



UGB announces first quarter net profit attributable to the shareholders of the parent of US\$ 6.5 million

Bahrain, 14 May 2013: United Gulf Bank B.S.C. ("UGB") has announced a net profit attributable to the shareholders of the parent of US\$ 6.5 million for the first quarter of 2013 compared to US\$ 9.1 million in the first three months of 2012, a decrease of 28.9%.

Key Financial Highlights – 1Q13

- Net profit attributable to the shareholders of the parent decreased by 28.9% to US\$ 6.5 million (1Q12: US\$ 9.1 million)
- Basic earnings per share decreased by 28.8% to 0.79 cents (1Q12: 1.11 cents)
- Total income before interest and other expenses decreased by 32.5% to US\$ 21.9 million (1Q12: US\$ 32.5 million)
- Total assets increased by 2.9% to US\$ 1.26 billion (2012: US\$ 1.23 billion)
- Capital adequacy ratio of 23% exceeding versus the minimum regulatory requirement of 12.5%

Financial Performance

UGB's net profit attributable to the shareholders of the parent for the three months to 31st March 2013 decreased by 28.9% to US\$ 6.5 million from US\$ 9.1 million in the same period last year. On a recurring revenue basis, however, UGB revenues and profitability increased as the first quarter 2012 net profit included an exceptional gain recorded by one of UGB's associate on the sale of property in Lebanon.

UGB also managed to reduce operating expenses by 15% from US\$ 7.6 million to US\$ 6.5 million and interest expense by 40% from US\$ 13.3 million to US\$ 8.0 million during the first quarter.

UGB's total assets stood at US\$1.26 billion as at 1Q13, which is slightly higher (2.9%) from US\$ 1.23 billion recorded at the end of 2012.

Total equity increased by 1.3% to US\$ 484.5 million (2012: US\$ 478.2 million) and a capital adequacy ratio of 23% was maintained. This is well above the Central Bank of Bahrain's minimum level of 12.5%.

Commenting on the results, Mr. Masaud Hayat, Chairman of UGB, said:

“The first quarter results are in line with our expectations; even though profit is lower compared to 1st quarter of 2012, recurring revenues have increased. The strict financial discipline and our focus on core assets implemented last year have begun to bear the required results.”

*** END ***

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 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, 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\$ 8 billion including corporate finance, advisory, new issue placement and underwriting, corporate restructuring, bond issuance and merger and acquisition.

About KIPCO Group:

The KIPCO Group is one of the biggest holding companies in the Middle East and North Africa, with consolidated assets of US\$ 26 billion as at 31 December, 2012. The Group has significant ownership interests in over 60 companies operating across 24 countries. The group's main business sectors are financial services, media, real estate and manufacturing. Through its core companies, subsidiaries and affiliates, KIPCO also has interests in the education and medical sectors.

For further information:

United Gulf Bank

Maha Ebrahim

T: +97317520101

E: mebrahim@ugbbah.com