

**Immediate Release**

**UGB announces first half net profit attributable to the shareholders of parent of \$ 16.4 million – 70% increase over same period last year**

**Bahrain – 13<sup>th</sup> August 2014:** United Gulf Bank B.S.C. UGB today announced a net profit attributable to the shareholders of parent of \$ 16.4 million for the six months ended 30 June, 2014 – a 70% increase (\$ 9.7 million) over same period last year. Net Income attributable to the shareholders of parent for the quarter increased by 95% to \$ 6.2 million compared to \$ 3.2 million in 2Q13.

**Key Financial Highlights**

- Net profit attributable to the shareholders of parent of \$ 16.4 million (1H13: \$ 9.7 million)
- Total income of \$ 86.5 million (1H13: \$ 37.6 million)
- Earnings per share 2.01¢ (1H13: 1.19¢)
- Total assets of \$2.5 billion (2013: \$1.26 billion) due to consolidation of FIM Bank Malta p.l.c. (FIMBank)
- Capital adequacy ratio of 15% exceeding the minimum regulatory requirement of 12.5%
- Net profit attributable to shareholders of the parent for 2Q14 of \$ 6.2 million (2Q13: \$ 3.2 million)

**Financial Performance**

On a six months basis, UGB recorded a total income of \$ 86.5 million for the first half of 2014 compared to \$37.6 million for the six months ended 30 June, 2013.

UGB consolidated FIMBank – Malta from 31 March 2014 in which equity ownership was increased to 60.5% from 30% through voluntary bid acquisition.

UGB's total assets increased to US\$2.5 billion as at 30 June 2014, compared to US\$ 1.3 billion at 31 December 2013 due to consolidation of FIMBank.

During the quarter UGB repaid and raised additional funding for longer maturities and UGB long term rating was also affirmed by Capital Intelligence at BBB.

Total equity increased to US\$ 554 million (2013: US\$ 459.6 million) and a capital adequacy ratio of 15% was maintained. This is well above the Central Bank of Bahrain's minimum level of 12.5%.

Commenting on the results, Mr. Rabih Soukarieh, Chief Executive Officer of UGB, said:

“Our results demonstrate both strength and quality of our underlying assets. UGB’s capital position remain strong, with capital adequacy ratio of 15%, UGB will continue to focus on improving recurring revenues stream while maintaining adequate capital and liquidity resources to meet any unforeseen events.”

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#### About UGB:

UGB is the merchant banking subsidiary of KIPCO Group. Its proprietary investments include assets in commercial banking, real estate, private equity, and quoted securities. As of 30 June 2014 assets under management exceeded US\$ 12 billion (31 December 2013: US\$ 9.7 billion).

UGB’s core subsidiaries, associates and joint venture include: Burgan Bank, KIPCO Asset Management Company (KAMCO), North Africa Holding Company, United Gulf Financial Services – North Africa, Takaful Savings & Pension Company, FIMBank p.l.c, United Capital Transport Company and United Real Estate Company.

UGB and its subsidiary KAMCO have a proven track record of successfully completing more than 60 investment banking transactions for its clients since 2001 with an aggregate value of over US\$ 8 billion including corporate finance, advisory, new issue placement and underwriting, corporate restructuring, bond issuance and merger and acquisition.

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