



البنك العربي المتحد
UNITED ARAB BANK

Focused on sustainable growth, leveraging a robust foundation

Management Presentation

March 2025

Issuer

United Arab Bank PJSC (“UAB” or the “Bank”)

Transaction Type

Rights Issue of ordinary shares

Exchange

Abu Dhabi Securities Exchange (“ADX”)

Issue Size

- **Size:** Up to 1,031,275,325 new shares at an issue price of AED 1 (“Issue Price”)
- **Rights ratio:** One Right for every two shares held on the Eligibility Date with each Right granting its holder eligibility to subscribe to one new share (2:1) at the Issue Price

Offering Details

UAB is considering increasing its share capital from AED 2,062,550,649 up to AED 3,093,825,974 through the issuance of up to 1,031,275,325 new shares at the nominal value of AED 1 each to the shareholders of the bank, as of the record date (the “Proposed Capital Increase”)

Use of Proceeds

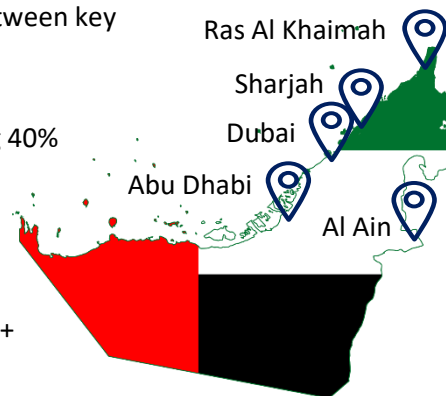
The Bank intends to use the net proceeds raised from the Rights Issue to strengthen the Bank’s capital position and enhance its financial resilience to adverse macro- financial shocks, with the aim to (i) strengthen the Bank’s balance sheet by enhancing the ability to meet regulatory requirements and withstand unforeseen economic challenges, and (ii) achieve balanced asset growth in line with the approved strategy of the Bank’s Board of Directors, which would result in more sustained profitability

United Arab Bank: Your trusted banking partner



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UNITED ARAB BANK

- **Incorporated in 1975** in the Emirate of Sharjah as a JV between key International and UAE investors
- Listed on **Abu Dhabi Securities Exchange (ADX)**
- **Commercial Bank (QSC) is the major shareholder** holding 40% (acquired in Dec'07)
- **Network coverage across UAE** with 6 branches/ offices, 22 ATMs/CCDMs
- **Moody's** upgraded its ratings to Baa3, maintaining a "Positive" outlook in Sep'24, while **Fitch** rates UAB at BBB+ with a "Stable" outlook since May'19



Core Values



Integrity



Customer Focus



Competency

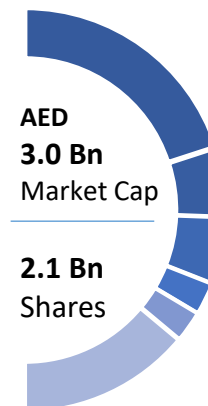


Consistency



Courteousness

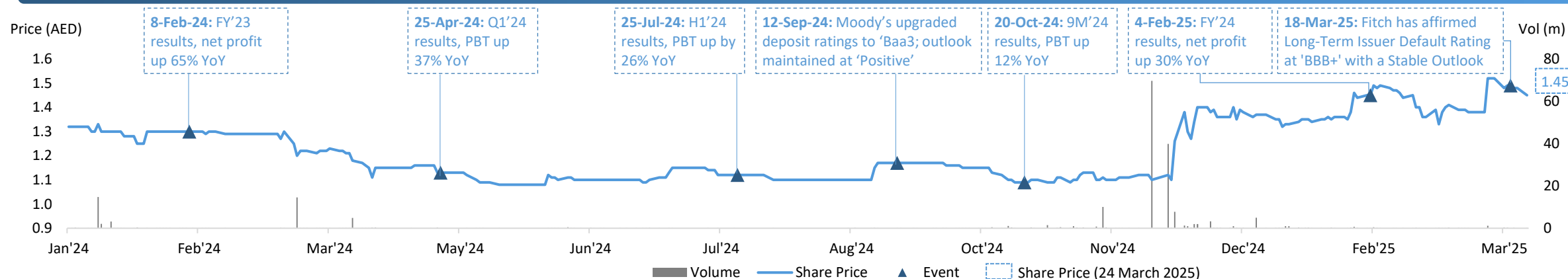
Well-supported by top shareholders*



40.00%	The Commercial Bank (P.S.Q.C.)
11.13%	Sh Faisal Sultan Salem Al Qassimi
10.79%	Al Majid Investment Company (L.L.C)
5.20%	Sh Sultan Saqr Sultan Salem Al Qassimi
32.88%	Others

* As of 24 March 2025

Share price performance 2024-2025 YTD



Source: FactSet as of 24 March 2025

UAB Company Presentation / March 2025

Key Investment Highlights



1

Macro

Superior UAE macro fundamentals driving continued economic growth

2

Positioning

Niche player in the mid-large segment with a growing market share

3

Transformative

Successful execution of turnaround strategy through multifaceted initiatives

4

Growth

Multiple growth-accelerating initiatives to scale-up and diversify product offering

5

Resilient

Robust fundamentals with strong financial performance

6

Excellence

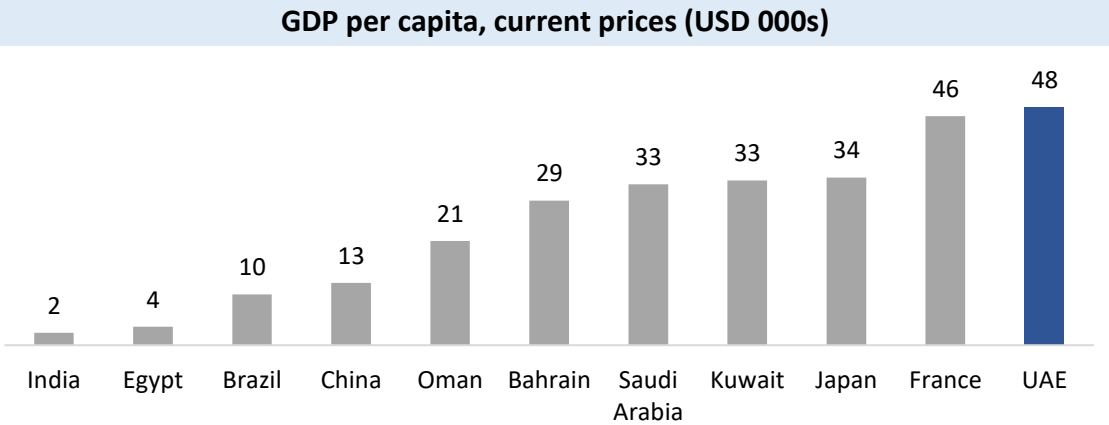
Board and management with extensive, decades-long sector experience and track record

1 Well-positioned to benefit from macro-economic tailwinds

The UAE has witnessed tremendous growth and is a hub for business ...

