



*Rise every day*

# Management Discussion & Analysis Report

30 January 2025

FINANCIAL YEAR

**20  
24**

# Mashreq Delivers Another Year of Exceptional Growth with a record AED 9.9 Billion Net Profit Before Tax in 2024

UAE, 30 January 2025 – Mashreq, one of the leading financial institutions in the MENA region, reported its financial results for the year 2024.

**9.9** Billion  
AED  
Net Profit Before Tax  
(AED 9 Billion NPAT)

**13.4** Billion  
AED  
Revenue

**24%**  
Revenue Growth

**9.7** Billion  
AED  
Operating Profit

**30%**  
Operating Profit Growth

**18%**  
Loans & Advances Growth

**10%**  
Customer Deposits Growth  
(CASA 66%)

**29%**  
Return on Equity

**3.5%**  
Return on Assets

**4%**  
Net Interest Margin

**28%**  
Cost to Income Ratio <sup>(1)</sup>

**17.5%**  
Capital Adequacy Ratio <sup>(2)</sup>

**1.35%**  
NPL to Gross Loans Ratio

Note: Figures may not add up due to rounding differences

1. 30% excluding the one-off gain from partial sale of a subsidiary
2. Post proposed dividend for the financial year 2024

## Key highlights:

### Net Profit

Double digit growth in Net Profit Before Tax reflects both the operational efficiency and revenue momentum. A clear indication of the ability to generate industry-leading shareholder value.

- **Net Profit Before Tax** reached **AED 9.9 billion**, a **12%** increase in 2024 and underlining Mashreq's solid financial foundation and efficient cost management.
- Even after an **AED 869 million** tax payment, **Net Profit After Tax** grew to **AED 9 billion** and increased **78%** quarter on quarter and **4%** year-on-year.

### Revenues

Mashreq achieved **AED 13.4 billion** in revenue, representing a **24%** increase year-on-year and maintaining an impressive **three-year CAGR** of **32%**. This remarkable growth demonstrates Mashreq's ability to harness market opportunities effectively and build diversified income streams.

- **Net Interest Income** grew by **9% year-on-year** despite interest rate cuts in 2024, reflecting healthy margins on the back of strong high-quality balance sheet growth.
- **Non-Interest Income** surged by **63%** to **AED 5 billion** highlighting the continued emphasis on diversifying revenue streams through robust fee-generating activities and strong client engagement in FX, derivatives, and commodities.
- Growth in **Non-Interest Income** reflects the resilience and scalability of Mashreq's business model, which continues to perform strongly amidst evolving interest rate environments.
- Mashreq recognized a one-off net gain of AED 1.2 billion from the strategic partial sale of a subsidiary, demonstrating its ability to identify and capitalize on value-accretive market opportunities.

### Expenses

Efficiency gains reflect the ongoing success in optimizing operational efficiency and advancing digital transformation initiatives, while allowing for strategic investments.

- **Cost-to-Income Ratio** improved by **339 bps** to **28%**<sup>(1)</sup> in 2024.
- This improvement was registered despite an increase in operating expense by **11%** year-on-year in 2024.

### Balance Sheet

2024 witnessed an impressive **loan growth** of **18%**, largely funded by an increase in customer deposits.

- **Total assets** increased by **11%** year-on-year to **AED 267 billion**, driven by loan growth across wholesale and retail financings.
- Customer deposits increased to **AED 161 billion** in both wholesale and retail segments, with **CASA** now representing **66%** of total customer deposits.

### Liquidity and Capital

Mashreq maintained a robust liquidity and capital position, reinforcing its ability to support growth while safeguarding against potential market disruptions.

- **Liquid Assets Ratio** was **34%** and Liquidity Coverage Ratio stood at **150%**, reflecting a prudent approach to liquidity management and the ability to exceed regulatory requirements.
- Capitalization metrics further strengthened compared to FY 2023, with Capital Adequacy Ratio increasing to **17.5%**<sup>(2)</sup>, **Tier 1 Capital Ratio** rising to **16%**, and **CET1 Ratio** reaching **14.5%**.
- These levels highlight Mashreq's sound capital management strategy, which ensures a solid foundation for further growth.

