

# UAB

البنك العربي المتحد  
UNITED ARAB BANK

# RESILIENT GROWTH CONTINUES ...

Q1 2026 Earnings presentation

22 April 2026



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# Core business momentum continues to drive resilient growth



## Operating profits continue to grow driven by core business momentum



- **Core business momentum continues to drive growth in operating income** led by higher net interest income
- **Impairment charges** in Q1'26 reflect prudent BAU risk management, while recoveries and writebacks were lower year-on-year
- **Efficient balance sheet utilisation** with funds deployed for loan growth (+4% ytd) and adding high-quality investments (+5% ytd), supporting core income growth
- **Robust fundamentals** with key liquidity, funding and capital ratios well above regulatory minimums



Return on Shareholders' Equity<sup>1</sup>

**9.0%**

Return on Assets<sup>1</sup>

**1.1%**



## Strong asset growth

Total Assets **₹27bn** (+15% yoy)

Loans, advances & Islamic financing

**₹15.1bn**

+21% yoy

Customer Deposits (incl Islamic deposits)

**₹16.7bn**

+11% yoy



## Asset quality metrics remain healthy

Gross NPL ratio **2.6%** (FY'25: 2.8%)

Provision coverage

**110%**

(incl collaterals: 186%)

Cost of Risk<sup>1</sup>

**39bps**

(Q1'25: -110bps)



## Strengthened capital position

Capital Adequacy Ratio **20.4%** (FY'25: 21.5%)

CET1 ratio

**16.4%**

(FY'25: 17.4%)

Total Equity

**₹3.8bn**

+44% yoy



## Robust liquidity & funding metrics

ELAR **16%** (FY'25: 17%)

ASRR **73%** (FY'25: 70%)



## Improved Credit Ratings

Moody's **Baa2 / P-2 / Stable**

Fitch **BBB+ / F2 / Stable**

<sup>1</sup> Annualised

# Strong operating business momentum in Q1'26 led to improved core income, offset by higher impairment charges due to one-off recoveries and writebacks in Q1'25

## Q1'26 operating profit growth of 29% yoy driven by higher revenue growth ...

- Operating income in Q1'26 grew by +16% yoy, led by higher NII
- NII +34% yoy in Q1'26, on the back of continued growth in interest earning assets
- Non-interest income declined by -27% yoy in Q1'26 primarily due to absence of property-related and other gains realised in the prior year period

## however, net profit declined in Q1'26 compared to prior year ...

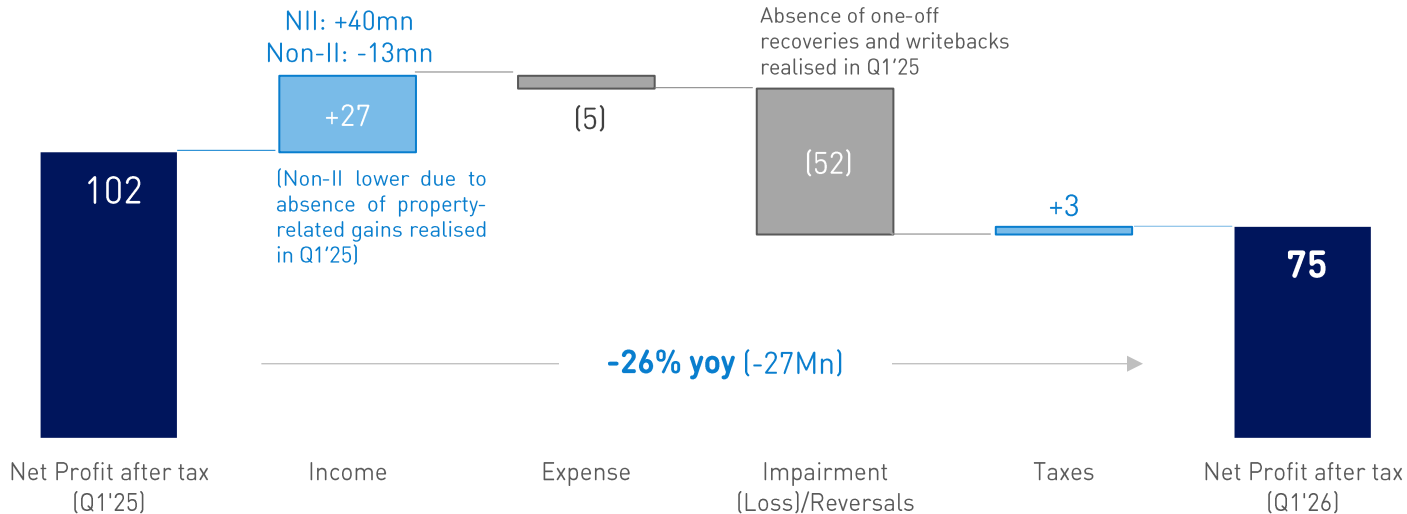
- Impairment charges taken in Q1'26 reflecting BAU, compared to net reversals in Q1'25 in absence of one-off recoveries and writebacks
- Disciplined cost management with expense growth limited to 5% yoy; CI ratio improved to 48% vs 53% in Q1'25

## Income statement highlights (in AED Million)

	Q1'26	%chg vs Q1'25	%chg vs Q4'25
Net Interest Income	157	34	4
Non-Interest Income	35	(27)	(45)
<b>Total Income</b>	<b>193</b>	16	(11)
Operating Expenses	(92)	5	(5)
<b>Operating Profit</b>	<b>100</b>	29	(16)
Impairment (loss)/reversal	(18)	nr	nr
<b>Net Profit before tax</b>	<b>82</b>	(26)	(39)
Taxes	(7)	(27)	(42)
<b>Net Profit after tax</b>	<b>75</b>	(26)	(39)
<b>Key Ratios<sup>1</sup> (%)</b>	<b>Q1'26</b>	chg vs Q1'25	chg vs Q4'25
Net Interest Margin (NIM)	2.62	0.1	0.0
Cost-Income ratio	47.9	(5.1)	3.0
Cost of Risk (CoR)	0.39	nr	nr
Return on Shareholders' Equity (RoSE)	9.0	(11.1)	(5.1)
Return on Assets (RoA)	1.1	(0.7)	(0.8)

## Q1'26 Net profit bridge

(in AED Mn)

