

### Interim Consolidated Statement of Financial Position

As at 31 March 2014 (Unaudited)			
	Unaudited 31 March 2014 US\$ 000	Audited 31 December 2013 US\$ 000	Unaudited 31 March 2013 US\$ 000
ASSETS			
Demand and call deposits with banks	281,492	17,747	18,467
Placements with banks	60,589	113,063	102,512
Investments carried at fair value through statement of income	70,507	46,629	51,618
Non-trading investments	215,642	166,267	184,031
Loans and receivables	985,215	3,958	4,169
Other assets	78,603	29,630	29,945
Investments in associates and joint ventures	798,812	824,557	799,577
Investment properties	14	14	14,020
Property and equipment	39,359	690	633
Goodwill	57,437	56,008	56,303
TOTAL ASSETS	2,587,670	1,258,563	1,261,275
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	786,644	258,548	218,803
Deposits from customers	446,193	23,802	59,664
Loans payable	667,368	386,325	371,588
Subordinated debt	93,135	100,000	100,000
Other liabilities	45,859	30,326	26,719
TOTAL LIABILITIES	2,039,199	799,001	776,774
EQUITY			
Share capital	208,651	208,651	208,644
Treasury shares	(18,131)	(18,131)	(15,340)
Share premium	11,459	11,459	11,459
Statutory reserve	96,882	96,882	96,623
General reserve	77,367	77,367	77,108
Treasury shares reserve	14,248	14,248	14,308
Fair value reserve	(5,277)	(17,313)	(2,189)
Foreign currency translation reserve	6,036	6,686	11,189
Retained earnings	66,669	56,451	60,867
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	457,904	436,300	462,669
Non-controlling interests in equity	90,567	23,262	21,832
TOTAL EQUITY	548,471	459,562	484,501
TOTAL LIABILITIES AND EQUITY	2,587,670	1,258,563	1,261,275

# Interim Consolidated Statement of Cash Flows For the three-month period ended 31 March 2014 (Unaudited)

		Three-months period ended 31 March		
	2014 US\$ 000	2013 US\$ 000		
Net cash (used in) from operating activities	(28,627)	38,092		
Net cash from investing activities	132,773	12,895		
Net cash from (used in) financing activities	99,712	(10,801)		
Foreign currency translation adjustments	(650)	(1,397)		
Movement in non-controlling interests	200	(522)		
NET CHANGE IN CASH AND CASH EQUIVALENTS	203,408	38,267		
Cash and cash equivalents at 1 January	130,491	82,393		
CASH AND CASH EQUIVALENTS AT 31 MARCH	333,899	120,660		

### Interim Consolidated Statement of Income For the three nonth period ended 31 March 2014 (

	Three-mont ended 31	
	2014 US\$ 000	2013 US\$ 000
Investment income - net	14,312	2,769
Interest income	11,619	1,685
	25,931	4,454
Fees and commissions	9,310	5,360
Foreign currency translation (losses) gains - net	(1,673)	45
Share of results of associates and joint ventures - net	6,968	12,043
Total income	40,536	21,902
Interest expense	(11,891)	(7,979)
Operating income before expenses and provisions	28,645	13,923
Salaries and benefits	(10,445)	(4,536)
General and administrative expenses	(6,527)	(1,959)
Operating income before provisions	11,673	7,428
Impairment loss on loans and investments	(95)	(1,160)
Write-back of provisions for doubtful loans, guarantees and other assets - net	-	597
NET PROFIT FOR THE PERIOD	11,578	6,865
Profit attributable to:		
- shareholders of the parent	10,218	6,485
- non-controlling interests	1,360	380
	11,578	6,865
Earnings per share		
Basic and diluted earnings per share (US cents)	1.25	0.79
Interim Consolidated Statement of Comprehensive Income For the three-month period ended 31 March 2014 (Unaudited)		
	Three-mont ended 31	
	2014	2013

	ended 31	March
	2014 US\$ 000	2013 US\$ 000
NET PROFIT FOR THE PERIOD	11,578	6,865
Other comprehensive (loss) income to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation reserve	(569)	(1,729)
Fair value reserve	8,866	816
Transfer to interim consolidated statement of income upon derecognition	1,688	(795)
Share of other comprehensive (loss) income of associates and joint ventures - net	(721)	1,211
Cash flow hedges	30	123
Other comprehensive income (loss) for the period to be reclassified to profit or loss in subsequent periods	9,294	(374)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20,872	6,491
Total comprehensive income (loss) attributable to		
- shareholders of the parent	21,604	6,461
- non-controlling interests	(732)	30
	20,872	6,491

Interim Consolidated Statement of Changes in Equity For the three-month period ended 31 March 2014 (Unaudited)

		Attributable to shareholders of the parent										
	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	Non- controlling interests US\$ 000	Total equity US\$ 000
Balance at 1 January 2014	208,651	(18,131)	11,459	96,882	77,367	14,248	(17,313)	6,686	56,451	436,300	23,262	459,562
Profit for the period	-	-	-	-	-	-	-	-	10,218	10,218	1,360	11,578
Other comprehensive income (loss)		-	-	-	-	-	12,036	(650)	-	11,386	(2,092)	9,294
Total comprehensive income (loss) for the period	-	-	-	-	-	-	12,036	(650)	10,218	21,604	(732)	20,872
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	68,037	68,037
Balance at 31 March 2014	208,651	(18,131)	11,459	96,882	77,367	14,248	(5,277)	6,036	66,669	457,904	90,567	548,471
Balance at 1 January 2013	208,644	(15,340)	11,459	96,623	77,108	14,308	(3,562)	12,586	54,382	456,208	21,974	478,182
Profit for the period	-	-	-	-	-	-	-	-	6,485	6,485	380	6,865
Other comprehensive income (loss)		-	-	-	-	-	1,373	(1,397)	-	(24)	(350)	(374)
Total comprehensive income (loss) for the period	-	-	-	-	-	-	1,373	(1,397)	6,485	6,461	30	6,491
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(172)	(172)
Balance at 31 March 2013	208,644	(15,340)	11,459	96,623	77,108	14,308	(2,189)	11,189	60,867	462,669	21,832	484,501

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of Cash Flows, 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 three-month period ended 31 March 2014, which were approved by the Board of Directors on 14 May 2014 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat Chairman

Faisal Al Ayyar Vice Chairman

# Rabih Soukarieh Chief Executive Officer

	Major Subsidiaries			Major Associates		
KAMCO, 9.COL	FIMBANK	الخليج المتحد للخدمات المالية شمال الارسا United Gulf Financial Services North Africa	ين <u>ہ برو-</u> ن Burgan Bank	میا ہے Manafae شرکة مناف الاستیار مار Manafae Investment Company	N	شرکة العقارات المتحدة United Real Estate Company

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