### Asset Quality

Mashreq has continued to set industry benchmarks in credit quality, showcasing its strategic focus on prudent lending and robust asset monitoring practices.

- **Net release** of **AED 166 million** in allowances for impairments was achieved through high recoveries from Non-Performing Loans and disciplined credit risk management and marks the **second year** of net releases.
- The **Non-Performing Loans to Gross Loans** ratio of **1.35%** (1.30% in FY 2023) at the close of 2024 reflects one of the **lowest levels** in the industry, highlighting Mashreq's disciplined and effective risk mitigation measures.
- **Coverage Ratio** of **209%** in 2024 (247% in FY2023) is amongst the strongest in the sector and demonstrates the prudent approach to safeguarding against potential credit losses while ensuring sufficient provisions to withstand market volatility.

Note: Figures may not add up due to rounding differences

1. 30% excluding the one-off gain from partial sale of a subsidiary
2. Post proposed dividend for the financial year 2024



**H.E. Abdul Aziz Al Ghurair**

**Chairman of Mashreq**

“As we reflect on 2024, Mashreq’s journey stands as a testament to resilience, innovation, and excellence amidst a dynamic global and regional environment. The UAE’s remarkable progress, marked by its embrace of innovation and steadfast focus on economic diversification, reinforces its position as a global hub for trade, finance, and technology.

This year, Mashreq achieved record-breaking financial results, including a net profit before tax of AED 9.9 billion, alongside exceptional growth in our digital and international operations. These milestones reflect our unwavering commitment to delivering value to our stakeholders while aligning with the UAE’s vision for sustainable growth and global leadership.

Looking ahead, we will continue to leverage our agility, adaptability, and innovation to shape the region’s financial ecosystem. Mashreq remains committed to driving sustainable growth, empowering communities, and supporting the UAE’s broader aspirations as we navigate an ever-evolving economic landscape.”



## Ahmed Abdelaal

### Group Chief Executive Officer

"2024 has been another transformative year for Mashreq, marked by record-breaking achievements and a steadfast commitment to delivering value for our customers, stakeholders, and communities. Our 24% year-on-year revenue growth and an impressive Return on Equity of 29% reflect the success of our strategy and our ability to adapt and thrive in dynamic market conditions.

This year, we achieved phenomenal growth across several markets, including India, Hong Kong, and the GCC. Our entry into Pakistan, where we became the first bank to secure a restricted pilot license for digital retail banking, represents a significant milestone in our journey to foster financial inclusion. Additionally, the launch of Mashreq NEO in Egypt and our ranking as the fastest-growing banking brand in the region by Brand Finance further solidify our leadership in innovation and customer-centric solutions.

At the core of our success is a relentless focus on digital transformation. The expansion of the NEO CORP platform across the GCC and the introduction of groundbreaking initiatives like Egypt's first-ever banking-as-a-service partnership with e& demonstrate how we are redefining financial services.

Sustainability has also been a critical focus for Mashreq in 2024. Through our award-winning Climb2Change initiatives and several landmark sustainability-linked loan deals, we continue to integrate ESG principles into our operations and deliver transformative impact for our clients and the communities we serve.

Our foremost priority remains delivering exceptional experiences for our clients while empowering our people to excel. As we look to 2025, Mashreq's vision to be the region's most progressive challenger bank is stronger than ever. We will continue to embrace change, leverage technology, deliver client excellence, and drive innovation to shape the future of banking in our markets, ensuring we create lasting value for all our stakeholders."

