

# UAB<sup>®</sup>

البنك العربي المتحد  
UNITED ARAB BANK



عاماً متحدون  
years united

**Management Discussion & Analysis**  
for the full year ended 31 December 2025

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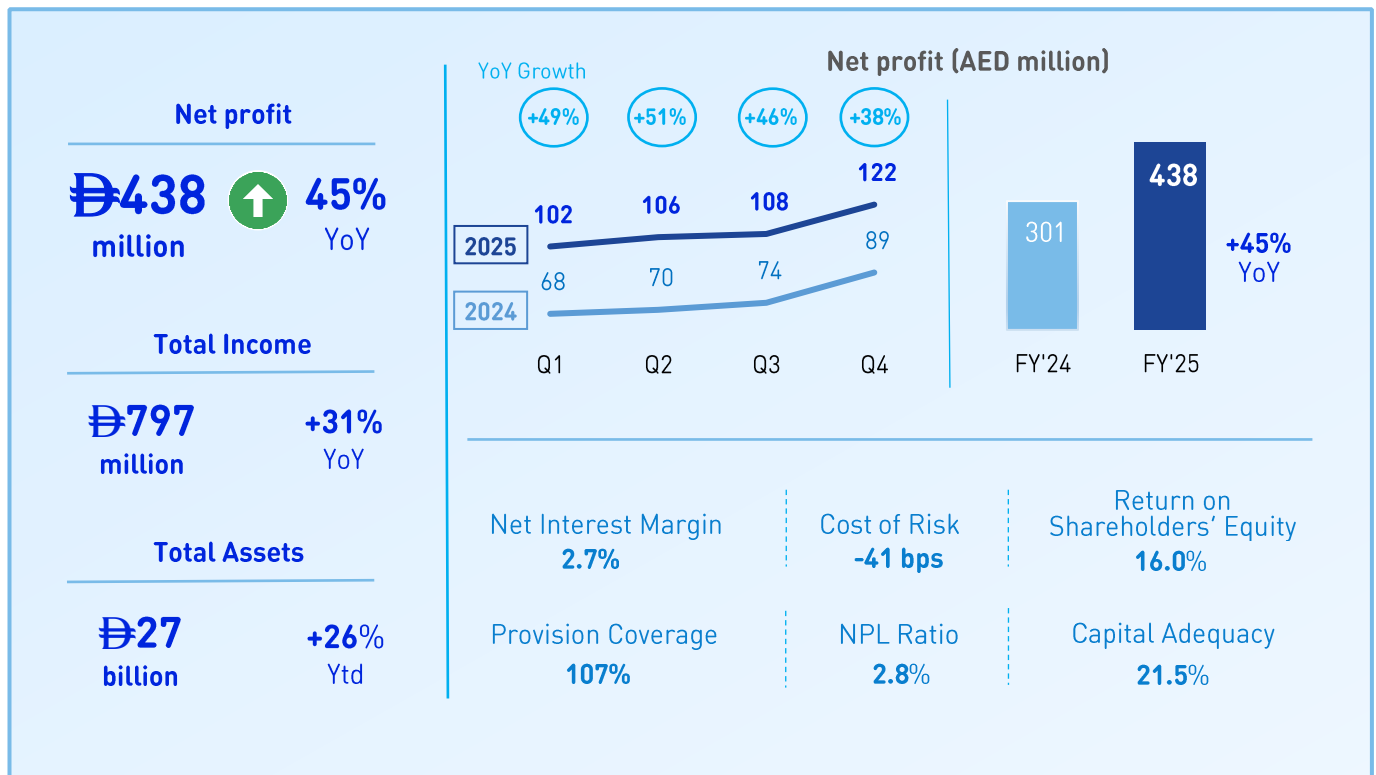
## UAB reports 45% growth in Net profit for the full year ended 2025

**09 February 2026:** United Arab Bank PJSC (UAB or "the Bank") has announced its financial results for the full year ended 31 December 2025. The Bank posted a stellar growth of 45% in net profit of AED 438 million for FY 2025, compared to AED 301 million for the same period last year.