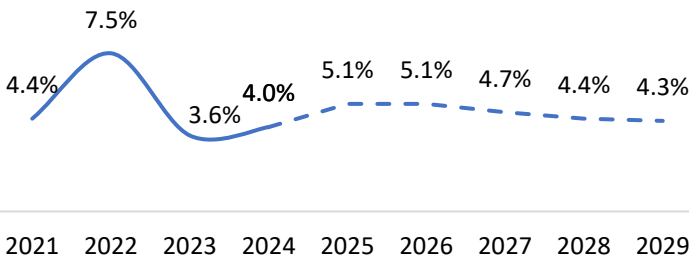


... with one of the highest GDP per capita globally ⁽⁶⁾



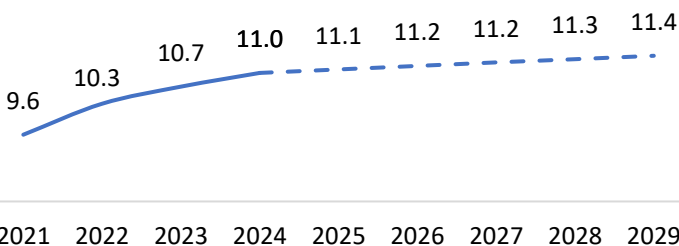
UAE's exceptional GDP growth...

Real GDP Growth ⁽⁶⁾



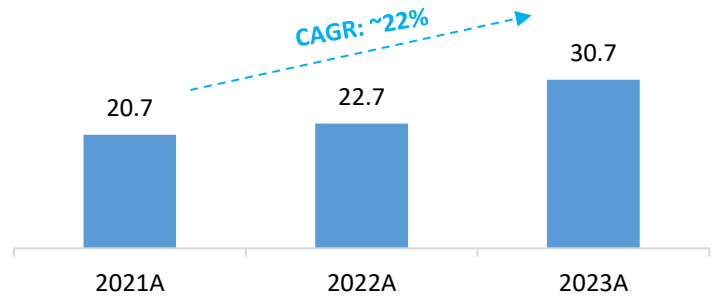
...is fueled by a growing population...

Population (millions) ⁽⁶⁾



...attracting FDI, enabling UAB to capitalize on increased business opportunities

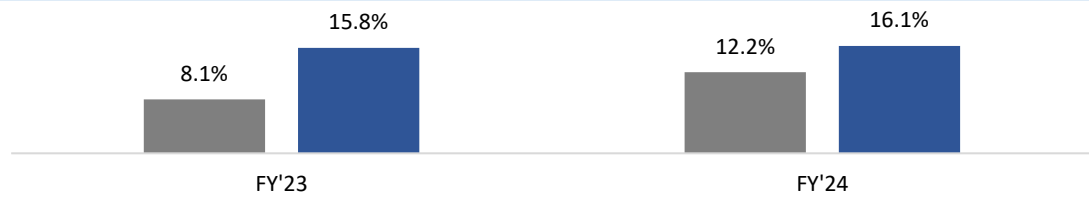
UAE FDI (USD bn) ⁽⁵⁾



2 Niche player in the mid-large segment with a growing market share

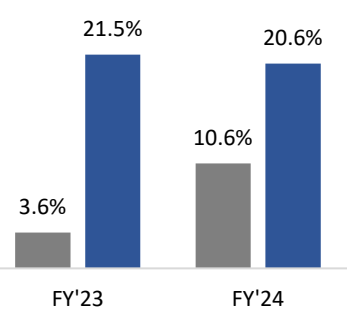
Strong financial performance by UAB ...