# Year End 2024 Financial Highlights

Income statement Highlights (AED mn)	Quarterly Trend							
	Year End		Δ%	4Q			Δ%	
	2024	2023	YoY	2024	2024	2023	QoQ	YoY
<b>Net Interest Income &amp; Income from Islamic Financing</b>	<b>8,388</b>	7,710	9%	2,054	2,108	2,089	-3	-2%
Fees & Commission	1,465	1,433	2%	301	280	237	7%	27%
Investment Income	229	30	669%	21	71	29	-71%	-29%
Insurance, FX & Other Income	3,335	1,631	104%	1,941	512	541	279%	259%
<b>Non Interest Income</b>	<b>5,028</b>	<b>3,093</b>	63%	<b>2,263</b>	<b>863</b>	<b>807</b>	162%	180%
<b>Total Operating Income</b>	<b>13,416</b>	<b>10,803</b>	24%	<b>4,317</b>	<b>2,971</b>	<b>2,896</b>	45%	49%
Operating Expenses	(3,696)	(3,342)	11%	(1,155)	(868)	(1,038)	33%	11%
<b>Operating Profit</b>	<b>9,720</b>	<b>7,461</b>	30%	<b>3,162</b>	<b>2,103</b>	<b>1,858</b>	50%	70%
Impairment Allowance	166	1,369	-88%	239	(118)	1,027	-303%	-77%
<b>Net Profit before Tax</b>	<b>9,886</b>	<b>8,830</b>	12%	<b>3,402</b>	<b>1,985</b>	<b>2,886</b>	71%	18%
Tax	(869)	(154)	465%	(225)	(197)	(43)	14%	423%
<b>Net Profit After Tax</b>	<b>9,017</b>	<b>8,676</b>	4%	<b>3,177</b>	<b>1,788</b>	<b>2,843</b>	78%	12%
Non-Controlling Interest	(100)	(87)	15%	(34)	(17)	(22)	99%	54%
<b>Profit attributable to Owners of the Parent</b>	<b>8,917</b>	<b>8,589</b>	4%	<b>3,143</b>	<b>1,771</b>	<b>2,821</b>	77%	11%
EPS	44.45	42.82	4%	-	-	-	-	-
Cost to Income Ratio <sup>1)</sup>	28%	31%	(339) bps	27%	29%	36%	(247) bps	(909) bps
Return on Assets	4%	4%	(59) bps	4%	3%	4%	44 bps	(59) bps
Return on Equity	29%	34%	(529) bps	29%	26%	34%	321 bps	(529) bps

- **Total Operating Income** increased by 24% in 2024 to AED 13.4 billion, delivering another year of exceptional growth.
- **Net Profit Before Tax** of AED 9.9 billion, an increase of 12% in 2024 year-on-year and an increase of 71% quarter on quarter.
- 9% year-on-year growth of **Net Interest Income**, despite a reduced interest rate environment in 2024. Slight reduction in **Net interest Margin** during 2024 by 26bps to 3.7%.
- **Non Interest Income** represents 37% of Total Operating Income, with a 63% growth in 2024 to AED 5 billion. Driven by a strategic focus on enhancing fee-based services and leveraging diversified revenue streams and a one-off gain from the partial sale of a subsidiary.
- **Net release of AED 166 million** in allowances for impairments in 2024, as prudent risk management practices coupled with improving asset quality continues year-on-year.
- **Efficiency gains** of 339bps in 2024 as **cost to income ratio** reduced from 31% to 28% year-on-year in 2024.
- **Operating expense** grew by 11% with investments in growth and technology to increase operational efficiency and expand global presence.
- Despite an AED 869 million tax payment in 2024, Mashreq delivered a **Return on Equity (ROE)** of 29%, exemplifying its ability to generate exceptional shareholder returns.

