



FY 2017 Highlights

- Net Profit of **AED17m** compared to Net Loss of **AED523m** in 2016
- Total Operating Income of **AED677m**
- Provisions for Credit Losses decreased by **71%** vs. 2016
- Solid liquidity profile with UAB comfortably above regulatory requirements
- Loans : Deposits ratio improved to **87%**
- **88%** reduction in 'Non-core' portfolio

Sharjah, UAE, 12th February 2018 - United Arab Bank P.J.S.C ("UAB" or "the Bank") reports its Financial Results for the Twelve months to 31st December 2017.

UAB reported a Net Profit of AED17m in 2017 as the successful execution of its Transformation Strategy paved the way for a return to profitability. Notably, 2017 was the final year of transition for UAB as the Bank embarked on its journey to become a safer, stronger and sustainable Bank. Central to this Transformation Strategy were four key pillars: pro-actively deleverage higher risk non-core portfolios; reduce costs; enhance the Bank's risk and control frameworks; and strengthen key banking fundamentals tapping into new funding lines globally. With the continuing support of UAB's Board and shareholders, the Bank is well positioned to generate sustainable returns going forward.

H.E. Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors, said, "We are pleased with the financial performance in the year 2017 as the Bank successfully concluded its Transformation Strategy. We have substantially strengthened our Balance Sheet, focused on our core activities, de-risked the business and captured material cost savings.

The Board and I are confident that our revised and efficient business model which is backed by the strong economy in the UAE and business environment positions us well to continue doing the right thing for our customers and deliver sustainable returns for our shareholders."

Mr. Samer Tamimi, Acting Chief Executive Officer commented: "I would like to thank the Board for their support throughout the various stages of the transformation plan. Since taking up the post in late 2015 we have had to complete a number of actions necessary to address legacy issues and return to the right path. With the conclusion of the recently announced rights issue I am proud to say that UAB will now be well positioned to serve the UAE market."



البنك العربي المتحد
UNITED ARAB BANK

Financial Review

UAB has reported a net profit of AED 17m for twelve months ended 31 December 2017. The successful execution of the transformation strategy has resulted in the Bank recording significant progress in deleveraging its 'non-core' higher risk portfolios. These have been managed down 88% since 30th September 2015 being the implementation date of the Transformation Strategy.

With the Bank redeploying its capital in the lower risk core businesses, total Income reduced to AED677m in 2017, from AED861m in FY 2016, whilst Non-Interest Income increased to 28% of Total Income vs. 26% in 2016. The Bank's provisions for credit losses of AED 289m represent a healthy reduction of 71% compared to 2016 on the back of prudent risk management,

Despite challenges faced, UAB's capital adequacy and liquidity ratios were maintained above the Central Bank of UAE minimum requirements. Capital adequacy ratio was at 13.2%, whilst the liquidity profile remained strong with robust Loan to Deposit Ratio of 87%. Customer Deposits being 81% of Total Liabilities, have and will continue to represent the Bank's key source of funds.

Outlook

Mr. Tamimi concluded, "As we move forward, the focus would be on improving the core business whilst taking into consideration the rapidly evolving marketplace environment."

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. 82/17 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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