Return on Shareholders' Equity ⁽²⁾

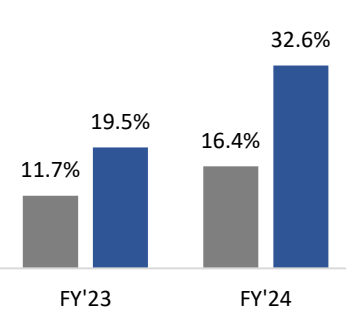


Balance Sheet growth

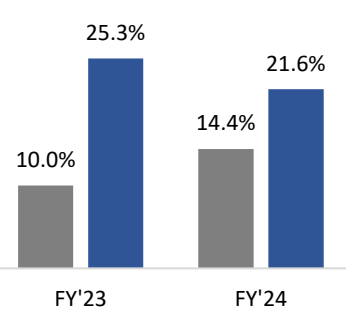
Gross Loan growth ⁽³⁾



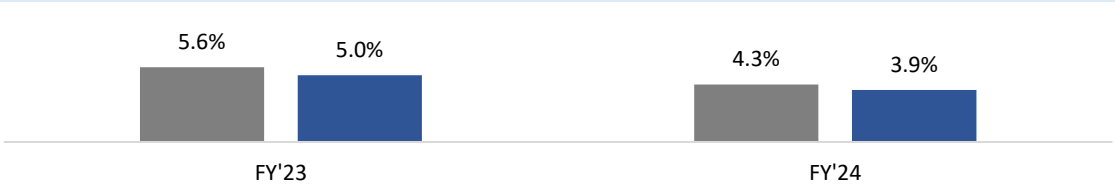
Customer Deposits growth



Total Assets growth

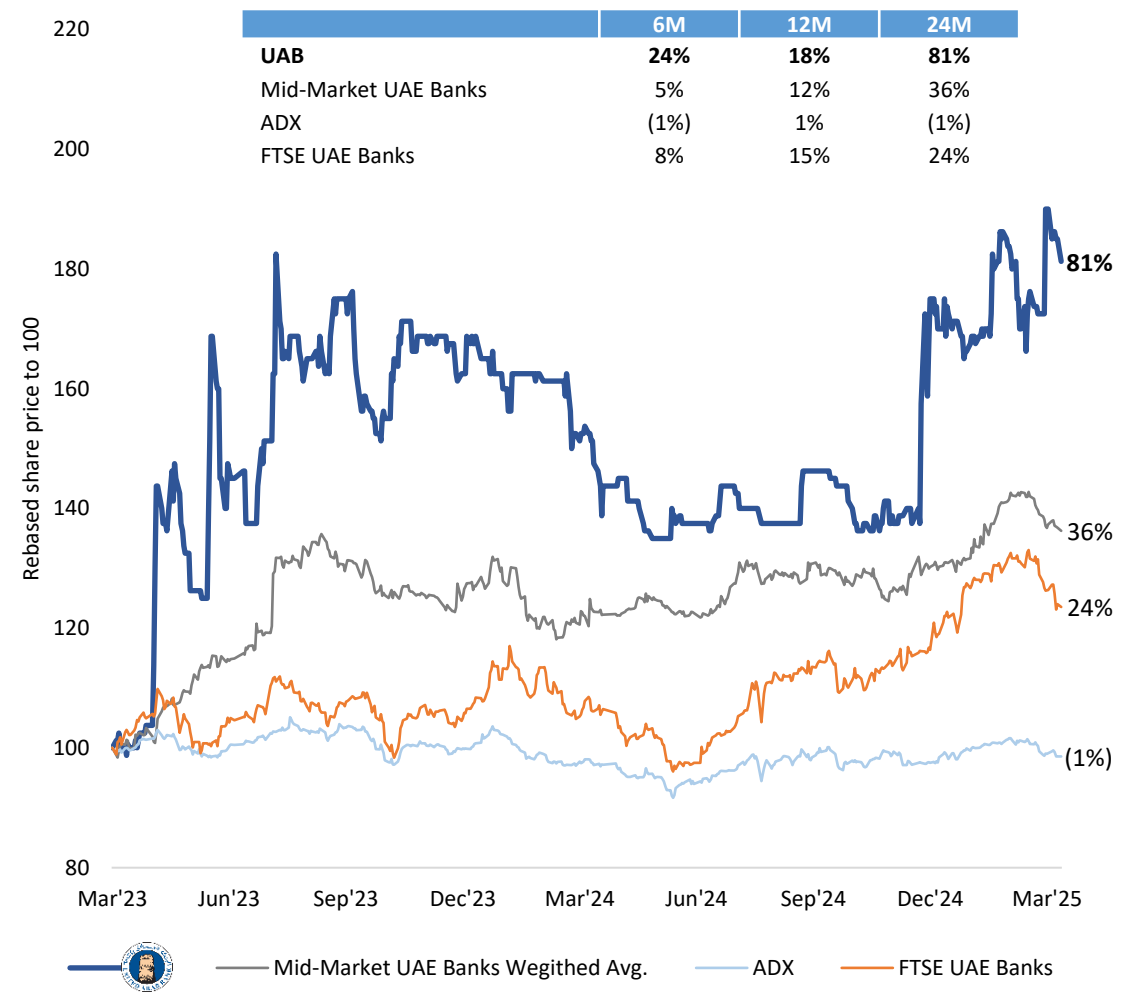


Non-performing loans ratio



Median Mid-Market UAE Banks ⁽¹⁾

... resulting in UAB share price outperforming mid-market UAE Banks ⁽¹⁾

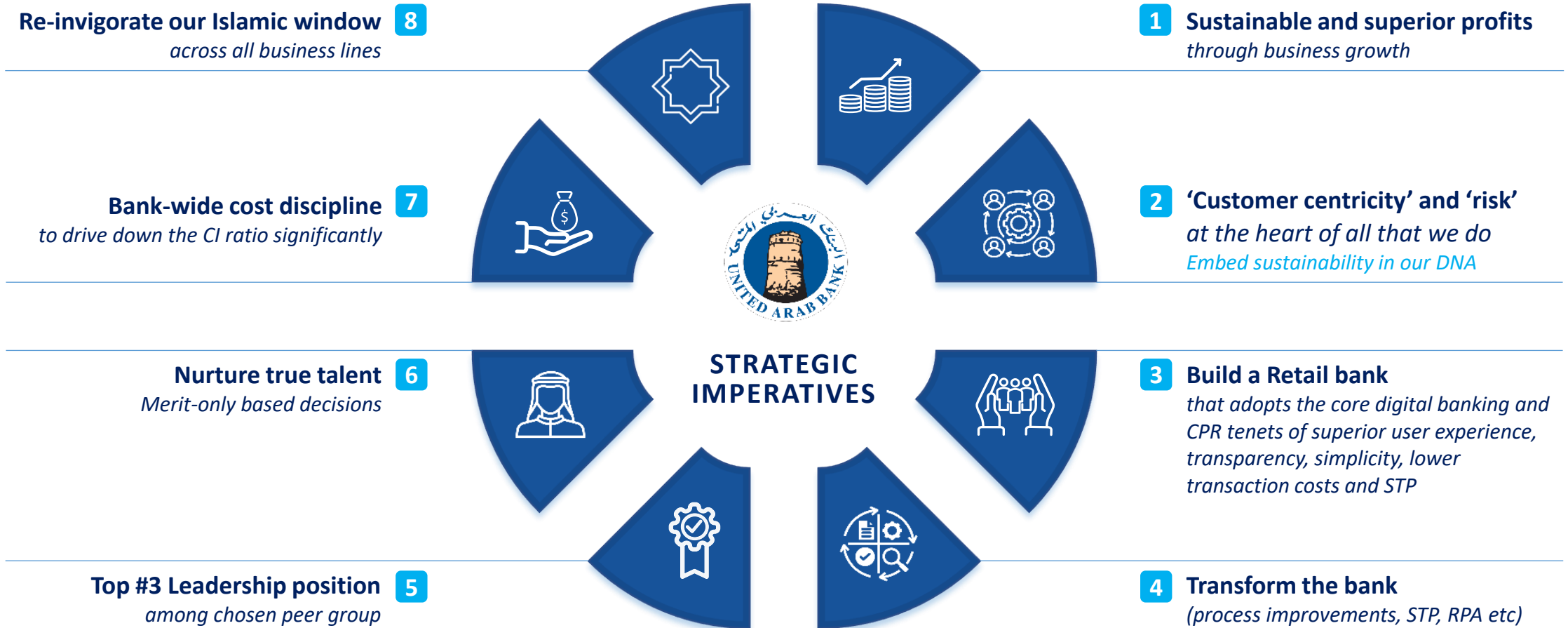


Source: UAB filings, Company fillings FY'24 excluding Invest Bank which has reported preliminary FY'24 results only, FactSet as of 24 March 2025

Note: (1) Mid-market UAE Banks includes banks with a market cap less than AED15bn; Includes National Bank of Ras Al-Khaimah (ADX), National Bank of Fujairah (ADX), Sharjah Islamic Bank (ADX), Ajman Bank (DFM), National Bank of Umm Al-Qaiwain (ADX), Invest Bank (ADX), Bank of Sharjah ("BoSh") (ADX), and Commercial Bank International (ADX); (2) RoSE calculated as Net income attributable to Shareholder divided by average of Shareholders' Equity of current and previous year (Shareholders' Equity calculated as Total Equity Attributable to Shareholders minus Additional Tier 1 (AT1) Capital); Rak Bank, Ajman Bank, NBQ, Invest Bank, BoSh do not have/disclose AT1 capital; (3) Considered net loans for Invest Bank as per prelim. FY'24.

