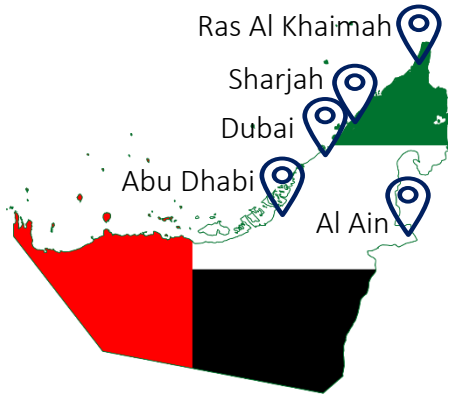
البنك العربي المتحد
UNITED ARAB BANK

UAB Corporate Profile

February 2025

United Arab Bank : Your Trusted Banking Partner

- **Incorporated in 1975** in the Emirate of Sharjah as a JV between key UAE and international investors
- **Commercial Bank (QSC) is the major shareholder** holding 40% (acquired in Dec'07)
- **Network coverage across UAE** with 6 branches/ offices, 22 ATMs/CCDMs



Mission, vision and our core values

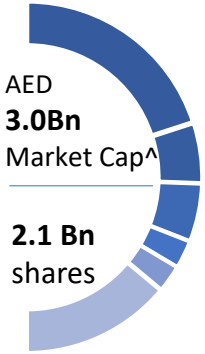
Trusted and **Stalwart** partner committed to building **sustainable** and **long-term partnerships** with all stakeholders

Core Values

Integrity | **Customer Focus** | **Competency** | **Consistency** | **Courteousness**

Well-supported by top shareholders*

- Listed on Abu Dhabi Securities Exchange (ADX)



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 31 December 2024 / ^ as of 31 January 2025*

Positive trends in credit ratings

Moody's **Baa3** Upgraded in Sep'24 — **Positive outlook**

"The positive outlook on the long-term deposit ratings of UAB was maintained and reflects our view that the bank's improvements in the financial fundamentals, in particular stronger profitability metrics, are expected to continue."

Fitch **BBB+** Since May'19 — **Stable outlook**

"The bank's risk appetite has improved in recent years, following underwriting standards tightening and problem loans clean up evidenced by improved impaired loans coverage and moderated cost of risk."

Board of Directors: Prominent and diversely skilled members

H.H. Sheikh Mohammed Bin Faisal Al Qassimi
Chairman
Board Member since 2011
Directorship & senior positions: Manafa LLC, Hospitality Management Holding LLC, Marketing Projunction LLC, Italian Chamber of Commerce (UAE & GCC)

Mr. Omar Hussain Alfardan
Vice Chairman of UAB
Board Member since 2007
- Chairman - Alternatif Bank (Turkey)
- Managing Director – CBQ
- President and CEO – Alfardan Group and its subsidiaries

H.E. Sheikh Abdullah Bin Ali Bin Jabor Al Thani
Director
Board Member since 2008
- Chairman - CBQ
- Deputy Chairman – NBO (Oman)
- Owner – Vista Trading Company, Qatar

H.E. Ms. Najla Al Midfa
Director
Board Member since 2012
- CEO – Sharjah Entrepreneurship Council (Sheraa)
- Board Member – Endeavour (UAE)
- Vice Chairperson – Young Arab Leaders

Mr. Ahmed Mohamad Bakheet Khalfan
Director
Board Member since 1995
- Former DGM – Emirates Industrial Bank
- Former chairman – Emirates Modern Poultry
- Former vice chairman – Emirates Rawabi

Mr. Joseph Abraham
Director
Board Member since 2017
- Group CEO – CBQ
- Vice Chairman - Alternatif Bank (Turkey)
- Director – NBO, Oman

Mr. Fahad Abdulrahman Badar
Director
Board Member since 2016
- EGM, International Banking – CBQ
- Board Member – NBO, Oman

H.E. Dr. Mohamed Omar Abdulla
Director (Independent)
Board Member since 2023
- Former UAE Ambassador to Singapore
- Advisor to Chairman – Dept of Economic Development
- Director General - Abu Dhabi Chamber of Commerce & Industry

Ms. Asma Alqaseer
Director (Independent)
Board Member since 2023
- Beyond View – A San Francisco based software company
- Prior appointments include Sallis, SocGen, EIA, BNP Paribas & Twofour54

