

Interim Consolidated Statement of Financial Position  
As at 31 March 2018

	Reviewed 31 March 2018 US\$ 000	Audited 31 December 2017 US\$ 000	Reviewed 31 March 2017 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	33,822	97,993	209,117
Placements with banks	99,186	68,577	308,886
Investments carried at fair value through statement of income	34,587	19,268	36,795
Non-trading investments	140,368	221,566	409,619
Loans and receivables	28,915	4,216	1,184,818
Other assets	34,938	31,820	127,009
Investments in associates	78,061	77,512	709,830
Investment properties	107,003	105,093	104,579
Property and equipment	2,604	1,679	32,388
Goodwill	52,390	52,390	51,868
Assets held for sale	-	-	75,147
<b>TOTAL ASSETS</b>	<b>611,874</b>	<b>680,114</b>	<b>3,250,056</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	224,440	250,211	769,445
Deposits from customers	11,367	31,018	995,905
Loans payable	81,152	98,658	792,910
Subordinated debt	-	-	50,000
Other liabilities	36,442	37,358	62,281
Liabilities directly associated with assets held for sale	-	-	38,824
<b>TOTAL LIABILITIES</b>	<b>353,401</b>	<b>417,245</b>	<b>2,709,365</b>
<b>EQUITY</b>			
Share capital	101,132	101,132	208,651
Treasury shares	-	-	(18,131)
Share premium	5,687	5,687	11,459
Statutory reserve	49,881	49,881	100,514
General reserve	29,612	29,612	80,999
Treasury shares reserve	-	-	14,248
Fair value reserve	7,730	12,867	(46,503)
Foreign currency translation reserve	(2,623)	(3,871)	(35,497)
Retained earnings	8,124	7,659	88,390
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>199,543</b>	<b>202,967</b>	<b>404,130</b>
Perpetual Tier 1 capital	33,000	33,000	33,000
Non-controlling interests	25,930	26,902	103,561
<b>TOTAL EQUITY</b>	<b>258,473</b>	<b>262,869</b>	<b>540,691</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>611,874</b>	<b>680,114</b>	<b>3,250,056</b>

Interim Consolidated Statement of Income  
For the three-months period ended 31 March 2018 (Reviewed)

	Three-months period ended 31 March 2018 US\$ 000	2017 US\$ 000
<b>Continuing operations</b>		
Investment income - net	4,510	8,413
Interest income	1,093	969
Fees and commissions	7,937	7,653
Foreign currency translation gains - net	1,427	25
Share of results of associates - net	186	(203)
<b>Total income</b>	<b>15,153</b>	<b>16,857</b>
Interest expense	(3,252)	(3,662)
<b>Operating income before expenses and provisions</b>	<b>11,901</b>	<b>13,195</b>
Salaries and benefits	(5,176)	(5,407)
General and administrative expenses	(3,841)	(3,874)
<b>Operating income before provisions and tax</b>	<b>2,884</b>	<b>3,914</b>
Provisions for loans and receivables	-	(177)
Provision for impairment on investments	-	(985)
Provision for losses against unfunded participation	(731)	-
Taxation - net	779	(1,178)
<b>Net profit for the period from continuing operations</b>	<b>2,932</b>	<b>1,574</b>
Net income from discontinued operations	-	3,562
<b>Net profit for the period</b>	<b>2,932</b>	<b>5,136</b>

## Net profit for the period attributable to:

<b>Non-controlling interests</b>		
- from continuing operations	104	53
- from discontinued operations	-	404
	<b>104</b>	<b>457</b>

## Shareholders of the parent

- from continuing operations	2,828	1,521
- from discontinued operations	-	3,158
	<b>2,828</b>	<b>4,679</b>

Interim Consolidated Statement of Other Comprehensive Income  
For the three-months period ended 31 March 2018 (Reviewed)

