

**United Gulf Bank B.S.C. (c)**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 MARCH 2025 (REVIEWED)**



Shape the future  
with confidence

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## REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF UNITED GULF BANK B.S.C. (c)

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of United Gulf Bank B.S.C. (c) (the "Bank") and its subsidiaries (together, the "Group") as at 31 March 2025, comprising of the interim consolidated statement of financial position as at 31 March 2025 and the related interim consolidated statements of income, comprehensive income, cash flows and changes in equity for the three month period then ended and explanatory notes. The Board of Directors of the Bank is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 - Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

13 May 2025  
Manama, Kingdom of Bahrain

**United Gulf Bank B.S.C. (c)**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 31 March 2025 (Reviewed)

	Note	Reviewed 31 March 2025	Audited 31 December 2024	Reviewed 31 March 2024
		US\$ 000	US\$ 000	US\$ 000
<b>ASSETS</b>				
Demand and call deposits with banks	4	<b>92,936</b>	104,559	81,368
Treasury bills	4	<b>5,030</b>	4,844	-
Placements with banks	4	<b>82,350</b>	54,749	72,469
Investments carried at fair value through profit or loss		<b>106,723</b>	106,663	123,593
Investments carried at fair value through other comprehensive income		<b>133,989</b>	133,174	127,458
Loans and receivables		<b>6,037</b>	6,149	19,513
Other assets		<b>59,244</b>	48,937	63,111
Investment in associates		<b>70,974</b>	68,003	118,410
Investment properties		<b>133,095</b>	133,145	127,271
Property and equipment		<b>17,157</b>	17,173	15,792
Goodwill and other intangible assets		<b>60,050</b>	60,434	61,944
<b>TOTAL ASSETS</b>		<b>767,585</b>	737,830	810,929
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Due to banks and other financial institutions		<b>112,214</b>	112,078	111,345
Deposits from customers		<b>39,550</b>	17,078	17,616
Term loans		<b>201,433</b>	195,596	242,410
Other liabilities		<b>70,899</b>	72,734	91,620
<b>Total liabilities</b>		<b>424,096</b>	397,486	462,991
<b>Equity</b>				
Share capital	6	<b>116,132</b>	116,132	116,132
Share premium		<b>5,687</b>	5,687	5,687
Statutory reserve		<b>54,034</b>	54,034	54,034
General reserve		<b>3,765</b>	3,765	3,765
Fair value reserve		<b>21,245</b>	21,286	17,156
Foreign currency translation reserve		<b>(4,296)</b>	(5,923)	(6,236)
(Accumulated deficit) / retained earnings		<b>(3,517)</b>	(3,097)	3,318
Equity attributable to shareholders of the Parent		<b>193,050</b>	191,884	193,856
Perpetual Additional Tier 1 Capital		<b>33,000</b>	33,000	33,000
Non-controlling interests		<b>117,439</b>	115,460	121,082
<b>Total equity</b>		<b>343,489</b>	340,344	347,938
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>767,585</b>	737,830	810,929

**Masaud Hayat**  
Chairman

**Faisal Al Ayyar**  
Vice Chairman

**Hussain Lalani**  
Chief Executive Officer

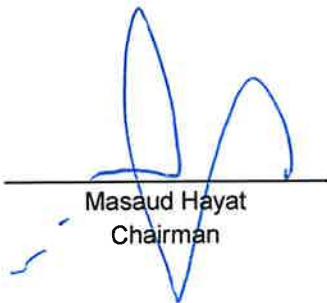
The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

**United Gulf Bank B.S.C. (c)**

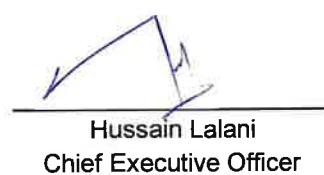
**INTERIM CONSOLIDATED STATEMENT OF INCOME**

For the three-month period ended 31 March 2025 (Reviewed)

	Note	<i>Three-month period ended 31 March</i>	
		2025 US\$ 000	2024 US\$ 000
Interest income		1,731	2,010
Investment income - net		4,742	6,302
		<hr/>	<hr/>
		6,473	8,312
Fees and commission income - net		11,390	11,814
Foreign exchange gain - net		629	435
Share of results of associates		3,370	3,634
		<hr/>	<hr/>
<b>Total income</b>		<b>21,862</b>	<b>24,195</b>
Interest expense		(4,832)	(5,628)
		<hr/>	<hr/>
<b>Operating income before expenses and expected credit losses</b>		<b>17,030</b>	<b>18,567</b>
Salaries and benefits		(10,911)	(9,944)
General and administrative expenses		(5,541)	(4,864)
		<hr/>	<hr/>
<b>Operating income before expected credit losses</b>		<b>578</b>	<b>3,759</b>
Allowance for expected credit losses - net	5	(81)	(1,036)
		<hr/>	<hr/>
<b>Profit before tax</b>		<b>497</b>	<b>2,723</b>
Tax expense		(248)	(286)
		<hr/>	<hr/>
<b>Net profit for the period</b>		<b>249</b>	<b>2,437</b>
		<hr/>	<hr/>
<b>Net profit attributable to non-controlling interests</b>		<b>669</b>	<b>1,940</b>
		<hr/>	<hr/>
<b>Net (loss) profit attributable to shareholders of the Parent</b>		<b>(420)</b>	<b>497</b>
		<hr/>	<hr/>

