UAB reports 49% increase in Net profit for the nine months ended September 2025

27 October 2025: United Arab Bank PJSC (UAB or "the Bank") has announced its financial results for the nine months ended 30 September 2025. The Bank posted a net profit of AED 316 million for 9M 2025, compared to AED 212 million for the same period last year, representing an increase of 49% YoY.

The increase in net profit reflects significant growth in total assets across both, loans, advances and Islamic financing, and the investments book, as well as Bank's disciplined approach to risk management.

Key highlights (9M 2025)

Net profit

Ð316 million 49% YoY

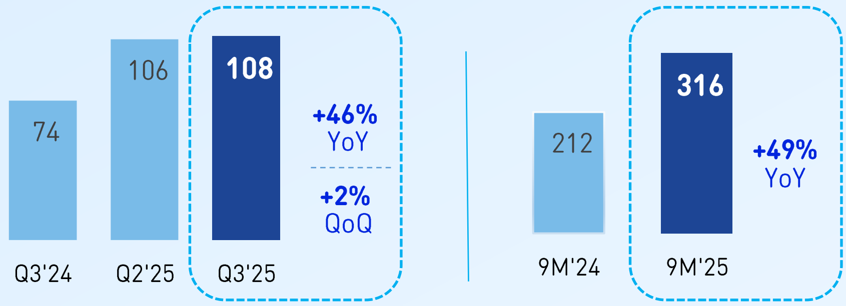
Total Income

Ð580 million +28% YoY

Total Assets

Ð24 billion +22% YoY, +14% Ytd

Net profit (AED million)



Net Interest Margin **2.8%**	Cost of Risk **-36 bps**	Return on Shareholders' Equity **15.6%**
Provision Coverage **103%**	NPL Ratio **3.1%**	Capital Adequacy **22.8%**

- Net profit reported at AED 316 million for 9M 2025, up by 49% year-on-year as compared to AED 212 million for 9M 2024.
- Net profit for the quarter (Q3 2025) was recorded at AED 108 million, up 2% sequentially (vs Q2 2025) and 46% year-on-year.
- EPS increased to AED 0.14 per share for the nine-month period in 2025 as compared to AED 0.10 per share in 9M 2024.

- Total income increased by 28% year-on-year to AED 580 million for 9M 2025 compared to AED 452 million for 9M 2024 driven by higher non-interest and net interest income, up 56% and 21%, respectively.
- Disciplined expense management and higher income led to an improvement in cost to income ratio to 46.2% in 9M 2025 from 49.5% in the prior comparative period.
- Impairment charges had a net reversal of AED 35 million for 9M 2025 as compared to net reversal in impairment charges of AED 5 million in 9M 2024, driven by the strong recoveries during the year. This translated into an annualised cost of risk (CoR) on loans and advances at -36bps.
- Annualised return on shareholders' equity (RoSE) was 15.6% in 9M 2025.
- Total assets reached AED 24.5 billion in 9M 2025, up 22% year-on-year and 14% year-to-date.
- Loans, advances and Islamic financing grew 31% year-on-year and 22% year-to-date, while customer deposits increased by 19% year-on-year and 6% year-to-date, respectively.
- Asset quality metrics remained healthy with an NPL ratio of 3.1% and provision coverage of 103%.
- Liquidity and funding metrics also remain healthy with advances to stable resources ratio (ASRR) at 81% and eligible liquid asset ratio (ELAR) at 14%, both comfortably above regulatory thresholds.
- The Bank successfully completed its capital raise of AED 1.03 billion via a rights issue during the quarter, which was fully subscribed and has significantly strengthened the capital position, boosting the Common Equity Tier 1 (CET1) ratio to 18.5% and total capital adequacy ratio (CAR) to 22.8%.
- The Bank's credit ratings were upgraded again this year by Moody's to 'Baa2' with a Stable outlook – a testament to the persistent execution of the turnaround strategy.

Shirish Bhide, Chief Executive Officer of UAB, said:

"Our performance in the nine months ended 30 September 2025 reflects the disciplined execution of our growth strategy and the continued success of our transformation agenda. The strong growth in profitability and total assets highlights the continued robust business momentum coupled with prudent risk and expense management. We remain focused on delivering sustainable growth and long-term value to our customers, shareholders, partners and our community."

He added: "As we celebrate the 50 years of vision of our founders, unveiling our new brand and refreshed identity, our ethos and commitment to serve our customers with integrity and purpose remain at the core of our mission to humanize banking. Service excellence and customer satisfaction shall remain at the heart of everything we do, and drive our digitalization and product innovation agenda."