Mr. Nureddin S. Sehweil
Director (Independent)
Board Member since 2023
- President & CEO – Uni-Arab Group
- Board member – Sprint Oil & Gas, various JVs of New Line Oil & Gas, Aqua Treat Water Technology

Mr. Khalid Al Huraimel
Director (Independent)
Board Member since 2024
- GCEO & Vice Chairman – BEEAH
- Chairman – Emirates Waste to Energy Company, re.life, ION & Evoteq
- Board Member – Sharjah Research, Technology & Innovation Park, & Wekaya

UAB's Senior Management has decades of expertise in the banking industry

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(read info in bracket as Dt of joining, Years of experience)

Shirish Bhide
Chief Executive Officer
(Jun-22, 35y)

Abdulhaleem Sheikh
Chief Financial Officer
(Jan-22, 35y)

Nael Mourad
Head of Wholesale Banking
(Aug-22, 35y)

Emre Yalcin
Head of Retail Banking
(Oct-22, 22y)

Carla Ajaka
Head of Treasury & Financial Markets
(Aug-20, 31y)

Mohamed El Desouky
Head of Islamic Banking
(May-18, 22y)

Hind Al Attar
Chief Human Capital Officer
(Jun-22, 20y)

Abdullah AlTaee
Chief Operating Officer
Interim Chief Information Officer
(Dec-22, 18y)

S.V. Padmanabhan
Chief Information Officer
(Aug-24, 31y)

Bhaskar Sen
Chief Risk Officer
(Aug-22, 24y)

Biju Nair
Chief Audit Executive
(Aug-22, 28y)

Zsombor Brommer
Chief Compliance Officer
(Sep-22, 22y)

Naraynan Santhanam
Chief Credit Officer
(Dec-22, 34y)

Fadi Mudarres
Chief Legal Officer
(Sep-24, 26y)

Our strategic imperatives

1 Sustainable and superior profits
through business growth

2 'Customer centricity' and 'risk'
at the heart of all that we do
Embed sustainability in our DNA

3 Build a Retail bank
that adopts the core digital banking and CPR tenets of superior user experience, transparency, simplicity, lower transaction costs and STP

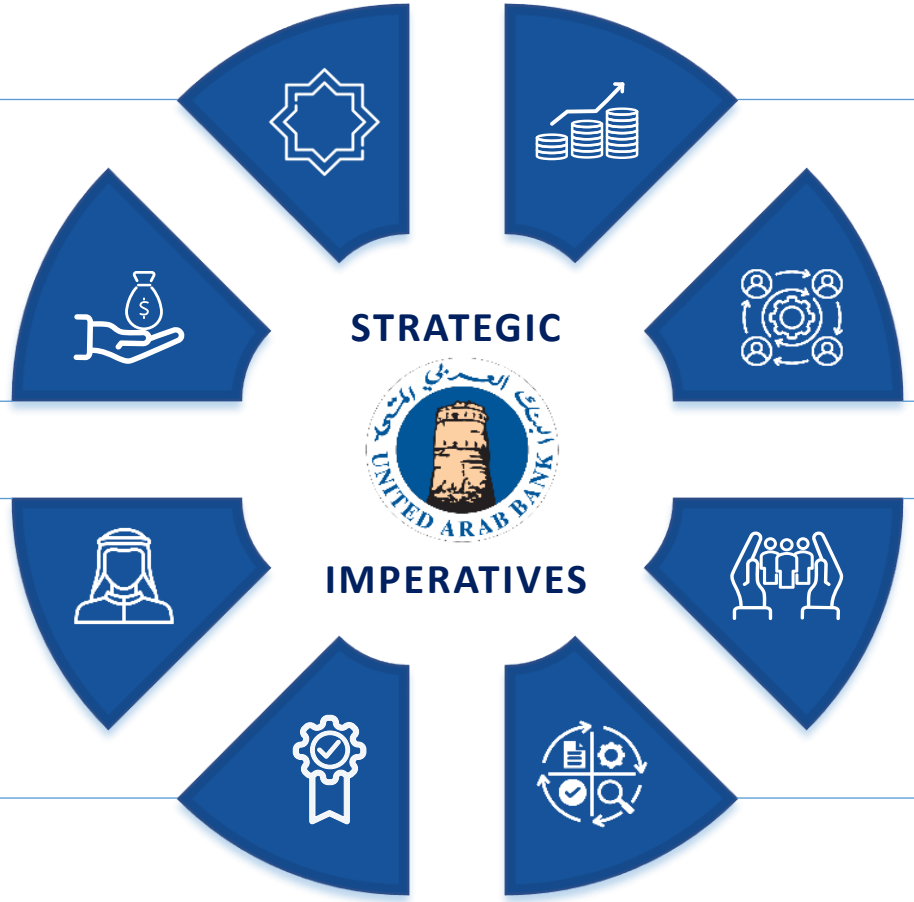
4 Transform the bank
(process improvements, STP, RPA etc)

