



### Interim Consolidated Statement of Financial Position

As at 31 March 2011 (Unaudited)

	Unaudited 31 March 2011 US\$ 000	Audited 31 December 2010 US\$ 000	Unaudited 31 March 2010 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	33,656	27,914	15,133
Time deposits with banks	116,051	167,257	133,423
Investments carried at fair value through statement of income	130,466	126,661	158,543
Non-trading investments	372,838	385,770	707,334
Loans and receivables	54,024	57,920	50,544
Other assets	51,961	46,950	25,172
Investments in associates and joint venture accounted for under the equity method	1,049,740	1,026,065	658,829
Investment properties	21,178	21,178	21,178
Property and equipment	1,098	1,074	982
Goodwill	56,296	56,296	55,168
Assets of disposal group classified as held for sale	-	-	453,433
<b>TOTAL ASSETS</b>	<b>1,887,308</b>	<b>1,917,085</b>	<b>2,279,739</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	419,466	435,624	359,371
Deposits from customers	129,086	139,568	257,367
Loans payable	494,010	501,432	475,598
Bonds	71,885	71,187	68,386
Subordinated debt	100,000	100,000	92,900
Other liabilities	70,268	68,500	69,029
Liabilities of disposal group classified as held for sale	-	-	390,626
<b>TOTAL LIABILITIES</b>	<b>1,284,715</b>	<b>1,316,311</b>	<b>1,713,277</b>
<b>EQUITY</b>			
Share capital	208,280	208,234	207,745
Treasury shares	(12,725)	(12,725)	(12,725)
Share premium	10,726	10,631	9,679
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	(26,999)	(21,374)	(30,166)
Foreign currency translation reserve	46,074	43,465	33,714
Retained earnings	145,687	140,860	117,356
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>	<b>556,578</b>	<b>554,626</b>	<b>503,406</b>
Non-controlling interests in equity	46,015	46,148	63,056
<b>TOTAL EQUITY</b>	<b>602,593</b>	<b>600,774</b>	<b>566,462</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,887,308</b>	<b>1,917,085</b>	<b>2,279,739</b>

### Interim Consolidated Statement of Income

For the three-month period ended 31 March 2011 (Unaudited)

	Three-month period ended 31 March	
	2011 US\$ 000	2010 US\$ 000
<b>Continuing operations</b>		
Investment income - net	17,901	12,823
Interest income	1,775	4,025
	19,676	16,848
Fees and commissions	4,165	7,044
Foreign currency translation losses - net	(108)	(307)
Share of results of associates and joint venture accounted for under the equity method - net	2,578	3,939
<b>Total income</b>	<b>26,311</b>	<b>27,524</b>
Interest expense	(12,353)	(12,389)
<b>Operating income before expenses and provisions</b>	<b>13,958</b>	<b>15,135</b>
Salaries and benefits	(4,505)	(5,819)
General and administrative expenses	(2,668)	(3,299)
<b>Operating income before provisions</b>	<b>6,785</b>	<b>6,017</b>
Impairment loss on investments	(3,252)	-
Write-back of provision for doubtful loans, guarantees and other assets - net	70	152
<b>Net profit for the period from continuing operations</b>	<b>3,603</b>	<b>6,169</b>
<b>Discontinued operations</b>		
Net profit for the period from discontinued operations	-	2,006
<b>NET PROFIT FOR THE PERIOD</b>	<b>3,603</b>	<b>8,175</b>
<b>Attributable to:</b>		
<b>Shareholders of the parent</b>		
from continuing operations	4,827	5,834
from discontinued operations	-	1,667
	4,827	7,501
<b>Non-controlling interests</b>		
from continuing operations	(1,224)	335
from discontinued operations	-	339
	(1,224)	674
	3,603	8,175
<b>Earnings per share</b>		
Basic earnings per share (US cents)	0.59	0.91
Diluted earnings per share (US cents)	0.59	0.91
Basic earnings per share from continuing operations (US cents)	0.59	0.71
Diluted earnings per share from continuing operations (US cents)	0.59	0.71

### Interim Consolidated Statement of Cash Flows

For the three-month period ended 31 March 2011 (Unaudited)

