

**PRESS RELEASE**

22 April 2012

**An increase of 23% over the same period in 2011**  
**United Arab Bank announces a net profit of AED 75 million in the first quarter of 2012**

- Operating profit up 38% to AED 111.7 million
- Loans and advances up 12% in Q1 to AED 9.0 billion
- Customer deposits up 2% in Q1 to AED 7.9 billion
- Total operating income up 31% to AED 164.3 million
- Net interest income up 38% to AED 123.4 million

**April 22 2012, Sharjah, UAE:** United Arab Bank (UAB), one of the fastest-growing UAE banks, today announced that its net profit for the first quarter of the year has increased by 23 per cent over the same period last year thanks to the successful implementation of its expansion strategy and its increased focus on retail operations.

Paul Trowbridge, CEO of UAB, said in a statement that the bank's net profit was AED 75 million in the period ending March 31<sup>st</sup>, an increase of 23% over the same period last year, while operating profit increased by 38% to AED 111.7 million.

"We are pleased to announce that our performance to date in 2012 has been in line with our plans. This result also reflects our commitment to providing value to our traditional customers, whilst also reaching new customers through our expanded branch and product offering. "This is a very encouraging start to the year and is a continuation of our excellent performance last year," he added.

In the three months ended 31 March 2012, loans and advances increased by 12% to AED 9.0 billion from AED 8.1 billion at the end of December 2011. Customer deposits also increased to AED 7.9 billion from AED 7.8 billion over the same period.

Trowbridge pointed out that the Sharjah-based bank, which is rated by Moody's as Baa1 with a stable outlook, has established a track record of out-performing the market with regard to its growth, without compromising on its prudent approach to credit. "We not only want to manage our growth but we ensure that we prudently manage our risk as a result of this growth," he said.

“Total operating income for the three month period reached AED 164 million, an increase of 31% compared to 2011, due to an increase in net interest income of 38% to AED 123 million and growth in non-interest income of 14% to AED 41 million attributable to the growth in both Corporate and Retail businesses,” he said.

The Bank, Trowbridge noted, continues to adopt a conservative approach to provisioning. “The provision charge for the first three months of 2012 was AED 37 million, compared to AED 20 million in 2011, and reflects a prudent and proactive approach towards management of risk,” he said.

Trowbridge said UAB will continue to expand its branch network during 2012, with new branches opening during the second quarter of 2012. “This will increase the Bank’s presence in Abu Dhabi in particular, as well as in the northern emirates,” he added.

In support of the Bank’s continuing branch expansion strategy, and following the successful implementation of a new core banking system and outsourcing of back-office processes to international third-party service provider UAB is significantly investing in improvements to the breadth of services available through the Bank’s various delivery channels. “This reflects our commitment to providing value to customers whilst also acquiring new customers,” he said.

Trowbridge said that UAB’s results are a clear indicator of the progress that is being made at the bank. “This is supported by the regular feedback that we get from our customers, as well as the recognition that we have earned from the financial community including our award as the UAE Bank of the Year 2011 from the Financial Times’ Banker Magazine,” he noted.

The CEO pointed out that UAB’s results are a clear indication of the Bank’s progress in pursuing a clear strategy. “UAB’s success in delivering strong growth and shareholder value is supported by the recognition the Bank received from the Financial Times’ Banker Magazine as the UAE Bank of Year for 2011,” he said.

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