



Immediate Release

UGB announces profit of US\$ 4.9 million for nine months

Bahrain – 7 November 2012: United Gulf Bank B.S.C. (c) (UGB), the asset management and investment banking platform of the KIPCO Group, today announced a net profit of \$ 4.9 million for the nine months ended 30 September, 2012 – a 65% decrease over same period last year.

Key Financial Highlights

- Net profit of \$ 4.9 million (30 September 2011: \$ 13.9 million)
- Total income decreased to \$ 75.3 million (30 September 2011: \$ 88.8 million)
- Earnings per share US 0.60 cents (30 September 2011: US 1.69 cents)
- Total assets of \$ 1.4 billion (31 December 2011: \$ 1.77 billion)
- Capital adequacy ratio in excess of 25% compared to minimum regulatory requirement of 12.5%
- Loss for 3Q12 of \$ 11.5 million (Net Profit 3Q11: \$ 0.6 million)
- Total income for 3Q12 of \$ 15 million (3Q11: \$ 25.3 million)

Financial Performance

For the nine period ending 30 September 2012, UGB recorded a total income of \$75.3 million compared to \$88.8 million for the same period last year. Fees and commission income contributed \$ 16 million compared to \$ 13.1 million and contribution from associates increased to US\$ 30.6 million compared \$ 26.7 million in nine months of 2011 due to improved results of commercial banking and real estate associates. Investment income were lower at \$ 24.5 million in nine months of 2012 due to losses on sale of investment in an associates, as against \$ 43.9 million in the same period in 2011.

For three months period ended 30 September, 2012 the Bank incurred a loss of \$11.5 million compared to profit \$ 0.6 million for the same period last year. The loss was mainly incurred at KAMCO, Kuwait, our subsidiary on sale of non-core assets.

On a group wide basis including minority interest, UGB Group reported net profit of U\$S 0.5 million for nine months of 2012 compared to US\$ 11.1 million in the same period last year.

UGB's total assets stood at \$1.4 billion as at 30 September, 2012, a decrease from \$1.77 billion as at 31 December, 2011.

UGB's assets under management at 30 September 2012 were \$8.0 billion, compared to \$7.1 billion at 31 December 2011.

Commenting on UGB's nine months results, Bank's Chairman, Mr. Masaud Hayat, said:

“UGB core assets continue to perform and both commercial banking and real estate assets contribution has increased compared to last year. We will continue deleveraging our non-core assets and at the same time invest in our core activities and markets.”

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About UGB:

UGB, the merchant banking subsidiary of KIPCO Group, manages a regional network of investment banking and asset management companies. Its proprietary investments include assets in real estate, private equity, structured products and quoted securities. As of 30 September 2012 assets under management exceeded US\$ 8.0 billion (31 December 2011: US\$ 7 billion).

UGB's core subsidiaries, associates and joint venture include: Burgan Bank, KIPCO Asset Management Company (KAMCO), North Africa Holding Company, Al Sharq Financial Brokerage Company, Manafae Investment Company, Millennium Private Equity Limited, Royal Capital Company, Syria Gulf Bank, , United Gulf Financial Services – North Africa, United Industries Company, Takaad 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\$ 8 billion including corporate finance, advisory, new issue placement and underwriting, corporate restructuring, bond issuance and merger and acquisition.

www.ugbbah.com

About KIPCO Group:

The KIPCO Group is one of the largest diversified holding companies in the Middle East and North Africa. KIPCO has significant ownership interests in a portfolio of over 60 companies operating across 26 countries. The company's main business sectors are financial services and media. Through the subsidiaries and affiliates of its core companies, KIPCO has interests in the real estate, industrial, education and management advisory sectors.

KIPCO's financial services interests include holdings in commercial and investment banking, asset management and insurance companies. The Group's core operating companies in this sector include Burgan Bank, United Gulf Bank and Gulf Insurance Company. In the media sector, the Group has a presence through the Orbit Showtime Network, the leading pay-TV operator in the region.

www.kipco.com

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