



البنك العربي المتحد  
UNITED ARAB BANK

## Financial Results UAB reports Net Profit of AED22m for Q1 2019

### Q1 2019 Highlights

- Interest income increased by 6% compared to prior year
- Non interest income recorded an uplift of 3% compared to prior year
- Operating Expenses decreased by 3% vs. Q1 2018
- Provisions for Credit Losses decreased by 9% vs. Q1 2018
- Loans : Deposits ratio improved to 90%
- Capital Adequacy at 15.8%
- CET1 ratio at 14.7%

**Sharjah, UAE, 1<sup>st</sup> May 2019** - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the three months ended 31<sup>st</sup> March 2019.

UAB reported a Net Profit of **AED22m** in Q1 2019 supported by an increase in interest income of 6% and an uplift in non-interest income of 3% compared to Q1 2018. The Bank has reported 3% lower operating expenses and a reduction in provisions for credit losses by 9% compared to the prior year which provides further evidence that the Bank is well placed to set sail on its growth journey.

**H.E. Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors of "United Arab Bank", said,** "The Bank had a good start to the year, with a solid underlying performance for the first 3 months of 2019.



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The Board and I are optimistic about the Bank's future, we are confident that the Bank will contribute in developing its operations and improving the quality of its offerings, which help to provide convenience for its customers, and generate sustainable returns to our shareholders."

**Ahmad Abu Eideh, Chief Executive Officer of "United Arab Bank", commented, "I am pleased to report that our financial performance is aided by a significant progress within our 'core' business recording 6% uplift in Interest Income with an improved asset quality and reduced operating expenses.**

We believe UAB is well positioned to take advantage of the UAE's economic development and diversification, ensuring that our financial strength and focus on the banking experience delivers a compelling offering to our customers, as well as to sustainably promote and foster further success, growth, and prosperity."

### Financial Review

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

Total Income recorded **AED152m** supported by an increase in Interest Income of 6% in Q1 2019 compared to the same period in 2018 as well as an increase in non-interest income of 3% compared to the prior year.



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The Bank's liquidity profile remains strong as evidenced by a robust Loan to Deposit Ratio of **90%**. Customer Deposits (being **78%** of Total Liabilities) have and will continue to represent the Bank's key source of funds.

The Bank has continued to record significant progress in deleveraging its 'non-core' higher risk portfolios as they have been managed down to **1%** of Total Loans at the end of Q1 2019.

The Bank's Provisions for Credit Losses of **AED49m** represent a healthy reduction of **9%** compared to Q1 2018 supported by prudent risk management and focused reduction in risk weighted assets. Going forward, UAB's transition to a lower risk model should see these moderate further in the medium term.

### OUTLOOK

**Ahmad Abu Eideh, Chief Executive Officer, concluded,** "We go forward into 2019 with a positive outlook. Our focus is to enhance and enrich the Bank, its products and services in order to continue its legacy as a leading trusted Bank in the UAE, as well as to deepen our existing and new relationships with our customers, create more value for our shareholders, give more support for communities and deliver a strong contribution in the development of the UAE economy."



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### 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 29<sup>th</sup> July 1982. On 21<sup>st</sup> 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](http://www.uab.ae)

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