



Interim Consolidated Statement of Financial Position

As at 31 March 2010 (Unaudited)

	Unaudited 31 Mar 2010 US\$ 000	Audited 31 Dec 2009 US\$ 000	Unaudited 31 Mar 2009 US\$ 000
ASSETS			
Demand and call deposits with banks	15,133	20,328	52,008
Time deposits with banks	133,423	176,203	129,428
Investments carried at fair value through statement of income	158,543	155,315	189,585
Non-trading investments	707,334	715,321	821,180
Loans and receivables	50,544	52,595	33,153
Other assets	25,172	46,203	208,644
Investments in associates and joint venture accounted for under the equity method	658,829	647,852	588,447
Investment properties	21,178	26,794	22,987
Property and equipment	982	983	1,675
Goodwill	55,168	55,168	46,573
Assets of disposal group classified as held for sale	453,433	473,937	417,788
TOTAL ASSETS	2,279,739	2,370,699	2,511,468
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	359,371	458,347	523,910
Deposits from customers	257,367	227,183	206,932
Loans payable	475,598	500,986	579,243
Bonds	68,386	68,888	67,869
Subordinated debt	92,900	100,000	100,000
Other liabilities	69,029	72,002	90,305
Liabilities of disposal group classified as held for sale	390,626	370,968	338,275
TOTAL LIABILITIES	1,713,277	1,798,374	1,906,534
EQUITY			
Share capital	207,745	207,694	206,364
Treasury shares	(12,725)	(12,725)	(12,725)
Share premium	9,679	9,612	8,311
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	(30,166)	(30,966)	(36,724)
Foreign currency translation reserve	33,714	36,180	53,178
Retained earnings	117,356	119,870	112,374
CAPITAL AND RESERVES ATTRIBUTABLE TO			
SHAREHOLDERS OF THE PARENT	503,406	507,468	504,561
Non-controlling interests in equity	63,056	64,857	100,373
TOTAL EQUITY	566,462	572,325	604,934
TOTAL LIABILITIES AND EQUITY	2,279,739	2,370,699	2,511,468

Interim Consolidated Statement of Income

For the three month period ended 31 March 2010 (Unaudited)

	Three month period ended 31 March	
	2010 US\$ 000	2009 US\$ 000
Continuing operations		
Investment income	12,823	25,856
Interest income	4,025	4,731
	16,848	30,587
Fees and commissions	7,044	5,311
Foreign currency translation losses - net	(307)	(1,012)
Share of results of associates and joint venture accounted for under the equity method - net	3,939	(4,941)
Total income	27,524	29,945
Interest expense	(12,389)	(13,219)
Operating income before expenses and provisions	15,135	16,726
Salaries and benefits	(5,819)	(5,972)
General and administrative expenses	(3,299)	(4,426)
Operating income before provisions	6,017	6,328
Impairment loss on investments	-	(3,600)
Write-back of (provision for) doubtful loans, guarantees and other assets - net	152	(1,463)
Net profit for the period from continuing operations	6,169	1,265
Discontinued operations		
Net profit for the period from discontinued operations	2,006	9,793
NET PROFIT FOR THE PERIOD	8,175	11,058
Attributable to:		
Shareholders of the parent		
from continuing operations	5,834	546
from discontinued operations	1,667	8,747
	7,501	9,293
Non-controlling interests		
from continuing operations	335	719
from discontinued operations	339	1,046
	674	1,765
	8,175	11,058
Earnings per share		
Basic earnings per share (US cents)	0.91	1.14
Diluted earnings per share (US cents)	0.91	1.13
Basic earnings per share from continuing operations (US cents)	0.71	0.07
Diluted earnings per share from continuing operations (US cents)	0.71	0.07

Interim Consolidated Statement of Cash Flows

For the three month period ended 31 March 2010 (Unaudited)

	Three month period ended 31 March	
	2010 US\$ 000	2009 US\$ 000
Net cash from operating activities	4,011	87,024
Net cash (used in) from investing activities	(1,586)	181,149
Net cash used in financing activities	(42,619)	(159,219)
Foreign currency translation adjustments	(2,466)	(18,924)
Movement in non-controlling interests	(2,475)	(13,605)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(45,135)	76,425
Cash and cash equivalents at 1 January	183,160	104,957
CASH AND CASH EQUIVALENTS AT 31 MARCH	138,025	181,382

Interim Consolidated Statement of Changes in Equity

For the three month period ended 31 March 2010 (Unaudited)

	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	Non-controlling interests 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	-	-	-	-	-	-	-	-	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
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-
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
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	-	-	-	-	-	-	-	-	9,293	9,293	1,765	11,058
Other comprehensive loss	-	-	-	-	-	-	(39,099)	(18,924)	-	(58,023)	(5,788)	(63,811)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(39,099)	(18,924)	9,293	(48,730)	(4,023)	(52,753)
Shares issued	132	-	140	-	-	-	-	-	-	272	-	272
Dividends paid for 2008	-	-	-	-	-	-	-	-	(150,664)	(150,664)	-	(150,664)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(1,171)	(1,171)
Employee share option plan	-	-	-	-	-	-	-	-	306	306	-	306
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	339	339	(6,646)	(6,307)
Balance at 31 March 2009	206,364	(12,725)	8,311	89,495	69,980	14,308	(36,724)	53,178	112,374	504,561	100,373	604,934

Interim Consolidated Statement of Comprehensive Income

For the three month period ended 31 March 2010 (Unaudited)

	Three month period ended 31 March	
	2010 US\$ 000	2009 US\$ 000
NET PROFIT FOR THE PERIOD	8,175	11,058
Other comprehensive (loss):		
Foreign currency translation reserve	(2,787)	(23,324)
Fair value reserves	1,484	(36,873)
Share of other comprehensive income (loss) of associates and joint venture accounted for under equity method	275	(1,985)
Cash flow hedges	(739)	(1,629)
Other comprehensive loss for the period	(1,767)	(63,811)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	6,408	(52,753)

	Three month period ended 31 March	
	2010 US\$ 000	2009 US\$ 000
Attributable to:		
Shareholders of the parent		
from continuing operations	5,514	(48,920)
from discontinued operations	321	190
	5,835	(48,730)
Non-controlling interests		
from continuing operations	646	(4,655)
from discontinued operations	(73)	632
	573	(4,023)
	6,408	(52,753)

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 months ended 31 March 2010, which were approved by the Board of Directors on 5 May 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

