



## United Arab Bank Reports Financial Results for the Six Months ended 30<sup>th</sup> June 2023

### H1 2023 Highlights

- 45% increase in H1 2023 Net Profit compared to H1 2022
- Net Interest income increased by 36% compared to prior year
- Total Income improving by 12% (YoY)
- Provisions reduced by 59% in H1 2023 compared to H1 2022
- Successful issuance of AT1 Capital Instrument of USD 150 million in Q1 2023
- Capital Adequacy Ratio (CAR) at 19.6% and Tier 1 Ratio at 18.5%
- NPL ratio down from 10.0% in H1 2022 to 6.7% in H1 2023
- Coverage ratio improving from 77% in H1 2022 to 110% in H1 2023
- Robust liquidity profile is demonstrated by an advances to stable resources ratio of 82% and an eligible liquid asset ratio of 18% well above the regulatory thresholds

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UAE, 24 July 2023 - United Arab Bank P.J.S.C ("UAB" or "the Bank") reports its Financial Results for the six months ended 30<sup>th</sup> June 2023.

UAB posted a Net Profit of AED 120.5 million for H1 2023, compared to a net profit of AED 83.3 million in H1 2022 representing an increase of 45%. The growth in net profit is a result of improved Net Interest Income and lower provision charges.

UAB's financial performance was aided by a significant progress within the 'core' businesses recording 12% growth in its total operating income in H1 2023 as compared to H1 2022 driven by 36% increase in Net Interest Income. Provision charges have significantly reduced by 59% in H1 2023 as compared to H1 2022 as the Bank improved its portfolio underwriting in higher quality assets and achieved higher recoveries.

The Bank was able to increase its capital base in Q1 2023 by a total of USD 150m through the issuance of AT1 capital instrument which has strengthened the Bank's capital adequacy ratio (CAR) which increased to 19.6% and boosted its Tier 1 Capital ratio which was recorded at 18.5%, both of which are well above the applicable regulatory requirements.

The Bank's liquidity profile remains strong as evidenced by an advances to stable resources ratio of 82% and an eligible liquid asset ratio of 18%, both comfortably above regulatory thresholds. Whilst not a regulatory requirement, UAB also routinely computes the LCR and NSFR ratios and both remain well above 100% (being the regulatory hurdle for banks that are required to conform to these ratios).

UAB's decisive and prudent approach to provisioning and its commitment to maintaining adequate Provision Coverage is again demonstrated with the ratio standing at 110% as at H1 2023 whilst the Bank's NPL Ratio reported at 6.7% which represents a significant improvement as compared to 10% in H1 2022.

UAB continues to focus on growing its core businesses and revenues across its Wholesale Banking, Retail Banking and Treasury & Capital Markets segments whilst moving towards a more agile operating model that incorporates technology and digital solutions at its heart to help position itself as the partner of choice for its customers.



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UNITED ARAB BANK

## Press Release

Commenting on the Bank's financial results, **H.E. Sheikh Faisal bin Sultan bin Salem Al Qassimi, Chairman of the Board of Directors**, UAB, said:

"We are delighted with the financial performance achieved in the first half of 2023, as the bank diligently executes its strategic plan to foster growth and meet shareholders' expectations. We look forward with confidence to the future, supported by the strong economic landscape in the UAE. We will continue focusing on modernizing the technical infrastructure, adhering to the best banking practices, and working on developing our business model and activities in line with our sustainable growth strategy."

**Shirish Bhide, Chief Executive Officer of United Arab Bank**, said:

"The growth in the bank's net profit during the first six months of 2023 reflects a strong performance across all lines of the businesses. With these set of results, we have now laid a firm and sustainable growth trajectory for UAB that tracks our short and medium term strategic goals."

He added: "We will continue to strengthen and deepen our existing client relationships and carefully expand our client base in all the business segments too, in line with our risk appetite. At all times, we strive to provide our clients with products and solutions that helps them achieve their financial goals. We strongly believe in the continuous adoption of technology to make banking simpler and convenient and this ethos remains at the heart of every product and service proposition of ours."

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### About United Arab Bank P.J.S.C.

United Arab Bank, P.J.S.C. (UAB) was incorporated on the 21st of January 1975 as a joint venture between UAE investors and the French international financial conglomerate, Société Générale (SG). Today, the bank is considered among the longest-standing and most innovative banking and financial services providers in the United Arab Emirates.

Headquartered in Sharjah, UAB operates through 6 branches, 17 ATMs, and 11 cash and cheque deposit machines (CCDM) across the UAE offering retail and corporate banking services. The Bank succeeded to establish itself as a partner of choice for corporate clientele with a comprehensive suite of Wholesale Banking services supported by Trade Finance, Retail Banking, and Financial Markets services, in addition to Islamic Banking solutions.

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