

**Interim Consolidated Statement of Financial Position**  
 As at 30 September 2018 (Reviewed)

	Reviewed 30 September 2018 US\$ 000	Audited 31 December 2017 US\$ 000	Reviewed 30 September 2017 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	142,259	97,993	33,458
Placements with banks	139,904	68,577	101,765
Investments carried at fair value through statement of income	87,065	19,268	24,886
Non-trading investments	177,469	221,566	254,998
Amortised cost investments	494	-	-
Loans and receivables	23,897	4,216	11,785
Other assets	68,114	31,820	54,930
Investments in associates	76,057	77,512	140,486
Investment properties	108,963	105,093	105,056
Property and equipment	27,583	1,679	1,641
Goodwill	52,390	52,390	51,671
Assets held for sale	-	-	2,208,474
<b>TOTAL ASSETS</b>	<b>904,195</b>	<b>680,114</b>	<b>2,989,150</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	219,185	250,211	356,784
Deposits from customers	43,813	31,018	50,135
Loans payable	70,716	98,658	121,021
Long term bonds	132,227	-	-
Other liabilities	115,900	37,358	36,243
Liabilities directly associated with assets held for sale	-	-	1,867,239
<b>TOTAL LIABILITIES</b>	<b>581,841</b>	<b>417,245</b>	<b>2,431,422</b>
<b>EQUITY</b>			
Share capital	101,132	101,132	208,651
Treasury shares	-	-	(18,131)
Share premium	5,687	5,687	11,459
Statutory reserve	49,881	49,881	100,514
General reserve	29,612	29,612	80,999
Treasury shares reserve	-	-	14,248
Fair value reserve	(773)	12,867	(39,913)
Foreign currency translation reserve	(3,906)	(3,871)	(32,479)
Retained earnings	13,259	7,659	90,257
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>194,892</b>	<b>202,967</b>	<b>415,605</b>
Perpetual Tier 1 capital	33,000	33,000	33,000
Non-controlling interests	94,462	26,902	109,123
<b>TOTAL EQUITY</b>	<b>322,354</b>	<b>262,869</b>	<b>557,728</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>904,195</b>	<b>680,114</b>	<b>2,989,150</b>

**Interim Consolidated Statement of Income**

For the nine-month period ended 30 September 2018 (Reviewed)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2018 US\$ 000	2017 US\$ 000	2018 US\$ 000	2017 US\$ 000
<b>Continuing operations</b>				
Investment income - net	3,955	6,238	9,273	17,415
Interest income	1,868	1,326	4,000	3,094
	5,823	7,564	13,273	20,509
Fees and commissions	8,876	4,328	27,159	15,599
Foreign currency translation gains (losses) - net	280	(161)	723	(373)
Share of results of associates - net	878	(1,594)	2,168	(1,419)
<b>Total income</b>	<b>15,857</b>	<b>10,137</b>	<b>43,323</b>	<b>34,316</b>
Interest expense	(4,029)	(4,178)	(9,721)	(11,576)
<b>Operating income before expenses and provisions</b>	<b>11,828</b>	<b>5,959</b>	<b>33,602</b>	<b>22,740</b>
Salaries and benefits	(6,452)	(4,292)	(16,496)	(12,598)
General and administrative expenses	(3,613)	(2,382)	(10,744)	(7,755)
<b>Operating income (loss) before provisions and tax</b>	<b>1,763</b>	<b>(715)</b>	<b>6,362</b>	<b>2,387</b>
Recoveries of (provision for) loans and receivables	-	1,664	-	(597)
Provision for impairment on investments	-	-	-	(462)
Provision for losses against unfunded participation	-	-	(731)	-
Taxation - net	(2)	93	617	(1,071)
<b>Net profit for the period from continuing operations</b>	<b>1,761</b>	<b>1,042</b>	<b>6,248</b>	<b>257</b>
Net income from discontinued operations	74	2,128	524	10,748
<b>Net profit for the period</b>	<b>1,835</b>	<b>3,170</b>	<b>6,772</b>	<b>11,005</b>
<b>Net profit (loss) for the period attributable to:</b>				
<b>Non-controlling interests</b>				
- from continuing operations	280	319	446	525
- from discontinued operations	10	653	71	2,182
	290	972	517	2,707
<b>Shareholders of the parent</b>				
- from continuing operations	1,481	723	5,802	(268)
- from discontinued operations	64	1,475	453	8,566
	1,545	2,198	6,255	8,298

**Interim Consolidated Statement of Other Comprehensive Income**

For the nine-month period ended 30 September 2018 (Reviewed)

