

Press Release

16th July 2012

Net profit soars by 45% to a record AED 193 million

United Arab Bank records the best first half-year results in its 37-year history

- Operating profit up 44% to AED 243 million
- Customer Loans and advances up 19% to AED 9.6 billion
- Customer deposits up 8% to AED 8.4 billion
- Total operating income up 35% to AED 349m million
- Net interest income up 40% to AED 259 million

July 16th 2012, **Dubai, UAE:** United Arab Bank, one of the fastest growing UAE banks, today announced the best first half-year results in its history, with a record-breaking net profit of AED 193 million, representing an increase of 45% over the same period of 2011.

Speaking at a press conference, Paul Trowbridge, the Bank's Chief Executive Officer, said: "Our financial results for the first six months of the year are excellent and represent the highest net profit for the first half ever reported by the Bank. It's a fantastic achievement, and the full benefits of the regional best practice partnership and Shareholder alliance with the Commercial Bank of Qatar are clearly evident."

Trowbridge pointed out that in the six months ended 30 June 2012, customer loans and advances increased by 19% to AED 9.6 billion from AED 8.1 billion at 31 December 2011. Customer deposits also increased by 8% to AED 8.4 billion from AED 7.8 billion over the same period.

He said the Bank delivered a record breaking operating profit of AED 243 million in the first half of 2012, an increase of 44% over the figure of AED 169 million for the same period of 2011. Total operating income for the six month period reached AED 349 million, an increase of 35% compared to 2011, due to an increase in net interest income of 40% to AED 259 million and growth in non-interest income of 24% to AED 89 million attributable to the growth in both Corporate and Retail businesses.

Trowbridge said that the Bank continues to take a conservative approach to provisioning, noting that the provision charge for the first six months of 2012 is AED 50 million, compared to AED 36 million in 2011. "We believe this reflects the prudent and proactive approach adopted by the Bank to its management of risk and growing asset portfolio", he said.

The CEO also said, "UAB's results continue to be extremely positive and are a clear indication of the progress that has been made over the past years. This is supported by the regular feedback and recognition that we receive from customers, partners and the financial community. In 2011 we received the award as the UAE Bank of the Year 2011 from the "Financial Times" and this year our Call Centre received an award for the "Call Centre Outsource Provider of the year", testament to our commitment to provide top-quality service to our customers".

He said the bank's performance in 2012 is testament to its proven track record of out-performing the market with regard to its growth, whilst not compromising on its prudent approach to credit. "We continue to remain on track in our strategic growth plans and remain firm in our commitment to providing value to our traditional corporate customers, whilst also reaching new customers through our expanded branch network and product offerings," he added.

He acknowledged the ever increasing impact arising 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.

UAB continues to expand both internally, through recruitment of top Emirati and international talent, and externally through its branch network. A number of new premises are targeted for launch in 2012, improving the Bank's presence in Abu Dhabi in particular, as well as in the Northern Emirates. Significant investment continues to be made to improve the breadth of services available through various alternative delivery channels. These initiatives follow closely on the Bank's successful implementation of a new core banking system, the outsourcing of many back-office processes to a globally recognized third-party service provider and the launch of a new SME segment.

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

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For more information please contact:

<p>Ehab Shouly Head of Marketing & Corporate Communications United Arab Bank P.O. Box 25022, Sharjah UAE Tel 00971 6 5075668 Fax 00971 6 5733479 Email ehab.shouly@uab.ae</p>	<p>إيهاب الشولي رئيس قسم التسويق والاتصال المؤسسي البنك العربي المتحد ص.ب. 25022 الشارقة الإمارات العربية المتحدة تلفون 0097165075668 فاكس 0097165733479 بريد إلكتروني: ehab.shouly@uab.ae</p>
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