UAB Company Presentation / March 2025

3 Our strategic imperatives (1/2)



3 Successful execution of turnaround strategy through multifaceted initiatives (2/2)

Revamped our organisation and governance structure, and promoted a performance-oriented culture



Operating models redefined to align with strategic growth goals



Implemented **comprehensive oversight** on business and (right) decision-making across Board and Management-levels



Bolstered our operational resilience through implementation of new systems & technologies to enhance our architecture, monitoring and controls. Constantly exploring optimal utilization of AI/ML capabilities to improve our processes such as credit underwriting, AML/CFT and records management to elevate client experience and mitigate risk



Promoted a performance-oriented culture with a focus on strong ethics, doing the right thing and implementing a balanced scorecard across the organisation, along with clearly defined benefits and rewards policies

Strengthened our financial foundation to deliver sustainable growth



Achieved **significant improvements in asset quality**, contributing to our better credit profile and outlook

Investment grade credit ratings: *upgraded* by Moody's to Baa3/Positive, *affirmed* by Fitch at BBB+/Stable



Successfully raised Additional Tier1 capital in 2023

Rights issue planned for H1'25 to further strengthen capital position and enhance resilience to any adverse macro-financial events



Ensured a **robust liquidity position** with access to **diversified sources of funding** at all times



Diligently and responsibly **executed our business strategy** to **reignite UAB's growth journey** with an optimized level of risk to **generate and deliver sustainable returns to our shareholders**

UAB's turnaround strategy has delivered a strong foundation for growth ahead, ensuring sustainable growth and stability

4 Multiple growth-accelerating initiatives to scale-up and diversify product offering

WHOLESALE BANKING



Bespoke financial advice and solutions to medium and large companies, including select sovereigns and GREs

- Deepening share of wallet with existing client relationships
- Enhancing cross-sell:
 - FX products
 - Employee banking propositions to corporate clients
 - Cash management
 - Trade finance business
- Providing enhanced levels of service with minimal TAT (turnaround time), focusing on onboarding profitable and credible customers
- Digital banking platforms to facilitate trade & FX
- Continue to innovate, enhance and provide a comprehensive suite of products and services to meet the customer needs

TREASURY & CAPITAL MARKETS



Comprehensive suite of treasury products for institutional and corporate clients, and high net worth individuals

- Enhance cross-sell across wholesale banking clients
- Launch innovative deposit products
- Rationalise our liabilities and optimise funding costs
- Diversify funding profile - across tenors and sources (short-term/ medium-term)
- Active management of the investment portfolio to optimize liquidity, enhance yield and ensure prudent risk management

RETAIL BANKING



Be the bank of choice for families looking for simple, convenient and transparent banking services

- Grow customer base and enhance sales capabilities through staff-assisted and direct digital acquisition modes
- Cross-sell retail products to corporate clients' staff (Employee Banking Solutions)
- Launch innovative retail products and services catering to focused target segments (mortgages, personal loans and credit cards)
- Improve customer experience through best-in-class mobile banking, simplified processes, and efficient contact center capabilities, while ensuring full compliance with regulations (CPR)
- Explore partnerships to enhance Premium Banking proposition

ISLAMIC BANKING (WINDOW)

Be the preferred partner of our customers for Shar'ia compliant products and services

- Focus on cross-sell to existing clients by launching new and innovative products and services; focus on fee generating offerings
- Increase new-to-bank clients including high net worth clients through Sadara banking
- Automation initiatives to streamline processes, enhance productivity and optimise costs

ENABLEMENT FUNCTIONS

- Information Technology
- Human Resources
- Internal Audit
- Credit
- Operations
- Finance & Investor Relations
- Risk Management
- Legal & Compliance

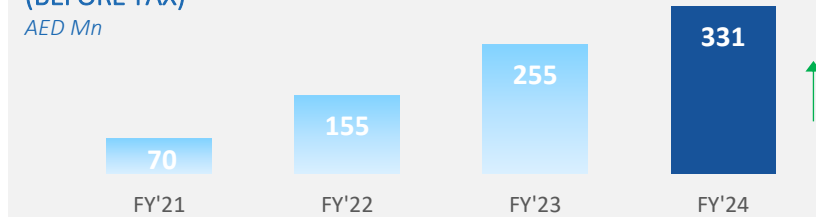
Customer-focused approach and Sustainability (ESG) embedded in everything we do

5 Robust fundamentals with strong financial performance

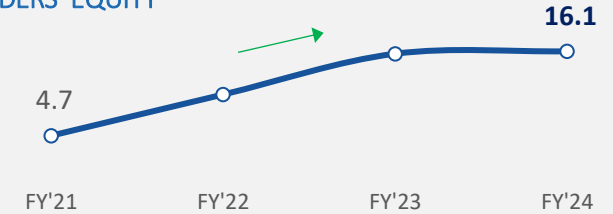
Net profit (before tax) records 3-year CAGR of 68% with significant improvement in shareholder returns ...

NET PROFIT
(BEFORE TAX)
AED Mn

CAGR since FY'21: 68%



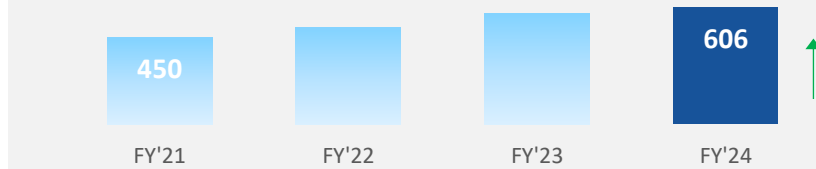
RETURN ON
SHAREHOLDERS' EQUITY
(%)



... driven by growth in core income and assets,

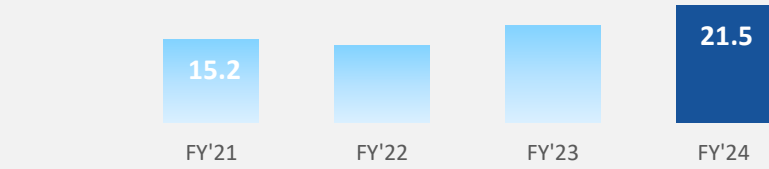
TOTAL INCOME
AED Mn

CAGR since FY'21: 10%



TOTAL ASSETS
AED Bn

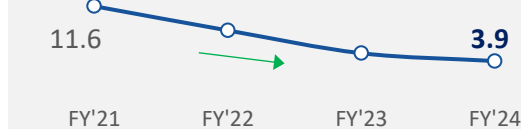
CAGR since FY'21: 12%



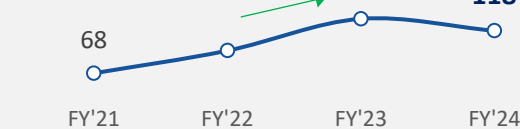
... with a remarkable turnaround in asset quality metrics,

