

Mashreq New York Branch Announces Settlement with the New York State Department of Financial Services

Mashreqbank announced today that it has agreed to a Consent Order with the New York State Department of Financial Services (the “DFS”). The agreement addresses findings related to the New York Branch’s Bank Secrecy Act/Anti-Money Laundering (“BSA/AML”) program and gaps in execution of its Office of Foreign Assets Control (“OFAC”) sanctions compliance program identified during regulatory examinations in 2016 and 2017. The Consent Order did not specify any willful violation.

Mashreqbank takes pride in having been present in New York for almost 30 years and in its substantial and continuing efforts to work alongside regulators in strengthening its compliance programs. As acknowledged in the Consent Order, the DFS gave substantial weight to the laudable conduct of Mashreqbank in demonstrating a keen interest in, and commitment to, remediating the issues addressed in the Consent Order, including by devoting substantial financial and corporate resources to enhancing the compliance function at the New York Branch, and in building an effective and sustainable BSA/AML & Sanctions Compliance infrastructure. Under the terms of the Consent Order, Mashreqbank has agreed to pay the DFS a total of USD 40 million as part of the settlement.

The New York Branch continues to remain important to Mashreq’s role as a leading provider of Correspondent Banking and Trade Finance services. Mashreqbank remains committed to providing its customers with superior and robust banking services while maintaining and enhancing its compliance with regulatory expectations.

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