



البنك العربي المتحد
UNITED ARAB BANK

PRESS RELEASE

Financial Results UAB reports Financial Results for the nine months to 30 September 2019

Q3 2019 Highlights

- Bank takes YTD AED246m in provisions representing LGD adjustment and specific provisions, thus reflecting a more realistic approach.
- 12% increase in Q3 2019 Operating Profit compared to Q2 2019
- Interest income increased by 3% compared to prior year
- Cost base streamlined evidenced by operating expenses decreasing by 6% vs. prior year
- Capital Adequacy at 16.0%
- CET1 ratio at 14.9%
- Coverage ratio at 91%
- Strong Liquidity base substantiated by both ASR / ELAR Ratios managed well above regulatory thresholds

Sharjah, UAE, 14th November 2019 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the nine months ended 30th September 2019.

The Bank has reported an increase in interest income of 3% and a reduction of 6% in Operating Expenses. UAB's prudent provisioning approach in the last 9 months of 2019 impacted its financial results, consequently, the bank reported a net loss of AED63 million for the nine months ending 30 September 2019, compared to a net profit of AED 104.8 million during the same period in 2018. However, these decisive actions enable UAB to be fit for future growth whilst addressing its legacy issues.

Ahmad Abu Eideh, Chief Executive Officer of "United Arab Bank", commented: "I would like to thank the Board for their unwavering support as the Bank continues to take a number of bold and decisive actions to address and recognize legacy issues. UAB remains true in its intent to become a Bank that is prudently managing risks, efficient and delivers sustainable future growth. Our Management team will remain focused in delivering on its business plan based on the 3Es, Excellence, Experience and Efficiency and is well equipped to face future challenges. We look forward with optimism to the future, however, will not compromise on the quality of our Asset book."

"The Management Team remains fully committed to working harder towards the 3'Es and exceeding the expectations of our customers and shareholders. We are pursuing our ambitious vision and currently investing in modern technology to more effectively manage our resources and serve our customers" **Mr. Abu Eideh** concluded.



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Financial Review

UAB continues to strengthen its core businesses; streamline the cost base; and maintain key banking fundamentals.

Total Income recorded **AED 415m** supported by an increase in Interest Income of 3% in Q3 2019 compared to the same period in 2018. Non-Interest income increased by 27% vs. Q2 2019 which demonstrates the Bank's enhanced cross-sell efforts.

Operating Expenses were **AED233m**, 6% lower compared to same period in 2018 and 4% down quarter on quarter as the Bank captures the benefits associated with the comprehensive review and subsequent overhaul of its cost base.

The Bank continues its prudent approach to recognize provisions to demonstrate its intent and take timely actions, resulting in increase in charge by AED95m vs. Q3 2018 given prudent risk management with the Bank focusing on its remediation and recovery efforts.

The Bank's robust liquidity profile is also demonstrated by an advances to stable resources ratio of 84.8% and an eligible liquid asset ratio of 14%, both comfortably above regulatory thresholds.

UAB remains strongly capitalized with its capital adequacy ratio maintained at 16.0%, well above the regulatory requirement of 13%.

About UAB:

United Arab Bank was incorporated in 1975 as a private joint stock company in the Emirate of Sharjah, United Arab Emirates. The legal form of the Bank was converted to a public joint stock company pursuant to Emiri Decree No. 17/82 issued by His Highness the Ruler of the Emirate of Sharjah on 29th July 1982. On 21st March 2005, the Bank's issued share capital was listed on the Abu Dhabi Securities Exchange.

UAB offers its customers a comprehensive suite of Corporate and Institutional Banking services supported by Trade Finance, Retail Banking and Treasury services, in addition to Islamic Banking solutions, thus positioning the Bank as the partner of choice among major corporate clientele segments.

To know more about UAB, please visit our corporate webpage at: www.uab.ae

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