

## **PRESS RELEASE**

# **UAB's Q3 NET PROFITS GROW BY 39% TO RECORD HIGH**

### **Highlights vs. 2012**

- Net Profit up 39% to AED414m
- Operating Profit up 37% at AED524m
- Total Income up 37% to AED753m
- Earnings per Share up 39% to AED0.416

### **Growth in 2013**

- Customer Loans and Advances gained by 36% to AED14.8bn
- Customer Deposits increased 36% to AED13.7bn

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**Sharjah, October 23, 2013** - United Arab Bank P.J.S.C ("UAB" or "the bank") announces its Financial Results for the nine months ended 30 September 2013. Building on its impressive momentum UAB, the fastest growing bank in the UAE, announces Q3 2013 Net Profits of AED414m, an impressive increase of 39% over the same period in 2012. These results represent record high quarterly Net Profits for the bank, further underlining the success of UAB's growth strategy.

The Bank's Chairman, Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, commented "UAB's growing momentum enabled the bank to generate record quarterly results. Such performance reinforces the winning strategy of the bank, where we place our clients at the heart of our approach to deliver long term value for customers, shareholders and key stakeholders alike."

Paul Trowbridge, the bank's Chief Executive Officer, reflected on the record results, "It's extremely positive to see such impressive performance across all business units. We fully expect this growth trajectory to continue due to our strong fundamentals and ability to grow. Our robust strategic, operational and financial roadmap comprises a growing branch network, complementing our customer-centric approach, as well as our responsiveness to customer needs. This ensures we are competitive and well positioned to benefit from improving market conditions. These financial results underpin the proven benefits of our strategic alliance with the Commercial Bank of Qatar and we expect to play an integral part in supporting the future growth of the local economy."

In the nine months ended 30 September 2013, Customer Loans & Advances increased by 36% to AED14.81bn from AED10.88bn as at 31 December 2012; with Customer Deposits recording similarly impressive growth to reach AED13.74bn (up 36% in the same period) thus supporting the overall sustainability of UAB's growth strategy.

The bank generated a year to date Operating Profit of AED524m, a 37% increase over AED382m reported for the same period in 2012. Total Income increased by 37% to AED753m, with strong underlying performance across both Net Interest Income and Other Income, up 39% and 29% respectively versus Prior Year.

Provisions across the first nine months were AED110m, compared to AED85m for the same period in 2012. The bank continues to take a prudent and proactive approach to risk management with the loan loss coverage ratio standing at 98% as at 30 September 2013 and remains in line to comply with UAE Central Bank requirements.

UAB relentlessly strives towards building on and developing its foundations for further growth. The bank's network expansion programme continues apace with approximately 30 branches scheduled to be operational by the end of 2013, whilst UAB continues to invest in its people across all business units and functions.

The bank's strategy is firmly focused on the customer. This is evidenced by the prestigious awards received in 2013 and continued enhancements to our underlying segment propositions. Building on recent awards such as 'Best Customer Loyalty Program in the Middle East' and 'Best Domestic Retail Bank Award' (Banker Middle East Awards), UAB was extremely proud to announce its landmark alliance with FC Barcelona that distinguishes the bank as the first and exclusive financial partner of the club in the UAE.

Mr Trowbridge concluded, "The bank's Q3 results are outstanding and demonstrates our ability to go from strength to strength. Such performance is only possible if your organisation truly places customers at the focal point of its business. The recent partnership with FC Barcelona was borne out of our quest for excellence and echoes the teamwork and dedication UAB will continue to demonstrate as it strives to remain the bank of choice for its customers. True to our commitment to provide exceptional customer service and exceed satisfaction levels, we plan to reach a large number of football followers and reward them for banking with us."

He also acknowledged the continual benefits derived from the strategic alliance with the Commercial Bank of Qatar ("CBQ"), which acquired 40% of UAB in 2007. With the alliance also including Turkey's Alternatifbank and National Bank of Oman, additional business opportunities will deliver upside for all parties

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

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## **About UAB:**

United Arab Bank (UAB) was established in 1975 as a joint venture between UAE investors and Societe Generale. By the end of 2013, the bank will be 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 a consistent year on year performance has positioned UAB as one of the fastest growing banks in the region.

The bank is ranked 23rd 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 AED410m for the year ended 31 December 2012, an increase of 24% over 2011 and the highest annual net profit ever reported by UAB. For the first half of 2013, UAB announced its highest half yearly net profit of AED260m, an increase of 35% over the same period in 2012.

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. United Arab Bank's strong financial performance in 2012 is also indicative of the benefits gleaned from its strategic alliance with the Qatari Bank.

The Commercial Bank of Qatar has a similar alliance with National Bank of Oman (NBO), which has positioned all three banks more strongly for future growth. Most recently, the Commercial Bank of Qatar acquired a 70.84% stake in Alternatifbank in Turkey, enabling all four banks involved in these strategic alliances to offer integrated services across the GCC and Turkey, including cross border services for corporate banking and capital markets; support on trade services; private banking services; and syndicated loans.

UAB is not only the fastest growing local bank but also is one of the most profitable. The Bank has the strategic vision and momentum to continue on its growth trajectory, as its executive team seeks to create long term value for its shareholders.

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