UAB
البنك العربي المتحد
UNITED ARAB BANK

Financial Summary

Income statement highlights (AED Million)	**9M'25**	9M'24	%chg vs 9M'24	**Q3'25**	Q2'25	%chg vs Q2'25	Q3'24	%chg vs Q3'24
Net Interest Income	427	354	*21*	151	159	*(5)*	111	*36*
Non-Interest Income	153	98	*56*	56	50	*13*	41	*39*
Total Income	**580**	452	*28*	**207**	208	*(1)*	152	*36*
Operating Expenses	(268)	(224)	*20*	(91)	(89)	*2*	(75)	*21*
Operating Profit	**312**	229	*37*	**116**	119	*(3)*	77	*51*
Net Impairment reversal / (loss)	35	5	*636*	3	(2)	*nr*	5	*(35)*
Net Profit before tax	347	233	*49*	118	117	*2*	81	*46*
Taxes	(31)	(21)	*49*	(11)	(11)	*1*	(7)	*46*
Net Profit after tax	**316**	212	*49*	**108**	106	*2*	74	*46*

Key Ratios (%)	**9M'25**	9M'24	chg vs 9M'24	**Q3'25**	Q2'25	chg vs Q2'25	Q3'24	chg vs Q3'24
Net Interest Margin (NIM)	**2.78**	2.82	*(0.0)*	**2.73**	3.10	*(0.4)*	2.52	*0.2*
Cost-Income ratio	**46.2**	49.5	*(3.2)*	**44.1**	42.9	*1.2*	49.6	*(5.4)*
Cost of Risk (CoR)	**(0.36)**	(0.13)	*(0.2)*	**0.06**	(0.11)	*0.2*	(0.16)	*0.2*
Return on Shareholders' Equity (RoSE)	**15.6**	15.1	*0.5*	**15.2**	19.6	*(4.5)*	15.1	*0.1*
Return on Assets (RoA)	**1.8**	1.5	*0.3*	**1.8**	1.8	*(0.0)*	1.5	*0.3*

Balance sheet highlights (AED Billion)	**Sep-25**	Sep-24	%chg vs Sep'24	Jun-25	%chg vs Jun'25	Dec-24	%chg vs Dec'24
Total Assets	**24.5**	20.0	*22*	23.9	*2*	21.5	*14*
Loans, advances & Islamic financing	**14.1**	10.8	*31*	13.4	*5*	11.5	*22*
Investments	**7.4**	5.7	*30*	6.6	*12*	6.0	*23*
Customers' deposits	**14.4**	12.0	*19*	15.6	*(8)*	13.6	*6*
of which CASA deposits	**4.9**	4.1	*22*	5.7	*(13)*	4.6	*8*
Total Equity (incl AT1)	**4.0**	2.6	*54*	2.8	*42*	2.6	*55*

Key Ratios (%)	**Sep-25**	Sep-24	chg vs Sep'24	Jun-25	chg vs Jun'25	Dec-24	chg vs Dec'24
Gross Non-performing loans ratio (NPL)	**3.1**	4.1	*(1.0)*	2.2	*0.9*	3.9	*(0.8)*
Provision coverage	**103**	147	*(43.5)*	183	*(79.9)*	139	*(35.8)*
Provision coverage (incl collaterals)	**179**	209	*(30.1)*	239	*(59.9)*	193	*(13.9)*
Advances to Stable Resources ratio (ASRR)	**81**	74	*7.1*	80	*1.9*	76	*5.9*
Eligible Liquid Assets ratio (ELAR)	**14**	15	*(1.2)*	17	*(2.5)*	17	*(2.8)*
CASA%	**34**	34	*0.7*	36	*(2.0)*	34	*0.8*
Common Equity Tier 1 (CET1) ratio	**18.5**	13.8	*4.7*	12.1	*6.5*	12.7	*5.8*
Tier 1 ratio	**21.6**	17.6	*4.0*	15.1	*6.4*	16.2	*5.3*
Capital Adequacy ratio (CAR)	**22.8**	18.8	*4.0*	16.3	*6.4*	17.4	*5.3*

Notes:
1. Comparative figures have been reclassified where appropriate to conform to the presentation
2. Ratios for the quarter are annualised, where applicable
3. Rounding differences may appear in the tables across the document

Financial overview

Solid growth in profits attributable to consistent operational performance, coupled with strong recoveries and disciplined expense management

(AED Million)	**9M'25**	9M'24	chg vs 9M'24	**Q3'25**	Q2'25	chg vs Q2'25	Q3'24	chg vs Q3'24
Net Interest Income	427	354	*21*	151	159	*(5)*	111	*36*
Non-Interest Income	153	98	*56*	56	50	*13*	41	*39*
Net fees & commission income	75	65	*15*	25	26	*(4)*	22	*9*
Foreign exchange income	36	23	*59*	14	11	*30*	10	*46*
Other operating income	42	11	*298*	17	13	*34*	8	*109*
Total operating income	**580**	452	*28*	**207**	208	*(1)*	152	*36*

- **Operating income** in 9M 2025 increased to AED 580 million, up 28% year-on-year (yoy), driven by higher non-interest and net interest income, up 56% and 21%, respectively.

- **Net interest income** (NII) was higher by 21% yoy, on the back of loan growth in 9M 2025 as well as improvement in asset yields. Balance sheet continues to be managed efficiently with effective deployment of liquidity in high-quality liquid assets to enhance yields. Net interest margin (NIM) improved by 5 basis points (bps) year-to-date (ytd) to 2.8% for 9M 2025, owing to higher asset yields, in addition to a one-time adjustment prompted by implementation of Credit Risk Management Standards issued by the CBUAE earlier during the year.

