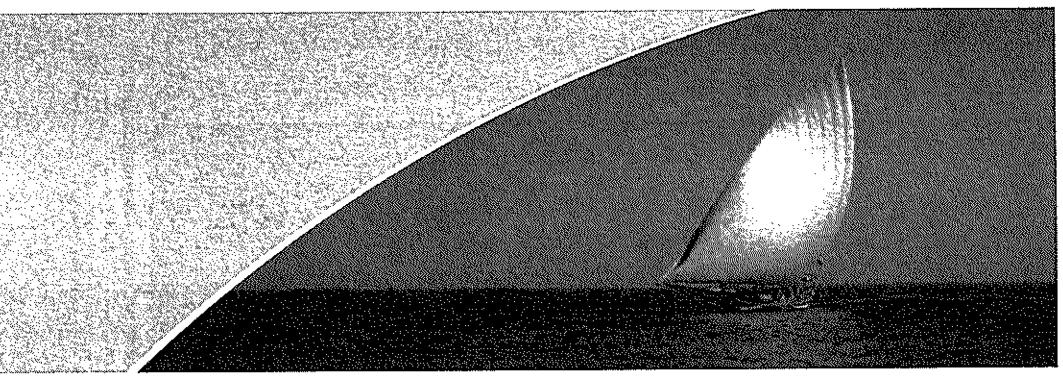
UGB بنك الخليج المتحد ش.م.ب.

# United Gulf Bank B.S.C.



## Interim Consolidated Statement of Financial Position

As at 30 September 2015 (Reviewed)

| | Reviewed 30 September 2015 US$ 000 | Audited 31 December 2014 US$ 000 | Reviewed 30 September 2014 US$ 000 |
|---|---|---|---|
| **ASSETS** | | | |
| Demand and call deposits with banks | 239,720 | 284,048 | 191,332 |
| Placements with banks | 115,201 | 142,481 | 93,976 |
| Investments carried at fair value through statement of income | 55,571 | 57,063 | 77,201 |
| Non-trading investments | 287,485 | 218,407 | 229,566 |
| Loans and receivables | 769,022 | 990,164 | 1,007,047 |
| Other assets | 115,251 | 113,574 | 73,920 |
| Investments in associates and joint ventures | 858,794 | 864,991 | 794,559 |
| Investment properties | 43,722 | 4,774 | 14 |
| Property and equipment | 41,257 | 39,926 | 39,029 |
| Goodwill | 54,304 | 54,509 | 77,343 |
| Assets of disposal group classified as held for sale | 1,184 | 7,893 | - |
| **TOTAL ASSETS** | 2,581,511 | 2,777,830 | 2,583,987 |
| **LIABILITIES AND EQUITY** | | | |
| **LIABILITIES** | | | |
| Due to banks and other financial institutions | 716,855 | 712,615 | 609,626 |
| Deposits from customers | 433,898 | 548,417 | 512,327 |
| Loans payable | 691,609 | 781,347 | 737,480 |
| Subordinated debt | 143,270 | 93,270 | 93,270 |
| Other liabilities | 79,110 | 61,545 | 68,342 |
| Liabilities of disposal group classified as held for sale | 206 | 249 | - |
| TOTAL LIABILITIES | 2,064,948 | 2,197,443 | 2,021,045 |
| **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 | 98,766 | 98,766 | 96,882 |
| General reserve | 79,251 | 79,251 | 77,367 |
| Treasury shares reserve | 14,248 | 14,248 | 14,248 |
| Fair value reserve | (35,297) | 7,539 | 1,075 |
| Foreign currency translation reserve | (31,059) | (10,403) | (898) |
| Retained earnings | 77,493 | 71,522 | 72,184 |
| CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT | 405,381 | 462,902 | 462,837 |
| Non-controlling interests | 111,182 | 117,485 | 100,105 |
| TOTAL EQUITY | 516,563 | 580,387 | 562,942 |
| **TOTAL LIABILITIES AND EQUITY** | 2,581,511 | 2,777,830 | 2,583,987 |

