



Interim Consolidated Statement of Financial Position

As at 30 June 2011 (Unaudited)

	Unaudited 30 June 2011 US\$ 000	Audited 31 December 2010 US\$ 000	Unaudited 30 June 2010 US\$ 000
ASSETS			
Demand and call deposits with banks	16,400	27,914	23,847
Time deposits with banks	86,910	167,257	127,193
Investments carried at fair value through statement of income	107,361	126,661	136,676
Non-trading investments	431,520	385,770	612,472
Loans and receivables	26,355	57,920	55,520
Other assets	38,234	46,950	100,086
Investments in associates and joint venture accounted for under the equity method	995,884	1,026,065	686,337
Investment properties	21,178	21,178	21,178
Property and equipment	1,246	1,074	927
Goodwill	56,296	56,296	55,168
TOTAL ASSETS	1,781,384	1,917,085	1,819,404
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	161,749	435,624	401,859
Deposits from customers	103,001	139,568	67,423
Loans payable	742,029	501,432	481,107
Bonds	-	71,187	67,753
Subordinated debt	100,000	100,000	100,000
Other liabilities	70,875	68,500	123,848
TOTAL LIABILITIES	1,177,654	1,316,311	1,241,990
EQUITY			
Share capital	208,640	208,234	207,908
Treasury shares	(12,725)	(12,725)	(12,725)
Share premium	11,459	10,631	10,004
Statutory reserve	95,371	95,371	91,505
General reserve	75,856	75,856	71,990
Treasury share reserve	14,308	14,308	14,308
Fair value reserve	(34,305)	(21,374)	(23,614)
Foreign currency translation reserve	45,679	43,465	31,409
Retained earnings	154,157	140,860	141,724
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	558,440	554,626	532,509
Non-controlling interests in equity	45,290	46,148	44,905
TOTAL EQUITY	603,730	600,774	577,414
TOTAL LIABILITIES AND EQUITY	1,781,384	1,917,085	1,819,404

Interim Consolidated Statement of Income

For the six-month period ended 30 June 2011 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2011 US\$ 000	2010 US\$ 000	2011 US\$ 000	2010 US\$ 000
Continuing operations				
Investment income - net	20,626	35,246	38,527	48,069
Interest income	2,307	3,717	4,082	7,742
Fees and commissions	5,340	5,751	9,505	12,795
Foreign currency translation gain/(losses) - net	41	(100)	(67)	(407)
Share of results of associates and joint venture accounted for under the equity method - net	8,882	329	11,460	4,268
Total income	37,196	44,943	63,507	72,467
Interest expense	(13,789)	(11,720)	(26,142)	(24,109)
Operating income before expenses and provisions	23,407	33,223	37,365	48,358
Salaries and benefits	(6,576)	(6,223)	(11,081)	(12,042)
General and administrative expenses	(3,656)	(4,172)	(6,324)	(7,471)
Operating income before provisions	13,175	22,828	19,960	28,845
Impairment loss on investments	(5,036)	-	(8,288)	-
Write-back of provision for doubtful loans, guarantees and other assets - net	18	32	88	184
Net profit for the period from continuing operations	8,157	22,860	11,760	29,029
Discontinued operations				
Net profit for the period from discontinued operations	-	4,080	-	6,086
NET PROFIT FOR THE PERIOD	8,157	26,940	11,760	35,115
Attributable to:				
Shareholders of the parent				
from continuing operations	8,470	22,767	13,297	28,601
from discontinued operations	-	1,520	-	3,187
	8,470	24,287	13,297	31,788
Non-controlling interests				
from continuing operations	(313)	93	(1,537)	428
from discontinued operations	-	2,560	-	2,899
	(313)	2,653	(1,537)	3,327
	8,157	26,940	11,760	35,115
Earnings per share				
Basic earnings per share (US cents)	1.03	2.96	1.62	3.88
Diluted earnings per share (US cents)	1.03	2.96	1.62	3.87

Interim Condensed Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2011 (Unaudited)