5 Top #3 Leadership position
among chosen peer group

6 Nurture true talent
Merit-only based decisions

7 Bank-wide cost discipline
to drive down the CI ratio significantly

8 Re-invigorate our Islamic window
across all business lines



Firmly marching ahead on our transformative growth journey

UAB's transformation journey has delivered a strong foundation for growth ahead

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 utilisation 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

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 and **improved our capital position**
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 time

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

Ensuring sustainable growth and stability through ongoing transformation efforts

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

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Wholesale Banking

AED 362 mn FY'24 Revenue

60% Revenue contribution

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

AED 189 mn FY'24 Revenue

31% Revenue contribution

Comprehensive suite of treasury products for institutional and corporate clients, and high networth 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 optimise liquidity, enhance yield and ensure prudent risk management

Retail Banking

AED 55 mn FY'24 Revenue

9% Revenue contribution

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 networth clients through Sadara banking
- Automation initiatives to streamline processes, enhance productivity and optimise costs

Enablement Functions

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

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

Robust fundamentals with strong financial performance

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

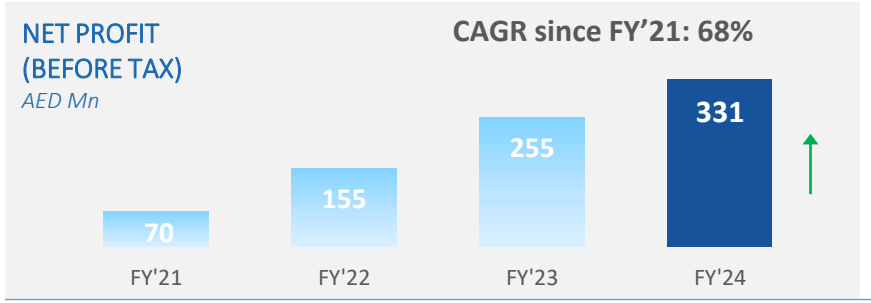
… driven by growth in core income and assets,

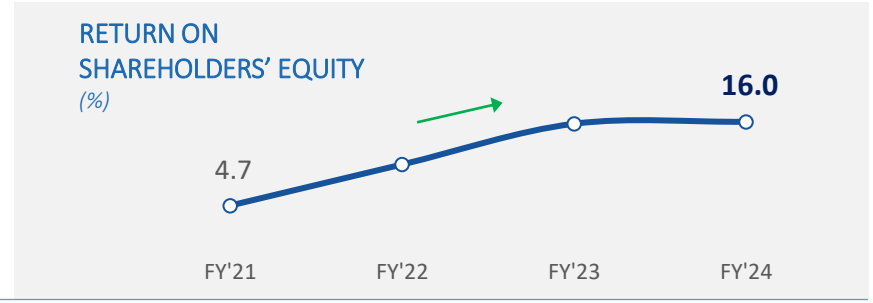
… with a remarkable turnaround in asset quality metrics,

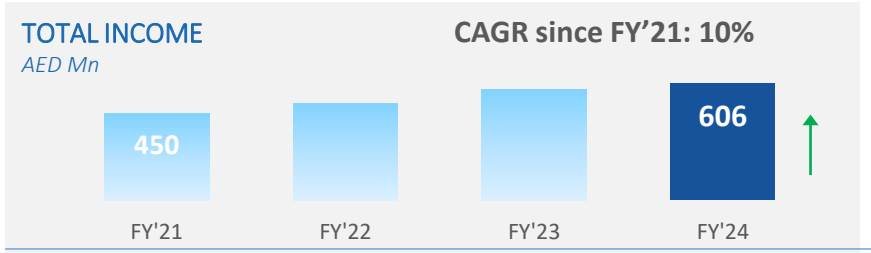
Gross NPL ratio favourably compares among the top UAE banks

