Mashreq reports a powerful start to 2013 with 57% Net Profit increase in the first quarter of 2013

- ***Net profit increased to AED 425 million.***
- ***Operating income up by 19.2% as compared to Q1 2012***
- ***Provisions decreased by 2.8%***
- ***Loans and advances increased by 3.2% to reach AED 42.7 billion***
- ***Total assets at AED 77.8 billion.***
- ***Capital Adequacy continues to be high at 18.9%.***

Dubai – UAE, April 30th, 2013: Mashreq, one of the UAE's leading financial institutions, has announced a strong first quarter this year reporting a massive 57% increase in its net profit in Q1 2013 to AED 425.3 million compared to AED 270.8 million for the same period in 2012.

The Total Operating Income for the Bank during first quarter of 2013 is reported at AED 1,117.6 million, representing a 19.2% increase relative to Q1 2012 driven by a 10.5% increase in Net Interest Income and a 26.9% increase in Net Fee and Commission, Investment income and Other Income.

Mashreq's best in class Fee & Other Income to Operating Income ratio increased further to reach 56.5% in the first quarter of 2013.

Loans & Advances grew over the last quarter by 3.2 per cent to reach AED 42.7 billion as of March 2013, compared to AED 41.4 billion at the end of 2012. In line with the growth in Loans & Advances, Mashreq increased its Customer Deposits base leading to a 3.6% increase from December 2012, reaching AED 49.2 billion. Mashreq continues to maintain a robust loan-to-deposit ratio, which stood at 87% as of 31st March 2013. Liquid Assets to Total Assets stood at 27% with Cash and balances with Central banks and Dues from banks at AED 20.7 billion as of 31st March 2013.

Mashreq provisions for loans & advances continued to decrease by 2.8% to AED 170.7 million for the first three months of 2013 from AED 175.6 million for the same period in 2012. The efficiency ratio remained healthy at 43.5%.

General and Administrative expenses for the first quarter reported AED 486.6 million, constituting an increase of 6.6% as compared to March 2012.

Commenting on the financial results, H.E. Abdul Aziz Al Ghurair, Chief Executive Officer of Mashreq, stated: "Our Q1 results are impressive, not only because of the strong numbers we have reported, but also because they demonstrably underscore the fact that our business strategy is working and is sustainable. Following on from last year's YOY growth of 60% in Net Profits, this Quarter's results have re-energized our teams and they believe that if we continue to execute well, this year's performance may well turn out to be very respectable indeed."

The Bank's capital adequacy remained high at 18.9% as well as the tier 1 capital ratio was maintained at a robust level of 16.9%.

He continued, "We have focused on customer needs, and endeavored to deliver superior service. We are confident that this strategy will help us achieve further growth. Mashreq has invested in transformed processes, in cutting edge systems, and in a team of motivated people that allows us to offer superior financial solutions that exceed the expectations of our customers."

Earnings per Share for the publicly listed bank for the first quarter of 2013 are up 57.0%, at AED 2.52, relative to the AED 1.60 for the same period of 2012.

Continuous innovations:

The Corporate Banking Group recently enhanced its technological platforms to improve the range of value-added solutions in the transaction services and investment services. A separate specialized team was set up to focus around the Government and related entities and support the various initiatives of UAE in line with the vision for sustained growth.

While continuing to provide a high level of service in this traditional mainstay, Mashreq's Corporate Banking has consistently increased the proportion of the higher value-added, fee-based and treasury products it provides to deliver higher levels of capital efficiency.

Mashreq's conventional regional bond fund Makaseb Income Fund announced the payment of 4% cash dividend for 2012 to its investors. The fund returned circa 20% in 2012 vs. the benchmark return of 12.0% and outperformed all its peer funds.

From a Retail perspective, Mashreq UAE's Best Dining Program 'Mashreq Flavours' included more partners to reach 650 restaurants across the UAE and launched a mobile application specifically designed for the dining program.

The Bank launch Mashreq SmartSaver MasterCard Titanium Credit Card, offering 5% cash back on utility bill payments and 5% cash back on education spends. Customers will earn 1.25% cash back on domestic retail purchases on the Card and 3.25% cash back on International retail spends.

Mashreq starting offering Auto Financing with a 24 hours approval convenience with a gamut of benefits, such as free first-year Platinum Elite Credit Card, free Overdraft facility, free Current Account, competitive insurance rates and other benefits.

Business Banking upgraded its Small Business Loan, which is now available to companies with only 2 years of business vintage offering a loan size of up to 1.5 Million AED. Focusing on Islamic Banking, Mashreq Gold – the Premium Banking services now offers Sharia'h Compliant products and services.

Continuing its strategic expansion plans Mashreq announced the opening of its latest branch located in the Capital Abu Dhabi, Marina Mall.

Awards:

Mashreq was recently awarded by EMEA FINANCE the award for the "Best Debt House" in UAE for 2012. The Award caps a very successful year for Mashreq, having earlier ranked # 1 and #2 in Islamic and Conventional" book running league tables" in MENA and EMEA respectively by Bloomberg.

Banker Middle East Product Awards 2013 put Mashreq's Majestic Personal Loan first awarding the Bank with the UAE's Best Personal Loan.

Mashreq was recently awarded UAE's Best Retail Bank by Global Banking & Finance Review Awards 2013.

For the 3rd year running, Mashreq Asset Management won at the 2013 Mena Fund Manager awards. The Makaseb Arab Tigers Fund won the 'Equity Fund of the Year Award' in both the one year and three year performance categories and the Makaseb Income Fund won the 'Fixed Income Fund Award' for performance in the three year category.

-ENDS-

About Mashreq:

Mashreq is one of the UAE's leading National Financial institutions and the second oldest. Founded in 1967 as Bank of Oman, the bank has played a pioneering role in the industry, particularly in retail banking. Among its many firsts, it was the first to launch such products as travelers' cheques, credit cards and ATMs.

Mashreq has received numerous international awards reflecting the bank's successful record, such as the Best Retail Bank UAE Award by Global Banking & Financial Review 2013, Best Debt House Award by EMEA Finance 2012, Best Regional Consumer Internet Bank for Online Deposit, Credit and Investment Product offerings' by Global Finance Best Internet Bank Awards 2012, Best Regional Retail Bank by The Banker ME Industry Awards 2012, Best Branch Design Award & Best Islamic Investment Fund Award for Mashreq Al Islami Income Fund from Banker Middle East Product Awards 2012, Dubai Human Development Appreciation Award 2012 for its efforts towards the Development of the Emiratisation initiative.

As a leading financial Institution in the UAE, Mashreq aims to be world class in every facet of its business; including its social responsibility to the community it serves in. Towards this goal the bank pays particular attention to recruiting, training, developing and retaining UAE National employees.

For further information, please contact:

Huda Ismail
Public Relations, Mashreq
Tel: 04 –6083629
Email: HudaI@mashreq.com

Nssrin Khalil
Public Relations, Mashreq
Tel: 04 – 6083836
Email: NssrinK@mashreq.com