

UAB confirms 100% Growth in 2 Years

Highlights

- Net Profit up 35% to AED260m
- Operating Profit up 36% at AED332m
- Total Income up 37% to AED478m
- Earnings per Share up 35% to AED0.261

Growth in 2013

- Customer Loans and Advances gained by 22% to AED13.2bn
- Customer Deposits increased 23% to AED12.4bn

July 2013, Sharjah, UAE: United Arab Bank P.J.S.C ("UAB" or "the bank") announces its Financial Results for the six months ended 30 June 2013

Building on its impressive momentum UAB, one of the fastest growing banks in the GCC, announces a Net Profit of AED260m for the first half of 2013, an impressive increase of 35% over the same period in 2012. These results reflect the highest half yearly Net Profits reported by the bank, and show the success of UAB's growth strategy.

The Bank's Chairman, Sheikh Faisal Bin Sultan Bin Salem Al Qassimi, commented "UAB's impressive start to the year has continued, generating record half yearly results. This momentum reinforces the strategy of the bank, focusing on building long term relationships with its customers, shareholders and key stakeholders".

Paul Trowbridge, the bank's Chief Executive Officer, reflected on the bank's performance, "Strong growth has been generated by each of our business units. Loans and Advances, Customer Deposits and Total Assets have all more than doubled in the last 2 years. With our expanding branch network and customer centric approach, we are well positioned to continue on our current trajectory. These financial results prove the benefit of our strategic alliance with the Commercial Bank of Qatar and will help us to play a key role in supporting the future growth of the UAE economy".

In the six months ended 30 June 2013, Customer Loans and Advances increased by 22% to AED13.25bn from AED10.88bn as at 31 December 2012; with Customer Deposits recording similarly impressive growth to reach AED12.43bn, up 23% during the same period.

The bank generated a year to date Operating Profit of AED332m, a 36% increase over AED243m reported for the same period in 2012. Total Income increased by 37% to AED478m, with strong underlying performance across both Net Interest Income and Other Income, up 36% and 39% respectively versus Prior Year.

Provisions across the first six months were AED72m, compared to AED50m for the same period in 2012. The bank continues to take a prudent and proactive approach to risk management and the loan loss coverage ratio stands at 114% as at 30 June 2013.

UAB is constantly developing the foundations to support further growth. The bank continues its network expansion programme **with 10 branches scheduled to open this year to take the branch network to 30** by the end of 2013. The recent transition to a new Head Office also demonstrates UAB's investment in its people and its customers.

UAB's strategy is firmly focused on the customer. This is evidenced by the prestigious awards received in Q2 and continued enhancements to its underlying segment propositions. Following on from the launch of Retail's 'Champions Forum' in Q1 and recognition as the 'Best Customer Loyalty Program in the Middle East', the bank launched the highly successful 'Summer Campaign' in April 2013 and recently received the 'Best Domestic Retail Bank Award' at the 2013 Banker Middle East Awards.

Mr Trowbridge concluded "the bank's half year results are outstanding. Such performance is only possible if you place customers at the very heart of a business. Recognition as the '2013 Best Domestic Retail Bank' is most welcome as it acknowledges the innovative products and high levels of service we extend to our customers".

He also acknowledged the continual benefits derived from the strategic alliance with the Commercial Bank of Qatar ("CBQ"), which acquired 40% of UAB in 2007 and concluded a similar agreement with National Bank of Oman previously. In addition, CBQ's recent acquisition of Turkey's Alternatifbank will allow the Alliance to deliver further business opportunities for its customers and shareholders.

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

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