



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



## Investor Presentation - Bahrain

November 2005



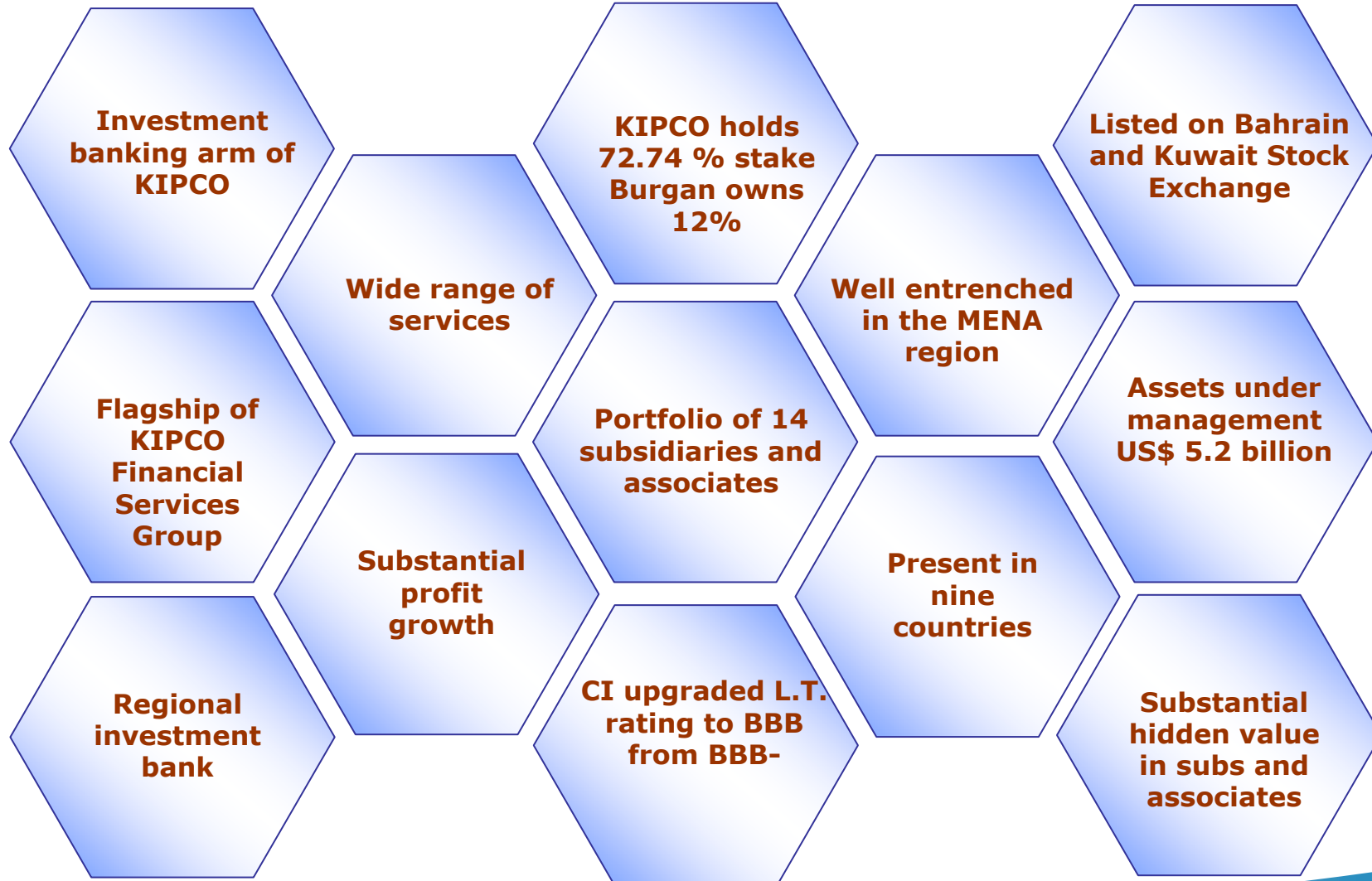
## Silver Jubilee 1980-2005

# Agenda

## ➤ Overview

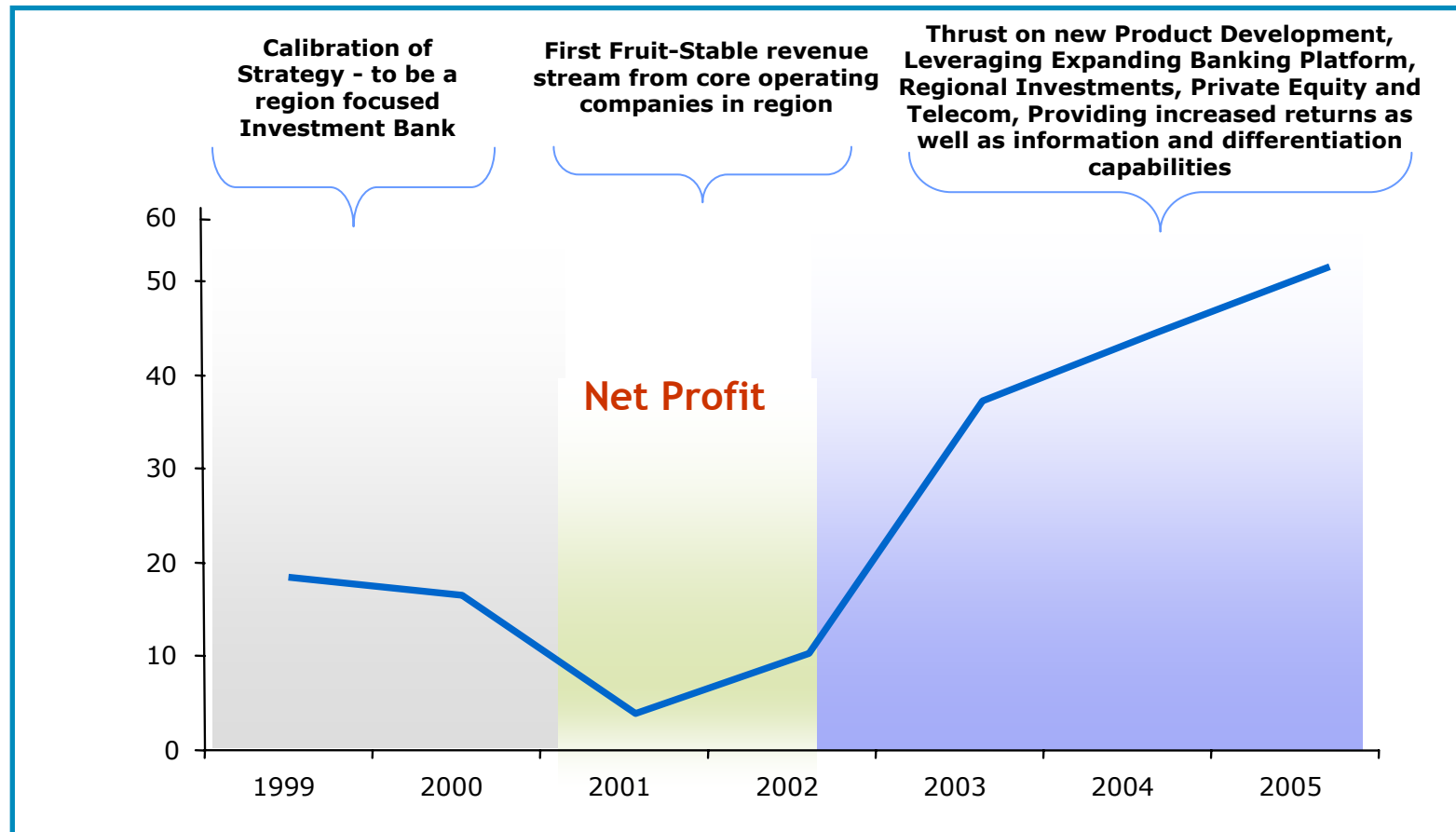
- **UGB in Figures**
- **Business Review**
- **Financial Review**
- **Future Outlook**

