

UGB announces results for 2013

Bahrain, 24 February 2014– United Gulf Bank B.S.C. ("UGB"), today announced its financial results for 2013.

Key Financial Highlights for 2013:

- Net profit of US\$ 4.2 million (2012: US\$ 6.7 million)
- Net profit attributable to shareholders of the parent of US\$ 2.6 million (2012: US\$ 11 million)
- Basic earnings per share of 0.32 cents (2012: 1.34 cents)
- Net profit in Q4 2013 of US\$ 0.7 million (2012: US\$ 6.2 million)
- Total income before interest and other expenses US\$ 64.3 million (2012: US\$ 93.0 million)
- Total assets for 2013 of US\$ 1.26 billion (2012: US\$ 1.23 billion)
- Capital adequacy ratio of 17.7% (2012 : 23%) exceeds the minimum regulatory requirement of 12.5%

Financial Performance

UGB's profit attributable to shareholders of the parent for 2013 decreased to US\$ 2.6 million compared to US\$ 11.0 million in 2012, with a similar decrease in basic earnings per share to 0.32 cents from 1.34 cents in 2012.

The decrease in profit attributable to shareholders of the parent is due to provisions taken at one of the commercial banking associates. UGB managed to reduce interest and operating expenses.

UGB's total assets stood at US\$1.26 billion as at 31 December 2013, compared to US\$ 1.23 billion in 2012.

UGB balance sheet remains strong with total equity of US\$ 459.6 million (2012: US\$ 478.2 million) and a capital adequacy ratio of 17.7% (2012: 23%), well above the Central Bank of Bahrain's minimum level of 12.5%.

UGB's Board of Directors will not be recommending any dividend for 2013.

Rabih Soukariéh, Chief Executive Officer said: “UGB has managed to maintain strong capital and liquidity positions throughout the year. Even though 2013 results were not in line with our expectations, our core assets and underlying entities are well positioned to benefit from the growth expected in 2014.”

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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 31 December 2013 assets under management exceeded US\$ 9.7 billion (31 December 2012: US\$ 8.1 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, Takaud Savings & Pension Company, FIM Bank Plc, 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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