



CHIEF EXECUTIVE OFFICER

الرئيس التنفيذي

Management Discussion & Analysis - for the three months ended 31 March 2015

This Management Discussion & Analysis (MD&A) should be read in conjunction with the unaudited interim condensed Consolidated Financial Statements for the three months ended 31 March 2015 as well as the audited Financial Statements for the year ended 31 December 2014.

United Arab Bank ('UAB') recorded an Operating Profit of AED246m for the three months ended 31 March 2015, representing a 10% uplift versus prior year. Consistent with the Bank's conservative and pre-emptive approach to risk management, UAB booked Provision Charges of AED84m and continues to comply with Central Bank regulations on general provisions. Net Profit for the period is AED161m, in line with Q1 2014.

As the Bank continued to capitalise on its investment in customer propositions and enhanced infrastructure, Total Income grew by 8% compared to Q1 2014. Total Loans & Advances improved 6% to AED18.3bn versus previous period, with Customer Deposits increasing 12% to also reach AED18.3bn, both of which reinforce the ongoing sustainability of the Bank's strategy. Consistent with previous quarters, UAB's attitude to grow its asset portfolios whilst maintaining underlying quality is evidenced by our robust Non-performing Loan Ratio (2.7%) and Coverage Ratio (114%) as at 31 March 2015.

2015 marks a truly historic milestone for UAB as it sees the Bank celebrate its 40th anniversary following its inception in 1975. Throughout these 4 decades of growth and progression the Bank has experienced numerous changes, yet we have ensured it remained true to its traditional values of ensuring customers are always positioned at the centre of the business.

UAB is a diversified UAE focused Bank, offering an integrated set of products and services across the Corporate, Retail and SME segments. We will continue to deliver innovative offerings that meet the desires of our customers and reflect our commitment to the UAE community, whilst in parallel maximizing value for our shareholders and wider stakeholders.

Paul Trowbridge
Chief Executive Officer
22 April 2015