# Highlights

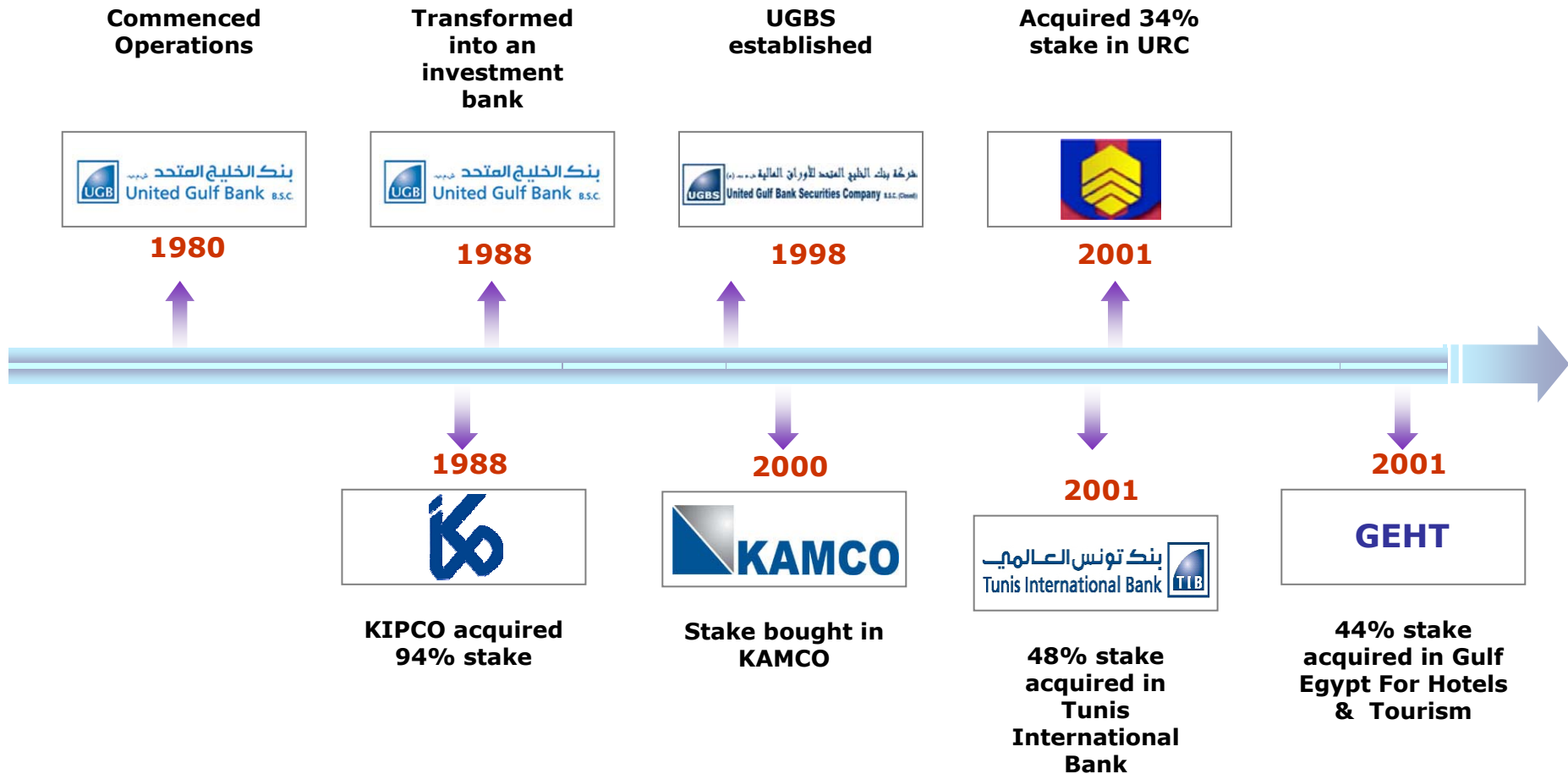


# Development of Business Strategy

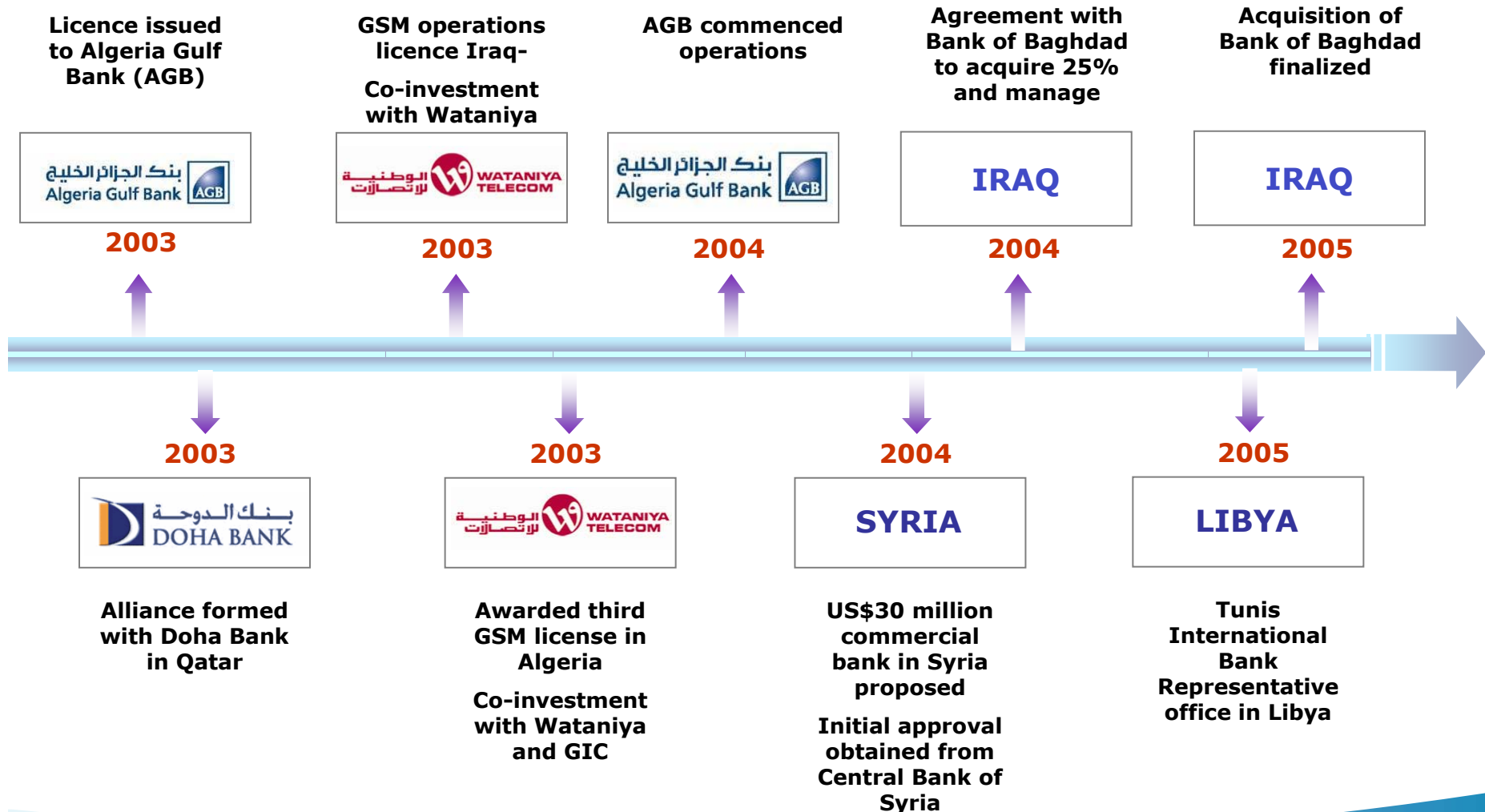
“Development of UGB’s strategy can be divided in three phases”



# Evolution



# Evolution



# UGB Subsidiaries and Major Associates

## SUBSIDIARIES



## ASSOCIATES



شركة بنك الخليج المتحد للأوراق المالية (مغلقة)  
 United Gulf Bank Securities Company B.S.C. (Closed)