The strong growth in net profit reflects the successful execution of strategy into results with significant growth in total assets across both, loans, advances and Islamic financing, and the investment book, disciplined expense management and prudent risk management practices.

The Board of Directors has recommended a cash dividend payout of 25% of the net profit for the year financial year ended 31 December 2025. The proposed dividend is subject to shareholders' approval at the next General Assembly meeting.

### Key highlights (FY 2025): Consecutive growth in net profit for last 8 quarters



- Net profit reported at AED 438 million for FY 2025, up by 45% year-on-year as compared to AED 301 million for FY 2024.
- Net profit for the quarter (Q4 2025) was recorded at AED 122 million, up 13% sequentially (vs Q3 2025) and 38% year-on-year.
- EPS increased to AED 0.18 per share for FY 2025 as compared to AED 0.15 per share for FY 2024, despite an enlarged share base.
- Total income increased by 31% year-on-year to AED 797 million for FY 2025 compared to AED 606 million for FY 2024 driven by higher non-interest and net interest income, up 56% and 24%, respectively.
- Disciplined expense management and higher income led to an improvement in cost to income ratio to 46% in FY 2025 from 52% in the prior comparative period.
- Impairment charges had a net reversal of AED 51 million for FY 2025 as compared to net reversal in impairment charges of AED 43 million in FY 2024, driven by the strong recoveries during the year. This translated into a cost of risk (CoR) on loans and advances at -41bps.
- Return on shareholders' equity (RoSE) was 16.0% in FY 2025.
- Total assets reached AED 27.0 billion at the end of FY 2025, up 26% year-to-date.
- Loans, advances and Islamic financing grew 26%, while customer deposits increased by 31% year-to-date.
- Asset quality metrics remained healthy with an NPL ratio of 2.8% and provision coverage of 107%.
- Liquidity and funding metrics also remain healthy with advances to stable resources ratio (ASRR) at 70% and eligible liquid asset ratio (ELAR) at 17%, both comfortably above regulatory thresholds.
- The Bank successfully completed its capital raise of AED 1.03 billion via a rights issue during the year, which was fully subscribed and has significantly strengthened the capital position, boosting the Common Equity Tier 1 (CET1) ratio to 17.4% and total capital adequacy ratio (CAR) to 21.5% (post proposed dividend).
- A new 2-year senior unsecured dual tranche term loan facility of AED 1.0 billion was also successfully concluded during the last quarter enhancing the Bank's ability to support clients' needs while advancing its strategic growth objectives.
- UAB's credit ratings improved further with Moody's upgrading the deposit ratings to Baa2, while Fitch and Capital Intelligence upgrading the Viability ratings and Core Financial Strength by one notch each, respectively. All rating agencies assign a 'Stable' outlook.



HH Sheikh Mohammed bin Faisal bin Sultan Al Qassimi, Chairman of the Board of Directors of United Arab Bank, said:

"2025 was a defining year for United Arab Bank, marking not only the Golden Jubilee — 50 years of "United" banking in the UAE — but also heralding a new chapter in the Bank's evolution with the unveiling of its refreshed brand identity.

It proved to be a transformative period for UAB, reinforced by decisive strategic initiatives and robust financial performance. Operationally, the Bank delivered solid profitability, supported by disciplined execution, prudent risk management, and enhanced operating leverage. Building on the momentum generated throughout the year, net profits achieved strong double-digit growth.

During the year, the Bank successfully raised AED 1.03 billion in capital through a rights issue, increasing paid-up capital by approximately 50% - representing one of the largest rights issues executed in 2025 in terms of new capital raised relative to existing capital. This milestone materially strengthened the Bank's capital base and positioned it strategically to pursue sustainable growth opportunities with confidence.

Looking ahead, UAB's priorities are clear: to deepen customer relationships, accelerate digital and AI-driven transformation, reinforce governance and risk management, and deliver sustainable, long-term value for our shareholders — while making meaningful and responsible contributions to the UAE's economic and social development."



