



البنك العربي المتحد
UNITED ARAB BANK

UAB REPORTS NET PROFIT OF AED 45 MILLION FOR THE FIRST NINE MONTHS OF 2021

Sharjah, UAE, 08 November 2021 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the nine months ending 30 September 2021.

United Arab Bank posted a net profit of AED 45m in the first nine months of 2021 as compared to net loss of AED 365m during corresponding nine months of 2020. Net Profit is also increasing quarter-on-quarter by 7%, (Net Profit for Q3'21 is recorded at AED 18m vs Net Profit of AED 17m in Q2'21) as the successful execution of the turnaround strategy has paved the way for a return to profitability with UAB continuing to strengthen its core businesses; streamline the cost base; and maintain key banking fundamentals.

UAB's financial performance was aided by a significant progress within the 'core' businesses recording an 11% year-on-year uplift in Total Income, whilst Operating Expenses continue to be robustly managed and recorded a reduction of 9% year-on-year.

The Balance sheet has been significantly strengthened with a focus on quality assets which resulted in recording 76% year-on-year reduction in Provisions compared to YTD September 2020.

The Bank continues to support growth in 'core' businesses, whilst ensuring it captures all available cross-sales opportunities. Customer Deposits have and will continue to represent the Bank's key source of funds evidenced through 81% concentration in Total Liabilities compared to 86% in the same period last year.

Operating Expenses for YTD September 2021 were AED 180m, representing 9% reduction against YTD September 2020, as the Bank continues to rationalize its cost base through optimization of costs and avoiding non-essential general and administrative expenditure and branch rationalization.

Provision Charges on a total portfolio basis, the bank continues to demonstrate significant improvement with a solid 76% reduction vs. YTD September 2020 as the Bank focuses on its remediation efforts and recoveries. Consequently, Total Income increased to AED 337m for YTD September 2021, up from AED 303m for YTD September 2020, with Non-Interest Income streams increased to 36% of Total Income vs. 26% previous year.

The Bank's liquidity profile remains strong as evidenced by a robust Loan to Deposit Ratio of 78%. Customer Deposits (being 81% of Total Liabilities) have and will continue to represent the Bank's key source of funds. The Bank's Provisions for Credit Losses of AED 112m represent a healthy reduction of 76% compared to YTD September 2020 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.



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Commenting on the financial results, **Ahmad Abu Eideh, Chief Executive Officer of "United Arab Bank", said:** "We are very pleased with our overall financial results for the third quarter of the year. These positive results demonstrate the success of the Bank digital transformation strategy and are a testament to the efforts made by every member of our team and the exceptional work carried out in dealing with the challenges imposed by the Covid-19 pandemic. The investment that the bank started in developing and modernizing the technological infrastructure and hence moving forward towards the digital world and the successful execution of the turnaround strategy paved the way for a return to profitability."

"We are confidently looking forward to the future and continuously developing and improving our business model and activities in line with our customer base and sustainable growth strategy." Abu Eideh concluded.

YTD September 2021 key Highlights:

- YTD September 2021 Net Profit of AED 45m, representing an increase of 7% (QoQ) (Net Profit for Q3 2021 is recorded at AED 18m vs Net Profit of AED 17M in Q2 2021).
- Total Operating Income improved by 11% at AED 337m vs AED 303m recorded previous year.
- Provisions for Credit Losses decreased by 76% vs. YTD September 2020.
- Solid liquidity profile with UAB comfortably above regulatory requirements.
- Loans : Deposits ratio stands at 78%.

To know more about UAB, please visit www.uab.ae

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