92%

بنك الجزائر الخليج  
 Algeria Gulf Bank



83%

بنك تونس العالمي  
 Tunis International Bank



77%



KIPCO Asset Management Co

72%

44%

البنك الأردني الكويتي  
 JORDAN KUWAIT BANK



34%



United Real Estate Company

45%



United Industries Company

44%

Gulf Egypt Hotel and Tourism Company

28%



United Cable Company

27%

United Medical Services Company

22%

Salem Al-Marzook & Sabah Abi Hanna

25%

Bank of Baghdad

# UGB Strategy – Network Rollout



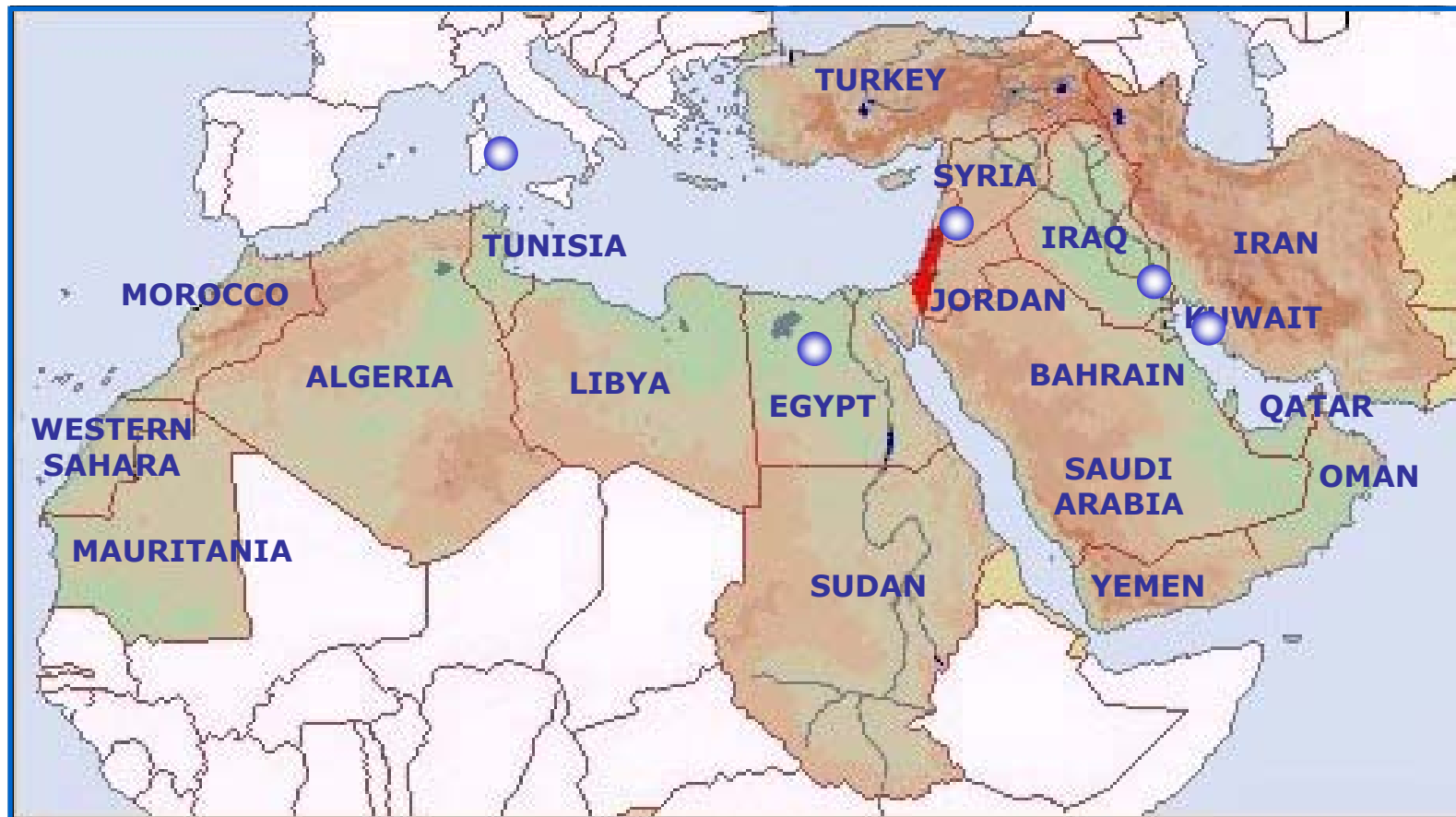
## GROUP PRODUCTS



# Agenda

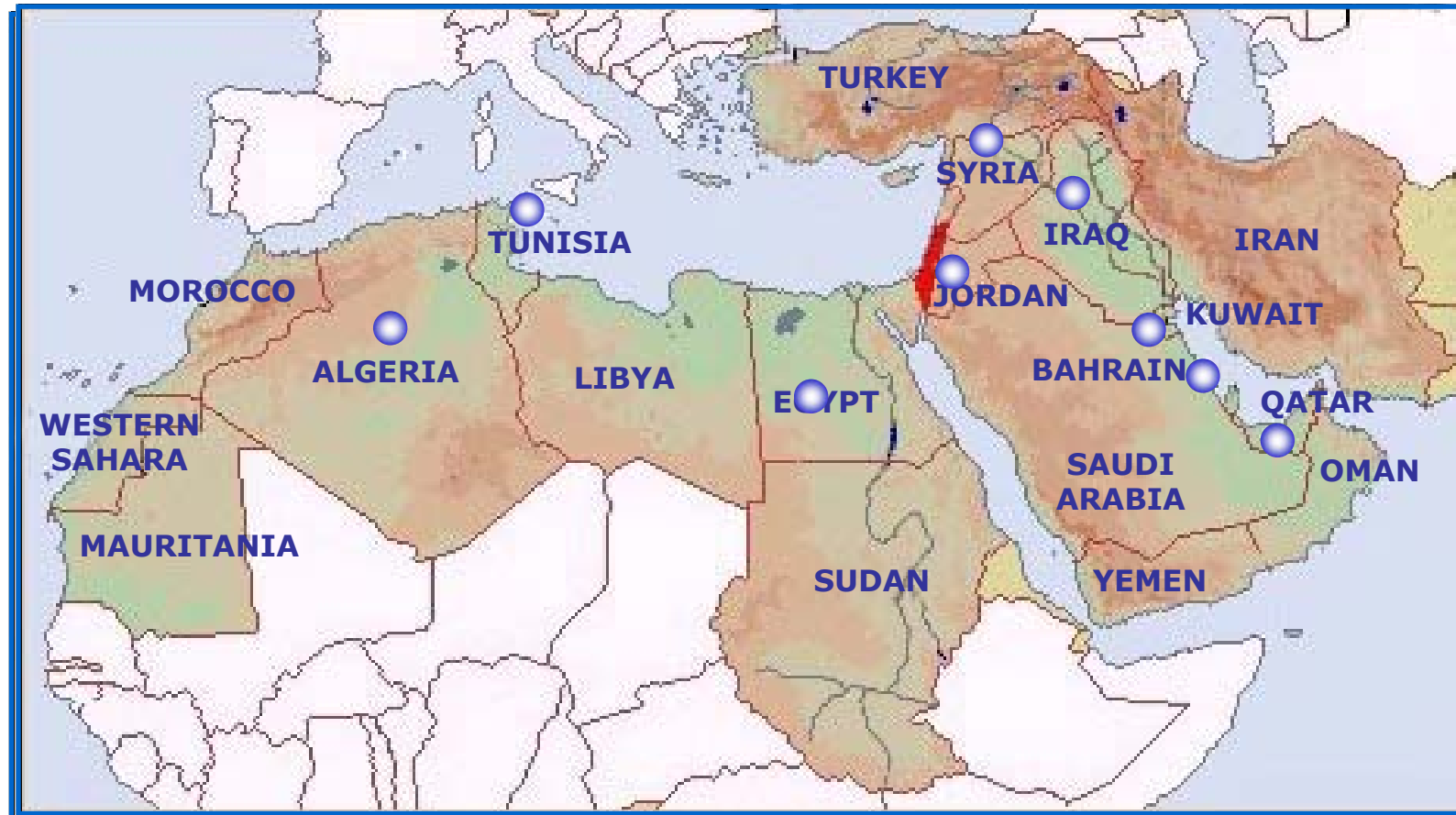
- **Overview**
- **UGB in Figures**
- **Business Review**
- **Financial Review**
- **Future Outlook**

