



PRESS RELEASE

UAB Reports Record Net Profit of AED 605m

Highlights vs. FY 2013

- Operating Profit up 36% to AED979m
- Total Income up 32% to AED1.373bn
- Net Profit up 10% to AED605m
- Earnings per Share up 11% to AED0.52

Growth in 2014

- Customer Loans and Advances increased 17% to AED17.9bn
- Customer Deposits up 24% to AED18.7bn

Sharjah, January 21, 2015 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the year ended 31 December 2014.

UAB has announced a full year Net Profit of AED605m, an increase of 10% over 2013. This performance represents the highest ever annual Net Profit for the bank, building on the ongoing success and momentum UAB has generated in recent years. Accordingly, the Directors propose that a cash dividend of 10% of the Paid up Capital is paid in 2015 amounting to AED114.6m, along with a scrip dividend of 20% of the Paid up Capital amounting to AED229.2m, subject to the approval of the UAE Central Bank and the General Assembly.

Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors said, "I am honoured to report a record Net Profit in 2014. Across the year we continued to make substantial progress on our journey to become a more efficient retail and commercial bank, whilst remaining true to our traditional values. UAB was, is and will always be, a bank focused on customers' needs and building lasting relationships".

Mr Paul Trowbridge, Chief Executive Officer commented on the Bank's results, "In 2014 the bank continued to intensify its focus on customers, improve efficiency and grow profitability. UAB's growth journey remains on track, with our strategy continuing to yield sustainable results within an increasingly competitive environment.

Backed by solid fundamentals and an expanding presence in the market, UAB was successful in growing both its loan portfolios and customer deposits. With our award winning propositions we aim to constantly find innovative ways to exceed our customers' expectations and provide exceptional service".

Sustainable Performance

The Bank reported Operating Profit of AED979m, up 36% on 2013. Total Income increased at a similarly significant rate of 32% to AED1.373bn, with robust performance across both Net Interest Income and Non-Interest Income, up 28% and 46% respectively versus prior year. Non-Interest Income, a common measure evidencing the depth of customer relationships, advanced strongly in 2014 to AED364m, driven primarily by Net Fees & Commissions (AED121m).

Operating Expenses for the period were AED394m versus AED319m in 2013 and were in line with management expectations. Despite UAB's sustained investment to enhance the overall customer experience and embed the necessary infrastructure to support future growth, the Bank's Cost : Income Ratio improved to 28.7% against 30.6% reported in the prior year.



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Provision charges in 2014 were AED374m, compared to AED168m in 2013, with UAB in full compliance with Central Bank requirements. In parallel, the Bank continues to take a cautious and proactive approach to risk management, with our track record of growing our loan portfolio whilst maintaining asset quality evidenced by our robust Non-performing Loan Ratio (2.6%) and Coverage Ratio (111%) as at 31 December 2014.

Total Loans & Advances improved 17% to AED17.9bn versus 2013, with growth across all business units. Similarly, Customer Deposits increased 24% in the same period to stand at AED18.7bn, further emphasizing the depth of our customer relationships and ongoing sustainability of the Bank's growth strategy.

AWARDS & RECENT DEVELOPMENTS

▪ 2014 Recap (Q1 – Q3)

February - launched an **Online Trade Portal** to transform the ease and speed with which Corporate and SME customers can complete an array of trade finance transactions.

March - received 2 prestigious awards from Banker Middle East magazine: '**Best Customer Loyalty Program**' for 2nd consecutive year; '**Best Premium Card**' for UAB's VISA Infinite product.

June - UAB reaffirmed its market leading position by being recognised as both the '**Fastest Growing Bank in the UAE**' and '**Fastest Growing Bank in the Middle East**' at CPI Financials Banker Middle East Industry Awards for 2014.

June - announced the completion of a 3 year syndicated **Murabaha facility** worth US\$100m with four banks based in the UAE, Bahrain, and Kuwait, with the facility marking the first Islamic syndication completed by UAB and the first syndicated Murabaha raised in the UAE.

September - the Bank was pleased to yet again be the sole official banking partner of '**GITEX Shopper**' for the Autumn edition of the region's largest and much-anticipated consumer electronics retail platform in the Middle East with electronic retailers and world class brands.

▪ Q4 2014 Achievements

November - UAB further augmented its industry-leading Emiratisation approach by launching 'Reyadah', a bespoke training and development program focused on high-performing UAE national employees. The initiative will help the Bank achieve its objective of ensuring Emirati's comprise 25% of UAB's most senior employees by 2020.

December - UAB's drive to expand its footprint and further improve accessibility for its customers continued with the opening of 3 new branches in Dubai (Business Bay; Media City; Tecom), bringing the Banks total number of branches to 30.

December – received award from Ethos Integrated Solutions for '**Most Overall Improved Bank in Customer Experience – Call Center**'.

CONCLUSION

Mr Trowbridge concluded, "The significant progress made in increasing profitability in recent years is testament to the strength of our business model, commitment of our people and the continued benefit from our strategic alliance with The Commercial Bank of Qatar. Customers are at the heart of our bank and by leveraging our assets and capabilities effectively we believe we are well placed to deliver strong and sustainable returns for our shareholders as we move forward"

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 December 2014, 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 a consistent year on year performance have 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 AED552m for the year ended 31 December 2013, an increase of 35% over 2012 and the highest annual net profit ever reported by UAB.

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 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.