



البنك العربي المتحد
UNITED ARAB BANK

PRESS

RELEASE

For release 18 February 2010

United Arab Bank's General Assembly Approves
the Distribution of 15% Cash Dividend
2009 Net Profit Up 12% to AED 281 mio

The General Assembly of the Shareholders of United Arab Bank (UAB) approved during its annual general meeting held yesterday February 17th at Coral Beach Resort in Sharjah the proposal of the Board of Directors regarding the appropriation of profits for the year 2009 by distributing a cash dividend equal to 15% of the paid-up capital.

UAB's Board of Directors had initially proposed a 22% cash dividend that was subsequently reduced to 15% due to a recent Central Bank regulation that has restricted all local Banks' cash dividend allocation to a maximum ceiling of 50% of the net achieved profit.

At the ORDINARY GENERAL MEETING, UAB shareholders:

- 1- Approved the Directors' Report to the Shareholders for the year 2009.
- 2- Discussed and approved the Audited Financial Statements for the year ended 31/12/2009.
- 3- Considered and approved the recommendations of the Board regarding the appropriation of profits for the year 2009, as approved by the Central Bank, by distributing cash dividends equal to 15% of the paid-up capital to the registered shareholders of the Company as of 28/2/2010.
- 4- Approved the Directors' Remuneration.
- 5- Discharged the Board of Directors from any liability regarding their actions for the period ended 31/12/2009.
- 6- Appointed Ernst & Young as Auditors for the year 2010 and fixed their remunerations.

At the EXTRAORDINARY GENERAL MEETING, the shareholders approved the amendment of the Bank's Article of Association by adding a new Article under No. 81 in accordance with the Rules and Regulations of Corporate Governance and Institutional Code of Conduct following the issuance of Resolution No. 518 of 2009 by the Securities and Commodities Authority on the same.

UAB's Chairman Sheikh Faisal Bin Sultan Bin Salem Al Qassimi stated that the Bank was able to achieve satisfactory results for the year ended December 2009, considering the

general economic downturn and overall market conditions impacted by the Global Financial Crisis that started during the last quarter of 2008.

The Board of Directors' Report to the General Assembly unveiled that the Bank maintained its upward trend as evidenced by the increase in the net profit for the year by 12.2% to AED 280.78 mio from AED 250.2 mio in the previous year. Earnings per share improved to AED 0.28 for 2009 compared to AED 0.25 last year.

The Bank continued to adopt a cautious approach to business in the light of the challenging domestic and global economic environment. The Bank's focus on consolidating and maintaining high quality assets and improving quality of service continued. As a result, the volumes have moderated compared to the previous year. The Bank has also applied a prudent approach to new lending and focused on strong balance sheet management that has increased the net interest income by 17.4%.

The Capital Adequacy Ratio at end of the year was at a high level of 18.9% as against minimum requirement of 11%. Equally, the Liquidity Ratio was kept at a very comfortable level in order to meet any unexpected Customer needs. At the end of year, the Advances to Stable Resources ratio was at 83.8%.

UAB continued its policy of maximum coverage for loans and advances through an appropriate level of provisioning in order to ensure that all doubtful loans and advances are provided for that is comparable with the highest industry standards. Accordingly, net provisions made for Doubtful loans and advances in 2009 is AED 34.5 mio.

The proposed appropriations of profit for the year ended 31 December 2009 were as follows:

	<u>AED'000</u>
Opening Balance in Retained Earnings	1,473
Transfer from Asset Revaluation Reserve	1,178
Net Profit for the year	<u>280,778</u>
Balance available for appropriation	<u>283,429</u>
Transfer to Special Reserve	28,078
Transfer to Statutory Reserve	28,078
Proposed Cash dividend - 15% of the Paid up Capital	149,460
Proposed Directors' remuneration	1,500
Closing Balance in Retained Earnings	76,313
	<u>283,429</u>



البنك العربي المتحد
UNITED ARAB BANK

PRESS

RELEASE

After appropriation of profit as approved by the General Assembly, the total shareholders' funds increased to AED 1.513 bio at the end of December 2009 compared with AED 1.341 bio at year end 2008.

The Bank is committed and prepared for the implementation of Corporate Governance and Basel II and is in line with the time-table for the implementation of Corporate Governance Regulations in PJSC as recommended by Emirates Securities and Commodity Authority (ESCA).

Mr. Paul Trowbridge, the Bank's Chief Executive Officer, commented: "UAB has been consistent in maintaining steady growth in its operations and financial performance. Going forward, and while intending to maintain its conservative approach, the Bank has plans to expand its businesses in niche retail segments, such as Islamic financial services and wealth management, which are expected to enable UAB to keep momentum in 2010." He added: "The new banking environment is about differentiating banking products and services that provide increased choices, control, security, and accessibility. That is the key factor to determining future performance and relevance. By opening a new Branch recently in Sharjah and by launching Premium Banking Services, with additional branches and Islamic Banking Services on the agenda, UAB is strategically opting for sustainable and focused growth."

UAB is effectively continuing its policy of recruiting and training UAE National staff with the primary aim of producing capable Bankers. In order to achieve this goal, the Bank has focused on participation in career fairs, representation at the Higher Colleges of Technology and in-house training activities with special emphasis on tailor-made programs for inducting and training new joiners. The percentage of UAE Nationals employed by UAB is 36% at the end of December 2009 as against 34% last year.

UAB became part of a GCC regional banking alliance in December 2007 upon the acquisition of a 40% interest in UAB by the Commercial Bank of Qatar (Cb), Qatar's largest private sector bank. With the Commercial Bank of Qatar concluding a similar alliance with National Bank of Oman (NBO) two years previously, all three banks are more strongly positioned for future growth.

END –

For more information please contact:

Fida El Samad
Head of Corporate Communications
United Arab Bank
P.O. Box 25022, Sharjah
UAE

Tel 00971 6 5075531
Fax 00971 6 5733479
Mob 00971 50 4594132
Email fida.elsamad@uab.ae

فدى الصمد
رئيسة قسم الاتصالات
البنك العربي المتحد
ص.ب. 25022 الشارقة
الإمارات العربية المتحدة
تلفون 0097165075531
فاكس 0097165733479
متحرك 00971504594132
بريد إلكتروني fida.elsamad@uab.ae

About United Arab Bank

Incorporated in 1975 with its headquarters in Sharjah, United Arab Bank (UAB) offers a range of financial services in both corporate and retail banking through eleven offices and branches throughout the UAE. Acknowledged as a leading solutions provider to the commercial and industrial base across the seven emirates, the Bank is recognized in the corporate sector for providing structured finance solutions for complex banking transactions. Formerly established as a joint venture between UAE investors and Société Générale (SG), UAB became part of a GCC regional banking alliance in December 2007 on the acquisition of a 40% interest in UAB by The Commercial Bank of Qatar, Qatar's largest private sector bank. With the Commercial Bank of Qatar concluding a similar alliance with National Bank of Oman (NBO) two years previously, all three banks are strongly positioned for future growth.

For more information please consult www.uab.ae