

CONSOLIDATED BALANCE SHEET

30 September 2008 (Unaudited)

	Unaudited 30 September 2008 US\$ 000	Audited 31 December 2007 US\$ 000	Unaudited 30 September 2007 US\$ 000
ASSETS			
Demand and call deposits with banks	172,721	79,613	90,505
Time deposits with banks	273,519	459,923	470,274
Investments carried at fair value through statement of income	387,913	356,469	348,567
Non-trading investments	929,084	565,167	519,856
Loans and advances	16,687	291,866	244,351
Investment properties	27,031	26,815	17,704
Other assets	64,918	74,459	45,389
Investments in associated companies	677,456	790,367	738,176
Property and equipment	1,934	11,545	10,059
Goodwill	43,033	11,409	10,775
Assets of disposal group classified as held for sale	943,878	-	-
TOTAL ASSETS	3,538,174	2,667,633	2,495,656
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	622,897	586,683	520,839
Deposits from customers	55,413	438,112	404,289
Loans and murabaha payable	810,661	577,549	554,796
Other liabilities	91,218	88,215	93,236
Bonds	74,012	72,336	70,613
Subordinated debt	100,000	100,000	100,000
Liabilities of disposal group classified as held for sale	749,716	-	-
TOTAL LIABILITIES	2,503,917	1,862,895	1,743,773
EQUITY			
Share capital	206,209	203,747	203,713
Share premium	8,149	4,360	4,321
Treasury shares	(341)	(341)	(341)
Statutory reserve	68,767	68,767	46,681
General reserve	49,252	49,252	27,166
Treasury shares reserve	13,551	13,551	13,551
Fair value reserve	43,362	52,744	53,487
Foreign currency translation reserve	64,691	47,756	30,253
Retained earnings	435,854	221,919	240,675
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	889,494	661,755	619,506
MINORITY INTERESTS	144,763	142,983	132,377
TOTAL EQUITY	1,034,257	804,738	751,883
TOTAL LIABILITIES AND EQUITY	3,538,174	2,667,633	2,495,656

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2008 (Unaudited)

	Attributable to equity shareholders of the parent											
	Share capital US\$ 000	Share premium US\$ 000	Treasury shares 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 US\$ 000	Minority interests US\$ 000	Total equity US\$ 000
Balance at 1 January 2008	203,747	4,360	(341)	68,767	49,252	13,551	52,744	47,756	221,919	661,755	142,983	804,738
Net movement in cumulative changes in fair values	-	-	-	-	-	-	(9,382)	-	-	(9,382)	(2,591)	(11,973)
Foreign currency translation adjustments	-	-	-	-	-	-	-	16,935	-	16,935	1,715	18,650
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	-	(3,229)	(3,229)	-	(3,229)
Net income recognised directly in equity	-	-	-	-	-	-	(9,382)	16,935	(3,229)	4,324	(876)	3,448
Income for the period	-	-	-	-	-	-	-	-	348,862	348,862	27,019	375,881
Total recognised income for the period	-	-	-	-	-	-	(9,382)	16,935	345,633	353,186	26,143	379,329
Other movements in minority interests	-	-	-	-	-	-	-	-	-	-	(8,301)	(8,301)
Shares issued	2,462	3,789	-	-	-	-	-	-	-	6,251	-	6,251
Effect of employee share option plan under IFRS 2	-	-	-	-	-	-	-	-	822	822	-	822
Dividends	-	-	-	-	-	-	-	-	(132,520)	(132,520)	-	(132,520)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(16,062)	(16,062)
Balance at 30 September 2008	206,209	8,149	(341)	68,767	49,252	13,551	43,362	64,691	435,854	889,494	144,763	1,034,257
Balance at 1 January 2007	200,526	1,136	(341)	46,681	27,166	13,551	71,234	13,624	115,584	489,161	103,690	592,851
Net movement in cumulative changes in fair values	-	-	-	-	-	-	(17,747)	-	-	(17,747)	6,516	(11,231)
Foreign currency translation adjustments	-	-	-	-	-	-	-	16,629	-	16,629	-	16,629
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	-	(1,419)	(1,419)	-	(1,419)
Net income recognised directly in equity	-	-	-	-	-	-	(17,747)	16,629	(1,419)	(2,537)	6,516	3,979
Income for the period	-	-	-	-	-	-	-	-	195,043	195,043	38,321	233,364
Total recognised income and expense for the period	-	-	-	-	-	-	(17,747)	16,629	193,624	192,506	44,837	237,343
Other movements in minority interests	-	-	-	-	-	-	-	-	-	-	(2,299)	(2,299)
Shares issued	3,187	3,185	-	-	-	-	-	-	-	6,372	-	6,372
Effect of employee share option plan under IFRS 2	-	-	-	-	-	-	-	-	1,226	1,226	-	1,226
Dividends	-	-	-	-	-	-	-	-	(69,759)	(69,759)	-	(69,759)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(13,851)	(13,851)
Balance at 30 September 2007	203,713	4,321	(341)	46,681	27,166	13,551	53,487	30,253	240,675	619,506	132,377	751,883