# UGB Footprint - 2001



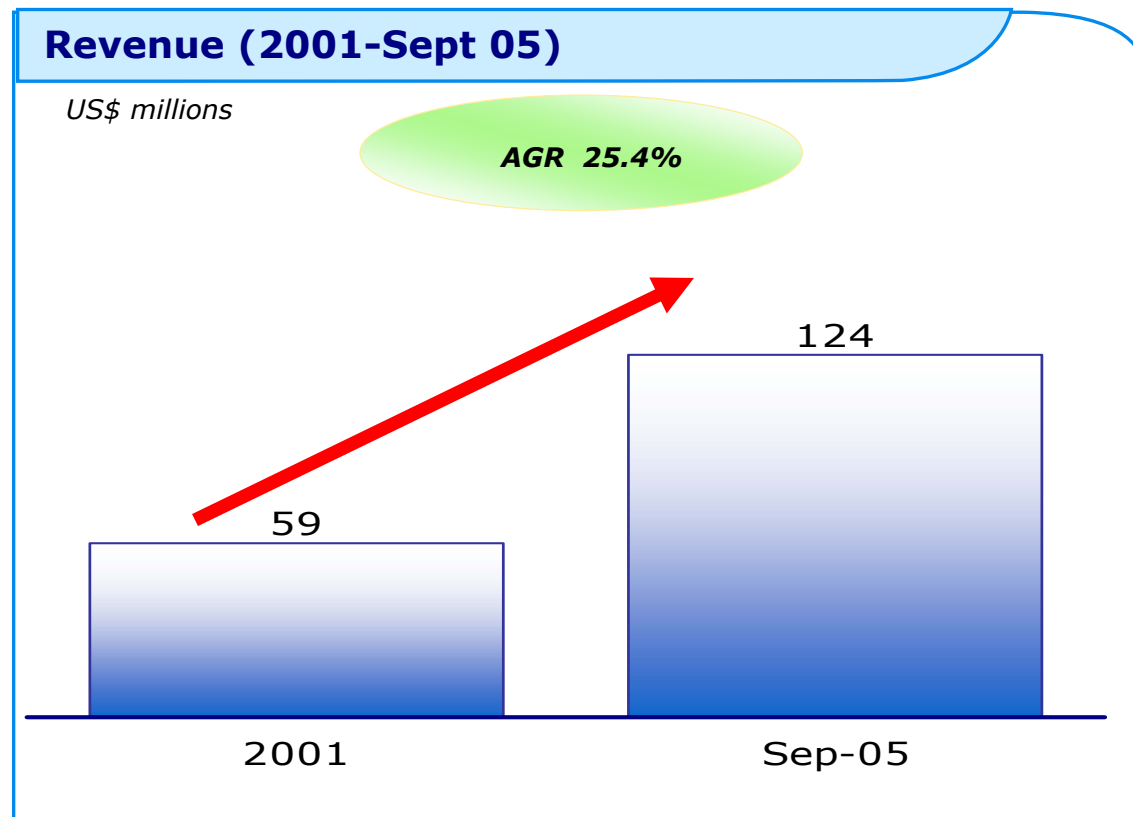
*Operations in 5 countries*

# UGB Footprint - 2005



*Operations in 9 countries*