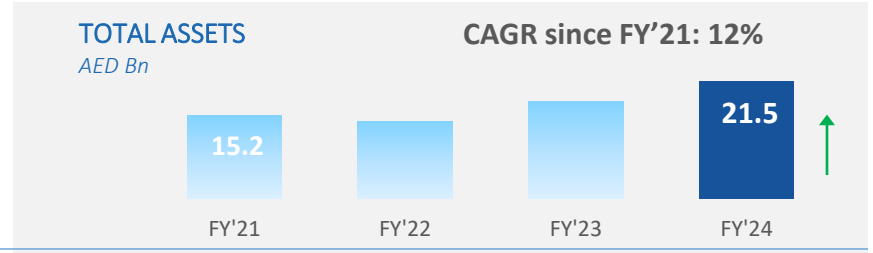
and an enhanced capital position

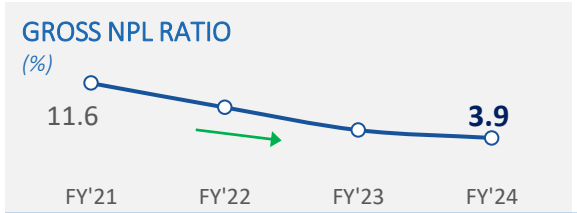
Retained earnings projected to turn positive in 2nd half of 2025

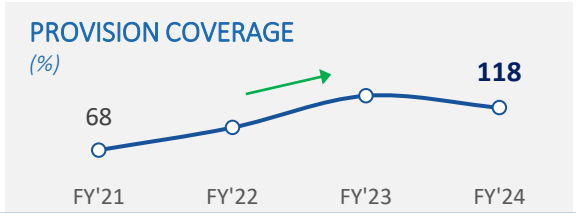


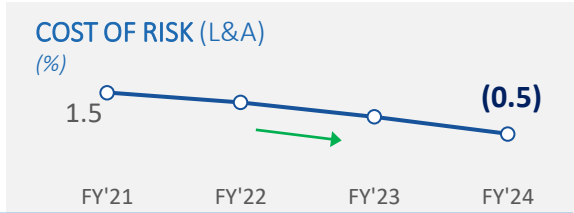


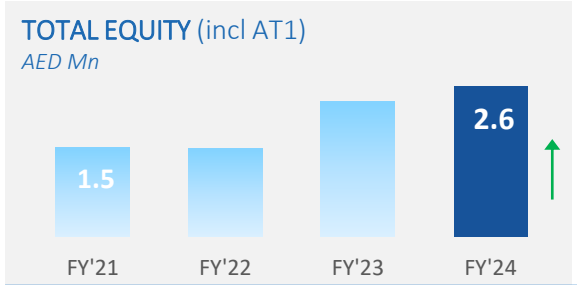


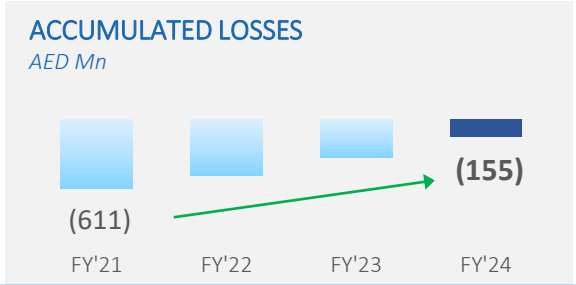


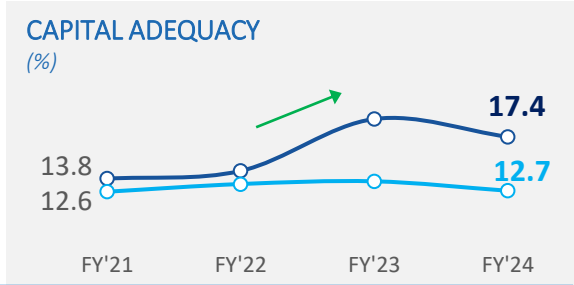












Strong business momentum drives double-digit growth in FY'24 balance sheet and earnings

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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

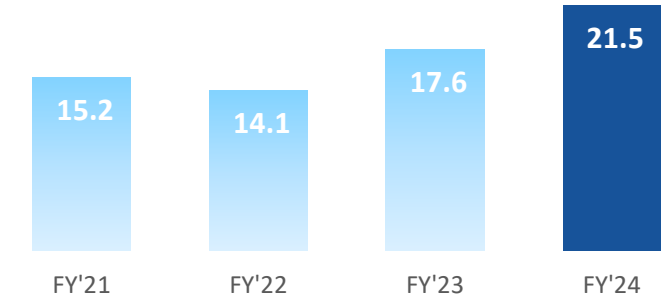
1 Cost of risk on loans, advances & Islamic financing

