Interim Consolidated Statement of Financial Position

As at 31 March 2017 (Reviewed)

	Reviewed 31 March 2017 US$ 000	Audited 31 December 2016 US$ 000	Reviewed 31 March 2016 US$ 000
ASSETS			
Demand and call deposits with banks	**209,117**	176,680	300,634
Placements with banks	**308,886**	187,350	161,833
Investments carried at fair value through statement of income	**36,795**	45,178	54,517
Non-trading investments	**409,619**	404,436	355,009
Loans and receivables	**1,184,818**	1,184,604	1,000,060
Other assets	**127,009**	112,735	132,872
Investments in associates	**709,830**	709,043	715,163
Investment properties	**104,579**	101,326	102,117
Property and equipment	**32,388**	32,117	40,546
Goodwill	**51,868**	51,868	52,321
Non-current asset classified as held for sale	**75,147**	-	1,098
TOTAL ASSETS	**3,250,056**	3,005,737	2,916,170
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	**769,445**	726,222	813,955
Deposits from customers	**995,905**	985,210	585,152
Loans payable	**792,910**	652,125	796,317
Subordinated debt	**50,000**	50,000	123,470
Other liabilities	**62,281**	62,724	62,462
Liabilities directly associated with non-current asset classified as held for sale	**38,824**	-	186
TOTAL LIABILITIES	**2,709,365**	2,476,281	2,381,542
EQUITY			
Share capital	**208,651**	208,651	208,651
Treasury shares	**(18,131)**	(18,131)	(18,131)
Share premium	**11,459**	11,459	11,459
Statutory reserve	**100,514**	100,514	99,888
General reserve	**80,999**	80,999	80,373
Treasury shares reserve	**14,248**	14,248	14,248
Fair value reserve	**(46,503)**	(49,966)	(54,411)
Foreign currency translation reserve	**(35,497)**	(37,476)	(32,754)
Retained earnings	**88,390**	83,711	83,526
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	**404,130**	394,009	392,849
Perpetual Tier 1 capital	**33,000**	33,000	33,000
Non-controlling interests	**103,561**	102,447	108,779
TOTAL EQUITY	**540,691**	529,456	534,628
TOTAL LIABILITIES AND EQUITY	**3,250,056**	3,005,737	2,916,170

Interim Consolidated Statement of Comprehensive Income

For the three-month period ended 31 March 2017 (Reviewed)

	Three-month period ended 31 March	
	2017 US$ 000	2016 US$ 000
Net profit for the period	**5,136**	427
Other comprehensive income (loss) for the period to be reclassified to profit or loss in subsequent periods:		
- Foreign currency translation reserve	**2,105**	2,265
- Fair value reserve	**9,621**	749
- Transfer to interim consolidated statement of income upon disposal	**-**	2,230
- Share of other comprehensive loss of associates - net	**(5,189)**	(5,918)
- Cash flow hedges	**52**	(626)
Other comprehensive income (loss) for the period to be reclassified to profit or loss in subsequent periods	**6,589**	(1,300)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**11,725**	(873)
Total comprehensive income (loss) attributable to:		
- shareholders of the parent	**10,121**	(1,087)
- non-controlling interests	**1,604**	214
	11,725	(873)

Interim Consolidated Statement of Income

For the three-month period ended 31 March 2017 (Reviewed)