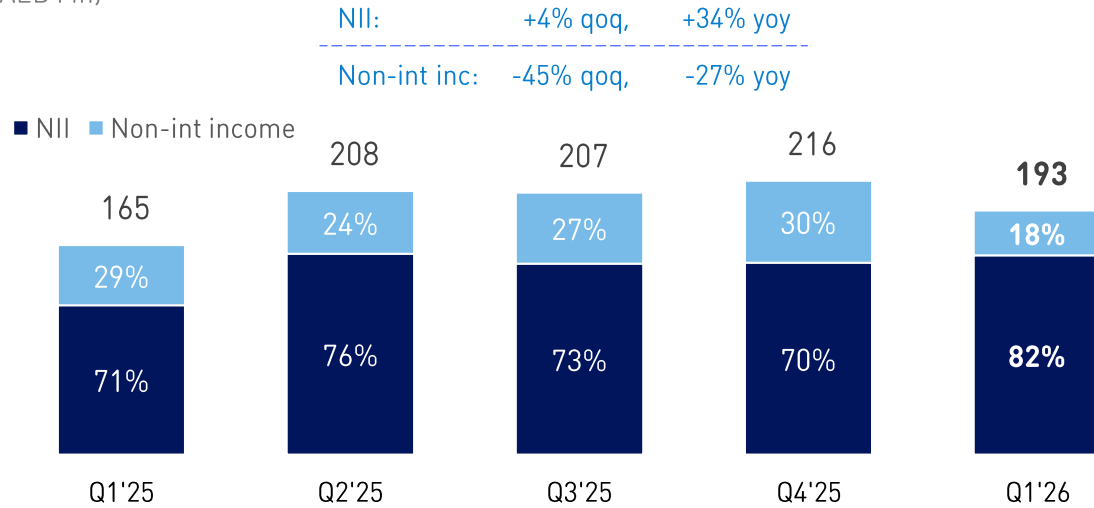


<sup>1</sup> Ratios are annualised, where relevant

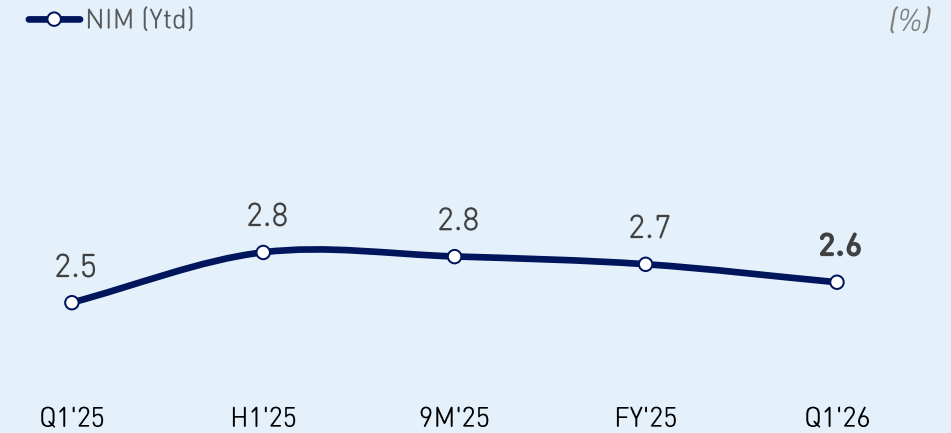
# Strong asset growth and stable NIMs drive double-digit growth in NII

## Operating income: NII increased by 34% driven by growth in interest earning assets

(AED Mn)

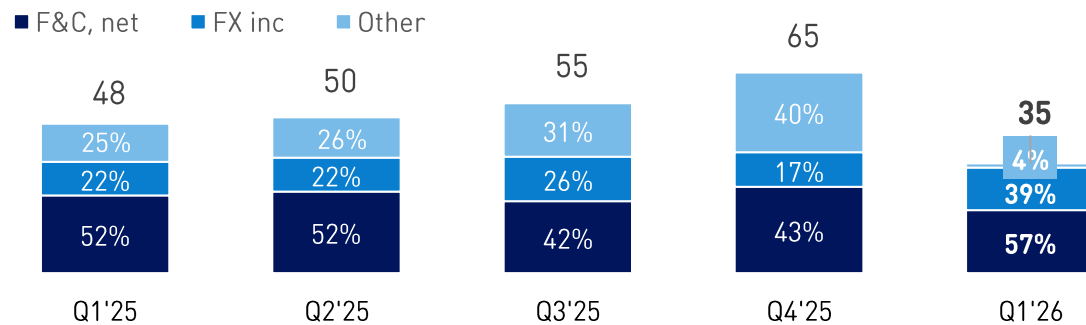


## Q1'26 NIM at 2.6% was higher year-on-year



## Non-interest income declined primarily due to absence of one-off property-related gains realised in Q1'25; FX income was up 26% yoy, while fees & commissions declined by 19% yoy

(AED Mn)

