

PRESS RELEASE
27 January 2013

United Arab Bank

Financial Results for the year ended 31 December 2012

Operating Profit up by 33%

- Net profit up 24% to AED 410 million
- Operating profit up 33% to AED 531 million
- Total operating income up 32% to AED 765 million
- Net interest income up 31% to AED 567 million
- Customer loans and advances up 35% to AED 10.9 billion
- Customer deposits up 29% to AED 10.1 billion
- Proposed cash dividend of 25% of capital

27 January 2013, Sharjah, UAE: United Arab Bank P.J.S.C. (“UAB” or “the Bank”) announces its financial results for the year ended 31 December 2012, subject to regulatory and General Assembly approval.

UAB, one of the fastest-growing banks in the region, announces a record net profit of AED 410 million for the year ended 31 December 2012, an increase of 24% over 2011 and the highest annual net profit ever reported by UAB. A cash dividend of 25% of paid up capital is proposed by the directors for approval, amounting to AED 249.1 million.

Paul Trowbridge, the Bank’s Chief Executive Officer, commented on the year’s performance, “The Bank has performed outstandingly throughout 2012 which has culminated in another excellent financial performance. Year over year growth in net profit is 24%, which is an excellent result and one which the Bank can be extremely proud of. UAB continues to grow and deliver record financial results whilst not compromising on its prudent approach to credit. The strategic growth plans are delivering the success we envisioned and continue to remain embedded in the way we conduct and grow our business, adding value for both new and existing customers. Our commitment to quality is further supported through our expanded branch network, our new SME business segment and our improved product offerings. This has positioned UAB as one of the fastest growing banks in the region, with the size of the Bank doubling in the last two years, as measured by customer deposits, loans and total assets. The benefits of our regional “best practice” partnership and Shareholder alliance with The Commercial Bank of Qatar are clearly delivering the results we expected.”

The Bank's Chairman, Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, said "The financial results for 2012 reflect United Arab Bank's strong performance and we can look forward to facing the challenges of 2013 with confidence".

In the year ended 31 December 2012, customer loans and advances increased by 35% to AED 10.9 billion from AED 8.1 billion at 31 December 2011 with customer deposits up by 29% to AED 10.1 billion compared with AED 7.8 billion at the 2011 year-end.

The Bank delivered a full year operating profit of AED 531 million, a 33% increase over AED 401 million achieved in 2011. Total operating income was up 32% to AED 765 million, driven by a 31% increase in net interest income to AED 567 million and 32% growth in non-interest income to AED 198 million, attributable to growth in both Corporate and Retail businesses.

The provision charge for 2012 was AED 122 million, compared with AED 71 million in 2011, and continues to reflect a prudent and proactive approach to general provisioning adopted by the Bank with regard to its management of risk and growing asset portfolio.

UAB continued with its branch expansion plans in 2012 and launched new branches in Abu Dhabi and the Northern Emirates. This provides an improved network for the Bank's customers and more convenient access to the Bank's products and services. UAB continues to grow both externally and internally through the recruitment of top international and Emirati talent with 43% of the Bank's employees being Emirati. In 2012 the Bank launched a new SME business segment in order to better support its customers and also launched an innovative customer rewards program, which was the first of its kind in the UAE. UAB has also invested in, and substantially improved, its infrastructure in 2012 by implementing a new core banking system and also outsourced many of its back-office processes to a globally recognised third-party service provider.

Mr. Trowbridge added, "2012 has been a year of great achievement. The foundations for further growth and success will continue to be built, enabling UAB to sustain its momentum into 2013. The feedback and recognition that we receive from customers, partners and the financial community supports our commitment to provide customers with value adding products, through quality customer service, and financial growth to shareholders."

He also acknowledged the benefits derived from the strategic alliance with The Commercial Bank of Qatar ("CBQ"). CBQ acquired 40% of UAB in 2007 after concluding a similar alliance with National Bank of Oman two years previously. The alliance of the three banks provides synergies across a range of business and support areas which facilitates commercial growth.

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