



UGB announces net profit of \$ 11.6 million for the first quarter of 2014

Bahrain, 14 May 2014: United Gulf Bank B.S.C. ("UGB") has announced a net profit of US\$ 11.6 million for the first quarter of 2014 compared to US\$ 6.9 million in the first three months of 2013, an increase of 69%.

Key Financial Highlights – 1Q14

- Net profit of for the first three months of US\$ 11.6 million (1Q13: US\$ 6.9 million)
- Net profit attributable to the shareholders of the parent of US\$ 10.2 million (1Q13: US\$ 6.5 million)
- Basic earnings per share of 1.25 cents (1Q13: 0.79 cents)
- Total income before interest and other expenses of US\$ 40.5 million (1Q13: US\$ 21.9 million)
- Total assets increased to US\$ 2.6 billion (2013: US\$ 1.26 billion) due to consolidation of FIM Bank p.l.c (FIMBank)
- Capital adequacy ratio of 14% exceeding versus the minimum regulatory requirement of 12.5%

Financial Performance

UGB's net profit for the three months to 31st March 2014 increased by 69% to US\$ 11.6 million from US\$ 6.9 million in the same period last year. UGB total income also increased to US\$ 40.5 million compared to US\$ 21.9 million at 31 March 2013.

UGB consolidated FIMBank – Malta in which equity ownership was increased to 60.5% from 30% as at 31 December 2013 through voluntary bid acquisition. FIMBank is a publicly-listed Malta-based international trade finance specialist. Additional shares acquisition was completed in early 2014, providing the Group with a majority shareholding. FIMBank has successfully made its mark on the international factoring sector by offering a complete portfolio of factoring services, and actively pursuing a strategy of establishing factoring joint ventures with prominent institutions in selected emerging markets. FIMBank owns the UK-registered London Forfaiting Company, together with factoring joint-ventures in Russia, Romania, Brazil, India, Dubai, Egypt, and Lebanon

UGB's total assets increased US\$2.6 billion as at 1Q14, compared to US\$ 1.3 billion at 31 December 2013 due to consolidation of FIMBank.

Total equity increased to US\$ 548.5 million (2013: US\$ 459.6 million) and a capital adequacy ratio of 14% was maintained. This is well above the Central Bank of Bahrain's minimum level of 12.5%.

Commenting on the results, Mr. Rabih Soukarieh, Chief Executive Officer of UGB, said:

"Acquisition of FIMBank is a strategically-significant deal which will widen the scope of banking activities of UGB Group, and complement our geographical footprint. First quarter results are encouraging and focus during the year will be to maintain the momentum and enhance the recurring revenue stream."

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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 March 2014 assets under management exceeded US\$ 11.4 billion (31 December 2013: US\$ 9.7 billion).

UGB's core subsidiaries, associates and joint venture include: Burgan Bank, KIPCO Asset Management Company (KAMCO), North Africa Holding Company, United Gulf Financial Services – North Africa, Takaud Savings & Pension Company, FIMBank p.l.c, 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\$ 8 billion including corporate finance, advisory, new issue placement and underwriting, corporate restructuring, bond issuance and merger and acquisition.

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