b>	<b>197,245</b>	<b>7%</b>
<b>Liabilities</b>			
Deposits and balances due to banks	31,089	28,399	9%
Repurchase agreements with banks	0	1,926	(100%)
Customers' deposits	112,190	98,827	14%
Islamic customers' deposits	14,589	14,979	(3%)
Acceptances	5,545	9,311	(40%)
Other Liabilities	9,238	7,621	21%
Medium-term loans	5,146	5,224	(1%)
Subordinated Debt	1,831	1,831	--%
Insurance and life assurance funds	5,125	4,618	11%
<b>Total Liabilities</b>	<b>184,752</b>	<b>172,737</b>	<b>7%</b>
<b>Total Equity<sup>1)</sup></b>	<b>26,212</b>	<b>24,509</b>	<b>7%</b>
<b>Total Liabilities and Equity</b>	<b>210,964</b>	<b>197,245</b>	<b>7%</b>

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



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*Rise every day*

**THANK YOU.**