



البنك العربي المتحد
UNITED ARAB BANK

PRESS RELEASE

NET PROFIT OF AED 498m for the nine months ended 30 September 2014

Highlights vs. Q3 2013

- Operating Profit up 40% to AED735m
- Total Income up 37% to AED1.03bn
- Customer Loans and Advances increased by 21% to AED18bn
- Customer Deposits recorded growth of 31% to AED18bn

Sharjah, October 22, 2014 - United Arab Bank P.J.S.C ("UAB" or "the Bank") announces its Financial Results for the nine months ended 30 September 2014.

UAB, recently recognized as the fastest growing bank in the region, announces a net profit of AED498m for Q3 2014, an increase of 20% over the same period in 2013.

Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors said, "United Arab Bank continues to impress, with Q3 2014 results reconfirming the solid foundations of the bank's business model. At UAB, we strive to continually grow in this highly competitive market, as evidenced through our recent recognition as the fastest growing bank in the Middle East."

Mr Paul Trowbridge, Chief Executive Officer commented on the Bank's Q3 results, "I am pleased to report continuous income and profit growth in Q3 2014 in comparison to prior year. UAB's growth trajectory remains on track, whilst adhering to our customer centric-strategy. Our strong momentum is driven from sustained improvement in business mix and efficiency of our funding which has ultimately led to significant increases in our Customer Deposits and Loans & Advances Portfolios.

"UAB has achieved much over the past 9 months which included being honoured several times with awards including "best customer loyalty program" and "fastest growing bank in the UAE and the Middle East". The awards received are testament to the banks significant progress and success as well as a true reflection of the strength of our brand and commitment to our customers. "

Impressive Performance

The Bank generated Operating Profit of AED735m, a 40% uplift over the same period in 2013. Total Income increased at an equally significant rate of 37% to AED1.03bn, with solid performance across both Net Interest Income and Non-Interest Income, up 33% and 51% respectively versus Q3 2013.

Non-Interest Income, a general benchmark evidencing the depth of customer relationships, expanded strongly in Q3 2014 to AED282m, driven primarily by Net Fees & Commissions (AED93m). With Non-Interest Income representing 27% of Total Income, our strategic emphasis on building and developing customer relationships continues to reap rewards.

Operating Expenses for the first nine months were AED298m versus AED229m for the same period in 2013, and remain in line with management expectations.



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Nevertheless, despite UAB's sustained investment to improve the overall customer experience and developing infrastructure to support future growth, the Bank's Cost : Income Ratio improved to 28.8%.

Provision charges YTD 2014 were AED237m, compared to AED110m for the same period in 2013, with the booking of General Provisions to ensure 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 asset portfolio whilst maintaining quality evidenced by our robust Non-performing Loan Ratio (2.2%) and Coverage Ratio (106%) as at 30 September 2014.

Total Loans & Advances improved by 21% to AED18bn versus Q3 2013, with growth across all business units. Similarly, Customer Deposits increased by 31% in the same period to stand at AED18bn, further reinforcing the depth of our customer relationships and ongoing sustainability of UAB's growth strategy.

AWARDS & RECENT DEVELOPMENTS

▪ H1 2014 Recap

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 - signed an exclusive **5 year agreement** with global insurer **Zurich** to market and cross-sell their general insurance products to our customers across the UAE.

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.

▪ Q3 2014 Achievements

September - the Bank embarked on a drive to expand its **ATM network** across the country based on geographic, demographic & commercial factors. With these new installations, our network of ATMs in the country now stands at 51.

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.



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CONCLUSION

Mr Trowbridge concluded, "We continue to reshape and reposition our operations whilst delivering outstanding financial results. Moving forward, our positive outlook and strong position enable us to continue delivering innovative offerings that meet the needs of our customers, whilst in parallel reflect our ongoing commitment to the UAE community. We have strong confidence in continued increased growth for UAB and the Board remains positive for the remainder of the year."

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

-Ends-

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 2014, the bank is operating with a network of 27 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. For the first half of 2014, UAB announced half-yearly net profits of AED328m, an increase of 26% over the same period in 2013.

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.

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