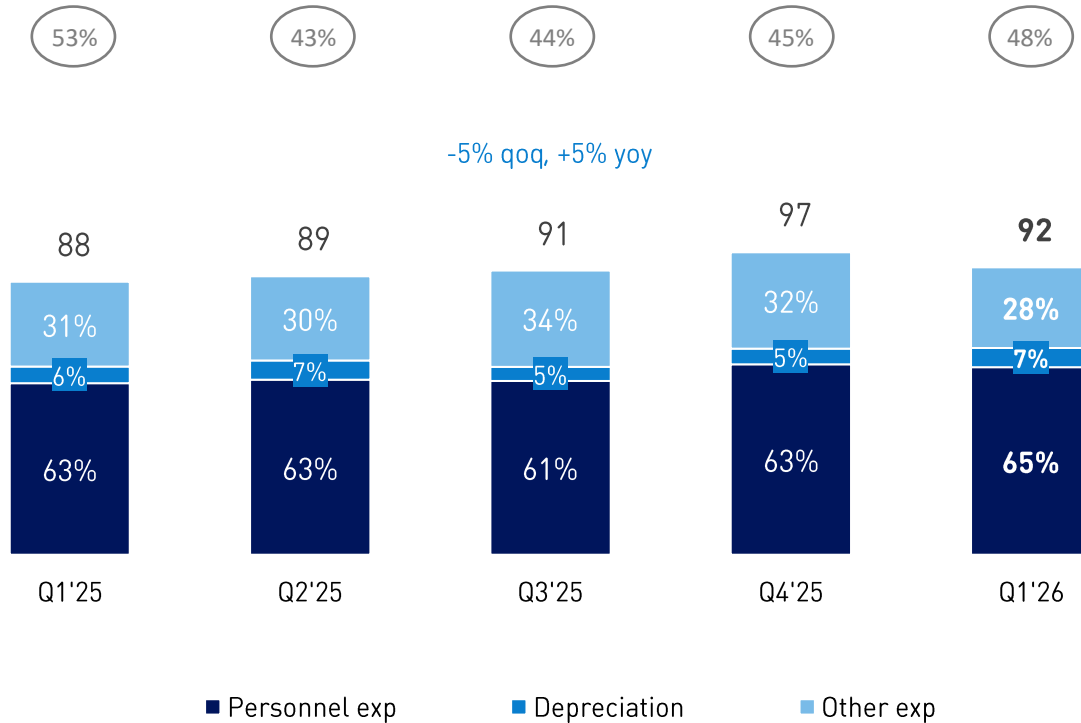


# Expense growth limited to 5% year-on-year through disciplined cost management

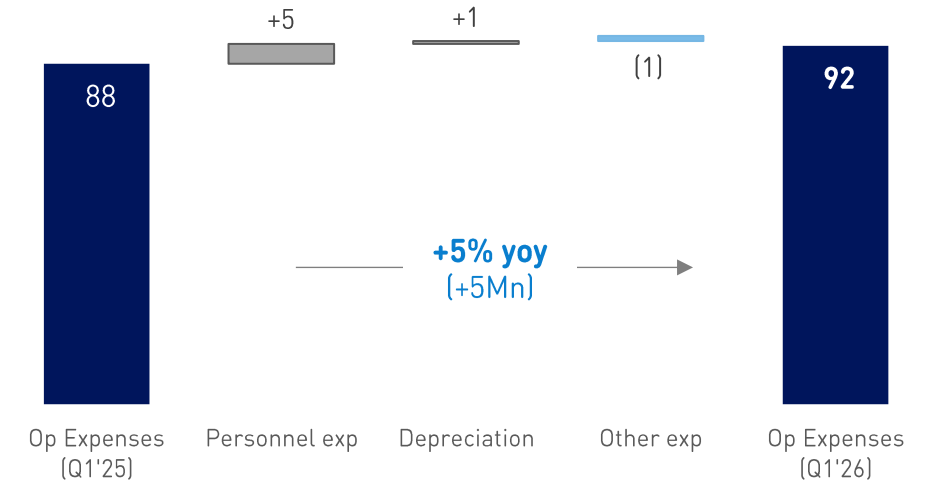
Efficiently managing expenses and investing across people, products, processes and systems, in line with the medium-term growth strategy

Operating expenses by type (AED Mn) & Cost-income ratio (%)

Cost-income ratio (%)

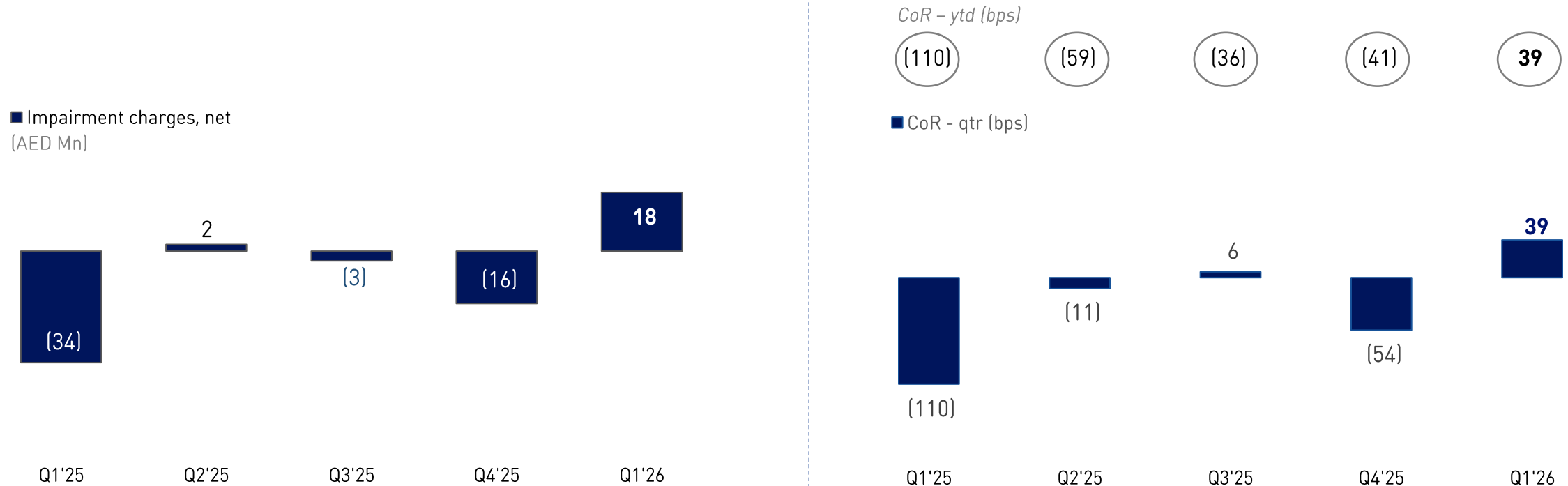


Operating expenses Q1'26 bridge (AED Mn)



# Impairment charges taken in Q1'26 as compared to prior year due to absence of one-off recoveries and writebacks realised in Q1'25; CoR in line with our 2026 guidance

Firmly focused on ensuring healthy asset quality and implementation of prudent risk management practices, amid strong business growth



CoR – annualised, calculated as net impairment charges on loans, advances & Islamic financing, other financial assets and contingent liabilities, as a percentage of gross loans and advances

# Strong customer-led growth in risk assets, backed by robust capital position, remains a key driver of our sustainable and profitable growth

## Balance Sheet highlights

(in AED Billion)	Mar'26	%chg vs Dec'25	%chg vs Mar'25
Total Assets	26.9	(0)	15
Loans and advances	15.1	4	21
Investments	8.3	5	22
Customers' deposits	16.7	(6)	11
of which CASA deposits	6.2	(5)	15
Total Equity (incl AT1)	3.8	(5)	44

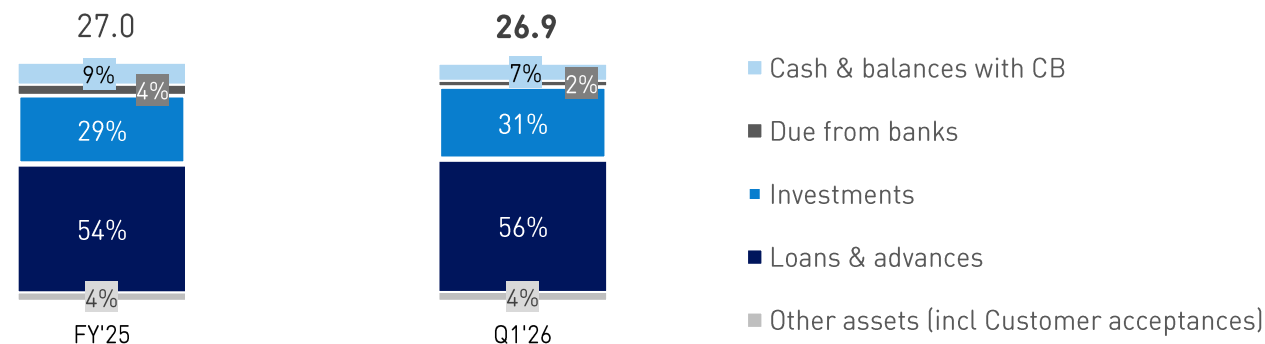
## Key ratios (%)

