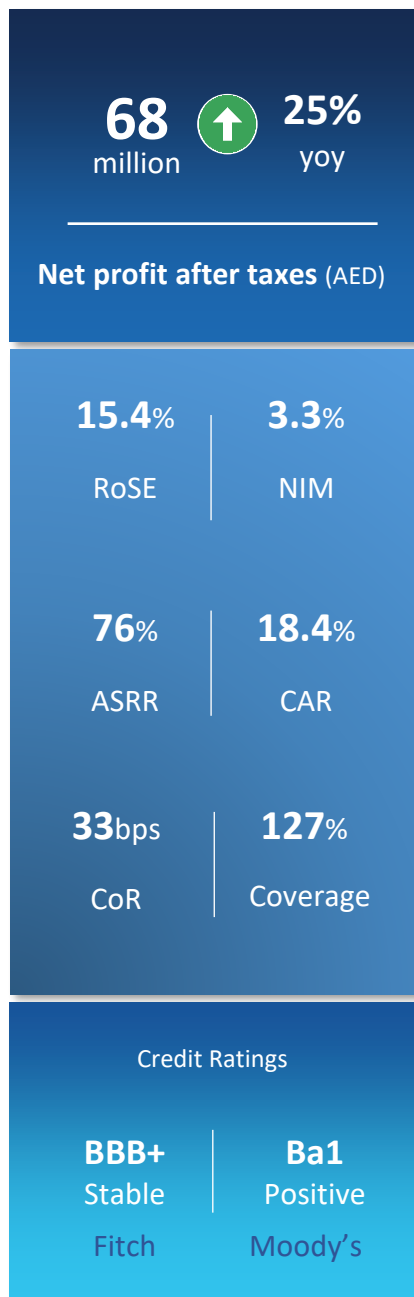


## UAB reports Financial Results for the First Quarter of 2024

**Q1 2024 Net profit at AED 68 Million, up 25% YoY and up 47% sequentially**

**25 April 2024:** United Arab Bank (UAB) reported financial results for the first quarter of 2024 recording double-digit growth in net profit after taxes on a year-on-year and sequential basis. These results demonstrate the fruitful execution of the turnaround strategy, providing further evidence that the Bank is well positioned to continue onward on its transformative growth journey and a strong year ahead.

### Key highlights (Q1 2024)



- Net profit (before tax) reported at AED 75 million for Q1 2024 as compared to AED 55 million for Q1 2023, up 37% yoy
- Net profit (after tax) reported at AED 68 million for Q1 2024 as compared to AED 55 million for Q1 2023, up 25% yoy and 47% sequentially. This resulted in an EPS of AED 0.033 per share compared to AED 0.027 per share in Q1 2023 the corresponding prior year period
- Annualised return on shareholders' equity (RoSE) has improved to 15.4% as compared to 14.7% in Q1 2023
- Total income increased by 33% yoy to AED 163 million for Q1 2024 compared to AED 123 million for Q1 2023 driven by higher net interest income which increased by 44% yoy
- Disciplined expense management with cost-income ratio reducing to 48% from 53% in prior year period
- Total Assets recorded AED 17.9 billion as of Q1 2024, with net loans, advances and Islamic financing increasing by 2% and customer deposits increasing by 4% during the quarter
- Improvement in asset quality metrics with NPL ratio reduced to 4.8%, whilst coverage improved to 127% compared to 7.8% and 102% in Q1 2023, respectively
- Capital position remains robust with CET1 of 13.1% and total capital adequacy ratio (CAR) at 18.4%
- The Bank's liquidity profile remains strong as evidenced by an advances to stable resources ratio of 76% and an eligible liquid asset ratio of 16%, both comfortably above regulatory thresholds
- BBB+/Ba1 credit ratings affirmed by Fitch and Moody's, with the outlook of 'Stable' and 'Positive' respectively