	Three-months period ended 31 March 2018 US\$ 000	2017 US\$ 000
<b>NET PROFIT FOR THE PERIOD</b>		
	<b>2,932</b>	<b>5,136</b>
<b>Other comprehensive income (loss) for the period to be reclassified to profit or loss in subsequent periods:</b>		
Foreign currency translation reserve	1,415	2,105
Fair value reserve	(7,941)	9,621
Share of other comprehensive loss of associates - net	-	(5,189)
Cash flow hedges	603	52
<b>Other comprehensive (loss) income for the period to be reclassified to profit or loss in subsequent periods</b>	<b>(5,923)</b>	<b>6,589</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(2,991)</b>	<b>11,725</b>
<b>Total comprehensive (loss) income attributable to:</b>		
- shareholders of the parent	(2,368)	10,121
- non-controlling interests	(623)	1,604
	<b>(2,991)</b>	<b>11,725</b>

Interim Condensed Consolidated Statement of Cash Flows  
For the three-months period ended 31 March 2018 (Reviewed)

	Three-months period ended 31 March 2018 US\$ 000	2017 US\$ 000
Net cash (used in) from operating activities	(13,709)	9,818
Net cash used in investing activities	(1,979)	(34,566)
Net cash (used in) from financing activities	(17,506)	140,785
Foreign currency translation adjustments	839	1,979
Movement in non-controlling interests	(1,076)	657
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(33,431)</b>	<b>118,673</b>
Cash and cash equivalents at 1 January	166,252	357,067
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>132,821</b>	<b>475,740</b>

Interim Consolidated Statement of Changes In Equity  
For the three-months period ended 31 March 2018 (Reviewed)

	Attributable to shareholders of the parent												Non-controlling interests	Total equity
	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		US\$ 000	US\$ 000
Balance at 1 January 2018	101,132	-	5,687	49,881	29,612	-	12,867	(3,871)	7,659	202,967	33,000		26,902	262,869
Transition adjustment on adoption of IFRS 9 at 1 January 2018	-	-	-	-	-	-	3,037	-	(4,093)	(1,056)	-		465	(591)
Profit for the period	101,132	-	5,687	49,881	29,612	-	15,904	(3,871)	3,566	201,911	33,000		27,367	262,278
Other comprehensive (loss) income	-	-	-	-	-	-	-	-	2,828	2,828	-		104	2,932
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(6,444)	1,248	-	(5,196)	-		(727)	(5,923)
Transfer upon disposal of non-trading investments	-	-	-	-	-	-	(6,444)	1,248	2,828	(2,368)	-		(623)	(2,991)
Other movements in non-controlling interests	-	-	-	-	-	-	(1,730)	-	1,730	-	-		-	-
<b>Balance at 31 March 2018</b>	<b>101,132</b>	<b>-</b>	<b>5,687</b>	<b>49,881</b>	<b>29,612</b>	<b>-</b>	<b>7,730</b>	<b>(2,623)</b>	<b>8,124</b>	<b>199,543</b>	<b>33,000</b>		<b>25,930</b>	<b>258,473</b>
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
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-		(490)	(490)
<b>Balance at 31 March 2017</b>	<b>208,651</b>	<b>(18,131)</b>	<b>11,459</b>	<b>100,514</b>	<b>80,999</b>	<b>14,248</b>	<b>(46,503)</b>	<b>(35,497)</b>	<b>88,390</b>	<b>404,130</b>	<b>33,000</b>		<b>103,561</b>	<b>540,691</b>

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of Other Comprehensive Income, Interim Condensed Consolidated Statement of Cash Flows and Interim Consolidated Statement of Changes In Equity have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the 3 months period ended 31 March 2018, which were approved by the Board of Directors on 14 May 2018 and was reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat  
ChairmanFaisal Al Ayyar  
Vice ChairmanHussain Lalani  
Acting Chief Executive Officerبنك الخليج المتحد  
United Gulf Bank B.S.C.(c)