## Interim Consolidated Statement of Cash Flows

For the nine-month period ended 30 September 2015 (Reviewed)

| | Nine-month period ended 30 September 2015 US$ 000 | 2014 US$ 000 |
|---|---|---|
| Net cash used in operating activities | (11,150) | (195,076) |
| Net cash (used in) from investing activities | (23,773) | 163,921 |
| Net cash (used in) from financing activities | (39,738) | 169,959 |
| Foreign currency translation adjustments | (20,656) | (7,584) |
| Movement in non-controlling interests | 481 | 15,268 |
| **NET CHANGE IN CASH AND CASH EQUIVALENTS** | (94,836) | 146,488 |
| Cash and cash equivalents at 1 January | 418,416 | 130,491 |
| **CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER** | 323,580 | 276,979 |

## Interim Consolidated Statement of Income

For the nine-month period ended 30 September 2015 (Reviewed)

| | Three-month period ended 30 September | | Nine-month period ended 30 September | |
|---|---|---|---|---|
| | 2015 US$ 000 | 2014 US$ 000 | 2015 US$ 000 | 2014 US$ 000 |
| Investment income - net | (3,710) | 1,435 | 1,966 | 12,546 |
| Interest income | 13,229 | 14,652 | 44,505 | 42,703 |
| | 9,519 | 16,087 | 46,471 | 55,249 |
| Fees and commissions | 7,357 | 9,983 | 22,780 | 29,807 |
| Foreign currency translation gains (losses) - net | 395 | (4,496) | 2,261 | (7,658) |
| Share of results of associates - net | 12,328 | 9,710 | 33,394 | 40,420 |
| **Total income** | 29,599 | 31,284 | 104,906 | 117,818 |
| Interest expense | (13,159) | (12,468) | (38,592) | (38,208) |
| **Operating income before expenses and provisions** | 16,440 | 18,816 | 66,314 | 79,610 |
| Salaries and benefits | (11,874) | (9,078) | (37,011) | (29,376) |
| General and administrative expenses | (6,984) | (1,142) | (22,038) | (12,509) |
| **Operating income (loss) before provisions** | (2,418) | 8,596 | 7,265 | 37,725 |
| (Impairment loss) reversal of impairment on loans and receivables | 1,858 | (13,955) | (6,698) | (26,863) |
| Taxation - net | (226) | - | 1,205 | - |
| **Net profit (loss) for the period from continuing operations** | (786) | (5,359) | 1,772 | 10,862 |
| **Discontinued operations** | | | | |
| Net loss from discontinued operations | (243) | - | (2,585) | - |
| **Net (loss) profit for the period** | (1,029) | (5,359) | (813) | 10,862 |
| **Net loss attributable to non-controlling interests** | (1,796) | (4,677) | (6,784) | (4,871) |
| NET PROFIT (LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT | 767 | (682) | 5,971 | 15,733 |
| **Net profit (loss) for the period attributable to:** | | | | |
| **Shareholders of the parent** | | | | |
| - from continuing operations | 915 | (682) | 7,553 | 15,733 |
| - from discontinued operations | (148) | - | (1,582) | - |
| | 767 | (682) | 5,971 | 15,733 |
| **Non-controlling interests** | | | | |
| - from continuing operations | (1,701) | (4,677) | (5,781) | (4,871) |
| - from discontinued operations | (95) | - | (1,003) | - |
| | (1,796) | (4,677) | (6,784) | (4,871) |
| **Earnings per share** | | | | |
| Basic and diluted earnings per share attributable to Shareholders of the parent (US cents) | 0.09 | (0.08) | 0.73 | 1.93 |
| Basic and diluted earnings per share from continuing operations attributable to Shareholders of the parent (US cents) | 0.11 | (0.08) | 0.93 | 1.93 |