Gross NPL ratio favourably compares among the top UAE banks

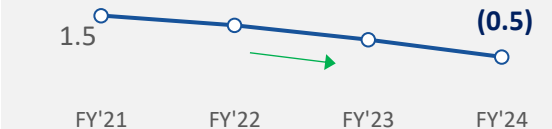
GROSS NPL RATIO
(%)



PROVISION COVERAGE
(%)



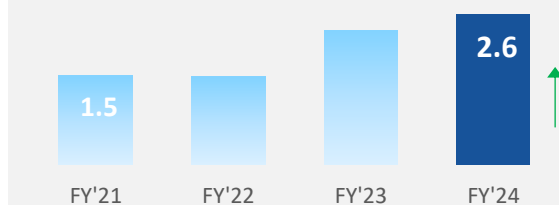
COST OF RISK (L&A)
(%)



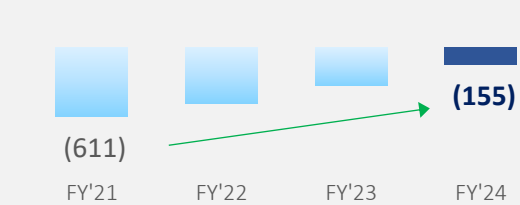
and an enhanced capital position

Retained earnings projected to turn positive in 2nd half of 2025

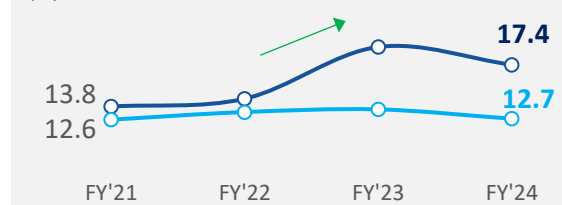
TOTAL EQUITY (incl AT1)
AED Mn



ACCUMULATED LOSSES
AED Mn



CAPITAL ADEQUACY
(%)



6 Experienced Board to achieve strategic objectives (1/2)

Board of Directors

H.H. Sheikh Mohammed Bin Faisal Al Qassimi
Chairman
*Board Member since 2011
Chairman since 2024*

Mr. Omar Hussain Alfardan
Vice Chairman
Board Member since 2007

H.E. Sheikh Abdullah Bin Ali Bin Jabor Al Thani
Director
Board Member since 2008

H.E. Ms. Najla Al Midfa
Director
Board Member since 2012

Mr. Ahmed Mohamad Bakheet Khalfan
Director
Board Member since 1995

Mr. Joseph Abraham
Director
Board Member since 2017

Mr. Fahad Abdulrahman Badar
Director
Board Member since 2016

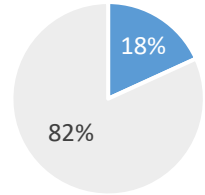
H.E. Dr. Mohamed Omar Abdulla
Director (Independent)
Board Member since 2023

Ms. Asma Alqaseer
Director (Independent)
Board Member since 2023

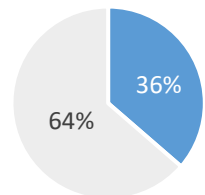
Mr. Nureddin S. Sehweil
Director (Independent)
Board Member since 2023

Mr. Khalid Al Huraimel
Director (Independent)
Board Member since 2024

Female Representation



Independent Directors



Years with UAB

6 Experienced Leadership to drive further growth (2/2)

Senior Management

<p>Shirish Bhide Chief Executive Officer</p> <p>Joined 2022 3 35</p>	<p>Abdul Haleem Sheikh Chief Financial Officer</p> <p>Joined 2022 3 35</p>	<p>Nael Mourad Head of Wholesale Banking</p> <p>Joined 2022 2 35</p>	<p>Emre Yalcin Head of Retail Banking</p> <p>Joined 2022 2 22</p>	<p>Carla Ajaka Head of Treasury & Capital Markets</p> <p>Joined 2020 4 31</p>
<p>Mohamed El Desouky Head of Islamic Banking</p> <p>Joined 2018 7 22</p>	<p>Hind Al Attar Chief Human Capital Officer</p> <p>Joined 2022 3 20</p>	<p>Abdullah AlTae Chief Operating Officer</p> <p>Joined 2022 2 18</p>	<p>S.V. Padmanabhan Chief Information Officer</p> <p>Joined 2024 0.4 31</p>	<p>Bhaskar Sen Chief Risk Officer</p> <p>Joined 2022 2 24</p>
<p>Biju Nair Chief Audit Executive</p> <p>Joined 2022 2 28</p>	<p>Zsombor Brommer Chief Compliance Officer</p> <p>Joined 2022 2 22</p>	<p>Narayanan Santhanam Chief Credit Officer</p> <p>Joined 2022 2 34</p>	<p>Fadi Mudarres Chief Legal Officer</p> <p>Joined 2024 0.3 26</p>	

Years with UAB

Total years of experience

With over 350+ years of collective diverse and extensive experience in the regional and international banking sector, UAB's senior management team have already demonstrated their ability and leadership by successfully executing the Bank's turnaround strategy put in place 2 years ago

UAB is focused on delivering sustainable growth and shareholder returns, leveraging the robust foundation built



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Well-positioned to transform progress into momentum ahead ...

FY'24 Financial Update

Strong business momentum drives double-digit growth in FY'24 balance sheet and earnings



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UNITED ARAB BANK

**FY'24 earnings up
driven by NII and
asset growth**

AED **331** MILLION
+30% yoy
Net Profit (before tax)

Net profit after tax up 18% to AED 301Mn

Led by growth in
net interest income
+18% yoy

CoR (cost of risk ⁽¹⁾) declined to
(47)bps in FY'24 on strong
recoveries and positive
macroeconomic environment
(FY'23: charge of 36bps)

AED **21** BILLION
+22% yoy
Total Assets

**Growth driven by
customer-centric
focus and robust
demand**

Net loans at AED 11.5 Bn
+23% yoy

Solid growth in customer
deposits
+33% yoy
(including CASA, up 22% yoy)

**Healthy asset quality
metrics see further
improvement**

3.9%
Gross NPL ratio
compares favourably
amongst top UAE banks
(FY'23: 5.0%)

Provision coverage remains
adequate
118% (FY'23: 132%)
(172% incl collaterals)

Diversified loan book across
economic sectors and
geographically across UAE

CAR
17.4% | CET1
12.7%

**Robust capital,
liquidity & funding**

ASRR
76% | ELAR
17%
Well within regulatory thresholds

Loans-to-Deposits
85%
(FY'23: 91%)

**Delivering
sustainable returns
to shareholders**

16.1%

Return on
Shareholders' Equity

Return on Assets
1.5%

Investment-grade credit ratings
Moody's (Baa3/Positive)
upgraded in Sep'24
Fitch (BBB+/Stable)
ratings affirmed

Sustainable profitability through business growth

(1) Cost of risk on loans, advances & Islamic financing

Robust execution of the turnaround strategy drives impressive asset growth supported by a diversified funding mix, ...