Shirish Bhide, Chief Executive Officer of UAB, said:

"United Arab Bank's strong performance in 2025 was supported by continued investments in our people, products, systems, and processes, enabling the Bank to close the year on a solid footing and build further on the progress achieved so far. 2025 saw the bank celebrate a milestone in its 50-year journey since its formation in 1975. The occasion was special and memorable as we launched our new brand identity that projects our legacy and at the same time, our progressive views and ambition for a brighter future.

We made meaningful advances in our digital transformation journey, by launching our fully revamped mobile banking app, forming strategic fintech partnerships to enable AI-powered personal banking experiences, and enhancements to our digital onboarding journeys and supply chain finance capabilities. These initiatives reinforce our commitment to delivering secure, convenient, and modern banking solutions that enhance customer experience and, operational leverage and resilience.

Looking ahead, buoyed by our new branding, we remain firmly focused on delivering strong and sustainable returns, driving innovation, enhancing everyday banking convenience, and raising the bar on customer service excellence."

## Financial Summary

Income statement highlights (AED Million)	FY'25	FY'24	%chg vs FY'24	Q4'25	Q3'25	%chg vs Q3'25	Q4'24	%chg vs Q4'24
Net Interest Income	579	467	24	151	151	1	113	34
Non-Interest Income	218	139	56	65	56	15	41	58
Total Income	797	606	31	216	207	5	154	41
Operating Expenses	(365)	(318)	15	(97)	(91)	6	(94)	3
Operating Profit	431	288	50	119	116	3	59	100
Net Impairment reversal / (loss)	51	43	18	16	3	444	38	(58)
Net Profit before tax	482	331	46	135	118	14	98	38
Taxes	(44)	(30)	48	(13)	(11)	19	(9)	44
Net Profit after tax	438	301	45	122	108	13	89	38
Key Ratios (%)	FY'25	FY'24	chg vs FY'24	Q4'25	Q3'25	chg vs Q3'25	Q4'24	chg vs Q4'24
Net Interest Margin (NIM)	2.73	2.73	(0.0)	2.60	2.73	(0.1)	2.47	0.1
Cost-Income ratio	45.9	52.5	(6.6)	44.9	44.1	0.8	61.3	(16.4)
Cost of Risk (CoR)	(0.41)	(0.47)	0.1	(0.54)	0.06	(0.6)	(1.42)	0.9
Return on Shareholders' Equity (RoSE)	16.0	16.1	(0.1)	14.1	15.2	(1.1)	17.5	(3.4)
Return on Assets (RoA)	1.8	1.5	0.3	1.9	1.8	0.1	1.7	0.2
Balance sheet highlights (AED Billion)	Dec-25	Dec-24	%chg vs Dec'24	Sep-25		%chg vs Sep'25		
Total Assets	27.0	21.5	26	24.5		10		
Loans, advances & Islamic financing	14.6	11.5	26	14.1		3		
Investments	7.9	6.0	31	7.4		6		
Customers' deposits	17.8	13.6	31	14.4		24		
of which CASA deposits	6.5	4.6	42	4.9		31		
Total Equity (incl AT1)	4.0	2.6	58	4.0		2		
Key Ratios (%)	Dec-25	Dec-24	chg vs Dec'24	Sep-25		chg vs Sep'25		
Gross Non-performing loans ratio (NPL)	2.8	3.9	(1.1)	3.1		(0.3)		
Provision coverage	107	139	(32.3)	103		3.6		
Provision coverage (incl collaterals)	183	193	(9.8)	179		4.1		
Advances to Stable Resources ratio (ASRR)	70	76	(5.7)	81		(11.6)		
Eligible Liquid Assets ratio (ELAR)	17	17	0.4	14		3.2		
CASA%	36	34	2.7	34		1.9		
Common Equity Tier 1 (CET1) ratio	17.4	12.7	4.7	18.5		(1.1)		
Tier 1 ratio	20.3	16.2	4.1	21.6		(1.2)		
Capital Adequacy ratio (CAR)	21.5	17.4	4.1	22.8		(1.2)		

