



# Management Discussion & Analysis for the Nine Months ended 30 September 2026



**UAB RANKED #10**  
within its peer group



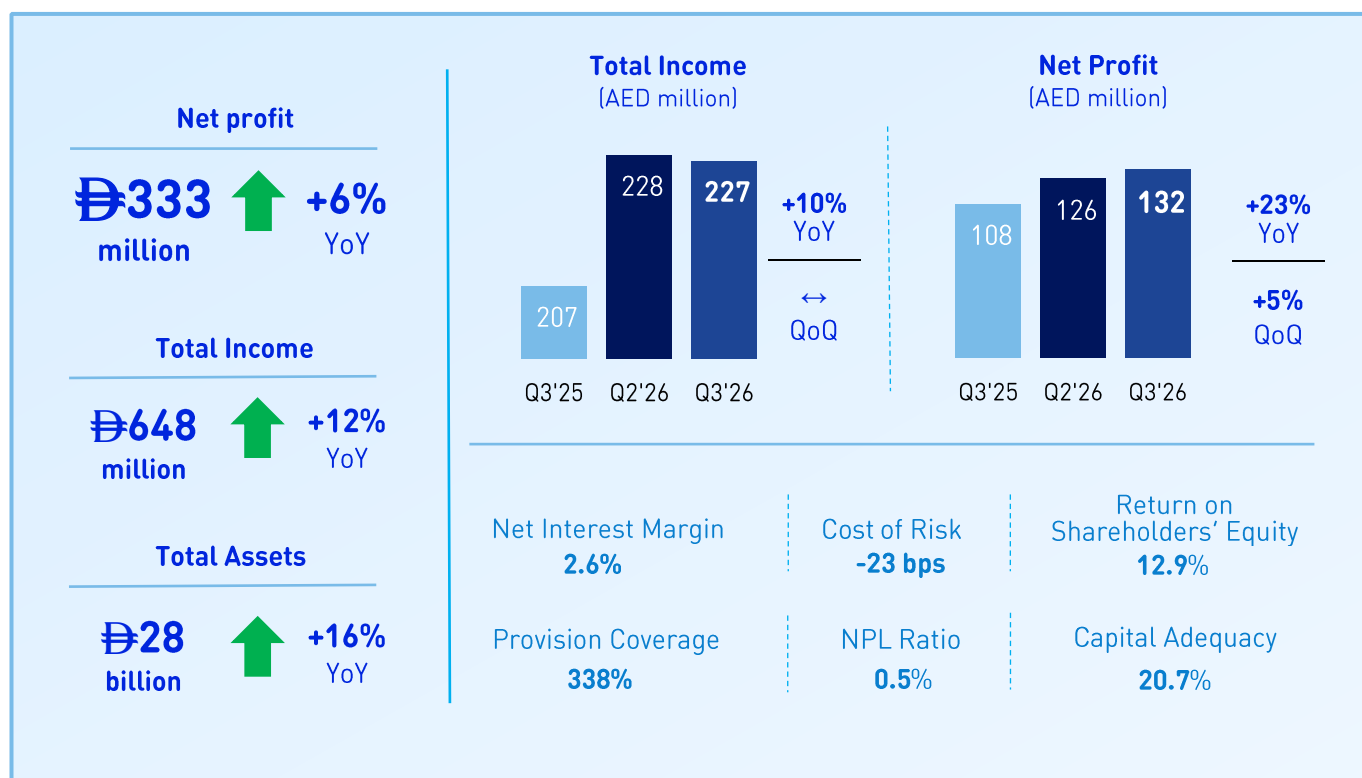
## UAB reports Net profit of AED 333 million for the Nine Months ended 30 September 2026

**26 October 2026:** United Arab Bank P.J.S.C. ("UAB" or "the Bank") has reported its financial results for the nine months ended 30 September 2026.

UAB has reported a net profit of AED 333 million for 9M 2026, up 6% year-on-year, demonstrating the resilience of its business model and prudent risk management practices, amidst ongoing regional geopolitical uncertainty and an overall challenging operating environment. This was driven by continued growth in operating income by 12% year-on-year, complemented by disciplined expense management and reversal in impairment charges as a result of successful resolutions of delinquent loans.

Supported by a solid credit profile, robust capital and liquidity buffers, prudent risk management and disciplined cost control, the Bank remains well positioned to deliver sustainable long-term value.