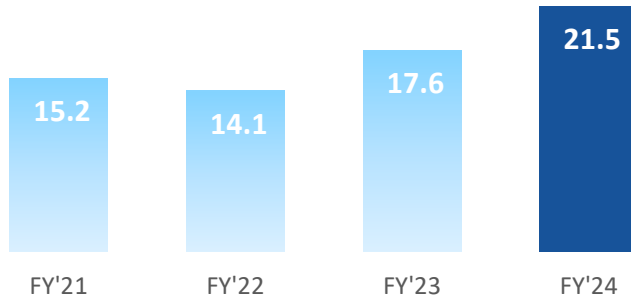


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All figures in AED Billion

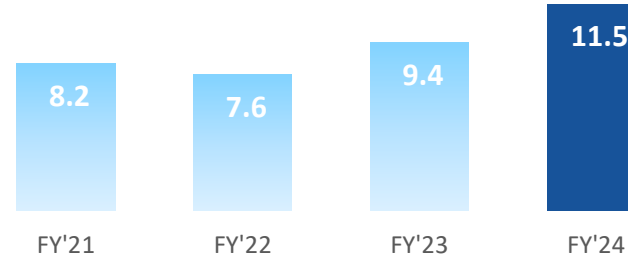
TOTAL ASSETS

CAGR since FY'21: 12%



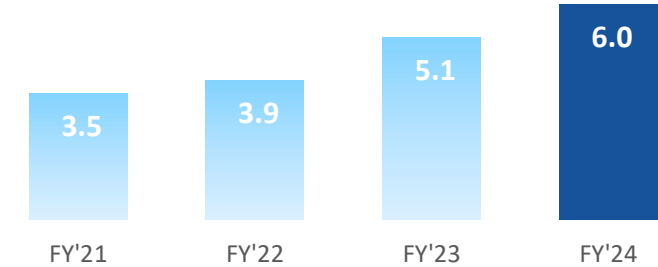
LOANS, ADVANCES & ISLAMIC FINANCING (net)

CAGR since FY'21: 12%



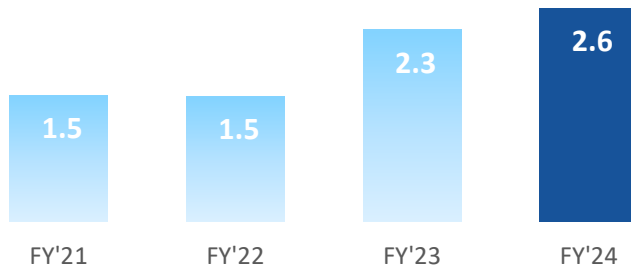
INVESTMENTS

CAGR since FY'21: 19%



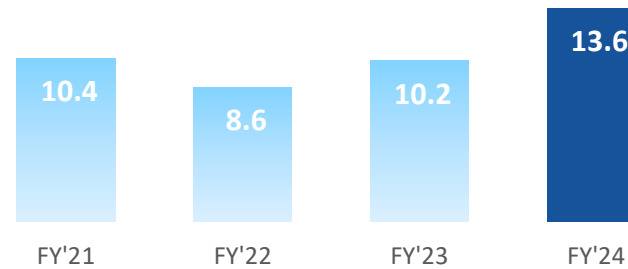
TOTAL EQUITY (incl AT1)

CAGR since FY'21: 19%



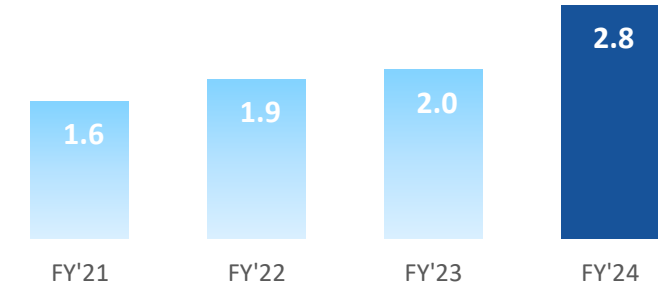
CUSTOMERS' DEPOSITS

CAGR since FY'21: 9%



ISLAMIC BANKING ASSETS ⁽¹⁾

CAGR since FY'21: 19%



(1) Islamic Banking Assets includes eligible balances in Due from Banks, Sukuks and Islamic financing receivables

