



INTERVIEW: Sharjah's United Arab Bank says NPLS Under Control



Monday, Mar 29, 2010

BY Mirna Sleiman

OF ZAWYA DOW JONES

DUBAI (Zawya Dow Jones) -- Sharjah-based **United Arab Bank**, which is 40% owned by Commercial Bank of Qatar, does not expect a surge in its non performing loans or NPLs, this "challenging" year and will go ahead with plans to set up four new units across the United Arab Emirates, the bank's chief executive said.

"The bank's NPLs in 2009 were 1.7% of total exposure and we don't expect any significant increase this year," **Paul Trowbridge** told Zawya Dow Jones in an interview.

The United Arab Emirates central bank said earlier this month it expected loan defaults to rise to 6.4% of overall loans this year, up from about 4.5% at the end of last year.

UAB said in January net profit for 2009 rose 12% to 280.77 million dirham (\$76 Million), compared to 250.2 million a year earlier>

The bank took AED 6 million in corporate provisions last year, and AED 34 million total provisions, including commercial and retail.

Trowbridge does not expect any negative surprises in provisions this year. "This year will be challenging again but we are not expecting any negative surprises are," he said.

UAB, which currently has 11 branches in U. A. E., plans to open four new branches this year across the country. "The bank has no plans to increase the capital or to grow the bank inorganically," he explained.

Trowbridge reiterated that the bank has no Dubai World exposure and that the leader's liquidity position was very good.