

United Arab Bank Reports Financial Results for the Twelve Months to 31 December 2021

Sharjah, UAE, 02 March 2022 - United Arab Bank P.J.S.C ("UAB" or "the Bank") reports its Financial Results for the Twelve Months to 31st December 2021.

UAB posted a Net Profit of AED 70 million for the year 2021, compared to a net loss of AED 667 million in 2020 representing an increase of 111%. The growth in net profit is a result of improved operating performance and lower expected credit losses, coupled with disciplined cost control and a prudent approach to risk management. The successful execution of its Transformation Strategy paved the way for a return to sustainable profitability.

UAB's financial performance was aided by a significant progress within the 'core' businesses recording a 12% growth in its total operating income in FY 2021 as compared to FY 2020. Provision charges have significantly reduced by 83% in 2021 as compared to 2020 and are expected to improve with new portfolio underwritings in high-quality assets. The Bank maintained adequate levels of capital with a capital adequacy ratio of 13.8% and a CET1 ratio of 12.6%, both of which remain well above the regulatory requirements currently applicable. The Bank's NPL ratio improved from 15.7% in FY 2020 to 12.6% in FY 2021.

The Bank continues to focus on growing its core businesses and revenues across its Wholesale Banking, Retail Banking and Financial Markets whilst moving towards a more agile operating model incorporating digital solutions and capabilities thereby positioning itself as the partner of choice among major corporate clientele segments.

The Bank's robust liquidity profile is also demonstrated by an advances to stable resources ratio of 81% and an eligible liquid asset ratio of 19%, both comfortably above regulatory thresholds.

H.E. Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors, said: "These results obviously reflect successful execution of the transformation strategy led by the management team at the Bank which paved the way for a return to profitability. We will continue focusing on modernizing the technical infrastructure and thus moving towards digital world while adhering to best practices."

He added: "These positive results provide clear evidence of effectiveness of our business model by returning to the core business lines of corporate and institutional banking services supported by Retail Banking Division, Treasury and Capital Markets Division. The Board of Directors will continue supervising the execution of the Bank's strategy. We seek to fulfill our commitment to achieve the



Press Release

Public

best value for our shareholders, customers and employees, and to continue supporting the comprehensive development process in the United Arab Emirates.”

Alexander Thomas, Interim Chief Executive Officer at UAB commented "These positive results do also motivate us to work harder towards ensuring the satisfaction of our customers and shareholders. In the coming period, we will pursue our ambitious vision and accelerate the pace of investment in digital transformation to effectively manage our resources and reduce risk, thereby enhancing our net profit and our customers' confidence in the quality of our assets and services."

FY 2021 Highlights

AED '000	2021	2020	% Change
1 – Total Assets	15,180,042	14,849,149	2%
2 – Shareholders Equity	1,511,892	1,454,543	4%
3 – Revenues	449,633	402,863	12%
4 – Operating Profit	205,918	140,828	46%
5 – Net Profit (loss) for the year	70,191	(667,295)	111%
6 – Earnings per share	0.03	(0.32)	111%

-End-

For further information, please contact:

Sirine El Merhebi
Corporate Communications Department
Direct Line: +971 6 5075415
sirine.elmerhebi@uab.ae