  
Masaud Hayat  
Chairman

  
Faisal Al Ayyar  
Vice Chairman

  
Hussain Lalani  
Chief Executive Officer

# United Gulf Bank B.S.C. (c)

## INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended 31 March 2025 (Reviewed)

	<i>Three-month period ended 31 March</i>	
	2025 US\$ 000	2024 US\$ 000
<b>Net profit for the period</b>	<b>249</b>	<b>2,437</b>
<b><i>Other Comprehensive Income (OCI)</i></b>		
<b><i>Items that may be reclassified to profit or loss in subsequent periods</i></b>		
Foreign currency translation changes	1,717	431
Net change in cashflow hedges	34	304
<b><i>Items that will not be reclassified to profit or loss in subsequent periods</i></b>		
Fair value changes of equity investments carried at fair value through other comprehensive income	661	814
Share of other comprehensive income of associates	-	510
<b>Other comprehensive income for the period</b>	<b>2,412</b>	<b>2,059</b>
<b>Total comprehensive income for the period</b>	<b>2,661</b>	<b>4,496</b>
<b>Total comprehensive income attributable to:</b>		
- Shareholders of the Parent	1,166	2,095
- Non-controlling interests	1,495	2,401
<b>2,661</b>	<b>4,496</b>	

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

# United Gulf Bank B.S.C. (c)

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three-month period ended 31 March 2025 (Reviewed)

		<i>Three-month period ended 31 March</i>	
		<i>2025</i>	<i>2024</i>
	<i>Note</i>	<i>US\$ 000</i>	<i>US\$ 000</i>
<b>OPERATING ACTIVITIES</b>			
Net profit before tax		497	2,723
Adjustments for non-cash items:			
Interest expense		4,832	5,628
Depreciation and amortisation		1,014	749
Interest income		(1,731)	(2,010)
Gain on investments carried at fair value through profit or loss		(3,105)	(4,262)
Share of results of associates		(3,370)	(3,634)
Allowance for expected credit losses - net	5	81	1,036
Operating (loss) income before working capital changes		(1,782)	230
Changes in operating assets and liabilities:			
Placements with banks		(6,053)	(211)
Investments carried at fair value through profit or loss		3,045	8,943
Investments carried at fair value through OCI		(1,155)	3,574
Investments carried at amortised cost		(186)	-
Loans and receivables		112	166
Other assets		(13,286)	6,580
Due to banks and other financial institutions		136	(10,165)
Deposits from customers		22,472	1,701
Other liabilities		1,180	3,026
Interest received		4,710	2,834
Interest paid		(7,697)	(6,574)
Directors' remuneration paid		(100)	(19)
Donations paid		(50)	(200)
Net cash flows from operating activities		1,346	9,885
<b>INVESTING ACTIVITIES</b>			
Investments in associates - net		393	(53,880)
Property and equipment - net		(467)	(862)
Purchase of intangible assets		(17)	-
Net cash flows used in investing activities		(91)	(54,742)
<b>FINANCING ACTIVITIES</b>			
Term loans obtained		5,837	38,788
Movement in non-controlling interests		484	(1,134)
Net cash flows from financing activities		6,321	37,654
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>			
Foreign currency translation adjustments		2,348	(263)
Cash and cash equivalents at 1 January		159,179	143,374
<b>CASH AND CASH EQUIVALENTS AT 31 March</b>	4	<b>169,103</b>	<b>135,908</b>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

United Gulf Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three-month period ended 31 March 2025 (Reviewed)