	Mar'26	Dec'25	Mar'25
NPL ratio	2.6	2.8	3.4
Provision coverage	110	107	140
Provision coverage (incl collaterals)	186	183	197
Advances to Stable Resources ratio (ASRR)	73	70	74
Eligible Liquid Assets ratio (ELAR)	16	17	18
CASA%	37	36	36
CET1 ratio	16.4	17.4	12.6
Tier1 ratio	19.2	20.3	15.9
CAR%	20.4	21.5	17.1

## Robust foundation with a solid capital position and adequate liquidity; business pipeline remains robust as we diligently execute and fulfill our customers' borrowing needs

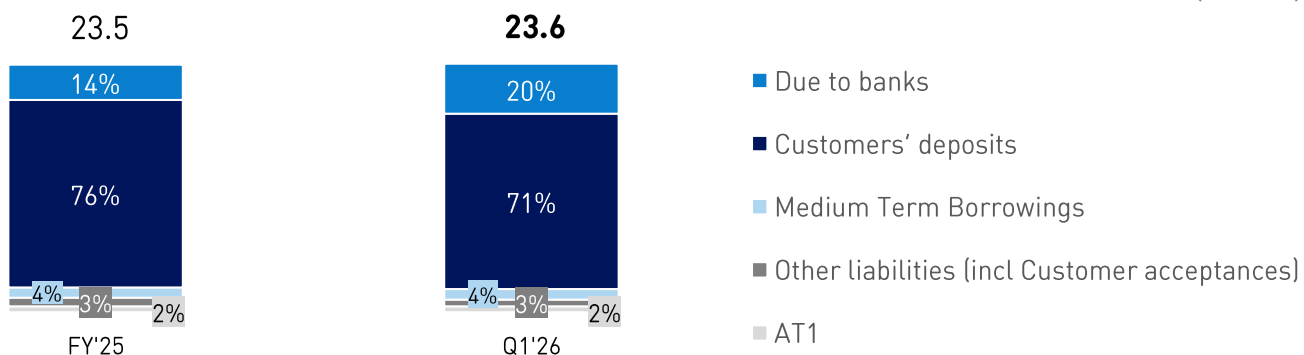
### Assets primarily deployed across loans and high-quality investments ...

(AED Bn)



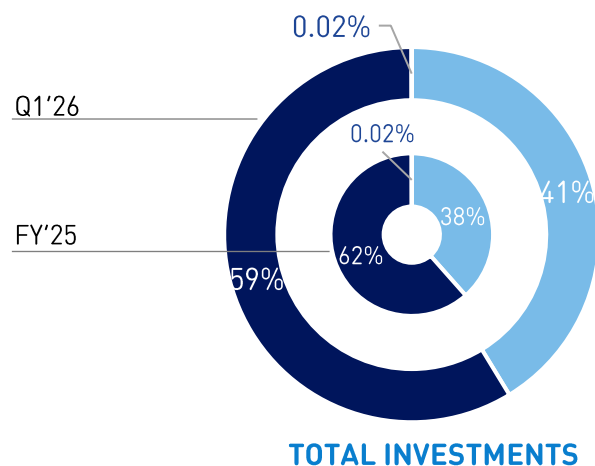
### ... funded by customer deposits as the major source

(AED Bn)



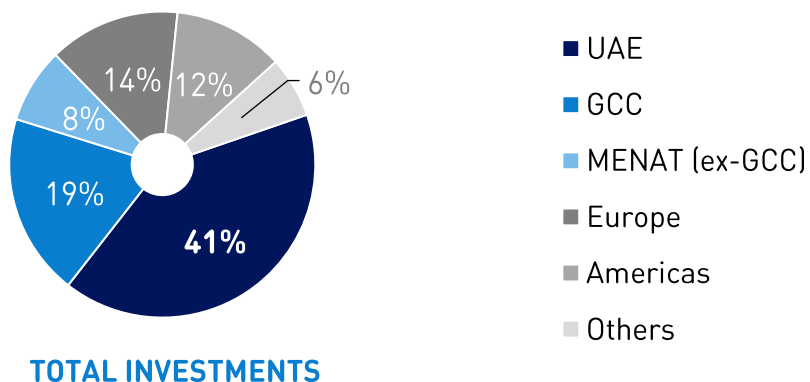
# Quality investment portfolio mandated to meet liquidity requirements and enhance yield

## Investments book primarily consist of debt instruments

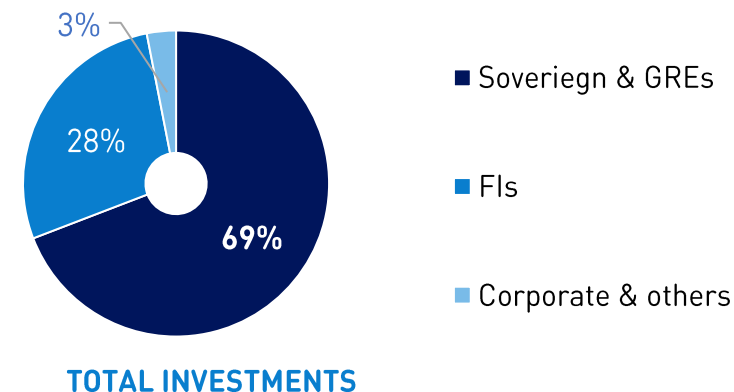


	(AED Bn)	
	FY'25	Q1'26
Debt - Amortised cost	3.0	<b>3.4</b>
Debt - FVOCI	4.8	<b>4.9</b>
Equity - FVOCI	0.001	<b>0.002</b>
<b>Total</b>	<b>7.9</b>	<b>8.3</b>

## 41% of exposure to UAE, 68% to MENAT (incl GCC and UAE)



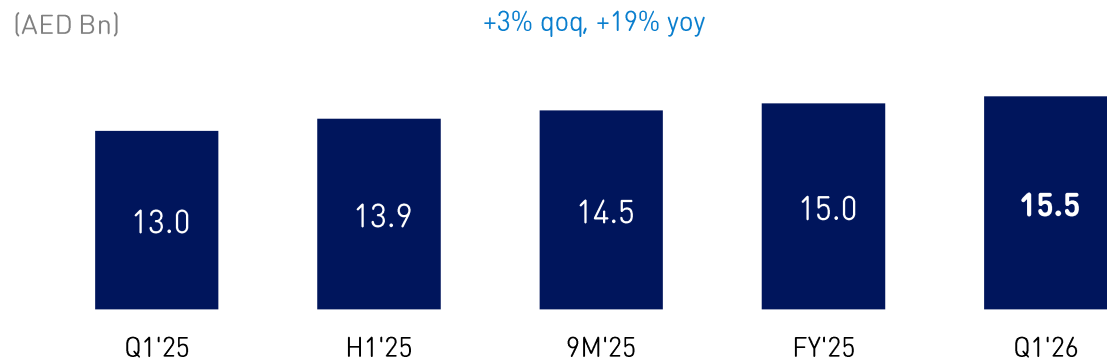
## Major exposure comprises of sovereign and GRE counterparts



