



INVITATION TO THE ANNUAL GENERAL MEETING

The Board of Directors of Bank ABC (Arab Banking Corporation B.S.C.) is pleased to invite you to attend the Bank's annual ordinary general meeting (the "AGM") to be held at 12:00 noon on **Sunday, 29 March 2020**, at ABC Tower, Diplomatic Area, Manama, Kingdom of Bahrain. The alternate date for the meeting in the absence of a quorum will be **Sunday, 5 April 2020** at the same time and location. The alternate date for the meeting in the absence of a quorum will be **Sunday, 12 April 2020** at the same time and location.

Agenda:

- To approve the minutes of the past AGM of the Bank dated 24 March 2019.
- To discuss and approve the Report of the Board of Directors about the activities of the Bank for the financial year ended 31 December 2019.
- To consider and acknowledge the Report of the Auditors concerning the Consolidated Financial Statements for the financial year ended 31 December 2019.
- To discuss and approve the Consolidated Financial Statements for the financial year ended 31 December 2019.
- To approve the recommendation of the Board of Directors for appropriation of profits for the financial year ended 31 December 2019 as follows:
 - the transfer of US\$ 19,364,900 to the legal reserve;
 - cash payment of 3% dividend or US\$0.03 for each outstanding share (net of treasury shares) for approximately a total of US\$93 million. The Cum-Dividend Date is 30 March 2020, Ex-Dividend Date is 31 March 2020, Record Date is 01 April 2020, Payment Date is 15 April 2020; and
 - transfer of the remaining balance of US\$81,434,010 to the retained earnings.
- To discuss and approve the Corporate Governance Report for the year 2019 as per the requirements of the Central Bank of Bahrain.
- To absolve the Directors from liability for the financial year ended 31 December 2019.
- Subject to approval of the Central Bank of Bahrain, to re-appoint Messrs Ernst & Young as auditors of the Bank for the financial year ending 31 December 2020, and to authorise the Board of Directors to fix their remuneration.

- Update on related party transactions pursuant to Article 189 (c) of the Commercial Companies' Law and as set out in note 27 of the Consolidated Financial Statements for the financial year ended 31 December 2019.
- Any other business under article 207 of the Commercial Companies Law.

Important notice to shareholders:

- Copies of the Report of the Board of Directors, together with the Consolidated Balance Sheet, the Profit and Loss Account and the Report of the Auditors for 2019 will be made available in English and Arabic languages by the second week of March 2020 at ABC Tower, Diplomatic Area, Manama, Kingdom of Bahrain, the Bank's website (www.bank-abc.com), and the website of Bahrain Bourse.
- Any Shareholder registered in the Bank's share register on the date of the AGM is entitled to attend the AGM or to appoint a proxy to attend and vote on the Shareholder's behalf, taking into consideration that the proxy shall not be the chairman, a director or an employee of the Bank. The form of the proxy is enclosed and that the proxy is to be received 24 hours before the meeting.
- If a shareholder is a company, the proxy that will attend the AGM must submit a letter of authorisation from that shareholder stating that he/she is the designated proxy. The authorisation must be in writing and issued by the authorised representative of the company with the company's seal. It must be submitted before the deadline for submitting proxies.
- The proxy letter must be submitted at least 24 hours before the AGM is convened (at the Bank ABC head office in the Diplomatic Area in Manama, Kingdom of Bahrain). The proxy letter can be submitted by hand or by post (at the Bank ABC head office, Building 152, Road 1703, Block 317, Diplomatic Area, Manama, Kingdom of Bahrain), by fax (number +97317531311) or by email (ShareholderRelations@bank-abc.com), making sure it is submitted before the deadline. It is important to note that proxy letters submitted after the deadline will be considered void and will not be accepted.
- For further details please contact the Public Relations and Shareholders Relations Unit at the Bank (+97317543222).

Kingdom of Bahrain
9 February 2020

Saddek Omar El Kaber
Chairman

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P.O. Box 5698, Manama, Kingdom of Bahrain (CR: 10299)
Bank ABC (Arab Banking Corporation B.S.C.) is licensed as a conventional wholesale bank by the Central Bank of Bahrain

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	2019 US\$ 000	2018 US\$ 000
ASSETS		
Demand and call deposits with banks	71,569	143,510
Placements with banks	236,110	108,529
Investments carried at fair value through profit and loss	97,778	81,852
Investments carried at fair value through other comprehensive income	131,048	167,647
Investments carried at amortised cost	280	434
Loans and receivables	27,778	25,191
Other assets	62,933	61,097
Investments in associates	75,774	71,513
Investment properties	102,713	107,629
Property and equipment	51,849	59,394
Goodwill and other intangible assets	65,591	66,634
TOTAL ASSETS	923,223	873,490
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks and other financial institutions	307,784	220,879
Deposits from customers	22,647	32,608
Loans payable	36,875	67,033
Long term bonds	131,948	131,739
Other liabilities	90,865	106,375
TOTAL LIABILITIES	590,219	558,634
EQUITY		
Share capital	116,132	101,132
Share premium	5,687	5,687
Statutory reserve	52,032	50,890
General reserve	31,763	30,621
Fair value reserve	(8,009)	(10,121)
Foreign currency translation reserve	(4,669)	(4,534)
Retained earnings	15,911	13,318
CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	210,947	186,993
Perpetual Tier 1 capital	33,000	33,000
Non-controlling interests in equity	89,057	84,853
TOTAL EQUITY	333,004	314,656
TOTAL LIABILITIES AND EQUITY	923,223	873,490