	Attributable to shareholders of the Parent								Perpetual Additional Tier 1 Capital US\$ 000	Non- controlling interests US\$ 000	Total equity US\$ 000
	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	(Accumulated deficit) retained earnings US\$ 000	Total US\$ 000			
<b>Balance at 1 January 2025</b>	<b>116,132</b>	<b>5,687</b>	<b>54,034</b>	<b>3,765</b>	<b>21,286</b>	<b>(5,923)</b>	<b>(3,097)</b>	<b>191,884</b>	<b>33,000</b>	<b>115,460</b>	<b>340,344</b>
Net (loss) profit for the period	-	-	-	-	-	-	-	-	-	669	249
Other comprehensive (loss) income	-	-	-	-	(41)	1,627	(420)	1,586	-	826	2,412
Total comprehensive (loss) income for the period	-	-	-	-	(41)	1,627	(420)	1,166	-	1,495	2,661
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	484	484
<b>Balance at 31 March 2025</b>	<b>116,132</b>	<b>5,687</b>	<b>54,034</b>	<b>3,765</b>	<b>21,245</b>	<b>(4,296)</b>	<b>(3,517)</b>	<b>193,050</b>	<b>33,000</b>	<b>117,439</b>	<b>343,489</b>
Balance at 1 January 2024	116,132	5,687	54,034	3,765	14,641	(6,505)	4,007	191,761	33,000	119,815	344,576
Net profit for the period	-	-	-	-	-	-	497	497	-	1,940	2,437
Other comprehensive income	-	-	-	-	1,329	269	-	1,598	-	461	2,059
Total comprehensive income for the period	-	-	-	-	1,329	269	497	2,095	-	2,401	4,496
Transfer upon disposal of equity investments carried at FVOCI	-	-	-	-	1,186	-	(1,186)	-	-	-	-
non-controlling interests	-	-	-	-	-	-	-	-	-	(1,134)	(1,134)
<b>Balance at 31 March 2024</b>	<b>116,132</b>	<b>5,687</b>	<b>54,034</b>	<b>3,765</b>	<b>17,156</b>	<b>(6,236)</b>	<b>3,318</b>	<b>193,856</b>	<b>33,000</b>	<b>121,082</b>	<b>347,938</b>

The attached notes 1 to 13 form part of these interim condensed consolidated financial statements.

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 1 CORPORATE INFORMATION

#### 1.1 Incorporation

United Gulf Bank B.S.C. (c) ("UGB" or the "Bank") is a closed joint stock company incorporated in the Kingdom of Bahrain in 1980, under Commercial Registration number 10550 issued by the Ministry of Industry and Commerce ("MOIC"). The Bank's registered office is situated at UGB Tower, Diplomatic Area, P.O. Box 5964, Manama, Kingdom of Bahrain.

The Bank operates in the Kingdom of Bahrain under a Wholesale Banking License of Volume 1 issued by the Central Bank of Bahrain (the "CBB").

#### 1.2 Activities

The principal activities of the Bank and its subsidiaries (together, the "Group") comprise of investment and commercial banking. Investment banking activities include asset portfolio management, corporate finance, advisory, investment in quoted and private equity / funds, real estate, capital markets, international banking and treasury functions. Commercial banking activities include extending loans and other credit facilities, accepting deposits and current accounts from corporate and institutional customers.

During the period, Burgan Bank K.P.S.C ("Burgan" or the "Parent") acquired 100% shares of the Bank from United Gulf Holding Company ("UGH"). The ultimate holding company is Kuwait Projects Company Holding K.S.C.P. ("KIPCO" or the "Ultimate Parent"). Both of Burgan and KIPCO are incorporated in the State of Kuwait as a public share holding companies and are listed on the Kuwait Stock Exchange (Boursa Kuwait).

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 13 May 2025.

### 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The interim condensed consolidated financial statements for the three-month period ended 31 March 2025 have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. The Group has prepared the interim condensed consolidated financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. The Group has formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the date of approval of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending on 31 December 2025.

Certain corresponding figures have been reclassified in order to conform to the presentation of the interim condensed consolidated financial statements for the current period. Such reclassifications did not affect previously reported net profit or total equity of the Group.

These interim condensed consolidated financial statements are reviewed, not audited.

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES (continued)**

**2.2 Material accounting policies**

The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2024, except for the adoption of new and amended standards and interpretations effective as of 1 January 2025 as stated in note 2.3. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2.3 New standards, interpretations and amendments adopted by the Group**

One amendment applies for the first time in 2025, but does not have an impact on the interim condensed consolidated financial statements of the Group.

**2.3.1 Lack of exchangeability – Amendments to IAS 21**

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

**3 BASIS OF CONSOLIDATION**

These interim condensed consolidated financial statements include the interim condensed financial statements of the Bank and its subsidiaries as at and for the three-month period ended 31 March 2025. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The basis of consolidation used in these interim condensed consolidated financial statements of the Group is consistent to the basis of consolidation used and disclosed in the annual consolidated financial statements of the Group for the year ended 31 December 2024.

