



البنك العربي المتحد
UNITED ARAB BANK

Financial Results – FY 2018 UAB Reports Financial Results for the Twelve Months to 31 December 2018

FY 2018 Highlights

- Net Profit of AED77m which represents an increase of 345% compared to prior year
- Total Operating Income of AED647m
- Interest Income increased by 11% compared to prior year
- Operating Expenses decreased by 11% vs. 2017
- Provisions for Credit Losses decreased by 16% vs. 2017
- Loans : Deposits ratio improved to 91%
- 'Non-core' portfolio represents 1% of Total Loans

Sharjah, UAE, 03rd March 2019 - United Arab Bank P.J.S.C ("UAB" or "the Bank") reports its Financial Results for the Twelve Months to 31st December 2018.

UAB reported a Net Profit of **AED77m** in 2018 which represents an increase of **345%** compared to 2017 as the successful execution of its Transformation Strategy paved the way for a return to sustainable profitability. UAB 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.

H.E. Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors, said, "The Bank's improved financial performance in 2018 was the direct result of placing our customers first, which is at the core of the business strategy led by our management team.

We are in a continuous journey of improvement and change, it requires a delicate balance of focus, dedication and constant enhancement of the banking experience we deliver and strengthening of the bank in every dimension to ensure it remains well positioned to deliver sustainable returns."

Sheikh Mohamed Bin Abdulla Al Nuaimi, Acting Chief Executive Officer, commented, "I am pleased to report that our financial performance in 2018 was aided by significant progress within our 'core' businesses and a reduction in impairment charges which resulted in recording a significant uplift in Net Profit.

These positive results provide tangible evidence that our revised business model is appropriate with UAB returning to its traditional Corporate Banking roots, complimented by Retail and Treasury propositions."

Financial Review



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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 2018.

Total Income recorded **AED647m** in 2018 and it was aided by an increase in Interest Income of **11%** in 2018 compared to 2017.

The Bank's liquidity profile remains strong as evidenced by a robust Loan to Deposit Ratio of **91%**. Customer Deposits (being **78%** of Total Liabilities) have and will continue to represent the Bank's key source of funds.

The Bank's Provisions for Credit Losses of **AED242m** represent a healthy reduction of **16%** compared to 2017 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

Sheikh Mohamed Bin Abdulla Al Nuaimi, Acting Chief Executive Officer, concluded, "As we move forward, the focus would be on improving the core business whilst taking into consideration the rapidly evolving marketplace environment."

To know more about UAB, please visit our corporate webpage at: www.uab.ae

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