



PRESS RELEASE

UAB Delivers 5% Increase in Net Profit

Highlights vs. H1 2014

- Net Profit up 5% to AED344m
- Total Income improved 3% to AED696m
- Total Assets up 6% to AED26.6bn
- Customer Loans and Advances increased 3% to AED18.3bn
- Earnings per Share up 4% to AED0.25

Sharjah, July 14, 2015 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the six months ended 30 June 2015.

UAB reports a Net Profit of AED344m for H1 2015, representing a 5% uplift on H1 2014.

Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors, said, "I am proud to announce a Net Profit of AED344m for H1 2015. This year marks a truly historic milestone for UAB as we celebrate its 40th anniversary following its inception in 1975. Throughout the past four decades, the Bank has successfully prospered in line with the country's economic growth and adapted to the market's changing needs, whilst remaining true to its customer-centric traditions. The relentless focus of the Board and Executive Team to build a strong Bank positions us well for sustainable growth in the future as we deliver on our commitments to our customers, shareholders and wider community.

Mr Paul Trowbridge, Chief Executive Officer, commented, "I am very pleased with the financial results we delivered for the first half of the year, which provides further testament to the sustainability of our long-term strategy. During the period, we generated solid, underlying profitable growth and we are confident this gives us a platform to meet a more challenging economic outlook as we move into the second half of 2015. In parallel, we have continued to invest significantly in developing our people, enhancing our infrastructure and further improving our award winning customer propositions".

Stable Performance

UAB reported a Net Profit of AED344m during H1 2015, an uplift of 5% on prior year. Total Income increased by 3% to reach AED696m, aided by continued strong performance in Net Interest Income (up 7% on H1 2014) with the Bank maintaining its Net Interest Margins through its diversified lending portfolios and optimally managing its cost of funds.

Operating Expenses in the first six months were AED217m, an increase of 8% on H1 2014. Given the Bank's ongoing investment in the infrastructure required to support its developing market presence, strong cost control is demonstrated by its Cost : Income Ratio of 31%.

Provisions for Credit Losses in H1 2015 were AED134m. With these Provisions UAB has a Coverage Ratio as at 30 June 2015 of 112% on its Non-performing Loans, which represents 2.9% of Gross Loans.

Total Loans & Advances improved 3% to AED18.3bn versus 2014, with Customer Deposits at AED18.2bn emphasizing the ongoing sustainability of the Bank's operating model.



AWARDS & RECENT DEVELOPMENTS

▪ Q2 2015

April - to celebrate UAB's **40th Anniversary** a special staff event was held at Atlantis – The Palm. The ceremony was attended by Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, the founder and Chairman of UAB, who delivered a speech congratulating employees for reaching the momentous milestone.

May - collected two coveted awards at the Banker Middle East Industry Awards - 2015, being named '**Best Retail Bank in the UAE**' and '**Most Innovative SME Bank**'. These awards are organised by CPI Financial and acknowledges the best banks across the region. Winners are chosen by registered users of Banker Middle East, Islamic Business & Finance, FinanceME, WEALTH Arabia and CPI Financial. Bringing in thousands of votes, these awards are sought after across the industry.

June – Mr Awni Al Alami, Deputy Chief Executive Officer and a founding executive staff member of UAB retired after 40 years at the Bank. **Mr Samer S. Tamimi** has been appointed as the new Deputy Chief Executive Officer and brings with him 23 years banking experience across both regional and international financial institutions.

▪ Q1 Recap

January - announced the opening of its 12th branch in Dubai on **Jumeirah Beach Road**. Establishing this prime location is consistent with our strategy of growing the capabilities of all our channels (branches / telephony /online) to serve our growing customer base 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.

February - participated in the **National Career Fair Exhibition - 2015** at the Sharjah Expo Centre for the 17th consecutive year. In recognition of its ongoing Emiratisation programmes, 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'.

CONCLUSION

Mr Trowbridge concluded, "As we enter the last six months of what is a landmark year for UAB, we are confident that we will continue to deliver against our strategy and build deeper and long lasting client relationships. We remain committed to building a Bank that is simple to deal with, understands its customers and delivers sustainable returns for our shareholders. Given the ongoing benefits of our strategic alliance with Commercial Bank, our business model is well aligned to these goals and capturing emerging opportunities as the UAE continues progress".

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



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UNITED ARAB BANK

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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 30 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 Commercial Bank (Q.S.C.), 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.

Commercial Bank (Q.S.C.) 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.