Note: Figures may not add up due to rounding differences

1. 30% excluding the one-off gain from partial sale of a subsidiary

Balance Sheet Highlights (AED mn)	Dec	Dec	Δ%	Dec	Sep	Dec	Δ%	
	2024	2023	YoY	2024	2024	2023	QoQ	YoY
Loans to Customers	124,758	110,355	13%	124,758	118,534	110,355	5.25%	13%
Loans to Banks	52,272	39,127	34%	52,272	49,596	39,127	5.39%	34%
Investments	36,422	36,020	1%	36,422	37,916	36,020	-3.94%	1%
Cash & Due from Central Bank	40,593	41,760	-3%	40,593	33,484	41,760	21.23%	-3%
Other Assets	13,258	12,216	9%	13,258	14,634	12,216	-9.41%	9%
Investments in Properties	152	502	-70%	152	246	502	-38.37%	-70%
<b>Total Assets</b>	<b>267,453</b>	<b>239,981</b>	<b>11%</b>	<b>267,453</b>	<b>254,410</b>	<b>239,981</b>	<b>5%</b>	<b>11%</b>
Customer Deposits	160,940	146,232	10%	160,940	156,063	146,232	3%	10%
Balances due to banks	43,374	37,335	16%	43,374	37,132	37,335	17%	16%
Medium Term notes	3,903	6,990	-44%	3,903	4,554	6,990	-14%	-44%
Other Liabilities	19,381	17,043	14%	19,381	19,750	17,043	-2%	14%
Repo	2,076	1,063	95%	2,076	1,609	1,063	29%	95%
Minority Interest	1,067	984	8%	1,067	1,030	984	4%	8%
Total Equity	36,713	30,333	21%	36,713	34,272	30,333	7%	21%
<b>Total Liabilities</b>	<b>267,453</b>	<b>239,981</b>	<b>11%</b>	<b>267,453</b>	<b>254,410</b>	<b>239,981</b>	<b>5%</b>	<b>11%</b>

Key Metrics (%)	Dec	Dec	Δ%	Dec	Sep	Dec	Δ%	
	2024	2023	YoY	2024	2024	2023	QoQ	YoY
CAR (Capital Adequacy Ratio - Basel III) (1)	17.5%	16.5%	99 bps	17.5%	19.8%	16.5%	(227) bps	99 bps
CET1 (Common Equity Tier 1) ratio	14.5%	13.7%	75 bps	14.5%	16.1%	13.7%	(161) bps	75 bps
Tier 1 Ratio	16.0%	14.3%	165 bps	16.0%	17.7%	14.3%	(167) bps	165 bps

- **Total Assets** in 2024 increased by **11%** to reach **AED 267 billion** and a **5%** increase on a quarter on quarter basis. This was supported by strong growth in lending to customers across wholesale and retail. Retail Banking assets grew **9%** year-on-year to reach **AED 31 billion** and Wholesale Banking assets increased by **15%** to **AED 145 billion**.
- **Customer Deposits** increased to **AED 161 billion**, a **10%** growth in 2024 compared to 2023, with **66%** of which is **CASA**.
- **Strong capitalization** in 2024 with a **Capital Adequacy Ratio** of **17.5%**<sup>(1)</sup>, a 100bps improvement year-on-year.
- Non-Performing Loans to Gross Loans Ratio stands at **1.35%**, and remains the lowest in the industry.
- 2024 witnessed further strengthening of capital positions with **CET1 ratio** of **14.5%** and **Tier 1 ratio** of **15.99%**, a 75bps and 165bps improvement year-on-year respectively.

## Looking Ahead

Mashreq's performance in 2024 underscores its position as a forward-thinking financial institution that excels in delivering value to stakeholders through innovation, resilience, and a commitment to excellence. The Bank's ability to achieve record-breaking financial metrics, including double-digit revenue growth and an impressive Return on Equity of 29%, reflects its robust strategy and operational discipline.

As Mashreq continues to prioritize its clients, enhance its digital capabilities, and solidify its financial foundations, it remains steadfast in its mission to foster long-term growth for shareholders while navigating a complex and dynamic global environment. The exceptional credit quality, bolstered by a disciplined risk management framework, and the impressive operational efficiency provide a strong platform for sustained success.