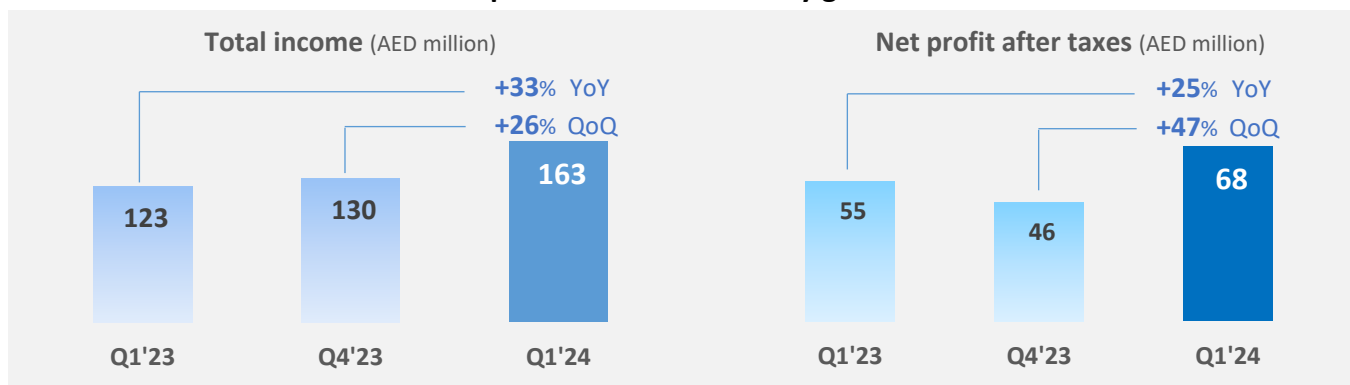
Commenting on the Bank's performance, HH Sheikh Mohammed bin Faisal bin Sultan Al Qassimi, Chairman of the Board of Directors of United Arab Bank, said: "We are pleased with the positive results accomplished for Q1 of 2024, which reflects the Bank's success in effectively delivering the set strategy that supports our growth and most importantly our shareholders' expectations. The Bank's total assets recorded AED 17.9 billion as of Q1 2024, with net loans, advances and Islamic financing increasing by 2% and customer deposits increasing by 4% during the quarter. Moreover, asset quality metrics improved further with NPL ratio reduced to 4.8%, whilst coverage improved to 127%, compared to 7.8% and 102%, respectively, in Q1 2023."

HH Sheikh Mohammed bin Faisal bin Sultan Al Qassimi added, "our objectives and vision for UAB are aligned with the UAE leadership's vision, growth plans and ambitions for the country. Moreover, we are well poised to take advantage of the robust foundation and the favorable macroeconomic trends as we continue to expedite measured actions for considerable growth."



Shirish Bhide, Chief Executive Officer of UAB, commented: "The growth in total net revenues and profits in the first quarter of 2024 is clear evidence of the success of the many initiatives that have been implemented at United Arab Bank. We will pursue our ambitious vision relentlessly and accelerate the pace of investments in our growth strategy with a focus on developing innovative products and services that meet all customer aspirations whilst upholding the highest standards of compliance and internal controls."

### Total Income and Net profit increase driven by growth in core businesses



## Financial Summary

Income statement highlights (AED Million)	Q1'24	Q4'23	Q1'23	%chg vs Q4'23	%chg vs Q1'23
Net Interest Income	132	100	92	32	44
Non-Interest Income	31	29	31	7	2
<b>Total Income</b>	<b>163</b>	<b>130</b>	<b>123</b>	<b>26</b>	<b>33</b>
Operating Expenses	(78)	(74)	(66)	5	18
<b>Operating Profit</b>	<b>86</b>	<b>55</b>	<b>57</b>	<b>55</b>	<b>50</b>
Net impairment loss	(11)	(9)	(2)	18	348
Taxes	(7)	-	-	na	na
<b>Net Profit</b>	<b>68</b>	<b>46</b>	<b>55</b>	<b>47</b>	<b>25</b>

Balance sheet highlights (AED Billion)	Mar-24	Dec-23	Mar-23	%chg vs Dec'23	%chg vs Mar'23
Total Assets	17.9	17.6	14.4	1	24
Loans, advances & Islamic financing	9.5	9.4	7.4	2	29
Investments	5.3	5.1	3.9	4	36
Customers' deposits	10.7	10.2	8.3	4	28
of which CASA deposits	3.7	3.7	2.9	(2)	25
Total Equity (incl AT1)	2.4	2.3	2.1	3	14

Key Ratios (%)	Q1'24	Q4'23	Q1'23	%chg vs Q4'23	%chg vs Q1'23
Net Interest Margin (NIM)	3.35	2.80	3.10	0.55	0.25
Cost-Income ratio	47.5	57.3	53.4	(9.7)	(5.9)
Cost of Risk (CoR)	0.33	0.39	(0.05)	(0.1)	0.4
Return on Shareholders' Equity (RoSE)	15.4	10.9	14.7	4.6	0.7
Return on Assets (RoA)	1.5	1.1	1.6	0.4	(0.0)
Non-performing loans ratio (NPL)	4.8	5.0	7.8	(0.1)	(2.9)
Provision coverage	127	132	102	(5.1)	24.7
Provision coverage (incl collaterals)	194	200	175	(6.6)	18.7
Advances to Stable Resources ratio (ASRR)	76	76	80	0.1	(4.4)
Eligible Liquid Assets ratio (ELAR)	16	20	21	(4.4)	(5.3)
CASA%	34	37	35	(2.1)	(0.7)
Common Equity Tier 1 (CET1) ratio	13.1	13.5	13.3	(0.4)	(0.2)
Tier 1 ratio	17.2	17.8	18.1	(0.6)	(0.9)
Capital Adequacy ratio (CAR)	18.4	19.0	19.3	(0.6)	(0.9)

### Notes:

- Comparative figures have been reclassified where appropriate to conform to the presentation
- Ratios for the quarter are annualised, where applicable
- Rounding differences may appear in the tables across the document

