



## United Arab Bank Reports Financial Results for the Quarter ending 31st March 2023

### Q1 2023 Highlights

- 80% increase in Q1 2023 Net Profit compared to Q1 2022
- Net Interest income increased by 38% compared to prior year
- Total Income improving by 5% (YoY)
- Provisions reduced by 91% in Q1 2023 compared to Q1 2022
- Successful issuance of AT1 Capital Instrument of USD 150 million in Q1 2023
- Capital Adequacy Ratio (CAR) at 19.3% and Tier 1 Ratio at 18.1%
- NPL ratio down from 11.4% in Q1 2022 to 7.8% in Q1 2023
- Coverage ratio improving from 70% in Q1 2022 to 102% in Q1 2023
- Robust liquidity profile is demonstrated by an advances to stable resources ratio of 80% and an eligible liquid asset ratio of 21% well above the regulatory thresholds

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UAE, 18 April 2023 - United Arab Bank P.J.S.C ("UAB" or "the Bank") reports its Financial Results for the Quarter ending 31st March 2023.

UAB posted a Net Profit of AED 54.8 million for Q1 2023, compared to a net profit of AED 30.4 million in Q1 2022 representing an increase of 80%. 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 5% growth in its total operating income in Q1 2023 as compared to Q1 2022 driven by 38% increase in Net Interest Income. Provision charges have significantly reduced by 91% in Q1 2023 as compared to Q1 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 19.3% and boosted its Tier 1 Capital ratio which recorded 18.1%, 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 80% and an eligible liquid asset ratio of 21%, 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 102% as at Q1 2023 whilst the Bank's NPL Ratio reported at 7.8% which represents a significant improvement as compared to 11.4% in Q1 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



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## خبر صحفي Press Release

### Internal

operating model that incorporates technology and digital solutions at its heart to help position itself as the partner of choice for its customers.

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 pleased with the positive results for the first quarter of 2023, which reflect the successful execution of the bank's strategy to strengthen its core businesses, manage its resources effectively, and follow a prudent approach to reduce risks. We will continue focusing on modernizing the technical infrastructure and adhering to the best banking practices that would enable us to improve customer experience and achieve sustainable returns for our shareholders."

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

"The quarter-on-quarter growth in the Bank's top and bottom lines reflects the outcome of several initiatives that are now working well at UAB. At its core, the bank focuses on providing all the relevant products and services at the most competitive rates to all its clients in the UAE and is doing so in more and more efficient ways internally, thereby creating positive operating leverage.

UAB remains on track to achieve its strategic and financial objectives over the medium term and is now capable of dynamically adapting itself to the ever-changing environment thanks to a more resilient balance sheet, strong liquidity and earnings momentum. We continue to remain focused on enhancing our customer experience and will invest in relevant time-tested technology that benefits our clients and stakeholders."

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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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