### 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

### Robust operational performance drives strong growth in net profit

(AED Million)	FY'25	FY'24	chg vs FY'24	Q4'25	Q3'25	chg vs Q3'25	Q4'24	chg vs Q4'24
Net Interest Income	579	467	24	151	151	1	113	34
Non-Interest Income	218	139	56	65	56	15	41	58
Net fees & commission income	102	91	13	28	25	13	26	8
Foreign exchange income	47	34	38	11	14	(22)	12	(5)
Other operating income	68	14	383	26	17	49	3	650
<b>Total operating income</b>	<b>797</b>	<b>606</b>	<b>31</b>	<b>216</b>	<b>207</b>	<b>5</b>	<b>154</b>	<b>41</b>

- **Operating income** in FY 2025 increased to AED 797 million, up 31% year-on-year (YoY), driven by higher non-interest and net interest income, which rose by 56% and 24%, respectively.
- **Net interest income** (NII) grew by 24% YoY, on the back of loan growth in FY 2025 as well as improvement in asset yields. Balance sheet continues to be managed efficiently with effective liquidity management by deploying in high-quality liquid assets to enhance yields. Net interest margin (NIM) was stable year-on-year at 2.7% for FY 2025, despite lower interest rates.
- **Non-interest income** increased significantly by 56% YoY in FY 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 remained 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 15% YoY in FY 2025 reflecting these investments as well as non-discretionary regulatory driven expenses. Cost-to-income ratio improved to 46% in FY 2025 from 52% in the comparative prior year period.
- Persistent efforts to resolve non-performing loans resulted in successful realisation of strong recoveries throughout the year, leading to a net reversal in impairment charges of AED 51 million in FY 2025. This translated into a cost of risk (on loans and advances) of -41bps for FY 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 by 26% year-to-date (Ytd) to AED 27.0 billion, driven by increase in lending book and high-quality investments.
- **Investments** portfolio grew 31% Ytd to AED 7.9 billion, as liquidity was efficiently deployed in high-quality assets to support yield enhancement.
- **Net loans, advances and Islamic financing** increased by 26% Ytd to AED 14.6 billion. Gross Islamic financing portfolio (across wholesale and retail banking) grew by 89% Ytd, increasing its share of total lending to 16% from 10% at the beginning of the year. Year-to-date growth in lending was primarily led by large and mid-sized corporates in real estate and services, FI (financial institution) clients and retail mortgages.
- **Customer deposits** grew by 31% Ytd to AED 17.8 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 42% Ytd to AED 6.5 billion, and represent 36% of total deposits.
- **Liquidity and funding** metrics remain strong and well within regulatory requirements, with eligible liquid asset ratio (ELAR) at 17% and advances to stable resources ratio (ASRR) at 70%. A new 2-year senior unsecured dual tranche term loan facility of AED 1.0 billion was also successfully concluded during the last quarter enhancing the Bank's ability to support clients' needs while advancing its strategic growth objectives. 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 2.8% and **provision coverage** of 107% (183% including collaterals) as of December-end 2025, as compared to 3.9% and 139% at December-end 2024, respectively.
- **Total Equity** increased by 58% Ytd to AED 4.0 billion, boosted by the successful completion of a AED 1.03 billion capital raise via a rights issue in the third quarter. As a result, **capital adequacy ratios** significantly strengthened with CET1, Tier1 and CAR ratio at 17.4%, 20.3% and 21.5% respectively as of December-end 2025 (post proposed dividend), compared to 12.7%, 16.2% and 17.4% at the beginning of the year. The new capital has not only strengthened 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.
- Return on shareholders' equity was 16.0% and return on assets was 1.8% for FY 2025.



- UAB is currently rated investment-grade by Moody's (Baa2/P-2/Stable), Fitch (BBB+/F2/Stable) and Capital Intelligence (BBB+/A2/Stable). In 2025, Moody's upgraded the Bank's ratings to 'Baa2' citing 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 their assigned Viability Ratings (VR) and Core Financial Strength (CFS), respectively.

### **Abdul Haleem Sheikh**

Chief Financial Officer

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### **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](http://www.uab.ae)

*For further information, please contact:*

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