



**SHAFAFIYAH  
FORUM 2010**



بنك الخليج المتحد  
ش.م.ب.  
**United Gulf Bank** B.S.C.

*Leading asset management and investment banking in MENA*

David Rhodes  
Chief Executive Officer  
31 March 2010

**Investor Presentation**

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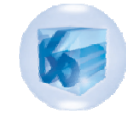
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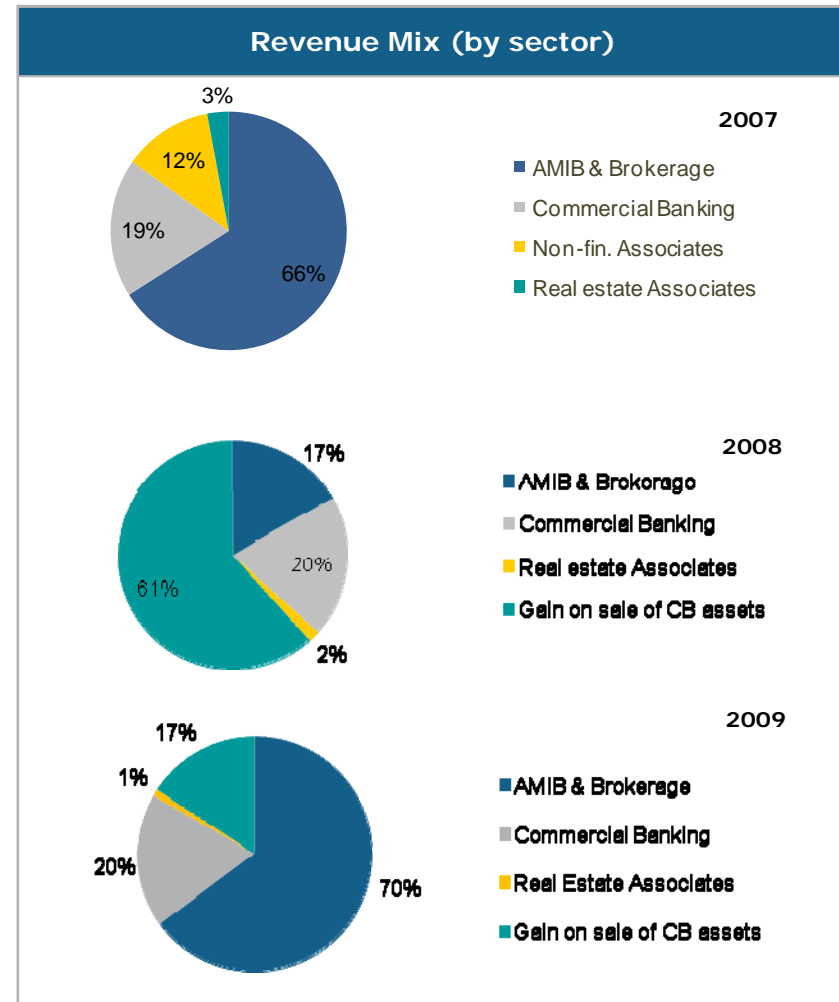
2009: Year in Review

2010: Opportunities



# 2009 ... year in review

Financial Highlights	
Revenues	US\$ 124 million
Net Profit	US\$ 20.1 million
Assets	US\$ 2.4 billion
Equity	US\$ 0.6 billion
AUM	US\$ 7.2 billion
ROE	3.3%
ROA	0.7%



*UGB is one of the best performing investment banks in Bahrain*

	ROE %	ROA %
Arab Banking Corporation	6.1	0.45
<b>United Gulf Bank</b>	<b>3.3</b>	<b>0.7</b>
Gulf Finance House	(104.0)	(28.4)
Ithmaar	(28.7)	(4.4)
Taib Bank	(22.2)	(7.3)

## *Prudent capital and risk management*

### Capital

- Industry appropriate capital ratios
- Tier 1 capital: US\$ 412.8 million (after deductions)
- Capital adequacy: 14.5% against requirement of 12.5%

### Funding

- Diversifying and stabilizing funding sources
- Current liquidity ratio: 29% against requirement of 25%

### Risk/ Governance

- Disciplined risk taking
- Focus on client flows
- Focus on no outsized risk positions
- Improving governance and ALCO

# 2009 ... year in review

- ❖ Sold AGB and BOB to Burgan Bank for US\$ 150 million
- ❖ Expanded regional AMIB network:
  - UGFS North Africa operational
  - Royal capital, UAE operational
  - Manafae Investment listed on KSE in early 2010
- ❖ Reduced operating expenses by 28% to US\$ 40.5 million from US\$ 56.5 million in 2008
- ❖ Launched EMTN program on which Moody's issued investment grade rating of Baa3

# Key financial strengths

## Excellent Track Record

- Proven track record for 30 years
- Consistent profitability

## Focused Strategy

- Focus on expansion of asset management and investment banking platform
- Diversified network

## Financial Discipline

- No exposure to sub-prime debt and/or structured products
- Not affected by the recent Dubai World event

## Experienced Management Team

- Chairman and ACEO have been with the Bank for over 20 years
- Recent additions have rich experience