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

All figures in AED Billion

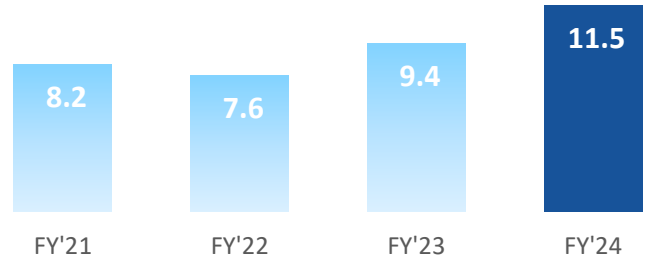
TOTAL ASSETS

CAGR since FY'21: 12%



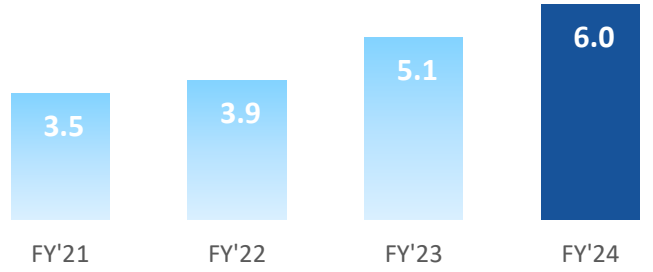
LOANS, ADVANCES & ISLAMIC FINANCING (net)

CAGR since FY'21: 12%



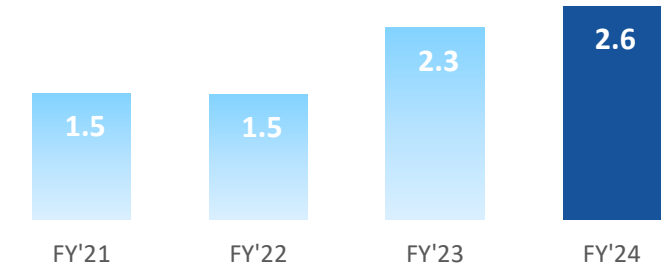
INVESTMENTS

CAGR since FY'21: 19%



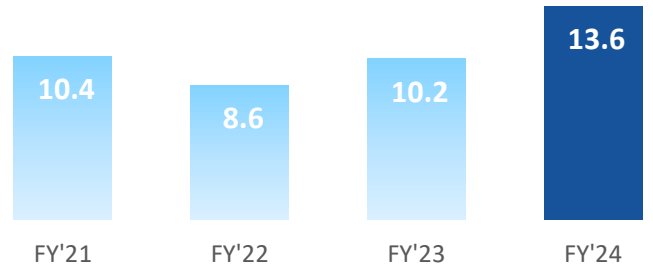
TOTAL EQUITY (incl AT1)

CAGR since FY'21: 19%



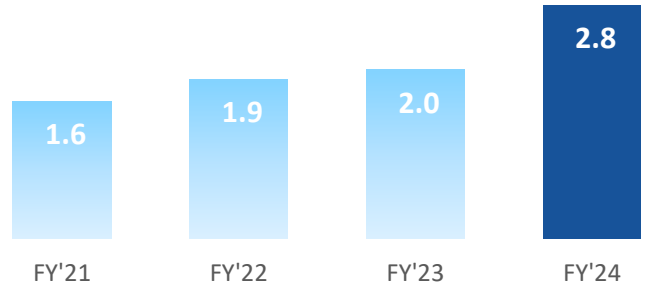
CUSTOMERS' DEPOSITS

CAGR since FY'21: 9%



ISLAMIC BANKING ASSETS[1]

CAGR since FY'21: 19%



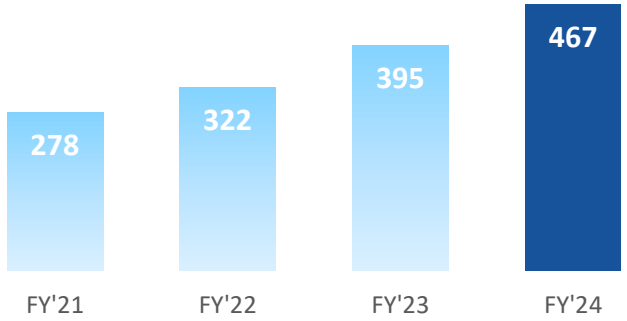
1 Islamic Banking Assets includes eligible balances in Due from Banks, Sukuks and Islamic financing receivables