## Interim Consolidated Statement of Comprehensive Income

For the nine-month period ended 30 September 2015 (Reviewed)

| | Three-month period ended 30 September | | Nine-month period ended 30 September | |
|---|---|---|---|---|
| | 2015 US$ 000 | 2014 US$ 000 | 2015 US$ 000 | 2014 US$ 000 |
| NET (LOSS) PROFIT FOR THE PERIOD | (1,029) | (5,359) | (813) | 10,862 |
| Other comprehensive (loss) income for the period to be reclassified to profit or loss in subsequent periods: | | | | |
| Foreign currency translation reserve | 232 | (7,741) | (21,431) | (8,076) |
| Movement in fair values of investments available for sale | (4,886) | 4,152 | (811) | 19,448 |
| Transfer to interim consolidated statement of income upon derecognition | 171 | (714) | (19,452) | (1,722) |
| Share of other comprehensive (loss) income of associates and joint ventures - net | (11,250) | 857 | (22,433) | 726 |
| Cash flow hedges | 6 | 215 | (36) | 178 |
| Other comprehensive (loss) income for the period to be reclassified to profit or loss in subsequent periods | (15,727) | (3,231) | (64,163) | 10,554 |
| TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD | (16,756) | (8,590) | (64,976) | 21,416 |
| **Total comprehensive (loss) income attributable to** | | | | |
| - shareholders of the parent | (13,641) | (3,624) | (57,521) | 26,537 |
| - non-controlling interests | (3,115) | (4,966) | (7,455) | (5,121) |
| | (16,756) | (8,590) | (64,976) | 21,416 |

## Interim Consolidated Statement of Changes in Equity

For the nine-month period ended 30 September 2015 (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 | Non-controlling interests US$ 000 | Total equity US$ 000 |
| Balance at 1 January 2015 | 208,651 | (18,131) | 11,459 | 98,766 | 79,251 | 14,248 | 7,539 | (10,403) | 71,522 | 462,902 | 117,485 | 580,387 |
| Profit (loss) for the period | - | - | - | - | - | - | - | - | 5,971 | 5,971 | (6,784) | (813) |
| Other comprehensive loss | - | - | - | - | - | - | (42,836) | (20,656) | - | (63,492) | (671) | (64,163) |
| Total comprehensive (loss) income for the period | - | - | - | - | - | - | (42,836) | (20,656) | 5,971 | (57,521) | (7,455) | (64,976) |
| Other movements in non-controlling interests | - | - | - | - | - | - | - | - | - | - | 1,152 | 1,152 |
| **Balance at 30 September 2015** | 208,651 | (18,131) | 11,459 | 98,766 | 79,251 | 14,248 | (35,297) | (31,059) | 77,493 | 405,381 | 111,182 | 516,563 |
| Balance at 1 January 2014 | 208,651 | (18,131) | 11,459 | 96,882 | 77,367 | 14,248 | (17,313) | 6,686 | 56,451 | 436,300 | 23,262 | 459,562 |
| Profit (loss) for the period | - | - | - | - | - | - | - | - | 15,733 | 15,733 | (4,871) | 10,862 |
| Other comprehensive income (loss) | - | - | - | - | - | - | 18,388 | (7,584) | - | 10,804 | (250) | 10,554 |
| Total comprehensive income (loss) for the period | - | - | - | - | - | - | 18,388 | (7,584) | 15,733 | 26,537 | (5,121) | 21,416 |
| Other movements in non-controlling interests | - | - | - | - | - | - | - | - | - | - | 81,964 | 81,964 |
| Balance at 30 September 2014 | 208,651 | (18,131) | 11,459 | 96,882 | 77,367 | 14,248 | 1,075 | (898) | 72,184 | 462,837 | 100,105 | 562,942 |

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim 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 nine-month period ended 30 September 2015, which were approved by the Board of Directors on 12 November 2015 and were reviewed by Ernst & Young, Kingdom of Bahrain.

**Masaud Hayat**
Chairman

**Faisal Al Ayyar**
Vice Chairman

**Hussain Lalani**
Acting Chief Executive Officer

**Major Subsidiaries**

KAMCO
FIMBANK
الخليج المتحد للخدمات المالية شمال افريقيا
United Gulf Financial Services North Africa

**Major Associates**

بنك برقان
BURGAN BANK
منافع
Manafae
شركة منافع للإستثمار
Manafae Investment Company
شركة العقارات المتحدة
United Real Estate Company

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