



## Interim Consolidated Statement of Financial Position

As at 30 September 2016 (Reviewed)

	Reviewed 30 September 2016 US\$ 000	Audited 31 December 2015 US\$ 000	Reviewed 30 September 2015 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	147,888	176,793	239,720
Placements with banks	251,745	57,026	115,201
Investments carried at fair value through statement of income	53,223	50,661	55,571
Non-trading investments	408,368	285,003	287,485
Loans and receivables	1,149,758	1,032,098	769,022
Other assets	138,787	119,686	115,251
Investments in associates	718,410	853,984	858,794
Investment properties	102,204	46,222	43,722
Property and equipment	39,513	41,694	41,257
Goodwill	52,705	52,321	54,304
Assets of disposal group classified as held for sale	198	1,028	1,184
<b>TOTAL ASSETS</b>	<b>3,062,799</b>	<b>2,716,516</b>	<b>2,581,511</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	782,546	838,160	716,855
Deposits from customers	933,985	462,086	433,898
Loans payable	617,623	714,568	691,609
Subordinated debt	123,470	143,270	143,270
Other liabilities	61,268	54,999	79,110
Liabilities of disposal group classified as held for sale	211	166	206
<b>TOTAL LIABILITIES</b>	<b>2,519,103</b>	<b>2,213,249</b>	<b>2,064,948</b>
<b>EQUITY</b>			
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	99,888	99,888	98,766
General reserve	80,373	80,373	79,251
Treasury shares reserve	14,248	14,248	14,248
Fair value reserve	(49,533)	(48,159)	(35,297)
Foreign currency translation reserve	(31,987)	(34,890)	(31,059)
Retained earnings	86,415	80,497	77,493
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>401,383</b>	<b>393,936</b>	<b>405,381</b>
Perpetual Tier 1 capital	33,000	-	-
Non-controlling interests	109,313	109,331	111,182
<b>TOTAL EQUITY</b>	<b>543,696</b>	<b>503,267</b>	<b>516,563</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,062,799</b>	<b>2,716,516</b>	<b>2,581,511</b>

## Interim Consolidated Statement of Comprehensive Income

For the nine-month period ended 30 September 2016 (Reviewed)

	Three-month period ended 30 September 2016 US\$ 000	2015 US\$ 000	Nine-month period ended 30 September 2016 US\$ 000	2015 US\$ 000
<b>NET (LOSS) PROFIT FOR THE PERIOD</b>	<b>(769)</b>	<b>(1,029)</b>	<b>6</b>	<b>(813)</b>
<b>Other comprehensive income (loss) for the period to be reclassified to profit or loss in subsequent periods:</b>				
- Foreign currency translation reserve	295	232	3,058	(21,431)
- Fair values reserve	5,410	(4,886)	6,643	(811)
- Transfer to interim consolidated statement of income upon disposal	654	171	2,949	(19,452)
- Share of other comprehensive loss of associates - net	(4,444)	(11,250)	(10,903)	(22,433)
- Cash flow hedges	(40)	6	(322)	(36)
<b>Other comprehensive income (loss) for the period to be reclassified to profit or loss in subsequent periods</b>	<b>1,875</b>	<b>(15,727)</b>	<b>1,425</b>	<b>(64,163)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD</b>	<b>1,106</b>	<b>(16,756)</b>	<b>1,431</b>	<b>(64,976)</b>
<b>Total comprehensive income (loss) attributable to</b>				
- shareholders of the parent	6,105	(13,641)	7,447	(57,521)
- non-controlling interests	(4,999)	(3,115)	(6,016)	(7,455)
	1,106	(16,756)	1,431	(64,976)

## Interim Consolidated Statement of Changes in Equity

For the nine-month period ended 30 September 2016 (Reviewed)

	Attributable to shareholders of the parent										Perpetual Tier 1 capital US\$ 000	Non- controlling interests US\$ 000	Total equity US\$ 000
	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			
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	-	-	-	-	-	-	-	-	5,918	5,918	-	(5,912)	6
Other comprehensive (loss) income	-	-	-	-	-	-	(1,374)	2,903	-	1,529	-	(104)	1,425
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(1,374)	2,903	5,918	7,447	-	(6,016)	1,431
Perpetual Tier 1 capital	-	-	-	-	-	-	-	-	-	-	33,000	-	33,000
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,998	5,998
<b>Balance at 30 September 2016</b>	<b>208,651</b>	<b>(18,131)</b>	<b>11,459</b>	<b>99,888</b>	<b>80,373</b>	<b>14,248</b>	<b>(49,533)</b>	<b>(31,987)</b>	<b>86,415</b>	<b>401,383</b>	<b>33,000</b>	<b>109,313</b>	<b>543,696</b>
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