### Key highlights (9M 2026):



- Net profit reported at AED 333 million for the nine months ended 30 September 2026, up 6% year-on-year. Net profit for the third quarter (Q3 2026) grew by 5% sequentially and 23% year-on-year to AED 132 million.
- Total operating income grew by 12% year-on-year to AED 648 million for 9M 2026 compared to AED 580 million for 9M 2025 driven by higher net interest income (up 15% year-on-year) and growth in assets.
- Growth in operating income combined with disciplined expense management resulted in operating profit growth of 10% year-on-year.
- The Bank recorded net impairment reversals of AED (23) million during 9M 2026 as compared to a net reversal of AED (35) million in the prior year period. The cost of risk for the 9M 2026 period declined to -23bps.
- Annualised return on shareholders' equity (RoSE) was 12.9% for 9M 2026.
- Total assets were recorded at AED 28 billion at end-September 2026, up 16% year-on-year.
- Loans, advances and Islamic financing, and investments grew by 12% and 23% respectively, while customer deposits significantly outpaced asset growth increasing by 27% year-on-year maintaining strong growth momentum. CASA deposits grew by 61% and now represent 44% of total deposits.
- Asset quality metrics significantly improved in the third quarter driven by successful resolution of delinquent accounts; Non-performing loans (NPL) improved to 0.5%, while provision coverage strengthened to 338%.
- Capital adequacy ratio and CET1 remained robust and well above regulatory requirements at 20.7% and 16.8%, respectively.
- Liquidity and funding metrics also remain healthy with advances to stable resources ratio (ASRR) at 72% and eligible liquid asset ratio (ELAR) at 15%, both comfortably within regulatory thresholds.
- During the year, UAB's investment-grade credit ratings ('BBB+' by Fitch, 'Baa2' by Moody's) were affirmed with a 'Stable' outlook reflecting bank's financial strength and robust capital position supporting growth in a challenging environment.



**Shirish Bhide, Chief Executive Officer of UAB, said:**

"Our performance during the first nine months of 2026 reflects the strength and resilience of our business model supported by the strong results delivered by our core business segments. We have continued to strengthen our position in the banking sector, deepen our client relationships and laid the foundations for the next phase of our growth and development.

We continue to enhance the customer experience by further developing our digital capabilities, diversifying our products and solutions, and delivering more integrated banking services. These efforts enable us to deliver solutions that respond to our clients' evolving needs and meet their growing requirements for greater efficiency and flexibility in conducting banking transactions and managing their businesses.

United Arab Bank's ranking of 10th globally in its peer group in Forbes' World's Top Performing Banks 2026 represents international recognition of the continued progress the Bank is making in its performance and execution of its strategy.

As we enter the final quarter of the year, we remain focused on accelerating innovation and digital transformation, enhancing operational efficiency, and strengthening our governance and risk management frameworks to support the Bank's sustainable performance and long-term growth."