1 Composition of investments is based on the market value of the underlying investments

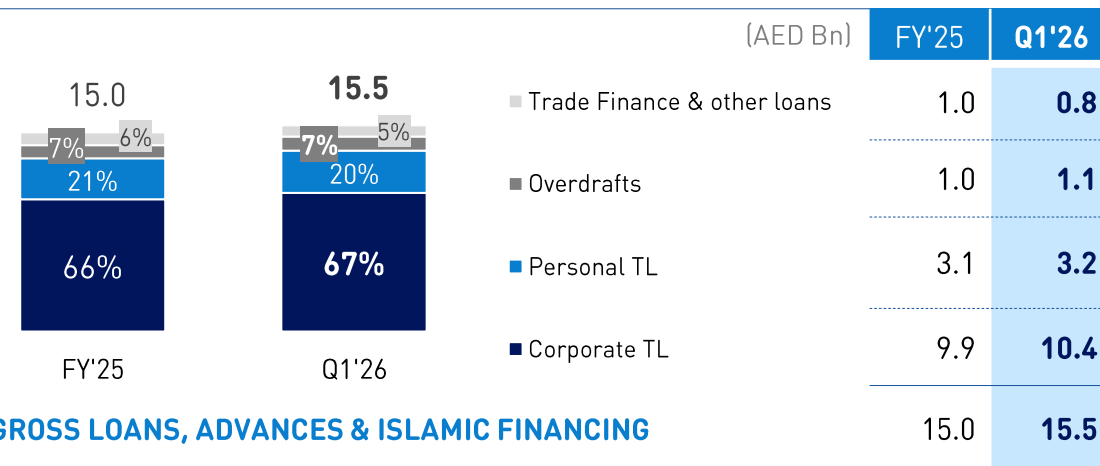
# Growth in loans driven by both - corporate and personal banking customers

## Gross loans grew by 19% yoy; business pipeline remains robust



### GROSS LOANS, ADVANCES & ISLAMIC FINANCING

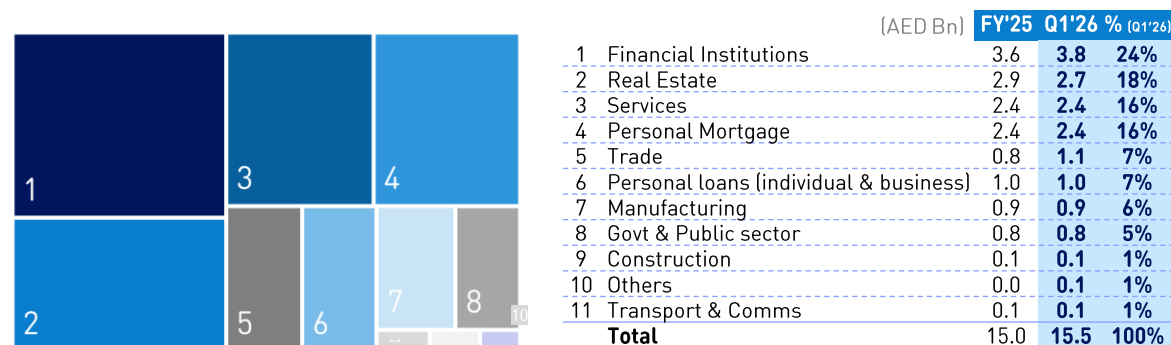
## Growth in loans primarily led by corporate lending (+5%)



### GROSS LOANS, ADVANCES & ISLAMIC FINANCING

- Islamic financing represents 16% of total gross loan book (FY'25: 16%)

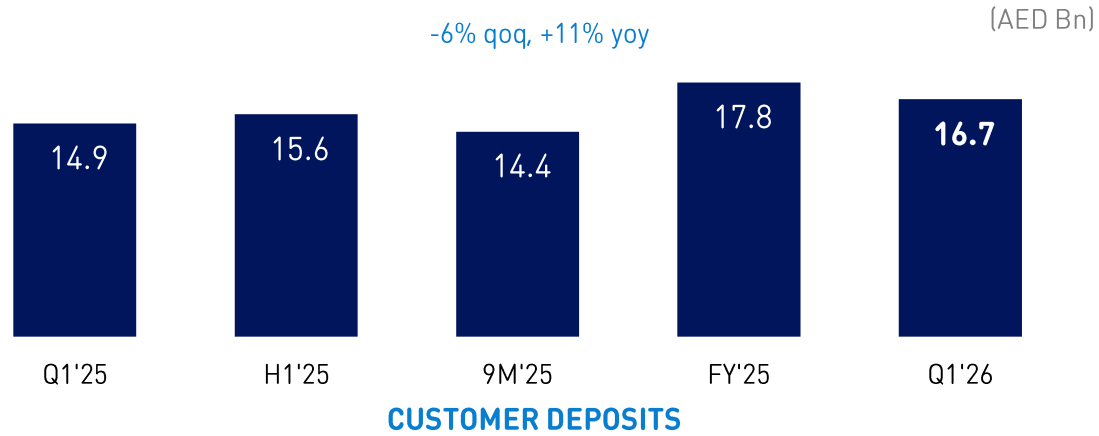
## Diversified loan book across economic sectors



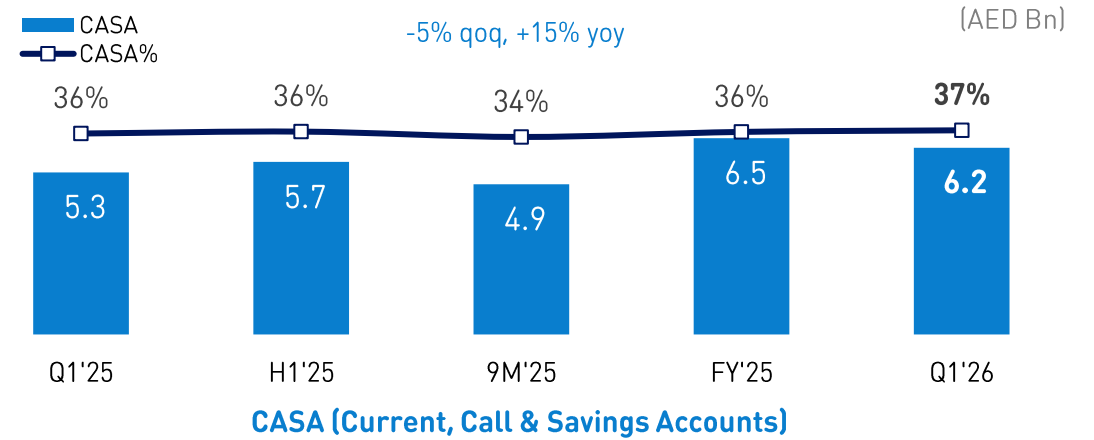
### GROSS LOANS, ADVANCES & ISLAMIC FINANCING by ECONOMIC SECTOR