- **Non-interest income** was significantly higher by 56% yoy in 9M 2025 driven by the Bank's strategic focus to enhance cross-sell and FX income, realised investment gains and property-related gains in Q1 2025.

- The Bank remains disciplined in its discretionary spending, and focused on ensuring that all approved investments and spends across people, products and systems, contribute to enhancing productivity and efficiency. **Operating expenses** grew 20% yoy in 9M 2025 reflecting these investments as well as non-discretionary regulatory driven expenses. Cost-to-income ratio improved to 46.2% in 9M 2025 from 49.5% in the comparative prior year period.

- Additional recoveries were realised in Q3 2025, adding to the strong recoveries during the earlier part of the year, leading to a net reversal in impairment charges of AED 35 million in 9M 2025. This translated into an annualised cost of risk (on loans and advances) of -36bps for 9M 2025. The Bank continues to prudently manage risk and maintain focus on asset quality, even as it witnesses strong asset growth.

Robust fundamentals and strong customer-led growth remain key drivers of our sustainable and profitable growth

- **Total assets** increased 22% yoy and 14% ytd to AED 24.5 billion, driven by increase in lending book and high-quality investments.

- **Investments** portfolio grew 30% yoy and 23% ytd to AED 7.4 billion, as liquidity was efficiently deployed in high-quality assets to support yield enhancement.

- **Net loans, advances and Islamic financing** increased by 31% yoy and 22% ytd to AED 14.1 billion. Gross Islamic financing portfolio (across wholesale and retail banking) grew by 73% ytd, increasing its share of total lending to 15.1% from 10.4% at the beginning of the year. Year-to-date growth in lending was primarily led by large corporates, government-related entities, FI (financial institution) clients, retail mortgages and personal loans.

- **Customer deposits** grew 19% yoy and 6% ytd to AED 14.4 billion driven by strategic initiatives across Cash Management, Corporate Finance and Retail Banking towards enhancing CASA, optimising funding costs and building a solid deposit base to drive sustainable asset growth. CASA deposits increased by 22% yoy and 8% ytd to AED 4.9 billion, and represent 34% of total deposits.

- **Liquidity and funding** metrics remain solid and well within regulatory requirements, with eligible liquid asset ratio (ELAR) at 14% and advances to stable resources ratio (ASRR) at 81%. The Bank remains focused on rationalising and optimising its funding costs through a judicious mix of deposits from customers, short- and medium-term borrowings, in line with asset growth.

- **Asset quality** metrics remain healthy with **gross NPL ratio** at 3.1% and **provision coverage** of 103% (179% including collaterals) as of September-end 2025, as compared to 3.9% and 139% at December-end 2024, respectively.

- **Total Equity** at AED 4.0 billion increased by 54% yoy and 55% ytd, boosted by the AED 1.03 billion additional capital raised via a rights issue in the third quarter. As a result, **capital adequacy ratios** significantly strengthened with CET1, Tier1 and CAR ratio at 18.5%, 21.6% and 22.8% as of September-end 2025, compared to 12.7%, 16.2% and 17.4% at the beginning of the year. The new capital not only strengthens the Bank's capital position further to remain resilient to any adverse macro-financial shocks, but also enables future asset growth towards achieving its strategic and financial goals.

- Annualised return on shareholders' equity was 15.6% and return on assets was 1.8% for 9M 2025.

- Credit rating agency, Moody's, attributed the upgrade in ratings to 'Baa2' to the Bank's continued progress in implementing the new strategy, and stronger credit metrics across asset quality, profitability, and solvency. While affirming their issuer-level ratings, earlier in the year, both Fitch and Capital Intelligence have also recognised the improvement in UAB's financial and credit profile, by a one-notch upgrade in its Viability Ratings (VR) and Core Financial Strength (CFS), respectively. UAB is currently rated investment-grade by Moody's (Baa2/P-2/Stable), Fitch (BBB+/F2/Stable) and Capital Intelligence (BBB+/A2/Stable).

Abdul Haleem Sheikh

Chief Financial Officer

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

United Arab Bank P.J.S.C. (UAB) was established in 1975 in the Emirate of Sharjah as a joint venture between key UAE and international Investors, and its shares are publicly traded on the Abu Dhabi Securities Exchange (ADX).

UAB offers a wide range of Wholesale Banking, Retail Banking, Treasury & Financial Markets, as well as Shari'ah compliant products, services and flexible solutions, to meet the ever-evolving needs of our clients and the markets. Today, UAB is recognised as one of the few home-grown banks in the UAE, striving to enhance the lives of people by humanising banking through impeccable service and tailored financial support.

UAB is rated investment grade, both, by Moody's (Baa2/P-2/Stable) and Fitch (BBB+/F2/Stable).

Additional information may be found at www.uab.ae

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