

Consolidated Statement of Financial Position		
At 31 December 2017		
	2017 US\$ 000	2016 US\$ 000
ASSETS		
Demand and call deposits with banks	97,993	176,880
Placements with banks	68,577	187,350
Investments carried at fair value through statement of income	19,288	45,178
Non-trading investments	221,566	404,436
Loans and receivables	4,216	1,184,804
Other assets	31,820	112,735
Investments in associates	77,512	709,043
Investment properties	105,093	101,326
Property and equipment	1,679	32,117
Goodwill	52,390	51,868
TOTAL ASSETS	680,114	3,005,737
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks and other financial institutions	250,211	726,222
Deposits from customers	31,018	985,210
Loans payable	98,658	652,125
Subordinated debt	-	50,000
Other liabilities	37,358	62,724
TOTAL LIABILITIES	417,245	2,476,281
EQUITY		
Share capital	101,132	208,651
Treasury shares	-	(18,131)
Share premium	5,687	11,459
Statutory reserve	49,881	100,514
General reserve	29,612	80,999
Treasury shares reserve	-	14,248
Fair value reserve	12,867	(49,966)
Foreign currency translation reserve	(3,871)	(37,476)
Retained earnings	7,659	83,711
CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT	202,967	394,009
Perpetual Tier 1 capital	33,000	33,000
Non-controlling interests in equity	26,902	102,447
TOTAL EQUITY	262,869	529,456
TOTAL LIABILITIES AND EQUITY	680,114	3,005,737

Condensed Consolidated Statement of Cash Flows		
For the year ended 31 December 2017		
	2017 US\$ 000	2016 US\$ 000
Net cash from operating activities	24,982	234,463
Net cash from investing activities	710,443	30,237
Net cash used in financing activities	(884,755)	(124,506)
Foreign currency translation adjustments	33,605	(2,586)
Movement in non-controlling interests	(75,090)	(1,498)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(190,815)	136,110
Cash and cash equivalents at 1 January	357,067	220,957
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	166,252	357,067

Consolidated Statement of Income and Other Comprehensive Income		
For the year ended 31 December 2017		
	2017 US\$ 000	2016 US\$ 000
Continuing operations		
Interest income	4,431	3,310
Investment income - net	23,810	9,753
Fees and commissions - net	28,241	13,063
Foreign currency losses - net	25,391	19,830
Share of results of associates - net	(409)	(3,886)
Total income	(2,922)	3,841
Interest expense	50,301	32,848
Operating income before expenses and provisions	(15,232)	(11,703)
Salaries and benefits	35,069	21,145
General and administrative expenses	(15,862)	(12,635)
Operating income before provisions and tax	(9,730)	(7,978)
Impairment loss on investments	9,477	532
Provision for doubtful loans and other assets - net	(462)	(2,933)
Taxation - net	(2,895)	894
Net profit (loss) for the period from continuing operations	(1,018)	(20)
Net profit from discontinued operations	5,102	(1,527)
Net profit before reclassification adjustments	3,268	2,400
Reclassification adjustments	8,370	873
(Loss) profit for the year	(87,765)	-
Other comprehensive income:		
Reclassification adjustments	(79,395)	873
Foreign currency translation reserve	87,765	-
Fair value reserve	8,370	873
Transfer to consolidated statement of income upon disposal	6,029	(2,806)
Share of other comprehensive loss of associates - net	4,950	6,062
Cash flow hedges	(1,880)	2,681
Other comprehensive income (loss) for the year	-	(11,690)
TOTAL COMPREHENSIVE INCOME (LOSS) THE YEAR	256	655
(Loss) profit for the year	9,355	(5,098)
TOTAL COMPREHENSIVE INCOME (LOSS) THE YEAR	17,725	(4,225)
(Loss) profit for the year	(79,850)	6,259
Other comprehensive income (loss) for the year	96,438	(4,393)
Total comprehensive income attributable to shareholders of the parent	16,588	1,866
Profit (Loss) for the year	455	(5,386)
Other comprehensive income (Loss) for the year	682	(705)
Total comprehensive income (Loss) attributable to non-controlling interests	1,137	(6,091)

Consolidated Statement of Changes In Equity For the year ended 31 December 2017

	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 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
Net profit for the year before reclassification adjustments	-	-	-	-	-	-	-	-	7,915	7,915	-	455	8,370
Reclassification adjustments	-	-	-	-	-	-	59,826	27,939	(87,765)	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	3,007	5,666	-	8,673	-	682	9,355
Total comprehensive income for the year	-	-	-	-	-	-	62,833	33,605	(79,850)	16,588	-	1,137	17,725
Capital reduction	(107,519)	18,131	(5,772)	(50,633)	(36,387)	(14,248)	-	-	(7,689)	(204,117)	-	-	(204,117)
Transfers during the year	-	-	-	-	(15,000)	-	-	-	15,000	-	-	-	-
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	-	(3,513)	(3,513)	-	-	(3,513)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(76,682)	(76,682)
Balance at 31 December 2017	101,132	-	5,687	49,881	29,612	-	12,867	(3,871)	7,659	202,967	33,000	26,902	262,869
Balance at 1 January 2016	208,651	(18,131)	11,459	99,888	80,373	14,248	(48,159)	(34,890)	80,497	393,936	-	109,331	503,267
Profit (loss) for the year	-	-	-	-	-	-	-	-	6,259	6,259	-	(5,386)	873
Other comprehensive loss	-	-	-	-	-	-	(1,807)	(2,586)	-	(4,393)	-	(705)	(5,098)
Total comprehensive (loss) income for the year	-	-	-	-	-	-	(1,807)	(2,586)	6,259	1,866	-	(6,091)	(4,225)
Perpetual Tier 1 capital	-	-	-	-	-	-	-	-	-	-	33,000	-	33,000
Interest payment on Tier 1 capital	-	-	-	-	-	-	-	-	(1,793)	(1,793)	-	-	(1,793)
Transfers during the year	-	-	-	626	626	-	-	-	(1,252)	-	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(793)	(793)
Balance at 31 December 2016	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

The above Consolidated Statement of Financial Position, Consolidated Statement of Income and other Comprehensive income, Condensed Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity have been extracted from the Condensed Consolidated Financial Statements of United Gulf Bank B.S.C.(c) for the year ended 31 December 2017, which were approved by the Board of Directors on 27 February 2018 and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Hussain Lalani
Acting Chief Executive Officer



بنك الخليج المتحد
United Gulf Bank B.S.C.(c)