

Interim Consolidated Statement of Financial Position

As at 30 June 2010 (Unaudited)

	Unaudited 30 June 2010 US\$ 000	Audited 31 Dec 2009 US\$ 000	Unaudited 30 June 2009 US\$ 000
ASSETS			
Demand and call deposits with banks	23,847	20,328	55,093
Time deposits with banks	127,193	176,203	160,800
Investments carried at fair value through statement of income	136,676	155,315	204,972
Non-trading investments	612,472	715,321	805,148
Loans and receivables	55,520	52,595	34,983
Other assets	100,086	46,203	70,930
Investments in associates and joint venture accounted for under the equity method	686,337	647,852	614,837
Investment properties	21,178	26,794	33,322
Property and equipment	927	983	1,837
Goodwill	55,168	55,168	46,573
Assets of disposal group classified as held for sale	-	473,937	439,054
TOTAL ASSETS	1,819,404	2,370,699	2,467,549
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	401,859	458,347	543,486
Deposits from customers	67,423	227,183	125,812
Loans payable	481,107	500,986	585,453
Bonds	67,753	68,888	68,815
Subordinated debt	100,000	100,000	100,000
Other liabilities	123,848	72,002	63,249
Liabilities of disposal group classified as held for sale	-	370,968	356,509
TOTAL LIABILITIES	1,241,990	1,798,374	1,843,324
EQUITY			
Share capital	207,908	207,694	207,023
Treasury shares	(12,725)	(12,725)	(12,725)
Share premium	10,004	9,612	8,761
Statutory reserve	91,505	91,505	89,495
General reserve	71,990	71,990	69,980
Treasury shares reserve	14,308	14,308	14,308
Fair value reserve	(23,614)	(30,966)	(25,555)
Foreign currency translation reserve	31,409	36,180	51,644
Retained earnings	141,724	119,870	117,890
CAPITAL AND RESERVES ATTRIBUTABLE TO			
SHAREHOLDERS OF THE PARENT			
	532,509	507,468	520,821
Non-controlling interests in equity	44,905	64,857	103,404
TOTAL EQUITY	577,414	572,325	624,225
TOTAL LIABILITIES AND EQUITY	1,819,404	2,370,699	2,467,549

Interim Consolidated Statement of Income

For the six-month period ended 30 June 2010 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2010 US\$ 000	2009 US\$ 000	2010 US\$ 000	2009 US\$ 000
Continuing operations				
Investment income	35,246	27,958	48,069	53,814
Interest income	3,717	4,964	7,742	9,695
	38,963	32,922	55,811	63,509
Fees and commissions	5,751	4,968	12,795	10,279
Foreign currency translation losses - net	(100)	2,490	(407)	1,478
Share of results of associates and joint venture accounted for under the equity method - net	329	(4,459)	4,268	(9,400)
Total income	44,943	35,921	72,467	65,866
Interest expense	(11,720)	(13,330)	(24,109)	(26,549)
Operating income before expenses and provisions	33,223	22,591	48,358	39,317
Salaries and benefits	(6,223)	(6,670)	(12,042)	(12,642)
General and administrative expenses	(4,172)	(3,045)	(7,471)	(7,471)
Operating income before provisions	22,828	12,876	28,845	19,204
Impairment loss on investments	-	(9,500)	-	(13,100)
Write-back of (provision for) doubtful loans, guarantees and other assets - net	32	(139)	184	(1,602)
Net profit for the period from continuing operations	22,860	3,237	29,029	4,502
Discontinued operations				
Net profit for the period from discontinued operations	4,080	2,475	6,086	12,268
NET PROFIT FOR THE PERIOD	26,940	5,712	35,115	16,770
Attributable to:				
Shareholders of the parent				
from continuing operations	22,767	3,677	28,601	4,223
from discontinued operations	1,520	1,896	3,187	10,643
	24,287	5,573	31,788	14,866
Non-controlling interests				
from continuing operations	93	(440)	428	279
from discontinued operations	2,560	579	2,899	1,625
	2,653	139	3,327	1,904
	26,940	5,712	35,115	16,770
Earnings per share				
Basic earnings per share (US cents)	2.96	0.68	3.88	1.82
Diluted earnings per share (US cents)	2.96	0.68	3.87	1.82
Basic earnings per share from continuing operations (US cents)	2.77	0.45	3.49	0.52
Diluted earnings per share from continuing operations (US cents)	2.77	0.45	3.48	0.52

Interim Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2010 (Unaudited)

	Six-month period ended 30 June	
	2010 US\$ 000	2009 US\$ 000
Net cash (used in) from operating activities	(77,369)	281,964
Net cash from investing activities	92,263	11,402
Net cash used in financing activities	(29,522)	(151,312)
Foreign currency translation adjustments	(4,771)	(20,458)
Movement in non-controlling interests	(23,279)	(10,713)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(42,678)	110,833
Cash and cash equivalents at 1 January	183,159	104,957
CASH AND CASH EQUIVALENTS AT 30 JUNE	140,481	215,840

Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2010 (Unaudited)

	Attributable to shareholders of the parent											
	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	Non-controlling interests US\$ 000	Total equity US\$ 000
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	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
Balance at 1 January 2009	206,232	(12,725)	8,171	89,495	69,980	14,308	2,375	72,102	253,100	703,038	112,213	815,251
Profit for the period	-	-	-	-	-	-	-	-	14,866	14,866	1,904	16,770
Other comprehensive loss	-	-	-	-	-	-	(27,930)	(20,458)	-	(48,388)	(2,341)	(50,729)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(27,930)	(20,458)	14,866	(33,522)	(437)	(33,959)
Shares issued	791	-	590	-	-	-	-	-	-	1,381	-	1,381
Dividends paid for 2008	-	-	-	-	-	-	-	-	(150,664)	(150,664)	-	(150,664)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,171)	(1,171)
Employee share option plan	-	-	-	-	-	-	-	-	588	588	-	588
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(7,201)	(7,201)
Balance at 30 June 2009	207,023	(12,725)	8,761	89,495	69,980	14,308	(25,555)	51,644	117,890	520,821	103,404	624,225

Interim Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2010 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2010 US\$ 000	2009 US\$ 000	2010 US\$ 000	2009 US\$ 000
NET PROFIT FOR THE PERIOD	26,940	5,712	35,115	16,770
Other comprehensive income (loss):				
Foreign currency translation reserve	(2,708)	(389)	(5,495)	(23,713)
Fair value reserve	5,131	13,370	6,615	(25,466)
Share of other comprehensive income (loss) of associates and joint venture accounted for under equity method	844	(1,985)	1,119	(2,007)
Cash flow hedges	439	2,086	(300)	457
Other comprehensive income (loss) for the period	3,706	13,082	1,939	(50,729)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	30,646	18,794	37,054	(33,959)
Attributable to:				
Shareholders of the parent				
from continuing operations	23,674	11,699	29,188	(37,219)
from discontinued operations	4,860	3,507	5,181	3,697
	28,534	15,206	34,369	(33,522)
Non-controlling interests				
from continuing operations	(862)	2,876	(216)	(1,779)
from discontinued operations	2,974	712	2,901	1,342
	2,112	3,588	2,685	(437)
	30,646	18,794	37,054	(33,959)

The above Interim Consolidated Statement of Financial Position, Interim Consolidated Statement of Income, Interim 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 months ended 30 June 2010, which were approved by the Board of Directors on 12 August 2010 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Director

David J Rhodes
Chief Executive Officer

Major Subsidiaries



Major Associates

