

UGB announces results for 2016

Bahrain, 28 February 2017– United Gulf Bank B.S.C. ("UGB"), today announced its financial results for 2016.

Key Financial Highlights for 2016:

- Net profit attributable to shareholders of the parent of US\$ 6.3 million (2015: US\$ 11.2 million)
- Net consolidated profit of US\$ 0.90 million (2015: US\$ 3.2 million)
- Basic earnings per share of 0.77 cents (2015: 1.38 cents)
- Net profit attributable to shareholders of the parent in Q4 2016 of US\$ 0.3 million (Q4 2015: US\$ 5.2 million)
- Total income before interest and other expenses US\$ 138.0 million (2015: US\$ 144.8 million)
- Total assets for 2016 of US\$ 3.0 billion (2015: US\$ 2.72 billion)
- Capital adequacy ratio of more than 14% (2015 :15 %) which exceeds the minimum regulatory requirement of 12.5%

Financial Performance

UGB's profit attributable to shareholders of the parent for 2016 decreased to US\$ 6.3 million compared to US\$ 11.2 million in 2015, with a similar decrease in basic earnings per share to 0.77 cents from 1.38 cents in 2015.

UGB's total assets stood at US\$ 3.0 billion as at 31 December 2016, compared to US\$ 2.72 billion in 2015.

UGB balance sheet remains strong with total equity of US\$ 529.5 million (2015: US\$ 503.3 million) an increase of around 5.2% from 31 December 2015 mainly reflective of the US\$ 33 million Additional Tier 1 Capital Facility raised during the 1Q2016.

UGB's Board of Directors will not be recommending any dividends for the year ended 2016.

Masaud Hayat, Chairman of UGB said: “During 2016 UGB shored up its equity base through raising USD 33 million of Tier 1 Capital and later in October 2016 UGB successfully repaid its USD 100 million Subordinated Bond to the investors on its maturity underpinning the strength of diversified liquidity sources and investor confidence on UGB’s business model. From profitability perspective our diversification strategy and focus on recurring revenue stream has again proved its strength and UGB has posted another profitable result despite challenges faced by the investment banking industry

I take this opportunity to express our gratitude to all the Bahraini regulatory authorities, especially the Central Bank of Bahrain, Bahrain Bourse as well as the Ministry of Industry, Commerce and Tourism for their longstanding support and collaboration and to thank all our shareholders including our mother company KIPCO for their trust and confidence”

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About UGB:

UGB is the merchant banking subsidiary of KIPCO Group. Its proprietary investments include assets in commercial banking, real estate, private equity, and quoted securities. As of 31 December 2016 assets under management exceeded US\$ 10.0 billion (31 December 2015: US\$ 10.7 billion).

UGB’s core subsidiaries and associates include: Burgan Bank, KAMCO Investment Company (KAMCO), FIMBank p.l.c, North Africa Holding Company, United Gulf Financial Services – North Africa, Takaud Savings & Pension Company, United Capital Transport Company and United Real Estate Company.

UGB and its subsidiary KAMCO have a proven track record of successfully completing more than 60 investment banking transactions for its clients since 2001 with an aggregate value of over US\$ 10 billion including corporate finance, advisory, new issue placement and underwriting, corporate restructuring, bond issuance and merger and acquisition.

For further information:

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