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1. Post proposed dividend for the financial year 2024

# Financial Year 2024 Awards

## Global Banking & Finance Awards

- Banking Group Brand of the Year MENA 2024
- Most Innovative ESG Initiative (Climb2Change) MENA 2024

## MENA Digital Awards

- Best Integrated Digital Campaign – Climb2Change (Gold)
- Best Digital Cause Marketing – Climb2Change (Gold)
- Best Use of Digital in the Financial & Banking sector - NEO NXT (Silver)
- Best Viral Campaign – AED 1 Specials Campaign (Bronze)

## Most Innovative Company in the Middle East by Fast Company Middle East for the second year in a row

- The Most Innovative Companies in Social Good – Climb2Change
- The Most Innovative Companies in Corporate Social Responsibility – Climb2Change

## 5th Annual Business Tabloid Awards

- Excellence in Customer Service
- Best Digital Banking Experience

## Global Finance

- Most Innovative Financial Institution in the Middle East

## Global Banking & Finance Awards

- Islamic Banking CEO of the Year UAE 2024
- Best Islamic Retail Bank UAE 2024
- Best Digital Islamic Bank Middle East 2024
- Most Innovative Islamic Retail Banking App (Mashreq NEO) Middle East 2024
- Best Islamic Bank Transformation Middle East 2024
- Best Islamic Bank Digital Transformation Middle East 2024

## Middle East Technology Excellence Awards 2024

- Digital Banking category – Successful launch of its digital account onboarding journey that leverages the Banking-as-a-Service (BaaS) concept in Egypt
- API - Banking category - Global Non-Resident platform for account opening

## Enterprise AI Tech Awards

- Best use case customer insights analytics – FX use case business banking

**Mashreq Gold Lounge at Dubai Internet City is now LEED V4 ID+C Gold certified**  
**Bonds, Loans & ESG Capital Markets**  
**Africa Award – Financial Institutions**  
**Debt House of the Year**

## Asian Banking and Finance

- Automation Initiative of the Year, UAE

# Financial Year 2024 Awards

## The Digital Banker

- Best Transaction banking innovation lab
- Best Data Analytics initiative
- Best Gen AI Initiative

## Gartner Eye on Innovation: Eagle Eye

**Mashreq Global Network India named 'Great Place to Work® (GPTW)' certification, for the third consecutive year**

## Global Islamic Finance Awards (GIFA)

- Islamic Banking Window Operations
- Best Islamic Digital Banking Award

## The Annual Global Economics Awards 2024

- Best Private Bank
- Best Digital Bank

## MEA Finance Leaders in Payments Awards 2024

- Best Open Banking Payments Project
- Best Instant Payments Technology Implementation
- Best Digital Collections Platform for Corporate Banking
- Payment Innovation of the Year - UAE

## Middle East Banking AI & Analytics

- Best Use Case of Predictive Analytics for 2024
- Best Use-case of AI and Analytics in Hyper-personalization for 2024

## Forbes Middle East - Most Sustainable Projects in the Middle East

- Most Sustainable Project in the Middle East Banking and Financial Services - Climb2Change

## Islamic Retail Banking Awards (IRBA)

- Mashreq Al Islami the Best Islamic Retail Banking Brand in the UAE for 2024

## Euromoney Cash Management 2024

- Bahrain's Best Cash Management Bank
- Qatar's Best Cash Management Bank
- Bahrain's Best Cash Management Bank for Client Service
- Bahrain's Best Bank for Cash Management Products
- Bahrain's Best Bank for Cash Management Technology
- Lebanon's Best Cash Management Bank for Client Service
- Lebanon's Best Bank for Cash Management Products
- Qatar's Best Cash Management Bank for Client Service
- Qatar's Best Bank for Cash Management Products
- Qatar's Best Bank for Cash Management Technology

# Financial Year 2024 Awards

## Global Finance's Innovators 2024 Awards

- Most Innovative Financial Institution in the Middle East
- Non-Resident Platform for Account Opening
- Carbon Footprint calculator
- Digital Thematic Investments

## Private Banker International Global Wealth Awards

- Outstanding Private Bank - Middle East

## Global Retail Banking Innovation Awards 2024

- Mortgage Product of the Year
- Best Digital Account – Insurance
- Best SME Bank – United Arab Emirates
- Best SME Bank – Middle East
- Best Digital Bank – United Arab Emirates
- Best Digital Bank – Middle East
- Best e-KYC
- Best Digital Sales Initiative
- Best New Product Launch of the Year – Islamic
- Credit Card of the Year – Cashback
- Best Open Banking Initiative
- Best Digital Account
- Highly Acclaimed: Best Hybrid Wealth Management Offering

