



Immediate Release

UGB announces first half net profit attributable to the shareholders of the parent of US\$ 9.7 million

Bahrain – 13 August 2013: United Gulf Bank B.S.C. (c) (UGB today announced a net profit attributable to the shareholders of the parent of \$ 9.7 million for the six months ended 30 June, 2013 – a 41.3% decrease compared to \$ 16.5 million over the same period last year. Net Income attributable to the shareholders of the parent for the second quarter decreased by 56.7% to US\$ 3.2 million compared to US\$ 7.3 million in the second quarter of 2012.

Key Financial Highlights

- Net profit attributable to the shareholders of the parent of \$9.7 million (1H12: \$ 16.5 million)
- Total income of \$37.6 million (1H12: \$ 60.3 million)
- Earnings per share 1.19¢ (1H12: 2.00¢)
- Total assets of \$1.26 billion (2012: \$1.23 billion)
- Capital adequacy ratio of 25% exceeding the minimum regulatory requirement of 12.5%
- Net profit attributable to the shareholders of the parent for 2Q13 of \$ 3.2 million (2Q12: \$ 7.3 million)
- Total income for 2Q13 of \$ 15.7 million (2Q12: \$ 27.8 million)

Financial Performance

On a six months basis, UGB recorded a total income of \$37.6 million for the first half of 2013 compared to \$60.3 million for the six months ended 30 June, 2012. Fees and commission income contributed \$ 9.3 million compared to \$ 11.5 million and contribution from associates decreased to \$ 18.7 million compared \$ 21.6 million in 1H2012 due to decline of commercial banking results. Investment income

reduced to \$ 5.3 million compared to \$ 24.1 million in first half of 2012 due to deleveraging and exits of non-trading investments in 1H2012.

Net profit attributable to the shareholders of the parent for the three months to 30 June, 2013 decreased by 56.7% to \$3.2 million compared to \$ 7.3 million for the three months ended 30 June, 2012.

UGB's total assets stood at \$1.26 billion as at 30 June, 2013, an increase from \$1.23 billion as at 31 December, 2012.

UGB's assets under management at 30 June 2013 were \$9.2 billion, compared to \$8.1 billion at 31 December 2012.

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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 30 June 2013 assets under management exceeded US\$ 9.2 billion (31 December 2012: US\$ 8.1 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, Takaful 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:

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