

25 January 2012

**UNITED ARAB BANK**  
**Financial Results for the Year Ended 31 December 2011**

**UAB Confirmed as the Fastest Growing Bank**

- Operating profit up 22% to AED 401 million
- Total assets up 40% to AED 10.8 billion
- Loans and advances up 46% to AED 8.1 billion
- Customer deposits up 72% to AED 7.3 billion

25 January 2012, Sharjah, UAE: United Arab Bank P.J.S.C. (“UAB” or “the Bank”) announces its financial results for the year ended 31 December 2011.

UAB reported an impressive set of financial results that confirmed its status as the UAE’s “Bank of the Year”, as awarded by the Financial Times Banker magazine of the United Kingdom. By playing an active role in supporting different sectors of the economy, UAB has also established itself as the fastest growing bank in the region.

The combined effect of these initiatives enabled UAB to increase its total assets beyond AED 10 billion for the first time in its 37 year history. As at 31 December 2011, the total assets reached AED 10.8 billion, a 40% increase over the AED 7.7 billion reported in the previous year. This growth in assets was supported by a by 72% growth in customer deposits in 2011 to reach AED 7.3 billion, compared to AED 4.3 billion in 2010. This growth in the funding base enabled UAB to increase its loans and advances by an impressive 46%, from AED 5.5 billion in 2010 to AED 8.1 billion. The Bank also made significant strides to ensure that its liquid assets were sufficient to meet its ongoing needs.

Paul Trowbridge, the Bank’s Chief Executive Officer said, “UAB has taken positive steps to deliver its strategy of supporting UAE-based companies and individuals in these difficult economic times. By understanding the needs of our customers, we have been able to tailor our products and services to the specific needs of each client. These actions have enabled the Bank to grow at unprecedented rates. Our approach is recognized by respected third parties and we were delighted to receive the “UAE Bank of the Year 2011”award from the Financial Times of London, which also reflects very favourably on the dedication and commitment of our staff.

The growth in the Bank’s balance sheet and customer base is reflected in the growth in operating profit, which crossed AED 400m for 2011, an improvement of 22% over 2010. Mr. Trowbridge also commented, “UAB remains committed to a prudent policy of provisioning in accordance with the guidelines issued by the Central Bank of the UAE. Consequently, UAB’s management ensured that its specific and collective provisions meet all regulatory requirements.” After accounting for such provisions, UAB was able to deliver a net profit of AED 330 million, another record for the Bank, compared to AED 308 million in 2010.

The Bank has continued its branch expansion programme, opening outlets in Sharjah, Fujairah, Ras al Khaimah and Abu Dhabi. Four new branches are also scheduled to open early in 2012, whilst the renovation of all existing branches has now been completed. Apart from the overall growth in the Bank's business, UAB has consistently grown its Emiratisation levels to reach 41% in 2011 which is one of the highest percentages of any bank in the UAE.

Highlighting another key milestone in UAB's development, Mr. Trowbridge said "UAB would like to take this opportunity to announce the purchase of a new Head Office building which will be operational in the latter part of 2012. The new 27 storey Tower overlooking Al Buhaira Corniche will reflect the modern face of UAB. This is another landmark in the Bank's development and demonstrates the need to scale up our activities in order to provide the best level of service and support to our loyal customers.

The Bank maintains a significant level of capital to cater for unforeseen eventualities and the Capital Adequacy ratio as at December 2011 continues to exceed 20%. In terms of liquidity, UAB's advances to stable resources ratio is 87% at the end of 2011, compared to 86% in 2010

In other key achievements in 2011, UAB was recognized as the Best Trade Finance House in the UAE and the largest residential mortgage provider in the country during 2011. Other accolades received by the Bank in 2011 included "Best Bank in the UAE" Award from the Global Banking & Finance Review, UK; "Best Bank in UAE" Award from Arab Investment Summit, "Best Design Award for Islamic Credit Card from Visa" and "Best Technical Award" from the Banker Web Ranking Committee.

To support the rapid growth, a number of strategic projects have been implemented during the year. The Bank was able to finalize the outsourcing of all its key Operational Processes to Tata Consultancy Services, India, whilst the project to implement a new Core Banking system replacing the existing operating platform is nearing completion.

The CEO further noted that the strategic alliance with the Commercial Bank of Qatar ("CBQ") has been delivering its goals. Leveraging on the Sadara Wealth Management program and Islamic Banking platform of CBQ, UAB's Retail Banking was able to more than double its balance sheet in 2011. UAB became a part of the GCC regional alliance in December, 2007 upon acquisition of a 40% interest by CBQ. With CBQ concluding a similar alliance with National Bank of Oman, all the three banks are more strongly positioned for future growth. "2012 promises to be another challenging year for the UAE economy and the banking community. We at UAB have positioned ourselves to meet the challenges, through the ongoing support of our Alliance partners coupled with our commitment to meeting our customers' needs" he said.

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

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