## International Finance Awards

- Most Innovative Islamic Banking Product - Nature Saver - UAE 2024
- Most Innovative Islamic Banking Window - UAE 2024

## Global Private Banking Innovation Awards

- Best Private Bank for Funds
- Best Private Bank – UAE (Ha)
- Best Private Bank – Digital Innovation (Ha)
- Outstanding Mobile Banking Initiative (Ha)

## Asian Banking & Finance Retail Banking awards

- Private Bank of the Year – UAE
- SME Bank of the Year - UAE in the
- Best Open Banking Initiative

## Annual Global Economics Awards

- Best Private Bank- United Arab Emirates
- Best Digital Bank

## Top 1000 Global Bank Rankings 2024 by The Banker

- Best Performing Bank in the UAE (Second Consecutive Year)
- First in the Middle East for Return on Capital
- First in the Middle East for Return on Assets

## World Finance Corporate Governance Awards

- Best Corporate Governance in the UAE

## MEED's MENA Banking Excellence Awards

- Excellence in Client On-Boarding

# Financial Year 2024 Awards

## MEA Finance Banking Technology Awards

- Digital Banking Innovation of the Year
- Best Neobank
- Best Open Banking & API Implementation
- Most Innovative Emerging Technology Implementation
- Best Innovation in Investment Banking

## Euromoney Islamic Finance Awards

- Best Islamic Digital Bank Globally

## Euromoney Awards for Excellence

- Middle East's Best Digital Bank
- UAE's Best Digital Bank
- Bahrain's Best International Bank
- Egypt's Best Bank for SMEs

## 7th Middle East Banking AI & Analytics Summit & Awards

- Best Use of Virtual Assistants in Banking for 2024
- Best CTO of the Year 2024

## Global Business Outlook Awards 2023 - Mashreq Al Islami

- Most Innovative Islamic Banking Window Award

## U.S. Green Building Council's Leadership in Energy and Environmental Design v4 Gold Certification - Mashreq Innovation Hub

- Interior design and construction: commercial interiors

## Customer Experience Live Show Middle East 2024

- Best Use of Technology in a Contact Center

## Brand Finance

- Mashreq - Fastest-growing Middle East banking brand
- Mashreq NEO - Strongest digital banking brand in the UAE

## Digital CX Awards 2024

- Outstanding Implementation of Digital CX Initiative by a Team
- Outstanding Product Innovation in Digital CX
- Excellence in Customer Service Innovation
- Best Retail Consumer Loyalty Program for Digital CX

## EMEA finance Middle East Banking Awards 2023

- Best loan house in the UAE
- Best foreign bank in Bahrain
- Best foreign investment bank in Kuwait
- Best foreign investment bank in Oman

## Global Diversity, Equity & Inclusion Benchmarks (GDEIB) Awards 2024 - MGN Pakistan

- 'Best Practices' in the categories of 'Recruitment' and 'Work-Life Integration, Flexibility and Benefits'

## Financial Year 2024 Awards

### Euromoney Private Banking

- Middle East's Best and UAE's Best for family office services

### PWM Wealth tech awards by FT

- Best Private Bank for digitally empowering relationship Managers- Middle East

### Euromoney Trade Finance Survey

- Market Leader in the UAE for the fourth consecutive year.
- Market Leader in the Middle East (Domestic)
- Market Leader and Best Service in Egypt
- Best Service in Bahrain, Kuwait and Pakistan

### Global Private Banker WealthTech Awards – by FT

- Best Private Bank for Digitally Empowering Relationship Managers

### UAE Internal Auditors Association (UAE IAA), an affiliate of the Global Institute of Internal Auditors (IIA):

- Generally Conforms – Egypt Internal Audit
- Generally Conforms – Mashreq Al Islami
- Generally Conforms – Mashreq UAE

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