

## Interim Consolidated Statement of Financial Position

As at 30 June 2019 (Reviewed)

	Reviewed 30 June 2019 US\$ 000	Audited 31 December 2018 US\$ 000	Reviewed 30 June 2018 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	107,292	143,510	44,551
Placements with banks	243,529	108,529	94,420
Investments carried at fair value through statement of income	80,760	81,852	37,057
Investments carried at fair value through other comprehensive income	136,914	167,647	158,393
Investments carried at amortised cost	283	494	-
Loans and receivables	25,349	25,191	3,949
Other assets	61,086	61,097	27,877
Investments in associates	75,078	71,513	77,533
Investment properties	97,873	107,629	106,491
Property and equipment	51,709	39,394	2,497
Goodwill and other intangible assets	66,063	66,634	52,390
<b>TOTAL ASSETS</b>	<b>945,936</b>	<b>873,490</b>	<b>605,158</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	257,882	220,879	209,240
Deposits from customers	52,427	32,608	28,541
Loans payable	79,856	67,033	76,065
Long term bonds	131,844	131,739	-
Other liabilities	92,721	106,375	38,288
<b>TOTAL LIABILITIES</b>	<b>614,730</b>	<b>558,634</b>	<b>352,134</b>
<b>EQUITY</b>			
Share capital	116,132	101,132	101,132
Share premium	5,687	5,687	5,687
Statutory reserve	50,890	50,890	49,881
General reserve	30,621	30,621	29,612
Fair value reserve	(7,872)	(10,121)	1,248
Foreign currency translation reserve	(4,814)	(4,534)	(3,646)
Retained earnings	7,594	13,318	11,714
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>198,238</b>	<b>186,993</b>	<b>195,628</b>
Perpetual Tier 1 capital	33,000	33,000	33,000
Non-controlling interests	99,968	94,863	24,396
<b>TOTAL EQUITY</b>	<b>331,206</b>	<b>314,856</b>	<b>253,024</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>945,936</b>	<b>873,490</b>	<b>605,158</b>

## Interim Consolidated Statement of Income

For the six-month period ended 30 June 2019 (Reviewed)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2019 US\$ 000	2018 US\$ 000	2019 US\$ 000	2018 US\$ 000
<b>Continuing operations</b>				
Investment income - net	7,747	808	17,250	
Interest income	2,788	1,039	5,163	2,132
	10,535	1,847	22,413	7,450
Fees and commissions - net	13,501	10,346	30,823	18,283
Foreign currency translation (losses) gains - net	(377)	(984)	96	443
Share of results of associates - net	1,476	1,104	3,941	1,290
<b>Total income</b>	<b>25,135</b>	<b>12,313</b>	<b>57,273</b>	<b>27,466</b>
Interest expense	(5,979)	(2,440)	(11,007)	(5,692)
	5,979	2,440	(11,007)	(5,692)
<b>Operating income before expenses and provisions</b>				
Salaries and benefits	19,156	9,873	46,266	21,774
General and administrative expenses	(11,053)	(4,868)	(22,998)	(10,044)
	(6,260)	(3,290)	(15,159)	(7,131)
<b>Operating income before provisions and tax</b>				
Reversal of expected credit losses - net	759	-	124	-
Provision for losses against unfunded participation	-	-	-	(731)
Taxation - net	(7)	(160)	(877)	619
<b>Net profit for the period from continuing operations</b>	<b>2,595</b>	<b>1,555</b>	<b>7,366</b>	<b>4,487</b>
Net income from discontinued operations	-	450	-	450
<b>NET PROFIT FOR THE PERIOD</b>	<b>2,595</b>	<b>2,005</b>	<b>7,366</b>	<b>4,937</b>
Net profit for the period attributable to:				
- shareholders of the parent	1,506	1,882	4,257	4,710
- non-controlling interests	1,089	123	3,109	227
	2,595	2,005	7,366	4,937