# Liquidity and funding metrics remain sound; focused on enhancing CASA deposits to support funding cost optimisation

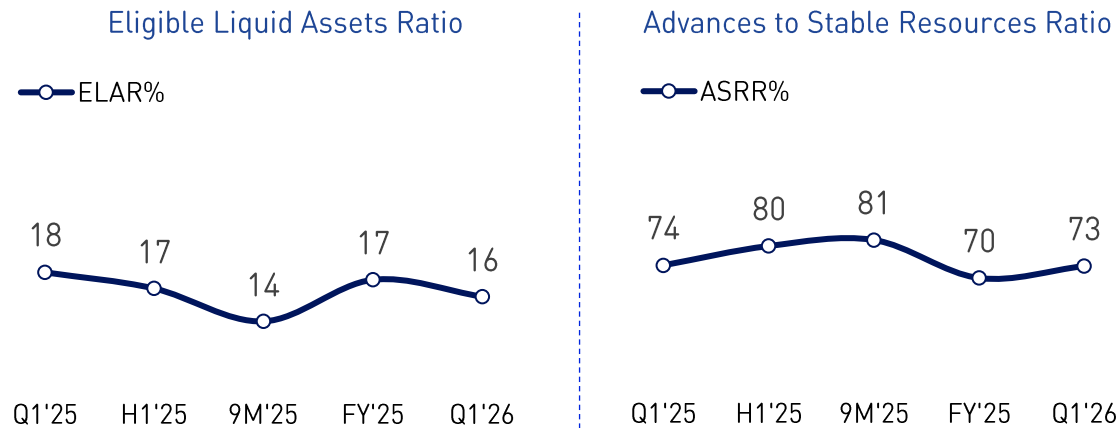
## Focused on customer deposit growth to fund our asset strategy



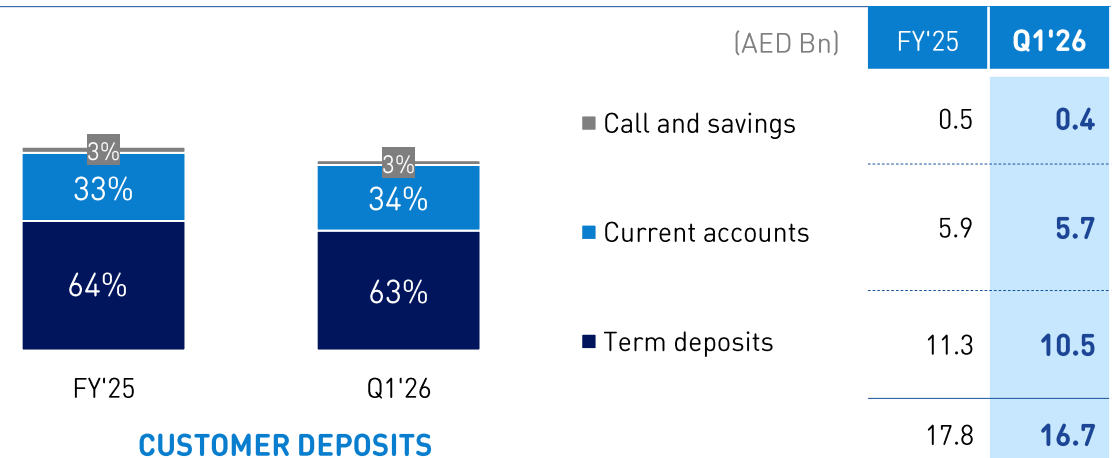
## Remain focused on enhancing CASA% to support funding costs optimisation