	Three-month period ended March 31	
	2011 US\$ 000	2010 US\$ 000
Net cash (used in) from operating activities	(19,989)	4,011
Net cash used in investing activities	(21,896)	(1,586)
Net cash used in financing activities	(7,281)	(42,619)
Foreign currency translation adjustments	2,609	(2,466)
Movement in non-controlling interests	1,091	(2,475)

### NET CHANGE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 1 January

	Three-month period ended March 31	
	2011 US\$ 000	2010 US\$ 000
NET CHANGE IN CASH AND CASH EQUIVALENTS	(45,466)	(45,135)
Cash and cash equivalents at 1 January	195,118	183,160
<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>149,652</b>	<b>138,025</b>

### Interim Consolidated Statement of Changes in Equity

For the three-month period ended 31 March 2011 (Unaudited)

	Attributable to shareholders of the parent											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	Total before non-controlling interests 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 for the period	-	-	-	-	-	-	-	4,827	4,827	4,827	(1,224)	3,603	
Other comprehensive (loss) income	-	-	-	-	-	-	(5,625)	2,609	-	(3,016)	1,165	(1,851)	
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(5,625)	2,609	4,827	1,811	(59)	1,752	
Shares issued	46	-	95	-	-	-	-	-	-	141	-	141	
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(74)	(74)	
<b>Balance at 31 March 2011</b>	<b>208,280</b>	<b>(12,725)</b>	<b>10,726</b>	<b>95,371</b>	<b>75,856</b>	<b>14,308</b>	<b>(26,999)</b>	<b>46,074</b>	<b>145,687</b>	<b>556,578</b>	<b>46,015</b>	<b>602,593</b>	
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	-	-	-	-	-	-	-	7,501	7,501	7,501	674	8,175	
Other comprehensive income (loss)	-	-	-	-	-	-	800	(2,466)	-	(1,666)	(101)	(1,767)	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	800	(2,466)	7,501	5,835	573	6,408	
Shares issued	51	-	67	-	-	-	-	-	-	118	-	118	
Dividends paid for 2009	-	-	-	-	-	-	-	-	(10,249)	(10,249)	-	(10,249)	
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,374)	(2,374)	
Employee share option plan	-	-	-	-	-	-	-	-	234	234	-	234	
Balance at 31 March 2010	207,745	(12,725)	9,679	91,505	71,990	14,308	(30,166)	33,714	117,356	503,406	63,056	566,462	

### Interim Consolidated Statement of Comprehensive Income

For the three-month period ended 31 March 2011 (Unaudited)

	Three-month period ended 31 March	
	2011 US\$ 000	2010 US\$ 000
<b>NET PROFIT FOR THE PERIOD</b>	<b>3,603</b>	<b>8,175</b>
<b>Other comprehensive income (loss):</b>		
Foreign currency translation reserve	3,214	(2,787)
Fair value reserve	(4,887)	1,484
Share of other comprehensive (loss) income of associates and joint venture accounted for under equity method	(618)	275
Cash flow hedges	440	(739)
<b>Other comprehensive income (loss) for the period</b>	<b>(1,851)</b>	<b>(1,767)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>1,752</b>	<b>6,408</b>

### Attributable to:

#### Shareholders of the parent

from continuing operations	1,811	5,514
from discontinued operations	-	321
	1,811	5,835

#### Non-controlling interests

from continuing operations	(59)	646
from discontinued operations	-	(73)
	(59)	573
	1,752	6,408

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 three-month period ended 31 March 2011, which were approved by the Board of Directors on 10 May 2011 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat  
Chairman

Faisal Hamad Al-Ayyar  
Director

Mohammad Haroon  
Acting Chief Executive Officer

#### Major Subsidiaries



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



شركة الذيفافع للاسواق المالية  
Al Dhiyafa Holding Company



بنك بركان  
BURGAN BANK



شركة منافع للاستثمار  
Manafae Investment Company

#### Major Associates



شركة النور ستار  
NORTHSTAR



ROYAL CAPITAL



بنك سورية والخليج  
Syria Gulf Bank



شركة الصناعات المتحدة  
United Industries Company



United Networks



شركة العقارات المتحدة  
United Real Estate Company