# Revenue – High Growth

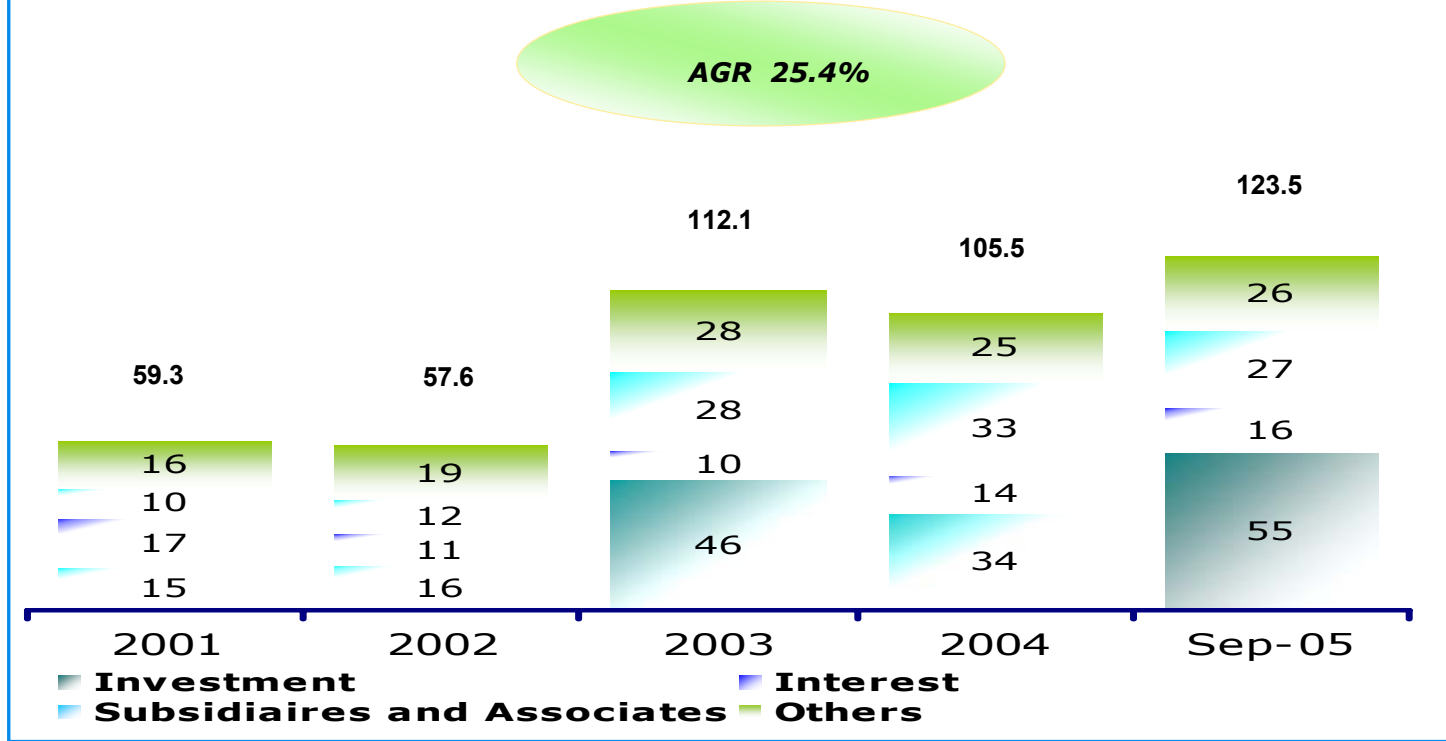


# Revenue Details



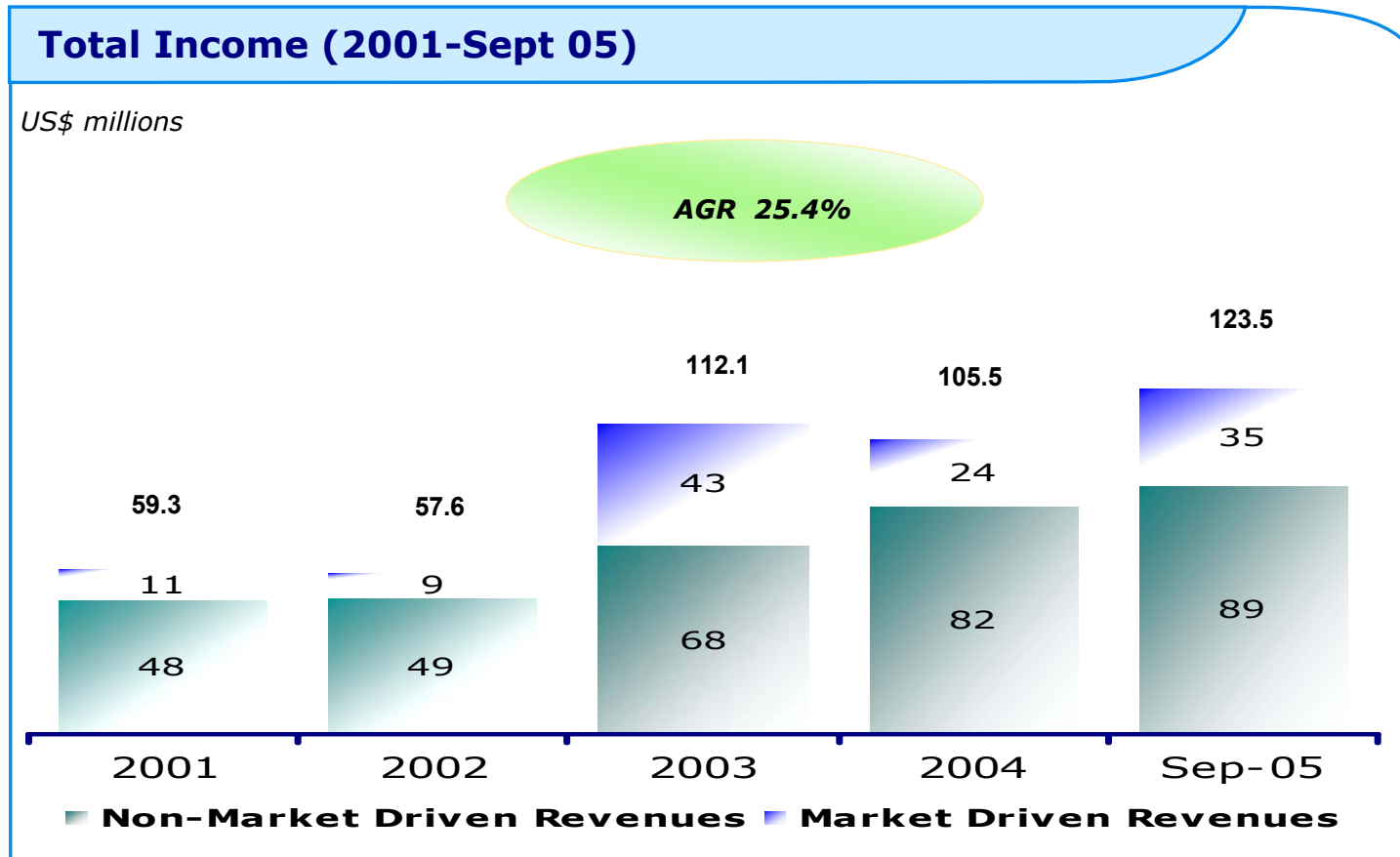
## Total Income (2001-Sept 05)

