

United Arab Bank (UAB)

Current Price (AED)	Market Cap (AED/mm)	Shares Outstanding (mm)	52 Week High (AED)
1.20 (◀▶ 0%)	3,712.59	2,062.55	1.39
Month to Date (MTD%)	Quarter to Date (QTD%)	Year to Date (YTD%)	52 Week Low (AED)
-4.00%	-4.00%	-4.12%	0.97
Price-to-Earnings Ratio(x)	Price-to-Book Ratio (x)	Dividend Yield (12month)	Book Value (AED)
9.38	1.41	NA	1.08

Key Highlights:

Bottom line jumped by over 50% YOY, driven by higher funded, non-funded income and lower provisions .

- The Bank's net profit showed a significant growth of 51% YOY to AED 106.2 Mn in 2Q25, *higher than FABS estimates* driven by higher growth in the funded, non-funded income and lower impairment charges in 2Q25, which was partially offset by higher opex arising from rise in employee benefit expenses. Meanwhile, the growth in the bottom line resulted in the rise in EPS to AED 0.05 in 2Q25 compared to AED 0.03 in 2Q24.
- United Arab Bank's total operating income increased 52% YOY to AED 208.2 Mn in 2Q25 (20% YOY *higher than FABS estimates*) driven by 43% YOY growth in the net funded income and higher growth in non-funded income which was supported by rise in net fees and commission income, foreign exchange income and other income.
- Operating expenses rose by 26.3% YOY to AED 89.3 Mn in 2Q25 amid continued focus on digital transformation and operational excellence. Further, higher income and disciplined management of expenses drive an improvement in cost to income ratio to 47.4% in 1H25 compared to 49.4% in 1H24.
- In contrast to the net reversal of impairment charges of AED 0.2 Mn in 1H24, strong recoveries in the 1Q25 resulted in a net reversal of impairment charges of AED 32 Mn for 1H25. For loans and advances, this corresponds to an annualized cost of risk (CoR) of -59bps.
- UAB's effective asset quality management led to improvement in non-performing loans (NPL) ratio to 2.2% in 1H25 dropping below the level of 3%, along with reporting a provision coverage ratio of 148%.
- The Bank's Annualized Return on shareholders' equity (RoSE) was reported at 19.8% as of 1H25, with UAB's efficient capital utilization.
- UAB's total assets were reported at AED 23.9 Bn in 2Q25 higher than AED 21.4 Bn in 4Q24. The rise was with the effect of healthy growth in loans, advances and Islamic financing driven by increased financing under the real estate and financial institutions sector. Moreover, the customer deposits stand at AED 15.6 Bn in 2Q25 higher than previous figures of AED 13.5 Bn in 4Q24 mainly due to higher growth in CASA deposits representing 36.5% as of 2Q25.
- Total equity was reported at AED 2.78 Bn in 2Q25, which was higher compared to AED 2.55 Bn in 4Q24. The Bank's metrics such as liquidity and funding remain healthy with advances to stable resources ratio (ASRR) at 80% and eligible liquid asset ratio (ELAR) at 17% as of 2Q25.
- UAB maintains a robust capital adequacy ratio (CAR) of 16.3%, with Common Equity Tier 1 (CET1) at 12.1% and Tier 1 at 15.1% as of 2Q25, well above the regulatory requirements.
- United Arab Bank is now increasing its capital by up to AED 1.03 Bn, By offering current shareholders a rights issue. If the process is completed and the required regulatory approvals are obtained, this capital injection could raise the total share capital by up to AED 3.09 Bn.
- UAB has a positive Credit Rating from different credit agencies. Fitch has affirmed credit ratings of 'BBB+' with a 'Stable outlook' and Moody's has issued a rating of 'Baa3' with a continued 'positive outlook'. This reflects UAB's continued improvement in liquidity, asset quality and profitability metrics.

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