United Gulf Bank B.S.C. , P.O. Box 5964, UGB Tower, Manama, Kingdom of Bahrain. Tel: +973 17 533 233, Fax: +973 17 533 137, C.R. No. 10550

www.ugbbh.com



Bahrain National Holding Company

www.bnhgroup.com

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
As at 31 March 2018

	31 March 2018 (reviewed)	31 December 2017 (audited)
<b>ASSETS</b>		
Cash and cash equivalents	4,762	3,097
Placements with banks	7,668	9,333
Insurance and other receivables	11,816	9,600
Financial investments	31,554	29,839
Equity accounted investees	16,817	16,934
Reinsurers' share of insurance technical reserves	12,052	9,980
Deferred acquisition cost	778	576
Investment properties	2,897	2,936
Intangible assets	196	211
Property and equipment	3,657	3,676
Statutory deposits	125	125
<b>Total assets</b>	<b>92,322</b>	<b>86,307</b>
<b>LIABILITIES</b>		
Insurance technical reserves	30,468	26,428
Insurance payables	5,212	3,973
Other liabilities	7,599	5,586
<b>Total liabilities</b>	<b>43,279</b>	<b>35,987</b>
<b>Net assets</b>	<b>49,043</b>	<b>50,320</b>
<b>EQUITY</b>		
Share capital	11,918	11,350
Treasury shares	(1,868)	(1,868)
Share premium	3,990	3,990
Statutory reserve	5,675	5,675
General reserve	13,585	13,585
Investment fair value reserve	3,127	3,355
Retained earnings	10,212	11,754
<b>Equity attributable to shareholders of the Parent company</b>	<b>46,639</b>	<b>47,841</b>
Non-controlling interest	2,404	2,479
<b>Total equity</b>	<b>49,043</b>	<b>50,320</b>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
for the three months ended 31 March 2018

	31 March 2018 (reviewed)	31 March 2017 (reviewed)
<b>OPERATING ACTIVITIES</b>		
<b>Insurance related operations</b>		
Premiums and service fees received, net of acquisition costs	9,138	7,150
Payments to insurance and reinsurance companies	(3,558)	(2,890)
Claims paid to policyholders	(4,846)	(5,672)
Claims recovered from reinsurers and salvage recoveries	1,742	3,114
<b>Cash flows from insurance operations</b>	<b>2,476</b>	<b>1,702</b>
<b>Investment operations</b>		
Dividends and interest received	258	306
Proceeds from sale and redemptions of financial investments	1,986	2,127
Payments for purchases of financial investments	(3,641)	(2,726)
Bank deposits with maturities of more than three months	(1,013)	(1,039)
Redemption proceeds from bank deposits	2,678	1,601
Proceeds from partial sale of investment in equity accounted investees	-	343
Dividends received from equity accounted investees	810	710
Payment for investment properties	(2)	-
Rent received	89	98
<b>Cash flows from investment operations</b>	<b>1,165</b>	<b>1,420</b>
Expenses paid	(1,893)	(1,812)
<b>Cash flows from operating activities</b>	<b>1,748</b>	<b>1,310</b>
<b>INVESTMENT ACTIVITIES</b>		
Purchase of property and equipment and intangible assets	(73)	(52)
<b>Cash flows used in investment activities</b>	<b>(73)</b>	<b>(52)</b>
<b>FINANCING ACTIVITIES</b>		
Dividends paid to shareholders	(4)	(385)
Donations paid	(6)	(8)
<b>Cash flows used in financing activities</b>	<b>(10)</b>	<b>(393)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,665</b>	<b>865</b>
Cash and cash equivalents at 1 January	3,097	5,048
<b>Cash and cash equivalents at 31 March</b>	<b>4,762</b>	<b>5,913</b>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
for the three months ended 31 March 2018

