



البنك العربي المتحد
UNITED ARAB BANK

PRESS RELEASE

UAB Generates 10% Uplift in Operating Profit

Highlights vs. Q1 2014

- Operating Profit up 10% to AED246m
- Total Income improved 8% to AED352m
- Net Profit stable at AED161m
- Customer Deposits grew 12% to AED18.3bn
- Customer Loans and Advances increased 6% to AED18.3bn
- Total Assets up 12% to AED26.5bn

Sharjah, April 22, 2015 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the three months ended 31 March 2015.

UAB reports a Net Profit of AED161m for Q1 2015, in line with performance in Q1 2014.

Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors, said, "I am pleased to report a Net Profit of AED161m in Q1 2015. This year marks a truly historic milestone for UAB as its sees the Bank celebrate its 40th anniversary following its inception in 1975. During these 40 years the Bank has experienced numerous changes as it has evolved, yet we have ensured throughout our journey customers have consistently remained at the heart of the business".

Mr Paul Trowbridge, Chief Executive Officer, commented, "UAB has ended the first quarter of 2015 with a strong set of financial results demonstrated by tangible growth across Operating Profit, Total Income and Total Assets. The Bank's customer-centric strategy remains firmly on track, with both Customer Loans and Deposits continuing to grow despite the increasingly competitive environment.

Our products and services continue to be independently recognised as the best of their kind and given the quality of our propositions and continued expansion of our branch footprint and other alternative delivery channels, we embark on our fifth decade with an outstanding platform to build upon for the future."

Sustainable Performance

UAB reported an Operating Profit of AED246m, an increase of 10% on 2014. Total Income grew by 8% to AED352m, supported by an uplift in Net Interest Income of 10% with the Bank broadly maintaining its Net Interest Margins through its diversified lending portfolios and optimally managing its cost of funds.

Operating Expenses in the first quarter were AED106m, representing a marginal increase of 2% on Q1 2014. Given the Bank's continued investment in the infrastructure necessary to support its growing market presence, robust cost control is evidenced by its Cost : Income Ratio improving to 30.2% against 31.8% recorded in the prior year.

Provisions for Credit Losses in Q1 2015 were AED84m, compared to AED61m in 2014, with UAB remaining in full compliance with Central Bank provisioning requirements. The Bank remains conservative in its attitude to risk management as evidenced by our robust Non-performing Loan Ratio (2.7%) and Coverage Ratio (114%) as at 31 March 2015.



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Total Loans & Advances improved 6% to AED18.3bn versus 2014, with Customer Deposits increasing 12% in the same period to also reach AED18.3bn, both of which further emphasize the ongoing sustainability of the Bank's strategy.

AWARDS & RECENT DEVELOPMENTS

▪ Q1 2015

January - announced the opening of its 12th branch in Dubai on Jumeirah Beach Road, extending the **Bank's branch network to 31 locations across the UAE**. This prime location will help us better serve our growing customer base and is consistent with our strategy of growing the capabilities of all our channels (branches / telephony /online) to serve our customers as they want to be served.

January - contributed AED250,000 to **Al Thiqah Club for the Handicapped**, representing another milestone in the Bank's long-standing relationship with the organisation that provides invaluable support for people with special needs in the UAE. UAB has supported Al Thiqah Club since 2003, through both financial contributions and recruitment programmes.

February - participated in the **National Career Fair Exhibition - 2015** at the Sharjah Expo Centre for the 17th consecutive year. The Exhibition, an integral part of the UAE's drive to promote and support Emirati nationals in the labour market was held between 11-13 February. In recognition of its efforts for the development of the Emirati community, UAB received the prestigious **Human Resources Development Award** in the Banking and Financial Sector.

March – received a trio of coveted awards from the Banker Middle East Magazine, winning **Best Loyalty Program** for 'UAB Rewards', **Best Premium Credit Card** for 'UAB Visa Infinite' and **Best Co-Branded Credit Card** for 'UAB FC Barcelona'. Ranking among the most prestigious honours in the industry, the Banker Middle East Awards 2015 were adjudicated by 17,000 individual voters, casting 80,000 votes in total, with UAB collecting the accolades in competition with 35 participating banks.

CONCLUSION

Mr Trowbridge concluded, "We have made a solid start to the year by maintaining our focus on delivering outstanding customer service, whilst continuing to reap the benefits of our strategic alliance with The Commercial Bank of Qatar. As we look forward to the next nine months of what is a landmark year for UAB, we are confident that our strategy remains on track as we build on our recent momentum and continue to deliver sustainable returns for our shareholders".

The Bank is rated by Moody's as Baa1 with a stable outlook.

-Ends-



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About UAB:

United Arab Bank P.J.S.C ("UAB" or "the Bank") was established in 1975 as a joint venture between UAE investors and Societe Generale. As at 31 March 2015, the bank is operating with a network of 31 branches and offices spread across the UAE with its headquarters in Sharjah. UAB offers a range of financial services in both Corporate and Retail and is acknowledged as a leading solutions provider to the growing commercial and industrial base across the seven Emirates.

Through the provision of a comprehensive range of Corporate Banking, Retail Banking, Trade Finance, SME Banking and Treasury services, UAB is the Bank of choice among major corporate clientele segments in the UAE. With the launch of its 'Sadara' premium banking service, Islamic Banking Services and 'UAB Rewards' loyalty programme, the Bank has grown its retail customer base, aiming to expand further. All these initiatives and consistent year on year performance have positioned UAB as one of the fastest growing banks in the region.

As at 31 December 2014 the Bank was ranked 20th amongst the top listed companies in the UAE and is one of the top 50 banks in the GCC in terms of market capitalization. UAB announced a record Net Profit of AED605m for the year ended 31 December 2014, an increase of 10% over 2013 and the highest annual Net Profit ever reported by the Bank.

In December 2007, UAB became part of a GCC regional banking alliance upon the acquisition of 40% interest by The Commercial Bank of Qatar (CBQ), Qatar's largest private sector bank. UAB's strong financial performance in subsequent years is indicative of the benefits gleaned from its strategic alliance with the Qatari Bank.

The Commercial Bank of Qatar has similar alliances with National Bank of Oman (NBO) and Alternatifbank in Turkey, thus providing a solid platform for all three banks to grow strongly as we move forward.