

UAB REPORTS NET PROFIT OF AED 209 MILLION FOR THE FIRST NINE MONTHS OF 2023

Q3 YTD 2023 Highlights:

- Net profit of AED 209 million, up 76% yoy resulting in an EPS of AED 0.10 per share
- Total income increased by 27% yoy to AED 447 million driven by higher net interest income
- Annualised return on shareholders' equity (RoSE) hence has improved to 17.8% as compared to 11.0% for 9M'22
- Further improvement in asset quality metrics with NPL ratio reduced to 6.4%, whilst coverage improved to 118%; annualised cost of risk also significantly declined to 41bps from 76bps in the corresponding prior year period
- Disciplined expense management with cost-income ratio reducing to 47% from 52% yoy
- Customer deposits grew 7% ytd with higher growth in CASA deposits driven by various initiatives; CASA ratio at 36%
- Capital position remains robust with CET1 of 13.9% and total capital adequacy ratio (CAR) at 19.8%
- BBB+/Ba1 credit ratings affirmed by Fitch and Moody's, respectively, with the latter upgrading the outlook to 'Positive'

UAE, 24 October 2023 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the nine months ended 30th September 2023.

UAB posted a Net Profit of AED 209 million for the first nine months in 2023 as compared to Net Profit of AED 119 million for the first nine months in 2022 representing a year-on-year increase of 76%.

The growth in net profit is a result of improved operating performance and lower expected credit losses and a prudent approach to risk management which resulted in lower cost of risk.

Total income was higher by 16% qoq and 61% yoy to AED 174 million.

The Balance Sheet has been significantly strengthened with focus on quality assets which resulted in recording 43% reduction in Provisions compared to the first nine months in 2022.

These results provide further evidence that the Bank is well positioned to set sail on its growth journey.

H.E. Sheikh Faisal bin Sultan bin Salem Al Qassimi, Chairman of the Board of Directors, UAB, said: “The bank continues to deliver a strong performance, clinically executing its well-thought-out strategy, supporting growth and shareholders' expectations. We remain confident in taking advantage of the opportunities ahead of us, as we continuously develop our business model and activities in line with our sustainable growth strategy in the UAE”.

Shirish Bhide, Chief Executive Officer of UAB, commented: “The bank has performed consistently through the year, recording double-digit growth in profits every quarter in 2023. These results reflect the successful execution of our strategy to strengthen the core businesses, manage our resources effectively, while adhering to our prudent approach towards risk management. The affirmation of our credit ratings by, both, Fitch and Moody's and the latter's upgrade of the outlook to positive, is a clear testament of the progress the bank has made over the past year in addressing the legacy concerns”.

He continued, “The bank is well positioned to continue capitalizing on the growth momentum experienced over the last several quarters, albeit maintaining a cautious outlook in view of the 'higher for longer' expectations on interest rates and relatively slower growth ahead”.

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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, 17 ATMs, and 11 cash and cheque deposit machines (CCDM) 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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