## Financial overview

### Operating income growth driven by continued business momentum across businesses

<i>(AED Million)</i>	Q1'24	Q4'23	Q1'23	%chg vs Q4'23	%chg vs Q1'23
Net Interest Income	132	100	92	32	44
Non-Interest Income	31	29	31	7	2
Net fees & commission income	23	17	20	36	12
Foreign exchange income	6	8	7	(19)	(16)
Other operating income	2	5	3	(52)	(23)
<b>Total operating income</b>	<b>163</b>	<b>130</b>	<b>123</b>	<b>26</b>	<b>33</b>

- **Operating income** in Q1'24 increased to AED 163 million, up 33% year-on-year (yoy) and 26% sequentially (qoq), primarily driven by higher net interest income.
- **Net interest income** (NII) was higher by 44% yoy and 32% qoq, led by higher interest rates and higher interest earning assets, complemented by effective deployment of balance sheet and efficiency in managing funding costs. As a result, net interest margin was recorded at 3.35% in Q1'24 expanding by 25 basis points (bps) yoy from 3.10% in Q1'23.
- **Non-interest income** increased by 2% yoy and 7% qoq driven by higher fees and commissions.
- **Operating costs** in Q1'24 increased by 18% yoy and 5% qoq, in line with growth in business activity. Cost-income ratio improved to 48% from 53% in Q1'23 and from 57% in Q4'23. The bank continues to focus on delivering positive operating leverage by efficiently managing its expenses, albeit investing across people, products and systems, in line with its growth aspirations.
- **Net Impairment charges** in Q1'24 were AED 11 million translating into an annualised cost of risk of 33bps, well within the guidance for the year. The bank continues to prudently manage risk and maintain focus on asset quality, even as it accelerates its asset growth.
- Beginning this year, the bank is liable to accrue and pay **corporate taxes**. Taxes of AED 7 million were accrued in Q1'24.

### Focused on prudently managing risk and improving asset quality, amid accelerating asset growth

- **Total assets** increased 24% yoy and 1% year-to-date (ytd) to AED 17.9 billion driven by increase in lending book and high-quality investments.
- **Investments** portfolio grew 36% yoy and 4% ytd to AED 5.3 billion, as liquidity was deployed efficiently to support yield enhancement.
- **Loans, advances and Islamic financing** expanded 29% yoy and 2% ytd, as the bank continues to cater to the strong demand from clients and execute the pipeline proficiently.
- **Customer deposits** grew strongly by 28% yoy to AED 10.7 billion enabled by 25% growth in CASA (deposits) on the back of various initiatives and supported the growth in loans. Year-to-date, customer deposits grew by a healthy 4%. CASA (deposits) now represent 34% of total deposits.
- **Liquidity and funding** remains adequate and well within regulatory requirements, with eligible liquid asset ratio (ELAR) at 16% and advances to stable resources ratio (ASRR) at 76%. Liabilities include a 2-year dual tranche AED 735 million medium term borrowing successfully raised at market competitive rates towards the end of last year, strengthening the balance sheet and enhancing the bank's ability to support its clients.
- **Asset quality** improved further with non-performing loans ratio declining to 4.8% during the quarter from 5.0% at the end of Dec-2023 and 7.8% at the end of March-2023, while provision coverage stood at 127% (194% including collaterals) as of March-2024.
- **Total Equity** at AED 2.4 billion, including USD 150 million AT1 issued in March 2023, improved by 14% yoy and 3% ytd. **Capital position** remained robust with CET1, Tier1 and CAR ratio at 13.1%, 17.2% and 18.4% as compared to 13.5%, 17.8% and 19.0% at the beginning of the year, and remains above minimum regulatory requirements.
- Annualised return on shareholders' equity was 15.4% and return on assets was 1.5% for Q1'24 as compared to 14.7% and 1.6%, respectively in the prior year period.



**Abdulhaleem Sheikh**

Chief Financial Officer

## Awards and Accolades



UAE Domestic Online Banking  
Initiative of the Year  
United Arab Bank



United Arab Bank (UAB) won the Asian Banking & Finance Wholesale Banking Award for “UAE Domestic Online Banking Initiative of the Year” for its innovative UAB Trade Online Banking Platform. The platform allows clients to manage their financial affairs, offering unparalleled convenience and security and a wide range of exceptional features and products.

### About United Arab Bank P.J.S.C.

United Arab Bank, P.J.S.C. (UAB) was incorporated on the 21st of January 1975 as a joint venture between UAE investors and the French international financial conglomerate, Société Générale (SG). Today, the bank is considered among the longest-standing and most innovative banking and financial services providers in the United Arab Emirates.

Headquartered in Sharjah, UAB operates through 6 branches and 21 ATMs/CCDMs across the UAE offering retail and corporate banking services. The Bank succeeded to establish itself as a partner of choice for corporate clientele with a comprehensive suite of Wholesale Banking services supported by Trade Finance, Retail Banking, and Financial Markets services, in addition to Islamic Banking solutions.

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