... delivering strong growth in income and profits,

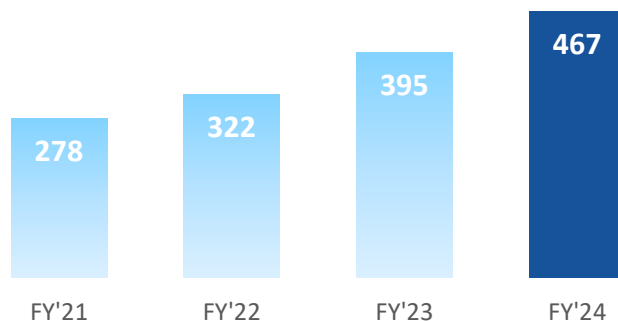


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All figures in AED Million

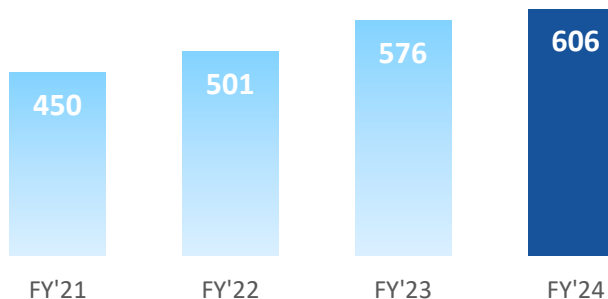
NET INTEREST INCOME

CAGR since FY'21: 19%



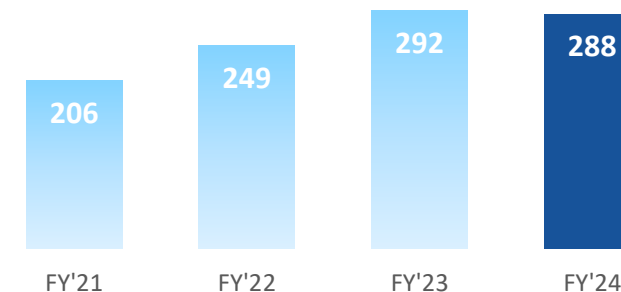
TOTAL INCOME

CAGR since FY'21: 10%



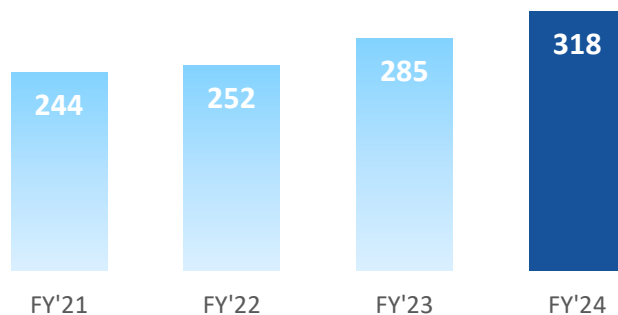
OPERATING PROFIT

CAGR since FY'21: 12%

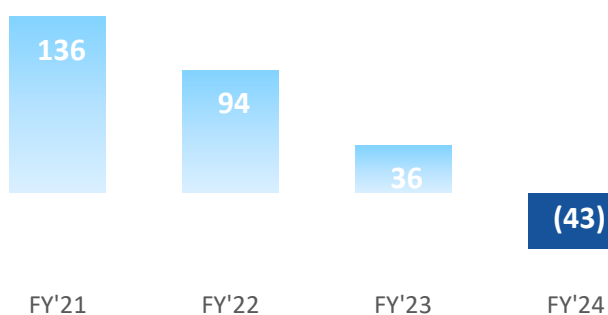


OPERATING EXPENSES

CAGR since FY'21: 9%

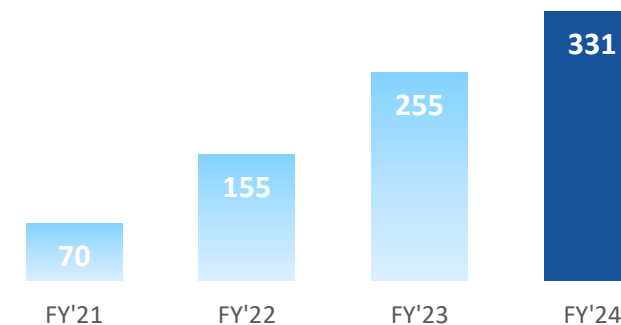


NET IMPAIRMENT CHARGES



NET PROFIT (BEFORE TAX)

CAGR since FY'21: 68%



- Corporate tax implemented effective FY'24; Net Profit after tax for FY'24 recorded at AED 301Mn (+18% yoy)

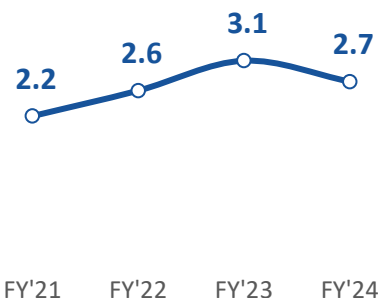
... and consistently improving key performance indicators



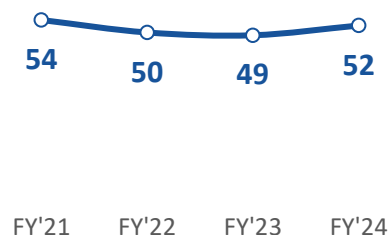
البنك العربي المتحد
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All figures in percentage (%)

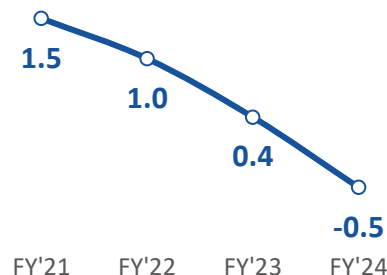
NET INTEREST MARGIN



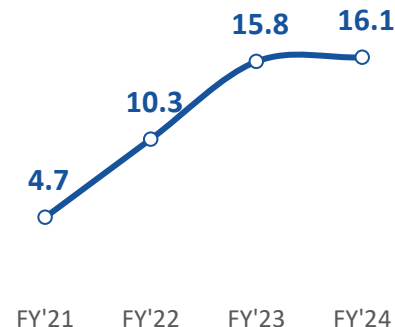
COST-INCOME RATIO



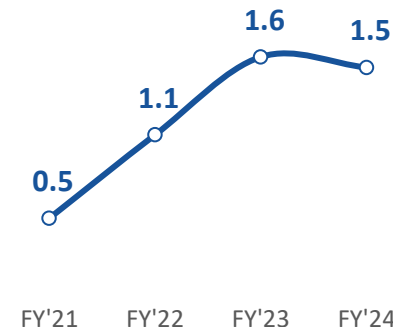
COST OF RISK



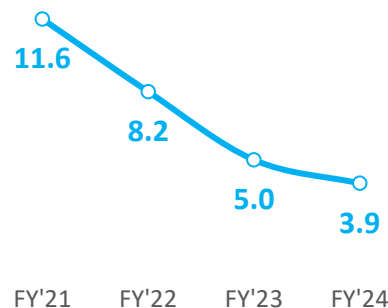
RETURN ON SHAREHOLDERS' EQUITY



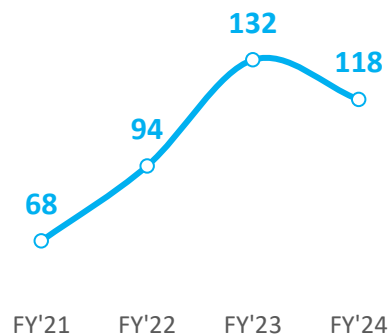
RETURN ON ASSETS



GROSS NPL RATIO

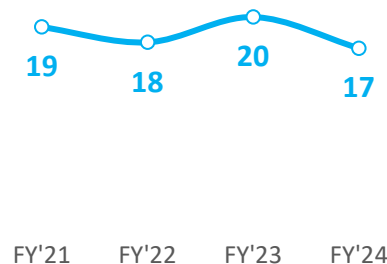


COVERAGE



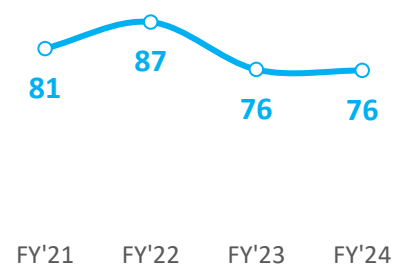
ELAR (Eligible Liquid Assets Ratio)

Regulatory minimum – 10%



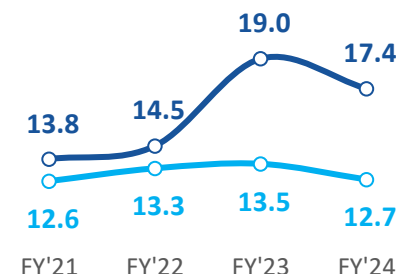
ASRR (Advances to Stable Resources Ratio)