US\$ millions



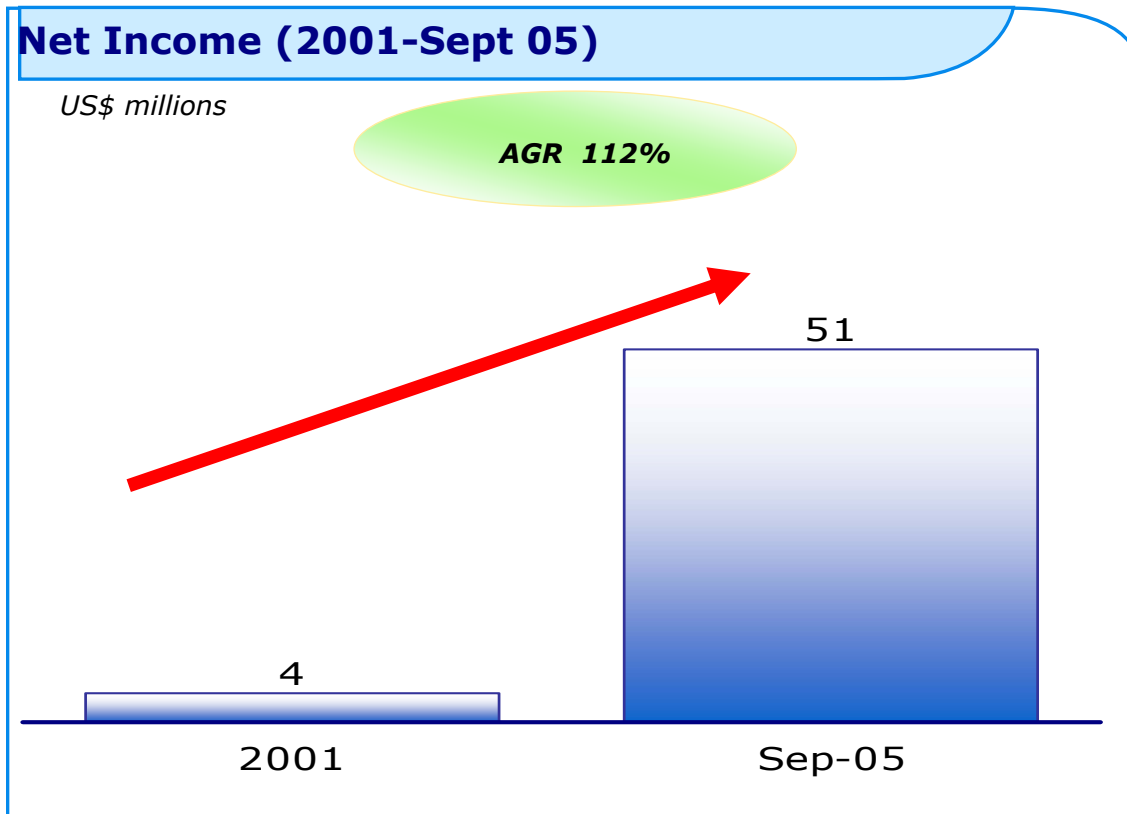
\* Recurring income US\$105.1 million in 2004 & US\$96 million in 2003.

# Market and Non-Market Driven Revenues

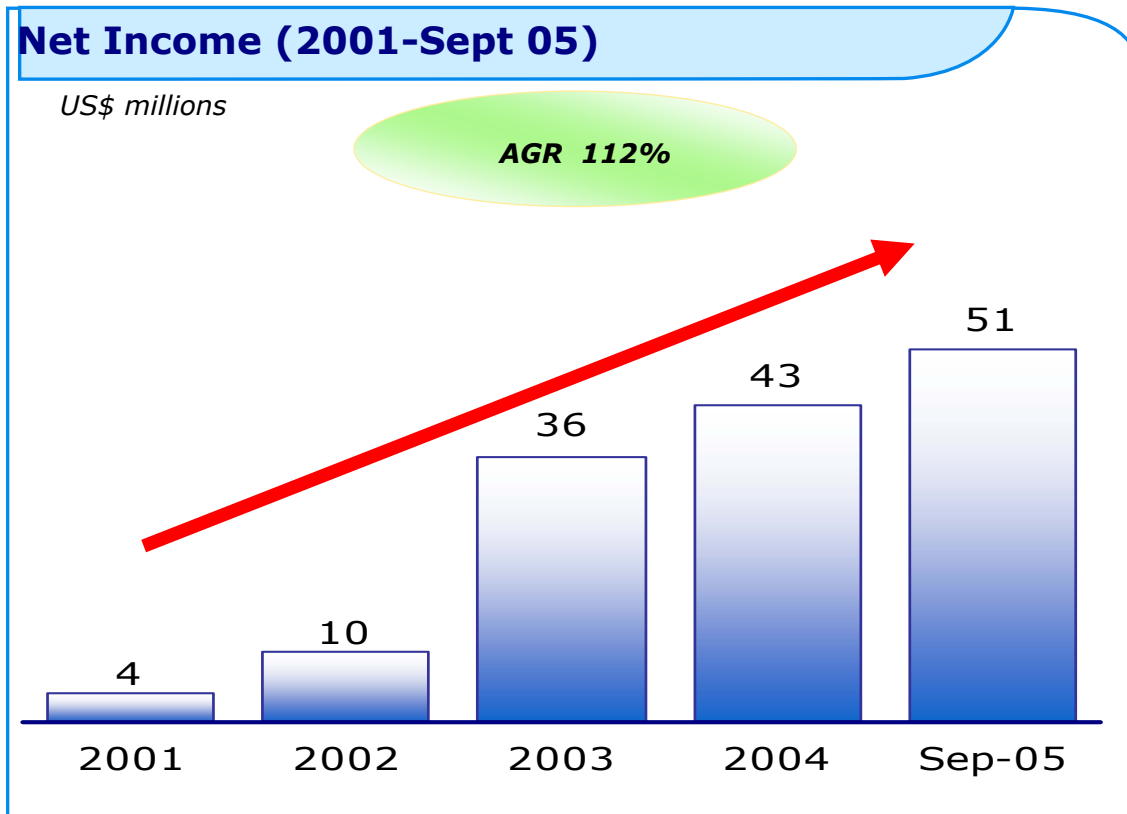


Non-Market Driven Revenues: Profit from Associates, Interest Income, Dividend Income, 90% of Fees and Commission Income, Rental Income and Gain on sale of Non-Trading Investments