... delivering strong growth in income and profits,

All figures in AED Million

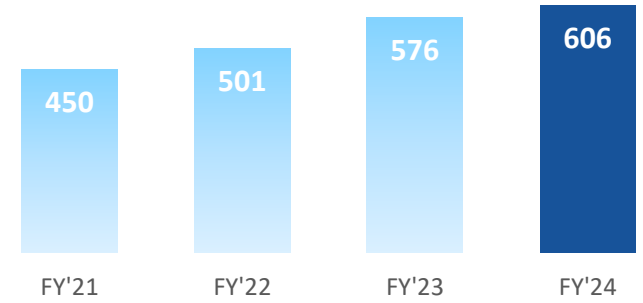
NET INTEREST INCOME

CAGR since FY'21: 19%



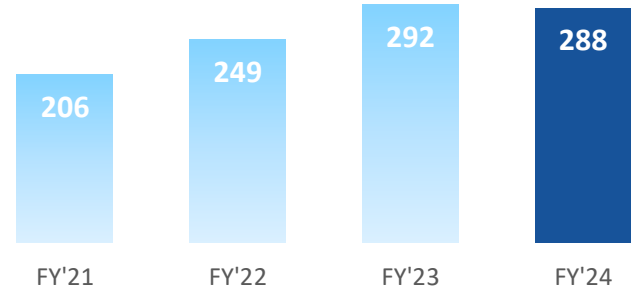
TOTAL INCOME

CAGR since FY'21: 10%



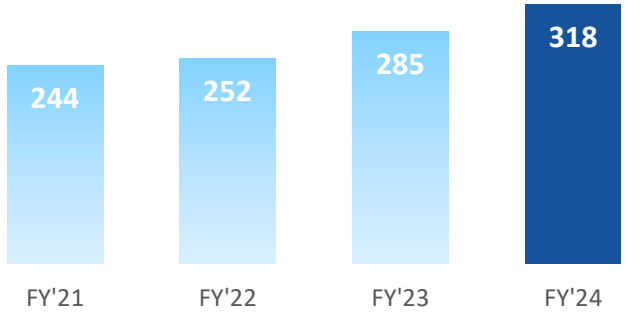
OPERATING PROFIT

CAGR since FY'21: 12%

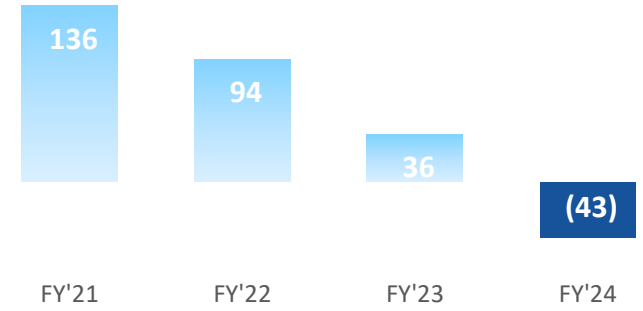


OPERATING EXPENSES

CAGR since FY'21: 9%

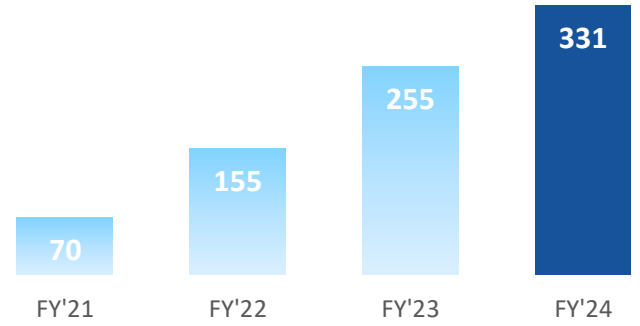


NET IMPAIRMENT CHARGES



NET PROFIT (BEFORE TAX)

CAGR since FY'21: 68%

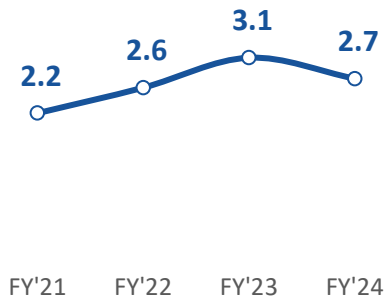


- Corporate tax implemented effective FY'24; Net Profit after tax for FY'24 recorded at AED 301Mn (+18% yoy)