## Regulatory liquidity ratios well ahead of regulatory thresholds



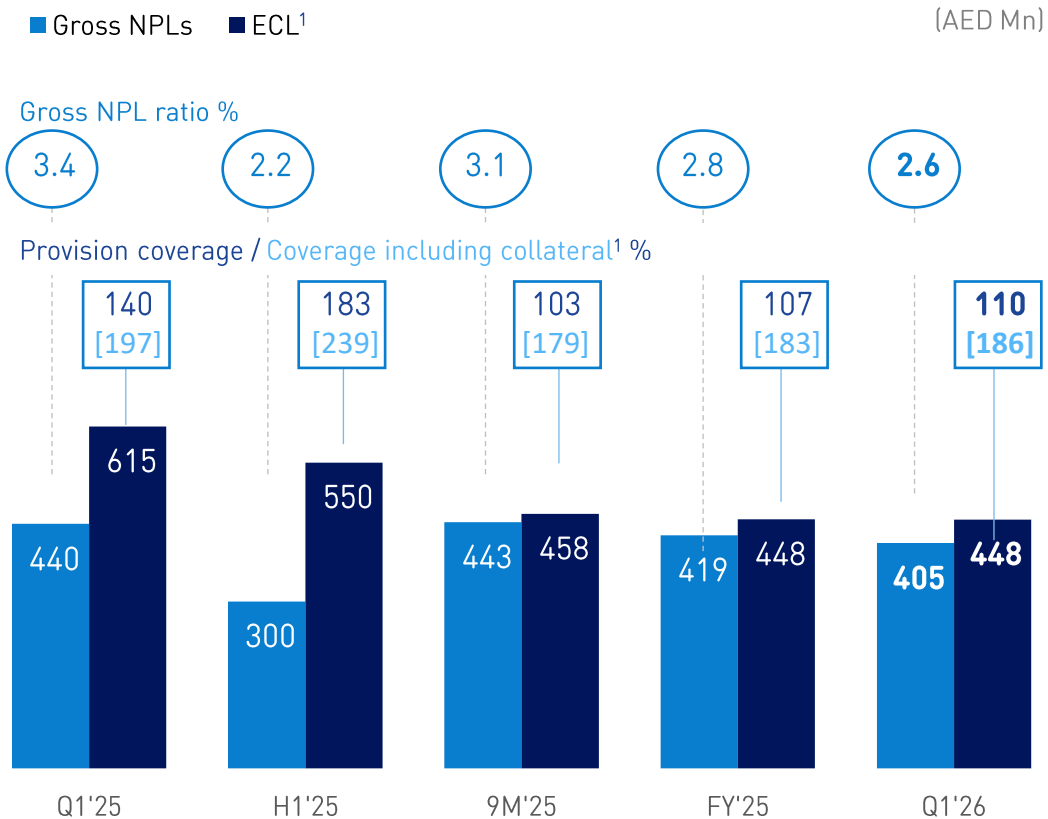
## Customer deposits by type



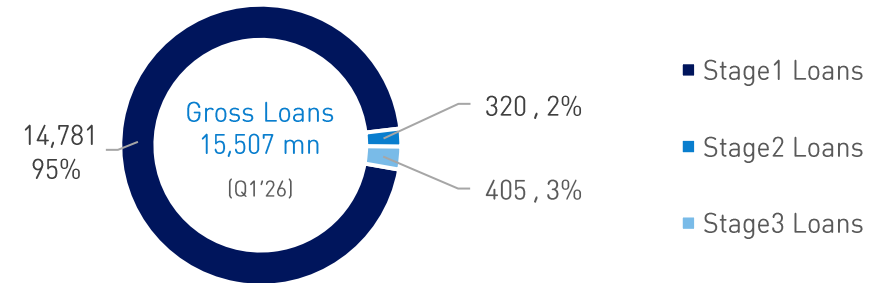
# Asset quality metrics remain healthy

Committed to ensuring adherence to prudent risk practices with proactive portfolio management being a key focus area

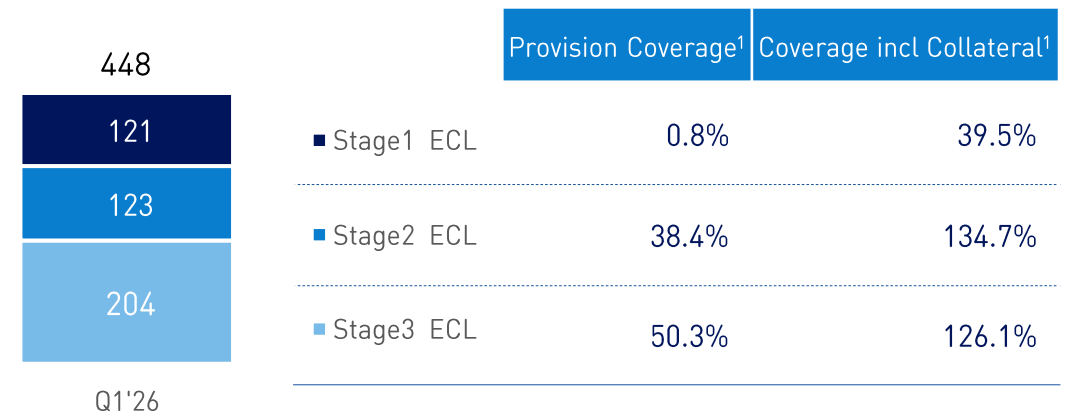
## Gross NPL ratio improves further, coupled with healthy provision coverage



## 95% of loans are in Stage 1



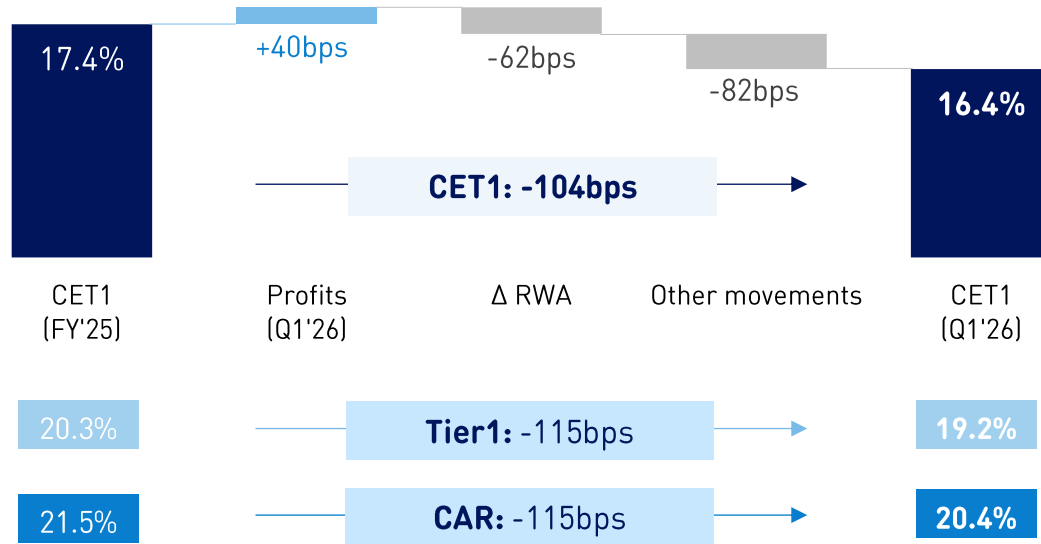
## Healthy coverage ratios across the portfolio



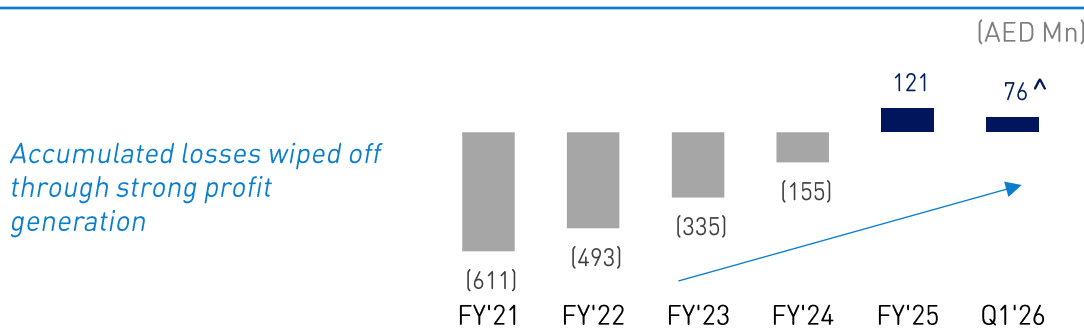
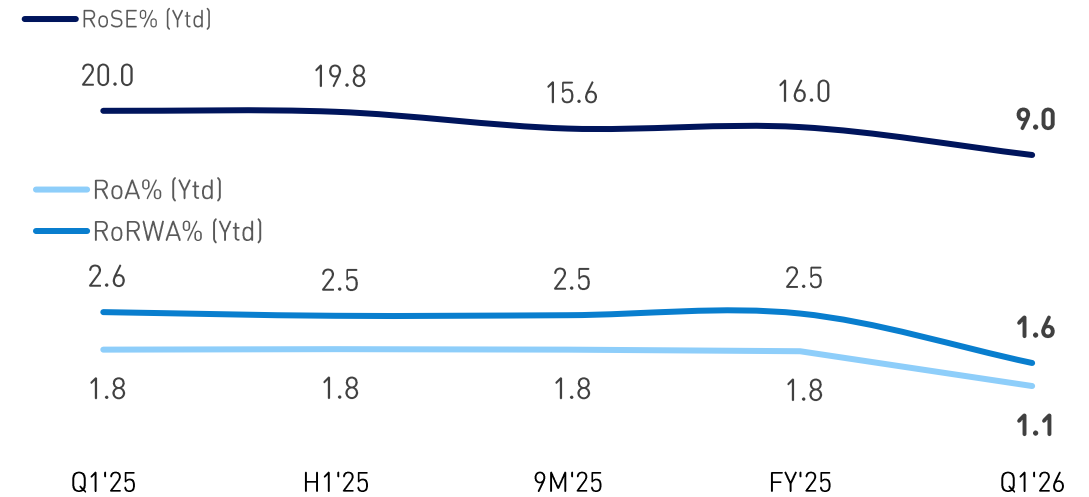
<sup>1</sup> ECL & Provision coverage includes ECL on loans, advances and Islamic financing + ECL on unfunded exposures