	Three months ended 31 March 2018 (reviewed)	Three months ended 31 March 2017 (reviewed)
Gross insurance premiums	9,148	7,498
Reinsurers' share of gross insurance premiums	(4,738)	(3,633)
<b>Retained premiums</b>	<b>4,410</b>	<b>3,865</b>
Net change in reserve for unearned premiums	(454)	(49)
<b>Net premium earned</b>	<b>3,956</b>	<b>3,816</b>
Gross claims paid	(5,232)	(5,723)
Claims recoveries	2,493	2,852
Outstanding claims adjustment - gross	(1,955)	(601)
Outstanding claims adjustment - reinsurance	721	1,187
<b>Net claims incurred</b>	<b>(3,973)</b>	<b>(2,285)</b>
<b>Gross underwriting (loss) / profit</b>	<b>(17)</b>	<b>1,531</b>
Net commission and fee income	27	39
General and administration expenses - underwriting	(863)	(1,035)
<b>Net underwriting (loss) / profit</b>	<b>(853)</b>	<b>535</b>
Net investment income	934	804
Impairment losses on investment	(8)	(112)
Share of profit of equity accounted investees	951	1,059
Gains on partial sale of investment in equity accounted investees	-	114
Net income from road assist services	27	33
General and administration expenses - non-underwriting	(369)	(390)
<b>Profit for the period</b>	<b>682</b>	<b>2,043</b>
<b>Profit attributable to</b>		
Parent company	639	2,006
Non-controlling interest	43	37
	<b>682</b>	<b>2,043</b>
<b>Basic and diluted earnings per share</b>	<b>5.7 fils</b>	<b>18.7 fils</b>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
for the three months ended 31 March 2018

	Three months ended 31 March 2018 (reviewed)	Three months ended 31 March 2017 (reviewed)
<b>Profit for the period</b>	<b>682</b>	<b>2,043</b>
<b>Other comprehensive income</b>		
<b>Items that may be reclassified to profit or loss:</b>		
Available-for-sale securities:		
- Change in fair value	105	653
- Transfer to statement of profit or loss on impairment of securities	8	112
- Transfer to statement of profit or loss on disposal of securities	(339)	(250)
Share of other comprehensive income of equity accounted investees	(18)	45
<b>Other comprehensive income</b>	<b>(244)</b>	<b>560</b>
<b>Total comprehensive income</b>	<b>438</b>	<b>2,603</b>
<b>Total comprehensive income attributable to:</b>		
Parent company	411	2,533
Non-controlling interest	27	70
	<b>438</b>	<b>2,603</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three month ended 31 March 2018

(In thousands of Bahraini Dinars)	Attributable to the shareholders of the parent company							Total	Non-controlling Interest	Total Equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	fair value reserve	Retained earnings			
<b>2018 (reviewed)</b>										
Balance at 1 January, as previously reported	11,350	(1,868)	3,990	5,675	13,585	3,355	11,754	47,841	2,479	50,320
Adjustment on initial application of IFRS 15 by non-insurance subsidiary	-	-	-	-	-	-	(75)	(75)	-	(75)
Adjustment on initial application of IFRS 9 by non-insurance equity accounted investee	-	-	-	-	-	-	(241)	(241)	-	(241)
<b>Restated balance at 1 January</b>	<b>11,350</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>3,355</b>	<b>11,438</b>	<b>47,525</b>	<b>2,479</b>	<b>50,004</b>
Profit for the period	-	-	-	-	-	-	639	639	43	682
Other comprehensive income for the period	-	-	-	-	-	(228)	-	(228)	(16)	(244)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(228)</b>	<b>639</b>	<b>411</b>	<b>27</b>	<b>438</b>
Issue of bonus shares	568	-	-	-	-	-	(568)	-	-	-
Dividends declared for 2017	-	-	-	-	-	-	(1,287)	(1,287)	(102)	(1,389)
Donations declared for 2017	-	-	-	-	-	-	(10)	(10)	-	(10)
<b>Appropriations approved by shareholders</b>	<b>568</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,865)</b>	<b>(1,297)</b>	<b>(102)</b>	<b>(1,399)</b>
<b>Balance at 31 March</b>	<b>11,918</b>	<b>(1,868)</b>	<b>3,990</b>	<b>5,675</b>	<b>13,585</b>	<b>3,127</b>	<b>10,212</b>	<b>46,639</b>	<b>2,404</b>	<b>49,043</b>