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 3 BASIS OF CONSOLIDATION (continued)

The principal subsidiaries of the Group are as follows:

<b>Name of the subsidiary</b>	<b>Country of incorporation</b>	<b>Ownership</b>	
		<b>31 March 2025</b>	<b>31 December 2024</b>
<b>Held directly</b>			
KAMCO Investment Company K.S.C.P. [KAMCO]	Kuwait	<b>60%</b>	60%
United Gulf Realty International, Ltd [UGRIL]	The British Virgin Islands	<b>50%</b>	50%
<b>Partly held directly and partly through KAMCO</b>			
Manafae Investment Company	Kuwait	<b>54%</b>	54%
N.S. 88	Bahrain	<b>77%</b>	77%
<b>Held through KAMCO</b>			
1925 Investor Inc.	Jersey	<b>100%</b>	100%
Al Jazi Money Market Fund	Kuwait	<b>51%</b>	51%
Al Tadamun United Holding Company K.S.C.	Kuwait	<b>100%</b>	96%
American Boulevard Investor, Inc	U.S.A.	<b>100%</b>	100%
Bukeye Power Advisory Company L.L.C.	U.S.A.	<b>48%</b>	48%
Bukeye Power Manager Limited	Jersey	<b>100%</b>	100%
Centerstone Investor Inc.	U.S.A.	<b>100%</b>	100%
EGLS Holdings, s.r.o.	Czechia	<b>60%</b>	0%
First Securities Brokerage Company K.S.C.	Kuwait	<b>93%</b>	93%
HP Plaza Investor Inc.	USA	<b>100%</b>	100%
Kamco European Logistics Company	Luxembourg	<b>100%</b>	0%
KAMCO Global Fund (formerly KAMCO GCC Opportunistic Fund)	Kuwait	<b>97%</b>	97%
KAMCO Investment Company Saudi	Saudi Arabia	<b>100%</b>	100%
KAMCO Investment Company DIFC Limited	U.A.E.	<b>100%</b>	100%
Kamco Investment Company Ltd	UK	<b>100%</b>	100%
KAMCO MENA Plus Fixed Income Fund OEIC Ltd	U.A.E.	<b>56%</b>	56%
Kubbar United Real Estate Company	Kuwait	<b>100%</b>	100%
Kuwait Private Equity Opportunity Fund	Kuwait	<b>73%</b>	73%
Lawson Lane Investor Incorporation	U.S.A.	<b>100%</b>	100%
Nawasi United Holding Company K.S.C. (Closed)	Kuwait	<b>100%</b>	96%
Plans United Real Estate Co.	Kuwait	<b>100%</b>	100%
Project Plaza Investor Inc	U.S.A.	<b>100%</b>	100%
HP Plaza Investor Inc.	Jersey	<b>100%</b>	100%
KAMCO Capital Management Ltd.	Oman	<b>100%</b>	100%
KAMCO Capital Partners Ltd.	Cayman Islands	<b>100%</b>	100%
KAMCO Investment Company DIFC Limited	U.A.E.	<b>100%</b>	100%
Martley Finance GP Limited	Jersey	<b>100%</b>	100%
Martley Holdings GP Limited	Jersey	<b>100%</b>	100%

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 4 CASH AND CASH EQUIVALENTS

	<b>Reviewed 31 March 2025 US\$ 000</b>	<b>Audited 31 December 2024 US\$ 000</b>	<b>Reviewed 31 March 2024 US\$ 000</b>
Demand and call deposits with banks	92,936	104,559	81,368
Treasury bills	5,030	4,844	-
Placements with banks	82,350	54,749	72,469
	<b>180,316</b>	164,152	153,837
<i>Adjusted for:</i>			
Mandatory reserves	(318)	(318)	(318)
Time deposits with original maturities of more than 90 days	(10,895)	(4,655)	(17,611)
<b>Cash and cash equivalents</b>	<b>169,103</b>	159,179	135,908

### 5 MOVEMENT IN EXPECTED CREDIT LOSS (ECL)

An analysis of movement in ECL allowances during the three-month period ended 31 March 2025 is as follows:

	<b>Stage 1 US\$ 000</b>	<b>Stage 2 US\$ 000</b>	<b>Stage 3 US\$ 000</b>	<b>Total US\$ 000</b>
<b>As at 1 January 2025</b>	17,593	-	7,830	25,423
Net remeasurement of loss allowances	102	-	(21)	81
<b>As at 31 March 2025 (Reviewed)</b>	<b>17,695</b>	<b>-</b>	<b>7,809</b>	<b>25,504</b>

An analysis of movement in ECL allowances during the three-month period ended 31 March 2024 is as follows:

	<b>Stage 1 US\$ 000</b>	<b>Stage 2 US\$ 000</b>	<b>Stage 3 US\$ 000</b>	<b>Total US\$ 000</b>
As at 1 January 2024	16,226	-	7,840	24,066
Net remeasurement of loss allowances	1,031	-	5	1,036
Foreign exchange adjustments	(20)	-	(11)	(31)
<b>As at 31 March 2024 (Reviewed)</b>	<b>17,237</b>	<b>-</b>	<b>7,834</b>	<b>25,071</b>