	Six-month period ended 30 June	
	2011 US\$ 000	2010 US\$ 000
Net cash used in operating activities	(313,181)	(77,369)
Net cash from investing activities	47,518	92,263
Net cash from (used in) financing activities	170,644	(29,522)
Foreign currency translation adjustments	2,214	(4,771)
Movement in non-controlling interests	679	(23,279)

NET CHANGE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 1 January

CASH AND CASH EQUIVALENTS AT 30 JUNE

	Six-month period ended 30 June	
	2011 US\$ 000	2010 US\$ 000
	195,118	183,159
	102,992	140,481

Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2011 (Unaudited)

	Attributable to shareholders of the parent											Total before non-controlling interests US\$ 000	Non-controlling interests US\$ 000	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					
Balance at 1 January 2011	208,234	(12,725)	10,631	95,371	75,856	14,308	(21,374)	43,465	140,860	554,626	46,148	600,774		
Profit (loss) for the period	-	-	-	-	-	-	-	13,297	13,297	13,297	(1,537)	11,760		
Other comprehensive income	-	-	-	-	-	-	(12,931)	2,214	-	(10,717)	918	(9,799)		
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(12,931)	2,214	13,297	2,580	(619)	1,961		
Shares issued	406	-	828	-	-	-	-	-	-	1,234	-	1,234		
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(239)	(239)		
Balance at 30 June 2011	208,640	(12,725)	11,459	95,371	75,856	14,308	(34,305)	45,679	154,157	558,440	45,290	603,730		
Balance at 1 January 2010	207,694	(12,725)	9,612	91,505	71,990	14,308	(30,966)	36,180	119,870	507,468	64,857	572,325		
Profit for the period	-	-	-	-	-	-	-	31,788	31,788	31,788	3,327	35,115		
Other comprehensive income (loss)	-	-	-	-	-	-	7,352	(4,771)	-	2,581	(642)	1,939		
Total comprehensive income (loss) for the period	-	-	-	-	-	-	7,352	(4,771)	31,788	34,369	2,685	37,054		
Shares issued	214	-	392	-	-	-	-	-	-	606	-	606		
Dividends paid for 2009	-	-	-	-	-	-	-	-	(10,249)	(10,249)	-	(10,249)		
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,459)	(2,459)		
Employee share option plan	-	-	-	-	-	-	-	-	315	315	-	315		
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(20,178)	(20,178)		
Balance at 30 June 2010	207,908	(12,725)	10,004	91,505	71,990	14,308	(23,614)	31,409	141,724	532,509	44,905	577,414		

Interim Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2011 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2011 US\$ 000	2010 US\$ 000	2011 US\$ 000	2010 US\$ 000
NET PROFIT FOR THE PERIOD	8,157	26,940	11,760	35,115
Other comprehensive income (loss):				
Foreign currency translation reserve	180	(2,708)	3,394	(5,495)
Fair value reserve	(11,787)	5,131	(16,674)	6,615
Share of other comprehensive income of associates and joint venture accounted for under equity method	1,737	844	1,119	1,119
Cash flow hedges	1,922	439	2,362	(300)
Other comprehensive (loss) income for the period	(7,948)	3,706	(9,799)	1,939
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	209	30,646	1,961	37,054

Attributable to:

Shareholders of the parent

from continuing operations
from discontinued operations

Non-controlling interests

from continuing operations
from discontinued operations

	Three-month period ended 30 June		Six-month period ended 30 June	
	2011 US\$ 000	2010 US\$ 000	2011 US\$ 000	2010 US\$ 000
	769	23,674	2,580	29,188
	-	4,860	-	5,181
	769	28,534	2,580	34,369
	(560)	(862)	(619)	(216)
	-	2,974	-	2,901
	(560)	2,112	(619)	2,685
	209	30,646	1,961	37,054

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim Condensed Consolidated Statement of Cash Flows, Interim Consolidated Statement of Changes in Equity and Interim Consolidated Statement of Comprehensive Income have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C. for the six-month period ended 30 June 2011, which were approved by the Board of Directors on 11 August 2011 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Director

Mohammad Haroon
Acting Chief Executive Officer

Major Subsidiaries



الخليج المتحد للخدمات المالية شمال افريقيا
United Gulf Financial Services North Africa



شركة خدمات الاستثمار
Manafae Investment Company



Major Associates