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2018 US\$ 000	2017 US\$ 000	2018 US\$ 000	2017 US\$ 000
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,835</b>	<b>3,170</b>	<b>6,772</b>	<b>11,005</b>
<b>Other comprehensive (loss) income for the period to be reclassified to profit or loss in subsequent periods:</b>				
Foreign currency translation reserve	(359)	652	(1,405)	1,745
Fair value reserve	(3,280)	2,190	(13,116)	19,106
Cash flow hedges	(41)	146	589	(215)
<b>Other comprehensive (loss) income for the period to be reclassified to profit or loss in subsequent periods</b>	<b>(3,680)</b>	<b>2,988</b>	<b>(13,932)</b>	<b>20,636</b>
<b>Other comprehensive loss for the period from discontinued operations to be reclassified to profit or loss in subsequent periods</b>	<b>-</b>	<b>(47)</b>	<b>-</b>	<b>(3,422)</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(1,845)</b>	<b>6,111</b>	<b>(7,160)</b>	<b>28,219</b>
<b>Total comprehensive (loss) income attributable to:</b>				
- shareholders of the parent	(736)	4,582	(5,267)	23,348
- non-controlling interests	(1,109)	1,529	(1,893)	4,871
	(1,845)	6,111	(7,160)	28,219

**Interim Condensed Consolidated Statement of Cash Flows**

For the nine-month period ended 30 September 2018 (Reviewed)

	Nine-month period ended 30 September	
	2018 US\$ 000	2017 US\$ 000
Net cash flows from (used in) operating activities	38,938	(105,798)
Net cash flows used in investing activities	(21,226)	(25,715)
Net cash flows from financing activities	102,533	84,520
Foreign currency translation adjustments	(1,342)	4,997
Movement in non-controlling interests	(3,310)	3,969
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>115,593</b>	<b>(38,027)</b>
Cash and cash equivalents at 1 January	166,252	357,067
<b>CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER</b>	<b>281,845</b>	<b>319,040</b>

**Interim Consolidated Statement of Changes In Equity**

For the nine-month period ended 30 September 2018 (Reviewed)

	Attributable to shareholders of the parent													Total equity US\$ 000
	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	Perpetual Tier 1 capital US\$ 000	Non-controlling interests US\$ 000		
Balance at 1 January 2018	101,132	-	5,687	49,881	29,612	-	12,867	(3,871)	7,659	202,967	33,000	26,902	262,869	
Transition adjustment on adoption of IFRS 9 at 1 January 2018	-	-	-	-	-	-	3,037	-	(4,093)	(1,056)	-	465	(591)	
	101,132	-	5,687	49,881	29,612	-	15,904	(3,871)	3,566	201,911	33,000	27,367	262,278	
Profit for the period	-	-	-	-	-	-	-	-	6,255	6,255	-	517	6,772	
Other comprehensive loss	-	-	-	-	-	-	(10,180)	(1,342)	(11,522)	(11,522)	-	(2,410)	(13,932)	
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(10,180)	(1,342)	6,255	(5,267)	-	(1,893)	(7,160)	
Transfer upon disposal of non-trading investments	-	-	-	-	-	-	(5,190)	-	5,190	-	-	-	-	
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	-	(1,752)	(1,752)	-	-	(1,752)	
Transfer upon reclassification	-	-	-	-	-	-	(1,307)	1,307	-	-	-	-	-	
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	70,353	70,353	
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,365)	(1,365)	
<b>Balance at 30 September 2018</b>	<b>101,132</b>	<b>-</b>	<b>5,687</b>	<b>49,881</b>	<b>29,612</b>	<b>-</b>	<b>(773)</b>	<b>(3,906)</b>	<b>13,259</b>	<b>194,892</b>	<b>33,000</b>	<b>94,462</b>	<b>322,354</b>	
Balance at 1 January 2017	208,651	(18,131)	11,459	100,514	80,999	14,248	(49,966)	(37,476)	83,711	394,009	33,000	102,447	529,456	
Profit for the period	-	-	-	-	-	-	-	-	8,298	8,298	-	2,707	11,005	
Other comprehensive income	-	-	-	-	-	-	10,053	4,997	15,050	15,050	-	2,164	17,214	
Total comprehensive income for the period	-	-	-	-	-	-	10,053	4,997	23,348	23,348	-	4,871	28,219	
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	(1,752)	(1,752)	(1,752)	-	-	(1,752)	
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,805	1,805	
Balance at 30 September 2017	208,651	(18,131)	11,459	100,514	80,999	14,248	(39,913)	(32,479)	90,257	415,605	33,000	109,123	557,728	

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Consolidated Statement of Other Comprehensive Income, Interim Condensed Consolidated Statement of Cash Flows and Interim Consolidated Statement of Changes In Equity have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the nine-month period ended 30 September 2018, which were approved by the Board of Directors on 13 November 2018 and was reviewed by Ernst &amp; Young, Kingdom of Bahrain.

**Masaud Hayat**  
 Chairman

**Faisal Al Ayyar**  
 Vice Chairman

**Hussain Lalani**  
 Acting Chief Executive Officer