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 6 SHARE CAPITAL

	<i>Reviewed</i> <b>31 March 2025</b>	<i>Audited</i> <b>31 December 2024</b>	<i>Reviewed</i> <b>31 March 2024</b>
	<b>US\$ 000</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
Authorised share capital			
Number of shares (in thousands)	<b>500,000</b>	500,000	500,000
Par value (US\$)	<b>0.50</b>	0.50	0.50
Authorised share capital (US'000)	<b>250,000</b>	250,000	250,000
Issued and fully paid up share capital			
Number of shares (in thousands)	<b>232,263</b>	232,263	232,263
Par value (US\$)	<b>0.50</b>	0.50	0.50
Issued and fully paid up share capital (US'000)	<b>116,132</b>	116,132	116,132

### 7 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the Ultimate Parent, Parent, associates and joint ventures, directors and key management personnel and entities which are controlled, jointly controlled or significantly influenced by any of the above mentioned parties.

The income and expenses in respect of related party transactions included in the interim consolidated statement of income were as follows:

	<i>(Reviewed)</i> <b>Three-month period ended 31 March 2025</b>			
	<i>Parent</i> <b>US\$ 000</b>	<i>Associates</i> <b>US\$ 000</b>	<i>Other related parties</i> <b>US\$ 000</b>	<i>Total</i> <b>US\$ 000</b>
Fees and commissions - net*	8	263	1,646	1,917
Rental income	-	-	274	274
Interest income	2	-	96	98
Interest expense	(354)	-	(1,154)	(1,508)
General and administrative expenses	(8)	-	(569)	(577)

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	(Reviewed) Three-month period ended 31 March 2024			
	Parent US\$ 000	Associates US\$ 000	Other related parties US\$ 000	Total US\$ 000
Fees and commissions - net*	500	317	1,581	2,398
Rental income	-	-	275	275
Interest income	-	-	88	88
Interest expense	(81)	-	(1,244)	(1,325)
General and administrative expenses	(3)	-	(498)	(501)

All related party transactions are on terms that are mutually agreed between the counterparties.

\* The Bank and UGH have entered into an arrangement for service sharing between the two entities. In line with the arrangement, the Bank provides certain service to the UGH against mutually agreed service fee.

The balances with related parties included in the interim consolidated statement of financial position are as follows:

	(Reviewed) 31 March 2025			
	Parent US\$ 000	Associates US\$ 000	Other related parties US\$ 000	Total US\$ 000
Demand and call deposits with banks	9,872	-	737	10,609
Placements with banks	-	-	18,454	18,454
Investments carried at fair value through profit or loss	539	-	1,766	2,305
Investments carried at fair value through other comprehensive income*	-	-	63,546	63,546
Loans and receivables	-	-	246	246
Other assets	71	500	2,940	3,511
Due to banks and other financial institutions	(25,000)	-	(58,005)	(83,005)
Deposits from customers	-	-	(28,602)	(28,602)
Other liabilities	(86)	-	(9,290)	(9,376)
Perpetual Additional Tier 1 Capital	-	-	(5,000)	(5,000)
<i>Off statement of financial position items:</i>				
Letters of guarantee	-	-	150	150

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 7 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	<i>(Audited)</i> 31 December 2024			
	Parent	Associates	Other related parties	Total
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Demand and call deposits with banks	-	-	10,253	10,253
Placements with banks	-	-	18,422	18,422
Investments carried at fair value through profit or loss	-	-	1,725	1,725
Investments carried at fair value through other comprehensive income	-	49	61,883	61,932
Loans and receivables	-	-	238	238
Other assets	234	470	2,412	3,116
Due to banks and other financial institutions	-	-	(82,868)	(82,868)
Deposits from customers	(1,822)	-	(4,632)	(6,454)
Other liabilities	(5,101)	-	(557)	(5,658)
Perpetual Additional Tier 1 Capital	-	-	(5,000)	(5,000)
<i>Off statement of financial position items:</i>				
Letters of guarantee	-	-	150	150

All related party exposures are performing as of 31 March 2025 and 31 December 2024.

Compensation of key management personnel was as follows:

	<i>Three-month period ended 31 March</i>	
	2025	2024
	Reviewed	Reviewed
	US\$ 000	US\$ 000
Short-term employee benefits	718	629
Long-term employee benefits	90	107
	<b>808</b>	<b>736</b>

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 8 COMMITMENTS

The Group has the following credit and investment-related commitments:

	<b>Reviewed 31 March 2025</b>	<b>Audited 31 December 2024</b>	<b>Reviewed 31 March 2024</b>
	<b>US\$ 000</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
Credit-related commitments:			
Letters of guarantee	4,415	2,318	2,317
Investments related commitments*	1,125	5,379	2,758
	<b>5,540</b>	<b>7,697</b>	<b>5,075</b>

\*Investment related commitments are Group's commitment to invest in private equity funds representing the uncalled capital by the investment managers (general partners) of various private equity funds in which the Group has made investments. The capital can be called at the investment manager's discretion.