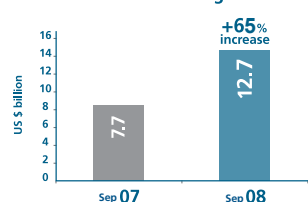
The above Consolidated Balance Sheet, Consolidated Statement of Income, Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity have been extracted from the Interim Condensed Consolidated Financial Statements of United Gulf Bank B.S.C. for the nine months ended 30 September 2008, which were approved by the Board of Directors on 15 October 2008 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Faisal Hamad Al-Ayyar
Chairman

Masaud Johar Hayat
Managing Director

Mohammad Haroon
Acting Chief Executive Officer

Assets Under Management



Net Profit Growth

+78.9%

CONSOLIDATED STATEMENT OF INCOME

For the nine month period ended 30 September 2008 (Unaudited)

	Three month period ended 30 September		Nine month period ended 30 September	
	2008 US\$ 000	2007 US\$ 000	2008 US\$ 000	2007 US\$ 000
Investment income	283,123	19,261	345,706	175,377
Interest income	6,343	4,455	12,772	13,012
Fees and commissions	289,466	23,716	358,478	188,389
Foreign exchange revaluation gains, net	18,488	9,086	46,889	42,415
Share of results of associated companies	(237)	1,356	1,919	1,729
Total income	309,455	58,709	422,408	302,632
Interest expense	(17,591)	(16,892)	(50,194)	(50,129)
Operating income before expenses and provisions	291,864	41,817	372,214	252,503
Salaries and benefits	(9,534)	(7,410)	(31,933)	(31,198)
General and administrative expenses	(5,447)	(5,487)	(16,211)	(16,214)
Operating income before provisions	276,883	28,920	324,070	205,091
Writeback / (provision) for doubtful loans, guarantees and other assets, net	313	(4,467)	1,477	(11,493)
Profit for the period from continuing operations	277,196	24,453	325,547	193,598
Profit for the period from discontinued operations	11,419	11,996	50,334	39,766
INCOME FOR THE PERIOD	288,615	36,449	375,881	233,364
Income attributable to minority interests	11,255	9,674	27,019	38,321
Income attributable to equity shareholders of the parent	277,360	26,775	348,862	195,043
Basic earnings per share (US cents)	33.57	3.30	42.62	24.15
Diluted earnings per share (US cents)	33.20	3.25	42.15	23.87
Basic earnings per share for continuing operations (US cents)	32.34	1.94	37.10	19.71
Diluted earnings per share for continuing operations (US cents)	31.98	1.91	36.69	19.48

CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine month period ended 30 September 2008 (Unaudited)

	Nine-month period ended 30 September	
	2008 US\$ 000	2007 US\$ 000
Net cash (used in) from operating activities	(505,031)	60,895
Net cash from (used in) investing activities	333,022	(70,555)
Net cash from financing activities	82,426	54,586
Foreign currency translation adjustments	16,935	16,629
NET CHANGE IN CASH AND CASH EQUIVALENTS	(72,648)	61,555
Cash and cash equivalents at 1 January	511,711	482,242
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	439,063	543,797

Major Subsidiaries



Major Associates