Regulatory threshold – 100%



CAPITAL ADEQUACY

Regulatory minimum:
CET1 – 9.5%, CAR – 13%



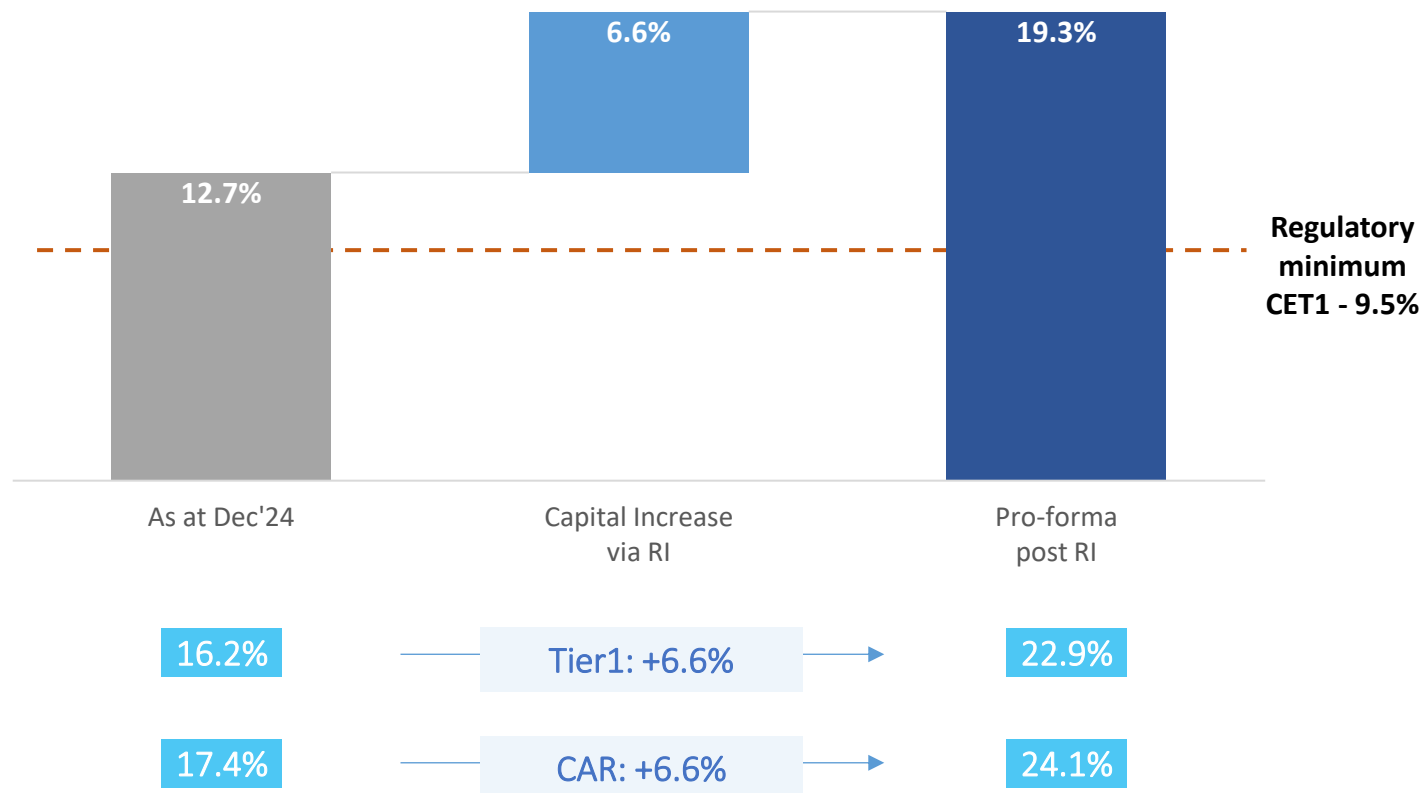
Use of Proceeds

Pro-forma Capital post rights issue and use of proceeds



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Core Tier 1 Capital



The Bank intends to use the net proceeds raised from the Rights Issue to strengthen the Bank's capital position and enhance its financial resilience to adverse macro-financial shocks, with the aim to:

(i) strengthen the Bank's balance sheet by enhancing the ability to meet regulatory requirements and withstand unforeseen economic challenges, and

(ii) achieve balanced asset growth in line with the approved strategy of the Bank's Board of Directors, which would result in more sustained profitability

Increase in capital ratios will also enhance our credit profile and support gradual improvement in UAB's credit ratings

Appendix – Summary Financials

Summary financials – Income statement and related ratios



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Income statement highlights (AED Million)	2024	%chg vs 2023	2023	%chg vs 2022	2022	%chg vs 2021
Net Interest Income	467	18	395	23	322	16
Non-Interest Income	139	(23)	182	1	179	4
Total Income	606	5	576	15	501	11
Operating Expenses	(318)	12	(285)	13	(252)	3
Operating Profit	288	(1)	292	17	249	21
Net Impairment loss	43	(218)	(36)	(61)	(94)	(31)
Profit before tax	331	30	255	65	155	120
Taxes	(30)	na	-	nr	-	nr
Net Profit after tax	301	18	255	65	155	120

Key Ratios (%)	2024	2023	2022
Net Interest Margin (NIM)	2.7	3.1	2.6
Cost-Income ratio	52.5	49.4	50.3
Cost of Risk (CoR)	(0.5)	0.4	1.0
Return on Shareholders' Equity (RoSE)	16.1	15.8	10.3
Return on Assets (RoA)	1.5	1.6	1.1

Summary financials – Balance sheet and related ratios



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Balance sheet highlights (AED Billion)	Dec-24	%chg vs Dec'23	Dec-23	%chg vs Dec'22	Dec-22	%chg vs Dec'21
Total Assets	21.5	22	17.6	25	14.1	(7)
Loans, advances & Islamic financing	11.5	23	9.4	23	7.6	(7)
Investments	6.0	18	5.1	31	3.9	10
Customers' deposits	13.6	33	10.2	19	8.6	(18)
<i>of which CASA deposits</i>	4.6	22	3.7	22	3.1	(1)
Total Equity (incl AT1)	2.6	11	2.3	53	1.5	(1)

Key Ratios (%)	Dec-24	Dec-23	Dec-22
Gross Non-performing loans ratio (NPL)	3.9	5.0	8.2
Provision coverage	118	132	94
Provision coverage (incl collaterals)	172	200	163
Advances to Stable Resources ratio (ASRR)	76	76	87
Eligible Liquid Assets ratio (ELAR)	17	20	18
CASA%	34	37	36
Common Equity Tier 1 (CET1) ratio	12.7	13.5	13.3
Tier 1 ratio	16.2	17.8	13.3
Capital Adequacy ratio (CAR)	17.4	19.0	14.5

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