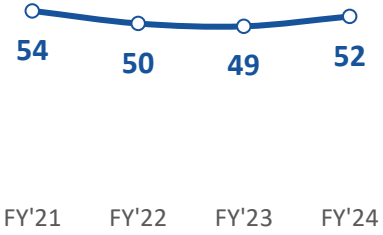
… and consistently improving key performance indicators

All figures in percentage (%)

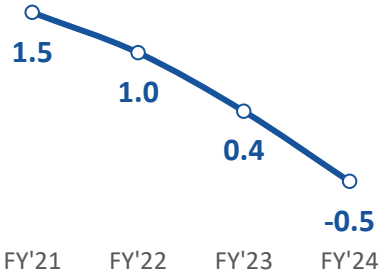
NET INTEREST MARGIN



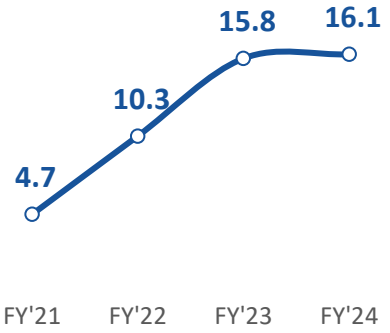
COST-INCOME RATIO



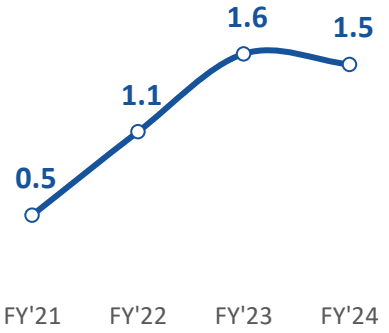
COST OF RISK



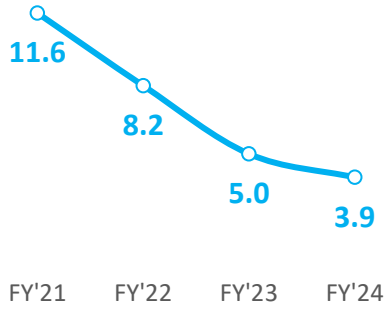
RETURN ON SHAREHOLDERS' EQUITY



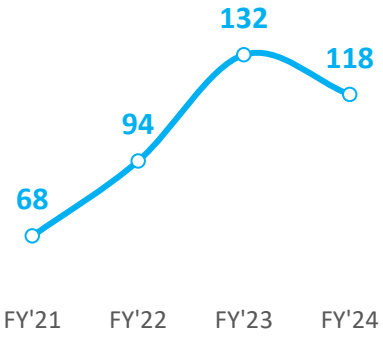
RETURN ON ASSETS



GROSS NPL RATIO

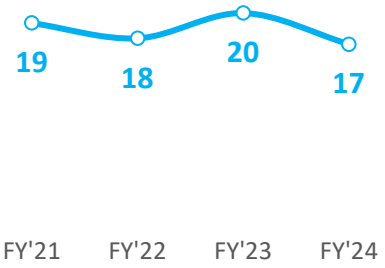


COVERAGE



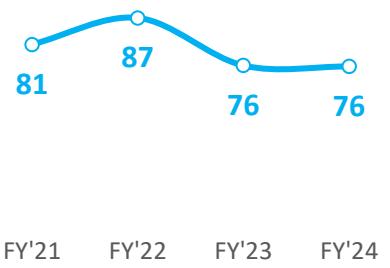
ELAR (Eligible Liquid Assets Ratio)

Regulatory minimum – 10%



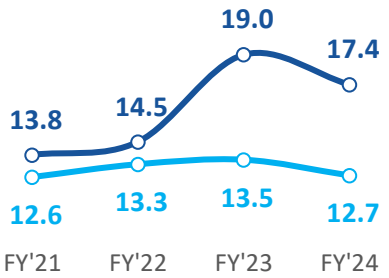
ASRR (Advances to Stable Resources Ratio)

Regulatory threshold – 100%



CAPITAL ADEQUACY

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



Appendix – Summary Financials

Summary financials – Income statement and related ratios

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**	49.4	50.3
Cost of Risk (CoR)	**(0.47)**	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

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)*
of which CASA deposits	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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