

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	2019 US\$ 000	2018 US\$ 000
ASSETS		
Demand and call deposits with banks	71,369	143,510
Placements with banks	236,110	108,529
Investments carried at fair value through profit and loss	97,778	81,852
Investments carried at fair value through other comprehensive income	131,048	167,647
Investments carried at amortised cost	280	494
Loans and receivables	27,778	25,191
Other assets	62,933	61,097
Investments in associates	75,774	71,513
Investment properties	102,713	107,629
Property and equipment	51,849	39,394
Goodwill and other intangible assets	65,591	66,634
TOTAL ASSETS	923,223	873,490
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks and other financial institutions	307,784	220,879
Deposits from customers	22,647	32,608
Loans payable	36,875	67,033
Long term bonds	131,948	131,739
Other liabilities	90,965	106,375
TOTAL LIABILITIES	590,219	558,634
EQUITY		
Share capital	116,132	101,132
Share premium	5,687	5,687
Statutory reserve	52,032	50,890
General reserve	31,763	30,621
Fair value reserve	(6,009)	(10,121)
Foreign currency translation reserve	(4,569)	(4,534)
Retained earnings	15,911	13,318
CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	210,947	186,993
Perpetual Tier 1 capital	33,000	33,000
Non-controlling interests in equity	89,057	94,863
TOTAL EQUITY	333,004	314,856
TOTAL LIABILITIES AND EQUITY	923,223	873,490

CONSOLIDATED STATEMENT OF INCOME
For The Year Ended 31 December 2019

	2019 US\$ 000	2018 US\$ 000
Continuing operations		
Interest income	9,964	6,363
Investment income - net	30,371	4,812
Gain on bargain purchase of a subsidiary	-	23,928
	40,335	35,103
Fees and commissions - net	68,337	42,965
Foreign currency gains - net	414	1,621
Share of results of associates - net	4,646	(764)
Total income	113,732	78,925
Interest expense	(22,170)	(14,732)
Operating income before expenses and provisions	91,562	64,193
Salaries and benefits	(45,461)	(30,310)
General and administrative expenses	(29,615)	(20,277)
Operating income before provisions and tax	16,486	13,606
Provision for losses against unfunded participation	-	(805)
Expected credit losses reversals (provision)	1,615	(2,306)
Profit before tax from continuing operations	18,101	10,495
Taxation - net	(2,027)	95
Profit after tax from continuing operations	16,074	10,590
Discontinued operations		
Net profit from discontinued operations	-	524
Profit for the year	16,074	11,114
Net profit attributable to non-controlling interests	4,654	1,021
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	11,420	10,093

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For The Year Ended 31 December 2019

	2019 US\$ 000	2018 US\$ 000
Profit for the year	16,074	11,114
Other comprehensive (loss) income that will not be reclassified to profit or loss in subsequent period		
Fair value reserve	(63)	(13,283)
Cash flow hedges	(1,132)	180
	(1,195)	(13,103)
Other comprehensive loss that may be reclassified to profit or loss in subsequent period		
Foreign currency translation reserve	(157)	(1,093)
Fair value reserve	(7,853)	(10,753)
Other comprehensive loss for the year	(9,205)	(24,949)
TOTAL COMPREHENSIVE INCOME (LOSS)	6,869	(13,835)
Total comprehensive income (loss) attributable to:		
- shareholders of the parent	2,585	(11,405)
- non-controlling interests	4,284	(2,430)
	6,869	(13,335)

CONSOLIDATED STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2019

	2019 US\$ 000	2018 US\$ 000
Net cash from operating activities	84,404	3,008
Net cash used in investing activities	(9,969)	(20,224)
Net cash (used in) from financing activities	(18,671)	96,601
Foreign currency translation adjustments	(400)	422
Movement in non-controlling interests	(208)	(8,631)
NET CHANGE IN CASH AND CASH EQUIVALENTS	55,156	71,176
Cash and cash equivalents at 1 January	237,428	166,252
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	292,584	237,428

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	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 year	-	-	-	-	(8,800)	(35)	11,420	11,420	4,654	(370)	16,074
Other comprehensive loss	-	-	-	-	(8,800)	(35)	11,420	2,585	-	4,284	(9,205)
Total comprehensive (loss) income for the year	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital	15,000	-	-	-	-	-	-	-	-	-	15,000
Transfer upon disposal of investments carried at fair value through other comprehensive income	-	-	-	-	8,215	-	-	(8,215)	-	-	(3,513)
Interest payment on Tier 1 capital	-	-	-	1,142	1,142	-	-	(3,513)	-	-	(3,513)
Transfers during the year	-	-	-	-	-	4,697	-	5,185	9,882	(9,882)	(208)
Dilution in ownership in a subsidiary	-	-	-	-	-	-	-	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Balance at 31 December 2019	116,132	5,687	52,032	31,763	(6,009)	(4,569)	15,911	210,947	33,000	89,057	333,004
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 year	-	-	-	-	-	-	-	3,566	201,911	33,000	27,367
Other comprehensive loss for the year	-	-	-	-	(20,835)	(663)	-	10,093	10,093	-	(2,430)
Total comprehensive (loss) income for the year	-	-	-	-	(5,190)	-	-	5,190	-	-	-
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	(3,513)	(3,513)	-	(3,513)
Transfers during the year	-	-	-	1,009	1,009	-	-	(2,018)	-	-	-
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	78,557	78,557
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	(8,631)	(8,631)
Balance at 31 December 2018	101,132	5,687	50,890	30,621	(10,121)	(4,534)	13,318	186,993	33,000	94,863	314,856

The above Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity have been extracted from the Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the year ended 31 December 2019, which were approved by the Board of Directors on 26 February 2020 and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Hussain Lalani
Chief Executive Officer