# Robust capital position provides enhanced resilience towards any adverse macroeconomic shocks, while supporting asset growth

Strong earnings and new capital raised in prior year has significantly strengthened the capital position



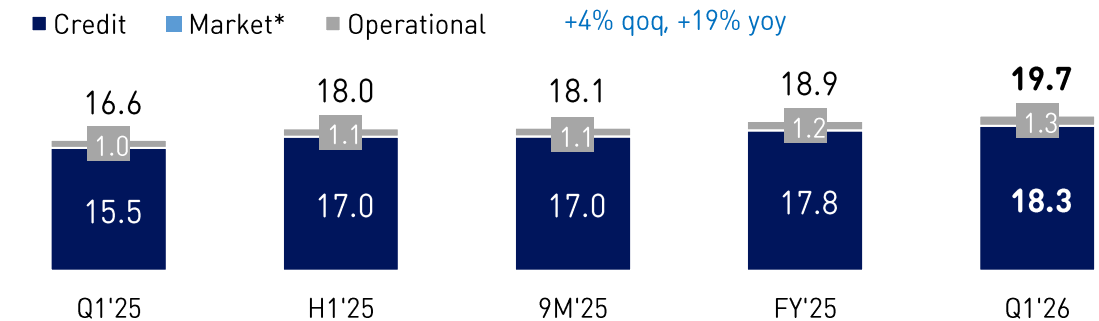
Focused on delivering sustainable shareholder returns over the economic cycle including a stable dividend policy



<sup>^</sup> Post-dividend payment pertaining to FY 2025

Disciplined growth in risk-weighted assets

(AED Bn)



\* Market RWA are negligible (below AED 15Mn) across the periods and hence not visible on the chart

# Committed to maintaining a resilient credit profile and prioritise prudent risk management to deliver sustainable growth and shareholder returns

We remain **cautiously optimistic** on the outlook for FY 2026:

- oil price volatility, global trade and supply chain disruptions may adversely impact global economic growth and sentiment, leading to interest rate uncertainty and potential for stagflation across major economies
- UAE Real GDP growth forecasts<sup>1</sup> remain positive (c. +3%); reduced from pre-crisis expectations
- proactive government and regulatory actions and measures have been taken to provide support and enhance financial resilience across vulnerable economic sectors
- remain vigilant towards any signs of turnaround in the economic cycle (prolonged geopolitical crisis, tariff wars, interest rates, real estate and construction activity)



**Leveraging the robust foundation set**



**Building an agile & customer-centric institution**



**Focused on delivering sustainable returns**

- Strategic focus to enhance non-interest income & CASA contribution
- Ensuring well-diversified and balanced growth within risk appetite, supported by adequate coverage
- Increased capital to enable continued growth and strengthen buffers
- Committed to delivering sustainable returns over the economic cycle through disciplined execution of growth strategy and a stable dividend policy

<sup>1</sup> Latest UAE Real GDP 2026 growth forecasts (April 2026): IMF 3.1%

# APPENDIX



عاماً متحدون  
years united

# UAB<sup>®</sup>

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# Summary financials – Income statement and related ratios

Income statement highlights (AED Million)	Q1'26	Q1'25	%chg vs Q1'25	Q4'25	%chg vs Q4'25
Net Interest Income	157	117	34	151	4
Non-Interest Income	35	48	(27)	65	(45)
<b>Total Income</b>	<b>193</b>	165	16	216	(11)
Operating Expenses	(92)	(88)	5	(97)	(5)
<b>Operating Profit</b>	<b>100</b>	78	29	119	(16)
Net Impairment (loss) / reversal	(18)	34	nr	16	nr
<b>Net Profit before tax</b>	<b>82</b>	112	(26)	135	(39)
Taxes	(7)	(10)	(27)	(13)	(42)
<b>Net Profit after tax</b>	<b>75</b>	102	(26)	122	(39)

Key Ratios (%)	Q1'26	Q1'25	chg vs Q1'25	Q4'25	chg vs Q4'25
Net Interest Margin (NIM)	2.62	2.49	0.1	2.60	0.0
Cost-Income ratio	47.9	53.0	(5.1)	44.9	3.0
Cost of Risk (CoR)	0.39	(1.10)	nr	(0.54)	nr
Return on Shareholders' Equity (RoSE)	9.0	20.0	(11.1)	14.1	(5.1)
Return on Assets (RoA)	1.1	1.8	(0.7)	1.9	(0.8)

# Summary financials – Balance sheet and related ratios

Balance sheet highlights (AED Billion)	Mar-26	Mar-25	%chg vs Mar'25	Dec-25	%chg vs Dec'25
Total Assets	26.9	23.4	15	27.0	(0)
Loans, advances & Islamic financing	15.1	12.5	21	14.6	4
Investments	8.3	6.8	22	7.9	5
Customers' deposits	16.7	14.9	11	17.8	(6)
<i>of which CASA deposits</i>	6.2	5.3	15	6.5	(5)
Total Equity (incl AT1)	3.8	2.7	44	4.0	(5)

Key Ratios (%)	Mar-26	Mar-25	chg vs Mar'25	Dec-25	chg vs Dec'25
Gross Non-performing loans ratio (NPL)	2.6	3.4	(0.8)	2.8	(0.2)
Provision coverage	110	140	(29.4)	107	3.4
Provision coverage (incl collaterals)	186	197	(11.1)	183	2.9
Advances to Stable Resources ratio (ASRR)	73	74	(0.2)	70	3.7
Eligible Liquid Assets ratio (ELAR)	16	18	(1.9)	17	(1.3)
CASA%	37	36	1.2	36	0.6
Common Equity Tier 1 (CET1) ratio	16.4	12.6	3.8	17.4	(1.0)
Tier 1 ratio	19.2	15.9	3.3	20.3	(1.1)
Capital Adequacy ratio (CAR)	20.4	17.1	3.3	21.5	(1.2)

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