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 nine-month period ended 30 September 2016, which were approved by the Board of Directors on 10 November 2016 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat  
Chairman

Faisal Al Ayyar  
Vice Chairman

Hussain Lalani  
Acting Chief Executive Officer

## Interim Consolidated Statement of Income

For the nine-month period ended 30 September 2016 (Reviewed)

	Three-month period ended 30 September 2016 US\$ 000	2015 US\$ 000	Nine-month period ended 30 September 2016 US\$ 000	2015 US\$ 000
Investment income - net	5,848	(3,710)	13,549	1,966
Interest income	12,507	13,229	35,537	44,505
	18,355	9,519	49,086	46,471
Fees and commissions	7,688	7,357	27,866	22,780
Foreign currency translation (losses) gains - net	(4,402)	395	(4,477)	2,261
Share of results of associates - net	9,541	12,328	30,679	33,394
<b>Total income</b>	<b>31,182</b>	<b>29,599</b>	<b>103,154</b>	<b>104,906</b>
Interest expense	(12,027)	(13,159)	(39,138)	(38,592)
<b>Operating income before expenses and provisions</b>	<b>19,155</b>	<b>16,440</b>	<b>64,016</b>	<b>66,314</b>
Salaries and benefits	(12,423)	(11,874)	(37,431)	(37,011)
General and administrative expenses	(5,930)	(6,984)	(20,372)	(22,038)
<b>Operating income (loss) before provisions</b>	<b>802</b>	<b>(2,418)</b>	<b>6,213</b>	<b>7,265</b>
(Provisions) reversal of provision for loans and receivables	(1,180)	1,858	(3,169)	(6,698)
Provision for impairment on investments	-	-	(1,700)	-
Taxation - net	(371)	(226)	(1,270)	1,205
<b>Net (loss) profit for the period from continuing operations</b>	<b>(749)</b>	<b>(786)</b>	<b>74</b>	<b>1,772</b>
<b>Discontinued operations</b>				
Net loss from discontinued operations	(20)	(243)	(68)	(2,585)
<b>Net (loss) profit for the period</b>	<b>(769)</b>	<b>(1,029)</b>	<b>6</b>	<b>(813)</b>
<b>Net loss attributable to non-controlling interests</b>	<b>(2,453)</b>	<b>(1,796)</b>	<b>(5,912)</b>	<b>(6,784)</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>1,684</b>	<b>767</b>	<b>5,918</b>	<b>5,971</b>

### Net (loss) profit for the period attributable to: Non-controlling interests

- from continuing operations	(2,446)	(1,701)	(5,886)	(5,781)
- from discontinued operations	(7)	(95)	(26)	(1,003)
	(2,453)	(1,796)	(5,912)	(6,784)

### Shareholders of the parent

- from continuing operations	1,696	915	5,960	7,553
- from discontinued operations	(12)	(148)	(42)	(1,582)
	1,684	767	5,918	5,971

### Earnings per share

Basic and diluted earnings per share attributable to shareholders of the parent (US cents)	0.21	0.09	0.73	0.73
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Basic and diluted earnings per share from continuing operations attributable to shareholders of the parent (US cents)	0.21	0.11	0.73	0.93
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## Interim Condensed Consolidated Statement of Cash Flows

For the nine-month period ended 30 September 2016 (Reviewed)

	Three-month period ended 30 September 2016 US\$ 000	2015 US\$ 000	Nine-month period ended 30 September 2016 US\$ 000	2015 US\$ 000
Net cash from (used in) operating activities	242,527	-	(11,150)	-
Net cash from (used in) investing activities	1,380	-	(23,773)	-
Net cash used in financing activities	(83,745)	-	(39,738)	-
Foreign currency translation adjustments	2,903	-	(20,656)	-
Movement in non-controlling interests	(4,900)	-	481	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>158,165</b>	<b>-</b>	<b>(94,836)</b>	<b>-</b>
Cash and cash equivalents at 1 January	220,957	-	418,416	-
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>379,122</b>	<b>-</b>	<b>323,580</b>	<b>-</b>