### 9 DERIVATIVES

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments.

	<b>Positive fair value</b>	<b>Negative fair value</b>	<b>Notional amount</b>
	<b>US\$ 000</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
<b>31 March 2025 (Reviewed)</b>			
<b>Derivatives held for trading</b>			
Interest rate swaps	2,027	(2,027)	165,000
Forward foreign exchange contracts*	6,819	(6,386)	726,397
	<b>2,010</b>	<b>(64)</b>	<b>189,815</b>
<b>Derivatives used as hedge of net investments in foreign operations</b>			
Forward foreign exchange contracts			
	<b>437</b>	<b>-</b>	<b>22,500</b>
	<b>Positive fair value</b>	<b>Negative fair value</b>	<b>Notional amount</b>
	<b>US\$ 000</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
<b>31 December 2024 (Audited)</b>			
<b>Derivatives held for trading</b>			
Interest rate swaps	2,369	(2,369)	165,000
Forward foreign exchange contracts*	2,741	(2,288)	757,572
	<b>372</b>	<b>-</b>	<b>173,452</b>
<b>Derivatives used as cash flow hedges</b>			
Interest rate swaps	403	-	22,500

# United Gulf Bank B.S.C. (c)

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 9 DERIVATIVES (continued)

\* The Group uses foreign currency denominated borrowings and forward currency contracts to manage some of its transaction exposures. These currency forward contracts are not designated as cash flow, fair value or net investment in foreign operations hedges and are entered into for periods consistent with currency transaction exposures.

### 10 FINANCIAL INSTRUMENTS

The tables below summarises the accounting classification of the Group's financial assets and financial liabilities:

	At FVTPL US\$ 000	At FVOCI US\$ 000	Amortised cost US\$ 000	Total US\$ 000
<b>31 March 2025 (Reviewed)</b>				
Demand and call deposits with banks	-	-	92,936	92,936
Treasury bills	-	-	5,030	5,030
Placements with banks	-	-	82,350	82,350
Investments carried at FVTPL	106,723	-	-	106,723
Investments carried at FVOCI	-	133,989	-	133,989
Loans and receivables	-	-	6,037	6,037
Other assets	8,846	2,447	46,054	57,347
<b>Total financial assets</b>	<b>115,569</b>	<b>136,436</b>	<b>232,407</b>	<b>484,412</b>
Due to banks and other financial institutions	-	-	112,214	112,214
Deposits from customers	-	-	39,550	39,550
Term loans	-	-	201,433	201,433
Other liabilities	8,413	64	62,309	70,786
<b>Total financial liabilities</b>	<b>8,413</b>	<b>64</b>	<b>415,506</b>	<b>423,983</b>
<b>31 December 2024 (Audited)</b>				
Demand and call deposits with banks	-	-	104,559	104,559
Treasury Bills	-	-	4,844	4,844
Placements with banks	-	-	54,749	54,749
Investments carried at FVTPL	106,663	-	-	106,663
Investments carried at FVOCI	-	133,174	-	133,174
Loans and receivables	-	-	6,149	6,149
Other assets	5,110	775	41,666	47,551
<b>Total financial assets</b>	<b>111,773</b>	<b>133,949</b>	<b>211,967</b>	<b>457,689</b>
Due to banks and other financial institutions	-	-	112,078	112,078
Deposits from customers	-	-	17,078	17,078
Term loans	-	-	195,596	195,596
Other liabilities	4,657	-	67,924	72,581
<b>Total financial liabilities</b>	<b>4,657</b>	<b>-</b>	<b>392,676</b>	<b>397,333</b>

### 11 FAIR VALUE MEASUREMENT

#### *Fair value hierarchy*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**11 FAIR VALUE MEASUREMENT (continued)**

***Fair value hierarchy (continued)***

Fair values of quoted securities are derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

The fair values of the funds that are listed on active markets are determined by reference to their quoted bid prices. The fair values of unlisted funds are based on net asset values which are determined by the fund manager using the quoted market prices of the underlying assets, if available, or other acceptable methods such as a recent price paid by another investor or the market value of a comparable company.