## Interim Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2019 (Reviewed)

	Three-month period ended 30 June	Six-month period ended 30 June
	2019 US\$ 000	2018 US\$ 000
<b>NET PROFIT FOR THE PERIOD</b>		
	<b>2,595</b>	<b>2,005</b>
<b>Other comprehensive (loss) income</b>		
Items that may be reclassified to profit or loss in subsequent periods		
Foreign currency translation reserve	(166)	(2,461)
Cash flow hedges	(498)	27
	(664)	(2,444)
Items that will not be reclassified to profit or loss in subsequent periods		
Fair value reserve	(5,696)	(1,895)
	(5,696)	(1,895)
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(3,765)</b>	<b>(2,324)</b>
Total comprehensive (loss) income attributable to:		
- shareholders of the parent	(3,925)	(2,163)
- non-controlling interests	160	(161)
	(3,765)	(2,324)
<b>(65)</b>	<b>(65)</b>	<b>(5,315)</b>

## Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2019 (Reviewed)

	Six-month period ended 30 June	2018
	2019 US\$ 000	2018 US\$ 000
Net cash flows from operating activities		
	57,032	1,143
Net cash flows used in investing activities	(4)	(51)
Net cash flows from (used in) financing activities	17,831	(24,345)
Foreign currency translation adjustments	(176)	225
Movement in non-controlling interests	1,994	(2,733)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>76,677</b>	<b>(25,761)</b>
Cash and cash equivalents at 1 January	237,428	166,252
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>314,105</b>	<b>140,491</b>

## Interim Consolidated Statement of Changes In Equity

For the six-month period ended 30 June 2019 (Reviewed)

	Attributable to shareholders of the parent										
	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	94,863	314,856
Profit for the period	-	-	-	-	-	-	4,257	-	-	3,109	7,366
Other comprehensive loss	-	-	-	-	(5,980)	(280)	-	(6,260)	-	(1,171)	(7,431)
Total comprehensive (loss) income for the period	-	-	-	-	(5,980)	(280)	4,257	(2,003)	-	1,938	(65)
Issue of share capital	15,000	-	-	-	-	-	-	15,000	-	-	15,000
Transfer upon disposal of non-trading investments	-	-	-	-	8,229	-	(8,229)	-	-	-	-
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	(1,752)	(1,752)	-	(1,752)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	3,167	3,167
<b>Balance at 30 June 2019</b>	<b>116,132</b>	<b>5,687</b>	<b>50,890</b>	<b>30,621</b>	<b>(7,872)</b>	<b>(4,814)</b>	<b>7,594</b>	<b>198,238</b>	<b>33,000</b>	<b>99,968</b>	<b>331,206</b>
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	262,669
Transition adjustment on adoption of IFRS 9 at 1 January 2018	-	-	-	-	3,037	-	(4,093)	(1,056)	-	465	(591)
	101,132	5,687	49,881	29,612	15,904	(3,871)	3,566	201,911	33,000	27,367	262,278
Profit for the period	-	-	-	-	-	-	4,710	-	-	227	4,937
Other comprehensive loss	-	-	-	-	(8,160)	(1,081)	-	(9,241)	-	(1,011)	(10,252)
Total comprehensive (loss) income for the period	-	-	-	-	(8,160)	(1,081)	4,710	(4,531)	-	(784)	(5,315)
Transfer upon disposal of non-trading investments	-	-	-	-	(5,190)	-	5,190	-	-	-	(1,752)
Interest payment on Tier 1 capital	-	-	-	-	-	-	(1,752)	(1,752)	-	-	(1,752)
Transfer upon reclassification	-	-	-	-	(1,306)	1,306	-	-	-	-	(2,187)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(2,187)
<b>Balance at 30 June 2018</b>	<b>101,132</b>	<b>5,687</b>	<b>49,881</b>	<b>29,612</b>	<b>1,248</b>	<b>(3,646)</b>	<b>11,714</b>	<b>195,628</b>	<b>33,000</b>	<b>24,396</b>	<b>253,024</b>

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of 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 6 months period ended 30 June 2019, which were approved by the Board of Directors on 8 August 2019 and was reviewed by Ernst & Young, Kingdom of Bahrain.