CONSOLIDATED STATEMENT OF INCOME

For the Year Ended 31 December 2019

	2019 US\$ 000	2018 US\$ 000
Continuing operations		
Interest income	9,564	6,363
Investment income - net	30,371	4,812
Gain on bargain purchase of a subsidiary	-	23,823
	40,335	35,103
Fees and commissions - net	68,337	42,965
Foreign currency gains - net	414	1,621
Share of results of associates - net	4,646	(764)
Total income	113,732	78,925
Interest expense	(22,170)	(14,732)
Operating income before expenses and provisions	91,562	64,193
Salaries and benefits	(45,481)	(30,310)
General and administrative expenses	(29,615)	(20,277)
Operating income before provisions and tax	16,466	13,606
Provision for losses against unfunded participation	-	(805)
Expected credit losses reversals (provision)	1,615	(2,306)
Profit before tax from continuing operations	18,101	10,495
Taxation - net	(2,027)	95
Profit after tax from continuing operations	16,074	10,590
Discontinued operations		
Net profit from discontinued operations	-	524
Net profit for the year	16,074	11,114
Net profit attributable to non-controlling interests	4,654	1,021
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	11,420	10,093

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 31 December 2019

	2019 US\$ 000	2018 US\$ 000
Profit for the year	16,074	11,114
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent period		
Fair value reserve	(63)	(13,283)
Other comprehensive loss that may be reclassified to profit or loss in subsequent period		
Cash flow hedges	(1,132)	180
Foreign currency translation reserve	(157)	(1,093)
Fair value reserve	(7,653)	(10,753)
Other comprehensive loss for the year	(8,205)	(24,949)
TOTAL COMPREHENSIVE INCOME (LOSS)	6,869	(13,835)
Total comprehensive income (loss) attributable to:		
- shareholders of the parent	2,585	(11,409)
- non-controlling interests	4,284	(2,430)
	6,869	(13,835)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended 31 December 2019

	2019 US\$ 000	2018 US\$ 000
Net cash from operating activities	84,404	3,008
Net cash used in investing activities	(9,969)	(20,224)
Net cash (used in) from financing activities	(18,671)	95,601
Foreign currency translation adjustments	(400)	422
Movement in non-controlling interests	(208)	(8,631)
NET CHANGE IN CASH AND CASH EQUIVALENTS	55,156	71,178
Cash and cash equivalents at 1 January	237,428	166,252
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	292,584	237,428

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Share capital US\$ 000	Share premium US\$ 000	Statutory reserve US\$ 000	General reserve US\$ 000	Fair value reserve US\$ 000	Foreign currency translation reserve US\$ 000	Retained earnings US\$ 000	Total before non-controlling interests US\$ 000	Perpetual Tier 1 capital US\$ 000	Non-controlling interests US\$ 000	Total equity US\$ 000
Balance at 1 January 2019	101,132	5,687	50,890	30,621	(10,121)	(4,534)	13,318	186,993	33,000	84,853	314,656
Profit for the year	-	-	-	-	-	-	11,420	11,420	-	4,654	16,074
Other comprehensive loss	-	-	-	-	(8,009)	(25)	11,420	2,585	-	4,284	6,869
Total comprehensive (loss) income for the year	-	-	-	-	(8,009)	(25)	11,420	15,000	-	-	15,000
Issue of share capital	15,000	-	-	-	8,215	-	(3,513)	(3,513)	-	-	(3,513)
Transfer upon disposal of investments carried at fair value through other comprehensive income	-	-	-	-	(2,294)	-	5,185	9,682	-	(9,682)	-
Interest payment on Tier 1 capital	-	-	1,142	1,142	4,697	-	-	7,941	-	-	7,941
Transfers during the year	-	-	-	-	-	-	-	-	-	-	-
Dividend in ownership in a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	116,132	5,687	52,032	31,763	(8,009)	(4,559)	15,911	210,947	33,000	89,057	333,004
Balance at 1 January 2018	101,132	5,687	49,881	29,612	(12,657)	(3,671)	12,657	186,993	33,000	84,853	314,656
Transfer upon disposal of investments carried at fair value through other comprehensive income	-	-	-	-	3,037	-	(4,059)	(1,022)	-	-	(1,022)
Interest payment on Tier 1 capital	-	-	1,142	1,142	4,697	-	-	7,941	-	-	7,941
Transfers during the year	-	-	-	-	-	-	-	-	-	-	-
Dividend in ownership in a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2018	101,132	5,687	50,890	30,621	(10,121)	(4,534)	13,318	186,993	33,000	84,853	314,656

The above Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity have been extracted from the Consolidated Financial Statements of United Gulf Bank B.S.C. (c) for the year ended 31 December 2019, which were approved by the Board of Directors on 26 February 2020 and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Aywar
Vice Chairman

Hussain Lalani
Chief Executive Officer

بنك الخليج المتحد
United Gulf Bank B.S.C. (Closed)

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