For assets and liabilities that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

The Group uses the following hierarchy for determining and disclosing the fair value of the Group's assets and liabilities by valuation technique:

**Level 1:** quoted (unadjusted) prices in active markets for identical assets or liabilities;

**Level 2:** other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

**Level 3:** techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of the Group's assets and liabilities recorded at fair value by level of the fair value hierarchy at 31 March 2025 (Reviewed):

	<i>Level 1</i> US\$ 000	<i>Level 2</i> US\$ 000	<i>Level 3</i> US\$ 000	<i>Total</i> US\$ 000
<b><i>Assets measured at fair value</i></b>				
Investments carried at FVTPL				
Equities	19,289	-	9,227	28,516
Debt securities	11,476	-	325	11,801
Managed funds	-	44,842	21,564	66,406
Investments carried at FVOCI				
Equities	1,360	-	132,163	133,523
Managed funds	-	-	466	466
Investment properties	-	-	133,095	133,095
Derivatives				
Interest rate swaps	-	2,464	-	2,464
Forward foreign exchange contracts	-	8,829	-	8,829
	<b>32,125</b>	<b>56,135</b>	<b>296,840</b>	<b>385,100</b>
<b><i>Liabilities measured at fair value</i></b>				
Derivatives				
Interest rate swaps	-	2,027	-	2,027
Forward foreign exchange contracts	-	6,450	-	6,450
	<b>-</b>	<b>8,477</b>	<b>-</b>	<b>8,477</b>

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 11 FAIR VALUE MEASUREMENT (continued)

#### *Fair value hierarchy (continued)*

The following table shows an analysis of the Group's assets and liabilities recorded at fair value by level of the fair value hierarchy at 31 December 2024 (Audited):

	Level 1 US\$ 000	Level 2 US\$ 000	Level 3 US\$ 000	Total US\$ 000
<i>Assets measured at fair value</i>				
Investments carried at FVTPL				
Equities	14,892	-	15,571	30,463
Debt securities	11,638	-	325	11,963
Managed funds	-	40,627	23,610	64,237
Investments carried at FVOCI				
Equities	837	-	131,863	132,700
Managed funds	-	-	474	474
Investment properties	-	-	133,145	133,145
Derivatives				
Interest rate swaps	-	2,772	-	2,772
Forward foreign exchange contracts	-	3,113	-	3,113
	<b>27,367</b>	<b>46,512</b>	<b>304,988</b>	<b>378,867</b>
<i>Liabilities measured at fair value</i>				
Derivatives				
Interest rate swaps	-	2,369	-	2,369
Forward foreign exchange contracts	-	2,288	-	2,288
	<b>-</b>	<b>4,657</b>	<b>-</b>	<b>4,657</b>

The fair values of financial instruments carried at amortised cost are not significantly different from their carrying values included in the interim condensed consolidated financial statements.

#### Transfers between Level 1, Level 2 and Level 3

The following table shows a reconciliation of the opening and closing amount of Level 3 financial instruments and other assets, which are recorded at fair value:

	As at 1 January 2025 US\$'000	Net purchases, transfer and settlement US\$'000	Gain (loss) recognised in the consolidated statement of income US\$'000	Gain (loss) recognised in OCI US\$'000	As at 31 March 2025 (Reviewed) US\$'000
<i>Investments carried at FVTPL</i>					
Equities	15,571	(6,374)	30	-	9,227
Debt securities	325	-	-	-	325
Managed funds	23,610	(1,385)	(661)	-	21,564
	<b>39,506</b>	<b>(7,759)</b>	<b>(631)</b>	<b>-</b>	<b>31,116</b>
<i>Investments carried at FVOCI</i>					
Equities	131,863	26	-	274	132,163
Managed funds	474	1	-	(9)	466
	<b>132,337</b>	<b>27</b>	<b>-</b>	<b>265</b>	<b>132,629</b>
Investment properties	133,145	-	(50)	-	133,095

As at 31 March 2025 (Reviewed)

**11 FAIR VALUE MEASUREMENT (continued)**

**Transfers between Level 1, Level 2 and Level 3 (continued)**

	As at 1 January 2024 US\$'000	Net purchases, sales, transfer and settlement US\$'000	Gain (loss) recognised in the consolidated statement of income US\$'000	Loss recognised in OCI US\$'000	As at 31 March 2024 (Reviewed) US\$'000
<i>Investments carried at FVTPL</i>					
Equities	26,449	(7,881)	207	-	18,775
Debt securities	326	-	-	-	326
Managed funds	19,430	2,234	(58)	-	21,606
	<b>46,205</b>	<b>(5,647)</b>	<b>149</b>	<b>-</b>	<b>40,707</b>
<i>Investments carried at FVOCI</i>					
Equities	128,316	(2,011)	-	(309)	125,996
Managed funds	93	376	-	(2)	467
	<b>128,409</b>	<b>(1,635)</b>	<b>-</b>	<b>(311)</b>	<b>126,463</b>
Investment properties	<b>127,388</b>	<b>-</b>	<b>(117)</b>	<b>-</b>	<b>127,271</b>

**12 REGULATORY RATIOS**

**Net Stable Funding Ratio ("NSFR")**

The NSFR ratio is calculated in accordance with the Liquidity Risk Management Module guidelines, issued by the CBB. The minimum NSFR ratio limit as per CBB is 100%. The Group's consolidated NSFR as of 31 March 2025 is 108.0% (31 December 2024: 109.1%).