## Financial Summary

| Income statement highlights (AED Million) | 9M'26  | 9M'25  | %chg<br>vs 9M'25  | Q3'26  | Q3'25 | %chg<br>vs Q3'25  | Q2'26  | %chg<br>vs Q2'26  |
|-------------------------------------------|--------|--------|-------------------|--------|-------|-------------------|--------|-------------------|
| Net Interest Income                       | 491    | 427    | 15                | 174    | 151   | 16                | 159    | 10                |
| Non-Interest Income                       | 157    | 153    | 3                 | 53     | 56    | (6)               | 69     | (23)              |
| Total Income                              | 648    | 580    | 12                | 227    | 207   | 10                | 228    | (0)               |
| Operating Expenses                        | (305)  | (268)  | 14                | (111)  | (91)  | 21                | (101)  | 9                 |
| Operating Profit                          | 344    | 312    | 10                | 116    | 116   | 1                 | 127    | (8)               |
| Net Impairment (loss) / reversal          | 23     | 35     | (35)              | 29     | 3     | 885               | 12     | 146               |
| Net Profit before tax                     | 366    | 347    | 6                 | 145    | 118   | 23                | 138    | 5                 |
| Taxes                                     | (33)   | (31)   | 5                 | (13)   | (11)  | 23                | (12)   | 5                 |
| Net Profit after tax                      | 333    | 316    | 6                 | 132    | 108   | 23                | 126    | 5                 |
|                                           |        |        |                   |        |       |                   |        |                   |
| Key Ratios (%)                            | 9M'26  | 9M'25  | chg<br>vs 9M'25   | Q3'26  | Q3'25 | chg<br>vs Q3'25   | Q2'26  | chg<br>vs Q2'26   |
| Net Interest Margin (NIM)                 | 2.63   | 2.78   | (0.2)             | 2.71   | 2.73  | (0.0)             | 2.56   | 0.1               |
| Cost-Income ratio                         | 47.0   | 46.2   | 0.8               | 48.8   | 44.1  | 4.6               | 44.5   | 4.3               |
| Cost of Risk (CoR)                        | (0.23) | (0.36) | 0.1               | (0.72) | 0.06  | nr                | (0.31) | (0.4)             |
| Return on Shareholders' Equity (RoSE)     | 12.9   | 15.6   | (2.7)             | 15.1   | 15.2  | (0.1)             | 14.9   | 0.2               |
| Return on Assets (RoA)                    | 1.6    | 1.8    | (0.2)             | 1.9    | 1.8   | 0.1               | 1.8    | 0.0               |
|                                           |        |        |                   |        |       |                   |        |                   |
| Balance sheet highlights (AED Billion)    | Sep-26 | Sep-25 | %chg<br>vs Sep'25 |        |       | %chg<br>vs Dec'25 | Jun-26 | %chg<br>vs Jun'26 |
| Total Assets                              | 28.4   | 24.5   | 16                |        |       | 27.0              | 27.7   | 2                 |
| Loans, advances & Islamic financing       | 15.8   | 14.1   | 12                |        |       | 14.6              | 15.3   | 3                 |
| Investments                               | 9.1    | 7.4    | 23                |        |       | 7.9               | 8.3    | 10                |
| Customers' deposits                       | 18.3   | 14.4   | 27                |        |       | 17.8              | 18.2   | 1                 |
| of which CASA deposits                    | 8.0    | 4.9    | 61                |        |       | 6                 | 7.2    | 10                |
| Total Equity (incl AT1)                   | 4.0    | 4.0    | 1                 |        |       | 4.0               | 4.0    | (1)               |
|                                           |        |        |                   |        |       |                   |        |                   |
| Key Ratios (%)                            | Sep-26 | Sep-25 | chg<br>vs Sep'25  |        |       | chg<br>vs Dec'25  | Jun-26 | chg<br>vs Jun'26  |
| Gross Non-performing loans ratio (NPL)    | 0.5    | 3.1    | (2.5)             |        |       | 2.8               | 2.7    | (2.2)             |
| Provision coverage                        | 338    | 103    | 234.3             |        |       | 107               | 101    | 236.6             |
| Provision coverage (incl collaterals)     | 419    | 179    | 239.4             |        |       | 183               | 177    | 241.1             |
| Advances to Stable Resources ratio (ASRR) | 72     | 81     | (9.3)             |        |       | 70                | 73     | (0.5)             |
| Eligible Liquid Assets ratio (ELAR)       | 15     | 14     | 1.0               |        |       | 17                | 17     | (2.2)             |
| CASA%                                     | 44     | 34     | 9.2               |        |       | 36                | 40     | 3.9               |
| Common Equity Tier 1 (CET1) ratio         | 16.8   | 18.5   | (1.7)             |        |       | 17.4              | 17.2   | (0.4)             |
| Tier 1 ratio                              | 19.6   | 21.6   | (2.0)             |        |       | 20.3              | 20.0   | (0.4)             |
| Capital Adequacy ratio (CAR)              | 20.7   | 22.8   | (2.0)             |        |       | 21.5              | 21.1   | (0.4)             |

### 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

**Continued growth in operating income coupled with decline in cost of risk on successful recoveries reflects the resilience of business model**

| (AED Million)                 | 9M'26      | 9M'25      | %chg<br>vs 9M'25 | Q3'26      | Q3'25      | %chg<br>vs Q3'25 | Q2'26      | %chg<br>vs Q2'26 |
|-------------------------------|------------|------------|------------------|------------|------------|------------------|------------|------------------|
| Net Interest Income           | 491        | 427        | 15               | 174        | 151        | 16               | 159        | 10               |
| Non-Interest Income           | 157        | 153        | 3                | 53         | 56         | (6)              | 69         | (23)             |
| Net fees & commission income  | 73         | 75         | (2)              | 26         | 25         | 6                | 27         | (3)              |
| Foreign exchange income       | 41         | 36         | 14               | 13         | 14         | (8)              | 14         | (8)              |
| Other operating income        | 43         | 42         | 1                | 14         | 17         | (21)             | 28         | (51)             |
| <b>Total operating income</b> | <b>648</b> | <b>580</b> | <b>12</b>        | <b>227</b> | <b>207</b> | <b>10</b>        | <b>228</b> | <b>(0)</b>       |

