



البنك العربي المتحد  
UNITED ARAB BANK

## PRESS RELEASE

### UAB Reports Financial Results for the Nine Months to 30 September 2015

- Operating income down 9% to AED672m
- NPL ratio increases to 3.9%
- Nine month profit down 86% to AED72m due to extensive additional provisioning
- Capital adequacy ratio 14.4% as at 30 September 2015

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**Sharjah, October 14, 2015** - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the nine months ended 30 September 2015.

UAB reported a Net Profit of AED72m for the first nine months of 2015, compared to AED498m for the same period of 2014. Net profit was impacted by provisioning taken during the quarter of AED466m following a significant increase in loan defaults in UAB's higher risk commercial loan portfolio.

**Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors, said,** "The Board has mandated Management to take an uncompromising view on asset quality and to set aside a significant provision this quarter against the rise of defaults in some of UAB's riskier assets. We have taken this decisive action to ensure that UAB is in the strongest position to pursue its strategy and support the UAE economy."

**Mr Paul Trowbridge, Chief Executive Officer, commented,** "We will be deleveraging from some of our higher risk assets over the course of the final quarter; we will continue to improve liquidity and continue to enhance our risk management.

"UAB remains well capitalized, with its Capital Adequacy Ratio at 14.4%, comfortably above the Central Bank's capital requirements of 12%. Although our NPL ratio stood at 3.9% as at 30 September 2015, our NPL coverage ratio was 130%, giving UAB significant risk protection.

"UAB's total income for the nine months 2015 was AED998m, a reduction of 3% on the prior year. Our net operating income for the period was down 9%, impacted by lower non interest income. Operating expenses for the nine months period were AED326m bringing the cost to income ratio to 32.7%.

"Total Loans and Advances were broadly stable at AED17.6bn (2% lower on the prior year) as were Customer Deposits which were AED18.3bn (2% higher versus prior year)."

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



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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 30 September 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 sectors 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 20<sup>th</sup> 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, 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.