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 12 REGULATORY RATIOS (continued)

#### Net Stable Funding Ratio ("NSFR") (continued)

42% (2024: 42%) of the total available stable funding is made up of the Group's capital base with 42% (2024: 42%) comprising of other deposits and funding from financial institutions and 14% (2024: 15%) comprising of other liabilities.

The Group's required stable funding comprises of 89% (2024: 91%) assets that have no specified maturity, 7% (2024: 6%) that have contractual maturities of less than 6 months, and 0% (2024: 1%) non-HQLA (the "High Quality Liquid Assets") assets (after application of risk weights).

	31 March 2025 (Reviewed)				
	Unweighted values				
	No specified maturity US\$ 000	Less than 6 months US\$ 000	and less than one year US\$ 000	Over one year US\$ 000	Total weighted value US\$ 000
<b>Available Stable Funding (ASF)</b>					
Capital	260,914	-	-	19,223	280,137
Secured and unsecured funding	-	39,281	-	355	19,995
Other deposits and funding from financial institutions	-	31,362	5,602	276,683	279,483
Other liabilities	-	-	-	92,536	92,536
<b>Total ASF</b>	<b>260,914</b>	<b>70,643</b>	<b>5,602</b>	<b>388,797</b>	<b>672,151</b>
<b>Required Stable Funding (RSF)</b>					
Unencumbered Level 2B HQLA	29,233	-	-	-	14,617
Unencumbered Non-HQLA securities that are not in default and exchange-traded equities in cases where the issuer is not in default	-	-	6,037	-	3,019
Loans	-	90,317	-	-	13,548
Deposits held at other financial institutions for operational purposes	-	63,877	-	18,473	50,411
All other assets including fixed assets, items deducted from regulatory capital, insurance assets and defaulted securities	540,827	-	-	-	540,827
<i>Off-Balance Sheet exposures</i>					
Trade finance-related obligations (including guarantees and letters of credit)	2,074	-	-	-	104
<b>Total RSF</b>	<b>572,134</b>	<b>154,194</b>	<b>6,037</b>	<b>18,473</b>	<b>622,526</b>
<b>NSFR (%)</b>					<b>108.0%</b>

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 31 March 2025 (Reviewed)

### 12 REGULATORY RATIOS (continued)

#### Net Stable Funding Ratio ("NSFR") (continued)

	31 December 2024 (Audited)				
	Unweighted values				
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Available Stable Funding (ASF)					
Capital	256,788	-	-	17,391	274,179
Secured and unsecured funding	-	12,503	-	4,575	10,827
Other deposits and funding from financial institutions	-	29,581	16,278	261,815	269,954
Other liabilities	-	-	-	94,698	94,698
<b>Total ASF</b>	<b>256,788</b>	<b>42,084</b>	<b>16,278</b>	<b>378,479</b>	<b>649,658</b>
Required Stable Funding (RSF)					
Unencumbered Level 2B HQLA	35,867	-	-	-	17,933
Unencumbered Non-HQLA securities that are not in default and exchange-traded equities in cases where the issuer is not in default	-	-	6,149	-	3,074
Loans	-	101,940	-	-	15,291
Deposits held at other financial institutions for operational purposes	-	36,327	-	18,422	36,585
All other assets including fixed assets, items deducted from regulatory capital, insurance assets and defaulted securities	522,755	-	-	-	522,755
<i>Off-Balance Sheet exposures</i>					
Trade finance-related obligations (including guarantees and letters of credit)	2,074	-	-	-	104
<b>Total RSF</b>	<b>560,696</b>	<b>138,267</b>	<b>6,149</b>	<b>18,422</b>	<b>595,742</b>
<b>NSFR (%)</b>					<b>109.1%</b>

### 13 SUBSEQUENT EVENTS

In an Extraordinary General Meeting (the "EGM") held on 6 May 2025, the shareholders approved increasing the issued and paid up share capital of the Bank from the amount of US\$ 116,131,520.50 to the amount of US\$ 196,131,520.50, by issuing 160,000,000 new ordinary shares, of nominal value of US\$ 0.50 each, to be fully subscribed and settled entirely by the Parent, in cash, subject to the approval of the Central Bank of Bahrain and the Ministry of Industry and Commerce.

Subsequent to the reporting period, the Group received a settlement amounting to QAR 60 million (US\$ 16.5 million) in relation to a legal case that had been ongoing for several years, wherein the Qatari courts have issued a final and non-appealable judgment in favor of the Group.