



PRESS RELEASE

**NET PROFIT OF AED161m
for the three months ended 31 March 2014**

Highlights vs. Q1 2013

- Net Profit up 34% to AED161m
- Operating Profit up 44% to AED223m
- Total Income up 45% to AED327m
- Earnings per Share up 34% to AED 0.141
- Customer Loans and Advances increased by 47% to AED17.2bn
- Customer Deposits recorded growth of 46% to AED16.4bn

Sharjah, April 23, 2014 - United Arab Bank P.J.S.C ("UAB" or "the bank") announces its Financial Results for the three months ended 31 March 2014.

UAB, one of the fastest-growing banks in the region, announces a net profit of AED161m, for the first three months of the year, an increase of 34% over the same period in 2013.

Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, Chairman of the Board of Directors said, "The Bank's exceptional performance in 2013 has continued into the first quarter of 2014, reaffirming its position as the fastest growing bank in the Middle East. UAB's sustained growth and momentum of recent years continues, strengthening our position in a highly competitive market. As we continue to gain traction, we are confident of our ability to deliver solid results and offer true value to customers, shareholders and partners."

Mr Paul Trowbridge, Chief Executive Officer commented on the Bank's quarterly results, "We continue to go from strength to strength as is evident from our performance in the first quarter of 2014, following the Bank's strong 2013 results. Our Loans & Advances have significantly increased and so have our Customer Deposits, indicating our customer-centric approach as one of the main reasons we continue to perform outstandingly well. In addition, our focus continues to be on identifying and developing new income drivers, with success demonstrated by growth across all key income metrics."

"Our award-winning products and services, including UAB Rewards which has been recognised as the 'Best Customer Loyalty Program' for two years consecutively, as well as our Visa Infinite card, named 'Best Premium Card', both awarded by the Banker Middle East magazine, are just some of the reasons behind our success. In addition, the benefits of our strategic alliance with Commercial Bank of Qatar and our associations with National Bank of Oman and Alternatifbank in Turkey have positioned us well for future growth and created opportunities for integrated services across the region."

OPERATING INCOME

The bank recorded Operating Income of AED223m, a 44% increase over Q1 2013. Total Income also improved at a similarly impressive rate of 45% to AED327m, with robust underlying performance across both Net Interest Income and Other Income, up 42% and 52% respectively versus prior year.

Overall, non-interest income grew strongly in the quarter to AED87m, driven primarily by Net Fees & Commissions (AED30m) and Foreign Exchange Income (AED20m). With non-interest income representing 27% of Total Income in Q1 2014, our strategic focus of deepening customer relationships is clearly delivering results.



EXPENSES

Operating expenses for the quarter were AED104m compared to AED71m in the corresponding period of 2013, and in line with management expectations. The cost base is representative of the investment the bank continues to make in enhancing the customer experience and developing infrastructure to support future growth.

UAB's successful network expansion programme has continued in the first quarter, with the bank now benefiting from 26 fully operational branches across the UAE. In parallel, the bank continues to invest in other distribution channels, with Q1 2014 seeing the launch of a new Online Trade Portal, all with the purpose of enhancing the overall customer experience.

PROVISION FOR CREDIT LOSSES

Provision charges in Q1 2014 were AED61m, compared to AED34m for the same period in 2013. The bank continues to take a prudent and proactive approach to risk management, with our ability to grow our asset portfolio whilst maintaining quality evidenced by our sector leading Non-performing Loan Ratio (1.66%) and Coverage Ratio (113%) as at 31 March 2014.

BALANCE SHEET

Customer Loans & Advances increased by 47% to AED17.2bn versus March 2013. Customer Deposits grew by a similarly impressive 46% in the same period to stand at AED16.4bn, further emphasizing the ongoing sustainability of UAB's growth strategy.

AWARDS & RECENT DEVELOPMENTS

- **March 2014** - received 2 prestigious awards from Banker Middle East magazine: UAB Rewards recognised as '**Best Customer Loyalty Program**' for 2nd consecutive year; UAB Visa Infinite awarded '**Best Premium Card**'
- **March 2014** - as part of UAB's corporate responsibility programme, UAB extended financial support to **Al Thiqah Club for the Handicapped**, and **Sharjah City for Humanitarian Services**, two organisations that provide invaluable support for people with special needs across the UAE.
- **February 2014** - 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. The interactive, web-based platform provides a secure gateway for clients to seamlessly initiate, track and report their organizations products online. This improved functionality further augments our award-winning trade finance propositions after UAB was recognised as the '**UAE's Best Trade Finance Bank**' in December 2013 by the prestigious UK International Finance Magazine.
- **February 2014** - Yusra Abdul Ghaffar (Senior Vice President – Retail Banking) named '**Distinguished Woman in the Banking and Finance Sector**' by the Emirates Institute for Banking and Financial Studies.

CONCLUSION

Mr Trowbridge concluded, "With a single-minded objective of exceeding our customers' expectations and providing them with exceptional customer service, we strive to understand our customers' needs and offer products and services with added-value features. In our aspiration to become the bank of choice to customers in the UAE, we are increasing our presence across the Emirates to ensure we are accessible to all."



البنك العربي المتحد
UNITED ARAB BANK

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

-Ends-

About UAB:

United Arab Bank (UAB) was established in 1975 as a joint venture between UAE investors and Societe Generale. As at 31 March 2014, the bank is operating with a network of 26 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 quarter of 2014, UAB announced its highest quarterly net profit of AED161m, an increase of 34% 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 four banks to grow strongly as we move forward.

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