

CONSOLIDATED BALANCE SHEET
31 March 2008 (Unaudited)

	31 March 2008 US\$ 000	Audited 31 December 2007 US\$ 000	31 March 2007 US\$ 000
ASSETS			
Demand and call deposits with banks	165,140	79,613	65,462
Time deposits with banks	383,467	459,923	489,213
Investments carried at fair value through statement of income	374,394	356,469	280,900
Non-trading investments	647,319	565,167	424,197
Loans and advances	327,575	291,866	232,813
Investment properties	27,081	26,815	17,649
Other assets	71,909	74,459	60,195
Investments in associated companies	826,269	790,367	603,092
Property and equipment	13,092	11,545	7,349
Goodwill	11,409	11,409	10,775
TOTAL ASSETS	2,847,655	2,667,633	2,191,645
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	624,498	586,683	540,349
Deposits from customers	582,478	438,112	341,478
Loans and murabaha payable	620,735	577,549	413,372
Other liabilities	102,362	88,215	69,553
Bonds	74,385	72,336	124,120
Subordinated debt	100,000	100,000	100,000
TOTAL LIABILITIES	2,104,458	1,862,895	1,588,872
EQUITY			
Share capital	204,096	203,747	201,835
Share premium	4,794	4,360	2,621
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	69,840	52,744	30,865
Foreign currency translation reserve	64,257	47,756	13,095
Retained earnings	120,405	221,919	161,264
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	594,621	661,755	496,737
MINORITY INTERESTS	148,576	142,983	106,036
TOTAL EQUITY	743,197	804,738	602,773
TOTAL LIABILITIES AND EQUITY	2,847,655	2,667,633	2,191,645

CONSOLIDATED STATEMENT OF INCOME
For the three month period ended 31 March 2008 (Unaudited)

	Three month period ended 31 March	
	2008 US\$ 000	2007 US\$ 000
Investment income	28,289	100,429
Interest income	12,018	11,440
	40,307	111,869
Fees and commissions	19,936	24,863
Foreign exchange revaluation gains, net	3,485	902
Share of results of associated companies	15,737	37,880
Total income	79,465	175,514
Interest expense	(19,873)	(20,855)
Operating income before expenses, provisions	59,592	154,659
Salaries and benefits	(12,400)	(11,600)
General and administrative expenses	(9,202)	(8,469)
Operating income before provisions	37,990	134,590
Writeback / (provision) for doubtful loans, guarantees and other assets, net	105	(1,571)
INCOME FOR THE PERIOD	38,095	133,019
Income attributable to minority interests	7,352	17,560
Income attributable to equity shareholders of the parent	30,743	115,459
Basic earnings per share (US cents)	3.77	14.38
Diluted earning per share (US cents)	3.71	14.18

CONSOLIDATED STATEMENT OF CASH FLOWS
For the three month period ended 31 March 2008 (Unaudited)

	Three month period ended 31 March	
	2008 US\$ 000	2007 US\$ 000
Net cash from operating activities	133,748	53,959
Net cash (used in) from investing activities	(24,062)	13,272
Net cash used in financing activities	(90,047)	(35,044)
Foreign currency translation adjustments	16,501	(529)
INCREASE IN CASH AND CASH EQUIVALENTS	36,140	31,658
Cash and cash equivalents at 1 January	511,711	482,243
CASH AND CASH EQUIVALENTS AT 31 MARCH	547,851	513,901

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three month period ended 31 March 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 interest 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	-	-	-	-	-	-	17,096	-	-	17,096	4,255	21,351
Foreign currency translation adjustments	-	-	-	-	-	-	-	16,501	-	16,501	2,076	18,577
Net income recognised directly in equity	-	-	-	-	-	-	17,096	16,501	-	33,597	6,331	39,928
Income for the period	-	-	-	-	-	-	-	-	30,743	30,743	7,352	38,095
Total recognised income and expense for the period	-	-	-	-	-	-	17,096	16,501	30,743	64,340	13,683	78,023
Other movements in minority interest	-	-	-	-	-	-	-	-	-	-	6,068	6,068
Shares issued	349	434	-	-	-	-	-	-	-	783	-	783
Effect of employee share option plan under IFRS 2	-	-	-	-	-	-	-	-	263	263	-	263
Dividends	-	-	-	-	-	-	-	-	(132,520)	(132,520)	-	(132,520)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(14,158)	(14,158)
Balance at 31 March 2008	204,096	4,794	(341)	68,767	49,252	13,551	69,840	64,257	120,405	594,621	148,576	743,197
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	-	-	-	-	-	-	(40,369)	-	-	(40,369)	(226)	(40,595)
Foreign currency translation adjustments	-	-	-	-	-	-	-	(529)	-	(529)	-	(529)
Other movements in equity of subsidiaries and associated companies	-	-	-	-	-	-	-	-	(183)	(183)	-	(183)
Net income recognised directly in equity	-	-	-	-	-	-	(40,369)	(529)	(183)	(41,081)	(226)	(41,307)
Income for the period	-	-	-	-	-	-	-	-	115,459	115,459	17,560	133,019
Total recognised income and expense for the period	-	-	-	-	-	-	(40,369)	(529)	115,276	74,378	17,334	91,712
Other movements in minority interest	-	-	-	-	-	-	-	-	-	-	(2,968)	(2,968)
Shares issued	1,309	1,485	-	-	-	-	-	-	-	2,794	-	2,794
Effect of employee share option plan under IFRS 2	-	-	-	-	-	-	-	-	163	163	-	163
Dividends	-	-	-	-	-	-	-	-	(69,759)	(69,759)	-	(69,759)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(12,020)	(12,020)
Balance at 31 March 2007	201,835	2,621	(341)	46,681	27,166	13,551	30,865	13,095	161,264	496,737	106,036	602,773

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 three month period ended 31 March 2008, which were approved by the Board of Directors on 29 April 2008 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Faisal Hamad Al-Ayyar
Chairman

Masaud Johar Hayat
Managing Director

William Khouri
Chief Executive Officer

Major Subsidiaries



Major Associates