- **Operating income** in 9M 2026 increased to AED 648 million, up 12% year-on-year (YoY), led primarily by higher net interest income.
- **Net interest income** (NII) grew by 15% YoY, driven by continued growth in lending and investment book. Balance sheet remains efficiently managed with effective liquidity management by deploying across high-quality liquid assets to enhance yields. Net interest margin (NIM) at 2.6% in 9M 2026 improved by 4bps as compared to H1 2026 on higher asset yields.
- **Non-interest income** grew by 3% YoY in 9M 2026, led by higher foreign exchange income (+14% YoY).
- Growth in **operating expenses** of 14% YoY remained in line with overall business growth in 9M 2026, as the Bank continues to invest across its people, products, processes and systems. Cost-to-income ratio was largely stable at 47% in 9M 2026 as compared to corresponding period in prior year.
- Net impairment reversals of AED (23) million were taken in 9M 2026 as compared to net reversals of AED (35) million in the prior year period. In Q3 2026, a net reversal of AED (29) million was recorded led by continued successful resolutions of delinquent loans. Annualised cost of risk (on loans and advances) for 9M 2026 declined to -23bps from 0.03% in H1 2026. The Bank continues to prudently manage risk, maintain focus on asset quality and remains vigilant to any signs of stress building up as a result of the ongoing geopolitical crisis.

**Balance sheet remains solid and well positioned, while asset quality metrics improved significantly to rank amongst the best in the UAE industry**

- **Total assets** increased by 16% year-on-year (YoY) to AED 28.4 billion, driven by increase in lending book and high-quality liquid investments.
- **Investments** portfolio grew 23% YoY to AED 9.1 billion, as liquidity was efficiently deployed in high-quality assets to support yield enhancement.
- **Net loans, advances and Islamic financing** increased by 12% YoY and 9% year-to-date to AED 15.8 billion. Year-to-date growth in lending was primarily led by FI (financial institution) clients and local corporates.
- **Customer deposits** grew by 27% YoY to AED 18.3 billion driven by strategic initiatives across corporate and personal banking segments towards enhancing CASA, optimising funding costs and building a solid deposit base to drive sustainable asset growth. In a volatile operating environment with potential flight risk to deposits, the Bank witnessed a solid growth of 61% YoY to AED 8.0 billion in its CASA deposits, and which now represent 44% of total deposits.
- **Liquidity and funding** metrics remain strong and well within regulatory requirements, with eligible liquid asset ratio (ELAR) at 15% and advances to stable resources ratio (ASRR) at 72%. The Bank remains focused on 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 improved significantly with **gross NPL ratio** reducing to merely 0.5% and **provision coverage** increasing to 338% (419% including collaterals) as of September-end 2026, as compared to 2.8% and 107% at December-end 2025, respectively.
- **Total Equity** increased by 1% YoY to AED 4.0 billion. The Bank is steadily and prudently deploying its capital, which was boosted post successful completion of AED 1.03 billion capital raise via a rights issue in Q3 2025. **Capital adequacy ratios** remain robust with CET1, Tier1 and CAR ratio at 16.8%, 19.6% and 20.7% respectively as of September-end 2026, compared to 17.4%, 20.3% and 21.5% at December-end 2025. The Bank's strong capital ratios provide resilience and strong loss-absorption capacity to any adverse macro-financial shocks.
- Annualised return on shareholders' equity was 12.9% and return on assets was 1.6% for 9M 2026.
- UAB's investment-grade ratings with a 'Stable' outlook remain affirmed 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 Corporate Banking, Personal Banking, Treasury & Capital 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). UAB has been included in the list of top 10 performing banks globally in its peer group by Forbes for the year 2026.

Additional information may be found at [www.uab.ae](http://www.uab.ae)

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