	Three-month period ended 31 March	
	2017 US$ 000	2016 US$ 000
Investment income - net	**10,737**	7,583
Interest income	**13,264**	11,291
	24,001	18,874
Fees and commissions	**8,888**	8,470
Foreign currency translation losses - net	**(1,270)**	(4,571)
Share of results of associates - net	**9,108**	10,234
Total income	**40,727**	33,007
Interest expense	**(14,664)**	(12,684)
Operating income before expenses and provisions	**26,063**	20,323
Salaries and benefits	**(11,232)**	(12,265)
General and administrative expenses	**(7,719)**	(6,942)
Operating income before provisions	**7,112**	1,116
(Provision for) / write back of provision for loans and receivables	**(500)**	751
Provision for impairment on investments	**(985)**	(1,700)
Taxation - net	**(491)**	278
Net profit for the period from continuing operations	**5,136**	445
Discontinued operations		
Net loss from discontinued operations	**-**	(18)
Net profit for the period	**5,136**	427
Net profit (loss) attributable to non-controlling interests	**457**	(2,602)
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	**4,679**	3,029
Net profit (loss) for the period attributable to:		
Non-controlling interests		
- from continuing operations	**457**	(2,595)
- from discontinued operations	**-**	(7)
	457	(2,602)
Shareholders of the parent		
- from continuing operations	**4,679**	3,040
- from discontinued operations	**-**	(11)
	4,679	3,029
Earnings per share		
Basic and diluted earnings per share attributable to shareholders of the parent (US cents)	**0.57**	0.37
Basic and diluted earnings per share from continuing operations attributable to shareholders of the parent (US cents)	**0.57**	0.37

Interim Condensed Consolidated Statement of Cash Flows

For the three-month period ended 31 March 2017 (Reviewed)

	Three-month period ended 31 March	
	2017 US$ 000	2016 US$ 000
Net cash from operating activities	**9,818**	114,088
Net cash used in investing activities	**(34,566)**	(5,344)
Net cash from financing activities	**140,785**	94,949
Foreign currency translation adjustments	**1,979**	2,136
Movement in non-controlling interests	**657**	2,050
NET CHANGE IN CASH AND CASH EQUIVALENTS	**118,673**	207,879
Cash and cash equivalents at 1 January	**357,067**	220,957
CASH AND CASH EQUIVALENTS AT 31 MARCH	**475,740**	428,636

Interim Consolidated Statement of Changes In Equity

For the three-month period ended 31 March 2017 (Reviewed)

	Attributable to shareholders of the parent												
	Share capital US$ 000	Treasury shares US$ 000	Share premium US$ 000	Statutory reserve US$ 000	General reserve US$ 000	Treasury share 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 2017	208,651	(18,131)	11,459	100,514	80,999	14,248	(49,966)	(37,476)	83,711	394,009	33,000	102,447	529,456
Profit for the period	-	-	-	-	-	-	-	-	4,679	4,679	-	457	5,136
Other comprehensive income	-	-	-	-	-	-	3,463	1,979	-	5,442	-	1,147	6,589
Total comprehensive income for the period	-	-	-	-	-	-	3,463	1,979	4,679	10,121	-	1,604	11,725
Perpetual Tier 1 capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(490)	(490)
Balance at 31 March 2017	**208,651**	**(18,131)**	**11,459**	**100,514**	**80,999**	**14,248**	**(46,503)**	**(35,497)**	**88,390**	**404,130**	**33,000**	**103,561**	**540,691**
Balance at 1 January 2016	208,651	(18,131)	11,459	99,888	80,373	14,248	(48,159)	(34,890)	80,497	393,936	-	109,331	503,267
Profit (loss) for the period	-	-	-	-	-	-	-	-	3,029	3,029	-	(2,602)	427
Other comprehensive (loss) income	-	-	-	-	-	-	(6,252)	2,136	-	(4,116)	-	2,816	(1,300)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(6,252)	2,136	3,029	(1,087)	-	214	(873)
Perpetual Tier 1 capital	-	-	-	-	-	-	-	-	-	-	33,000	-	33,000
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(766)	(766)
Balance at 31 March 2016	208,651	(18,131)	11,459	99,888	80,373	14,248	(54,411)	(32,754)	83,526	392,849	33,000	108,779	534,628

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Condensed Consolidated Statement of Cash Flows, Interim Consolidated Statement of Changes in Equity and Interim Consolidated Statement of Comprehensive Income have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C. for the Three-month period ended 31 March 2017, which were approved by the Board of Directors on 14 May 2017 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Hussain Lalani
Acting Chief Executive Officer