# Agenda



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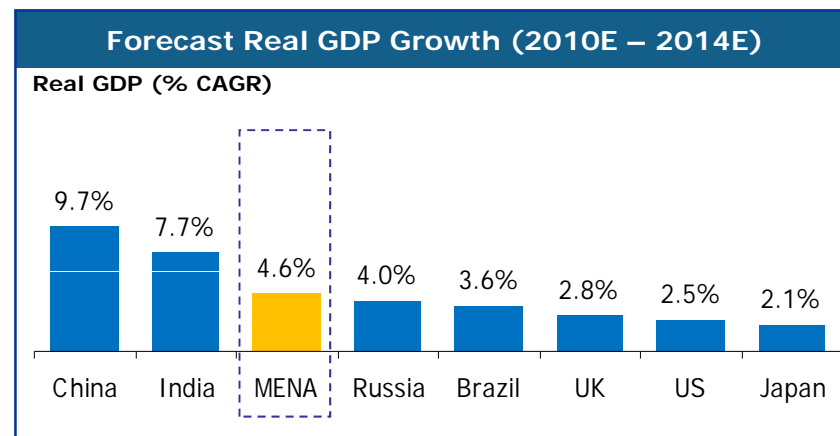
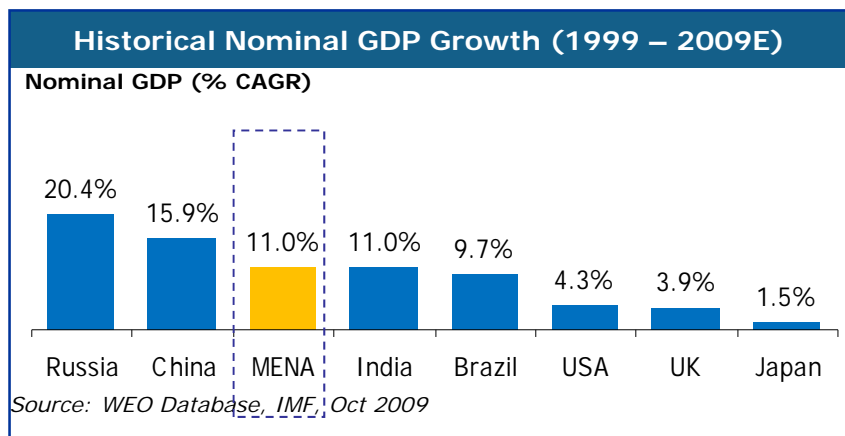
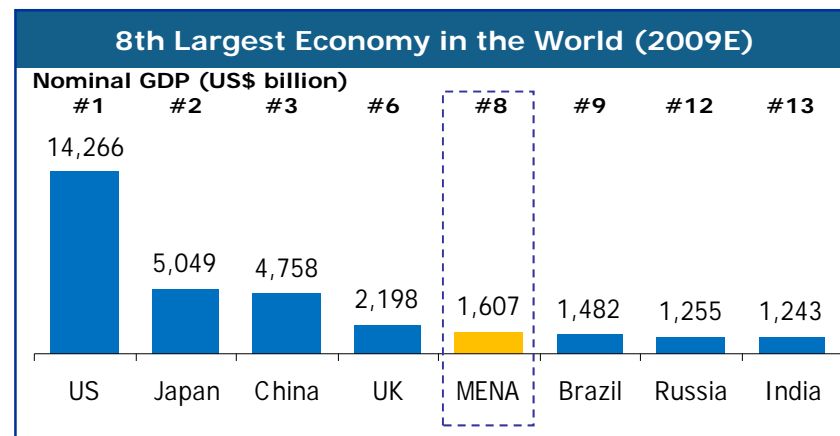
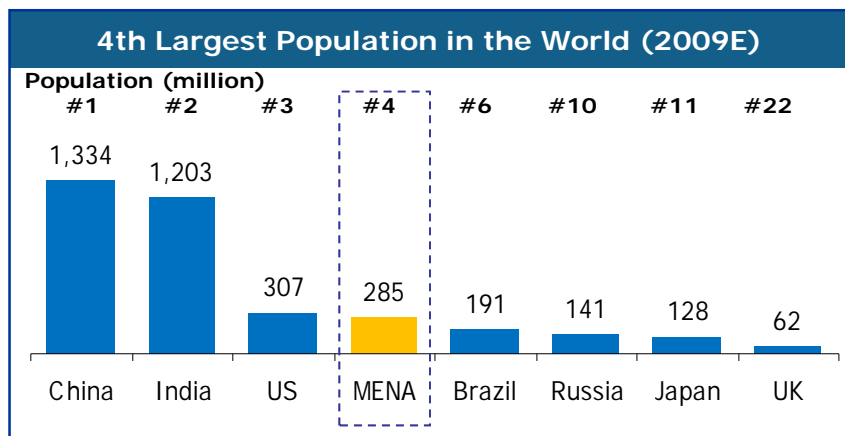
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**2010: Opportunities**



# Regional economic trends shaping the future

## MENA at the centre of global economic power



# Ready to spring in 2010



- ❖ Regional AMIB network fully funded with available cash resources:
  - Royal Capital – US\$ 80+ million in cash
  - North Africa Holding Company – US\$ 80+ million in cash
  - Manafae Investment Company – US\$ 50+ million in cash
  
- ❖ Conservative asset valuations and diversified asset base

## *UGB strategy in action in MENA:*

### **Establish regional leadership**

- Maintain leadership in Kuwait
- Power up in rest of MENA

### **Build on regional connectivity**

- Grow organic business
- Optimize strategic partnerships

## *Transforming the business:*

### **Build focus into strategy**

- Prune portfolio
- Invest to accelerate expansion of AMIB

### **Build AMIB business**

- Enhance core products and services
- Redesign organization to optimize delivery
- Attract and retain top talent

## *2010 will position the business for the future:*

### **Asset Management and Institutional Financial Services**

Increasingly focused on wealth  
and the role of asset  
management

### **Investment Banking**

Developing regional  
capabilities and connectivity

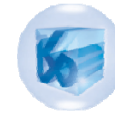
### **Capital Markets**

Strengthening as a regional  
and financing-focused business

### **Investments**

Increasing a focus on regional  
investments

**KIPCO's financial structure and business model position UGB strongly and competitively to meet the challenges of the future**



# Thank You

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