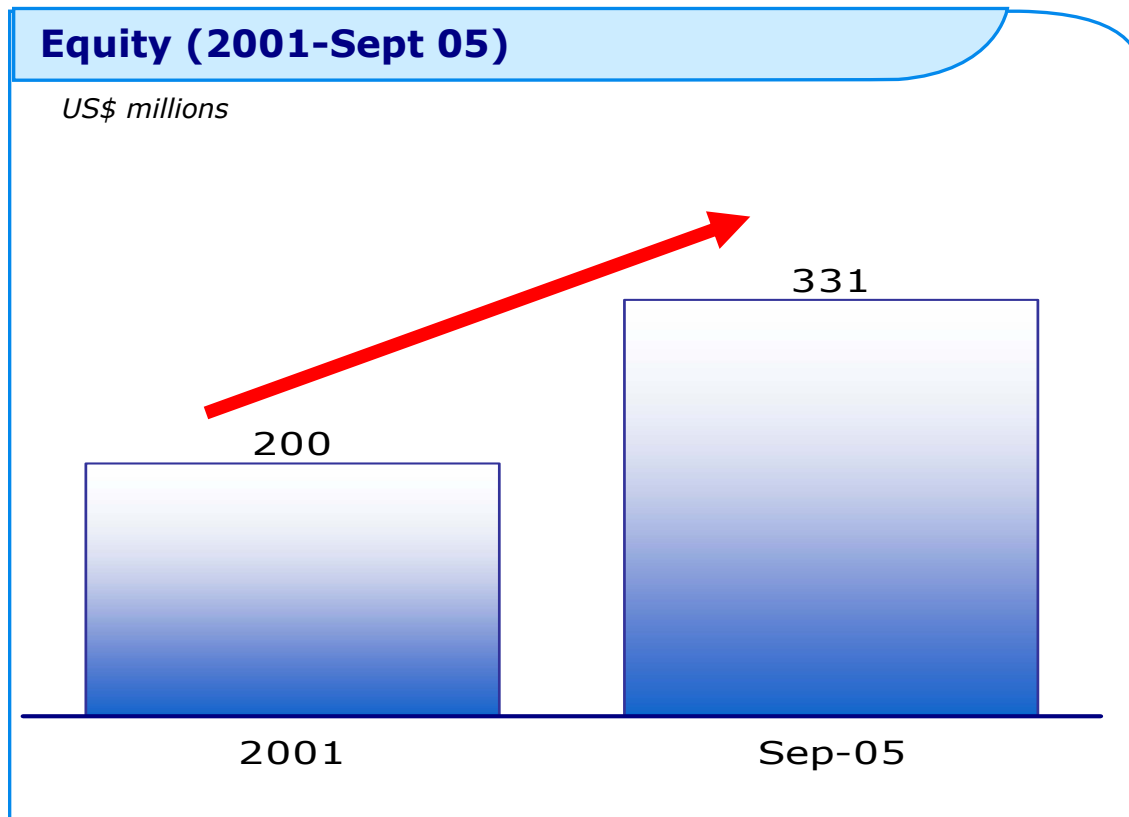
# Net Income – High Growth



# Net Income – High Growth



# Shareholders' Equity



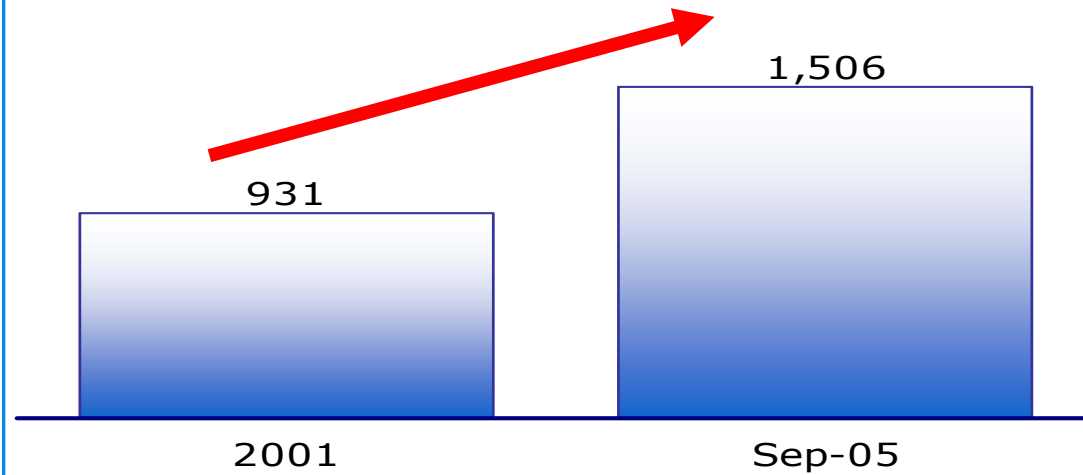
# Assets



## Assets (2001-Sep 05)

US\$ millions

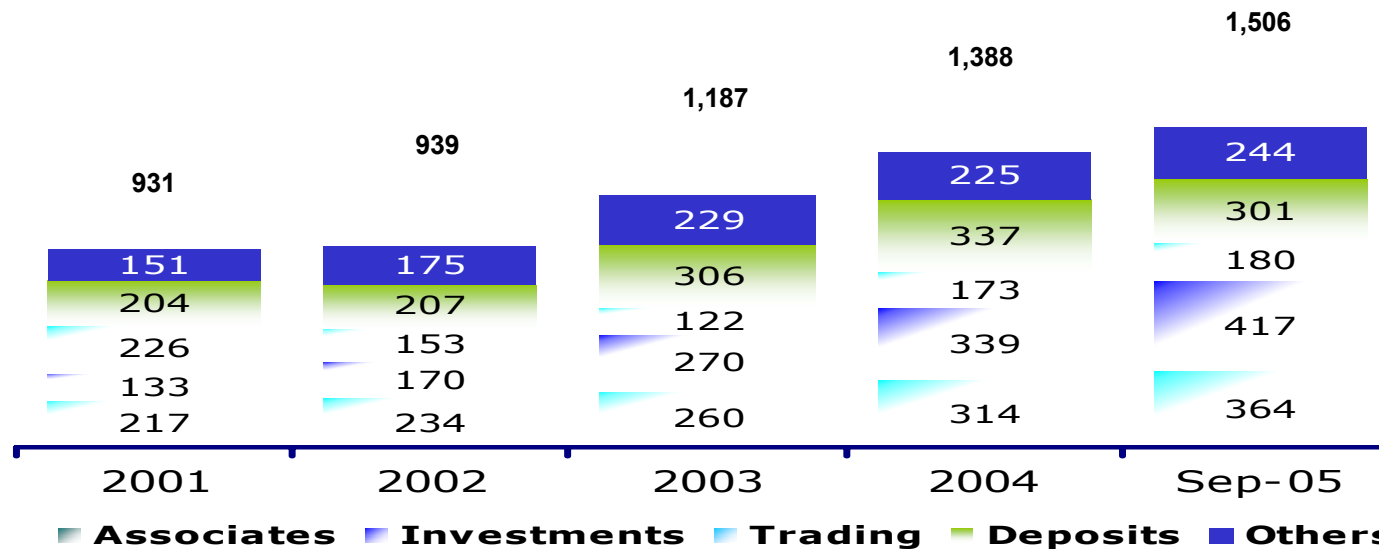
AGR > 13%



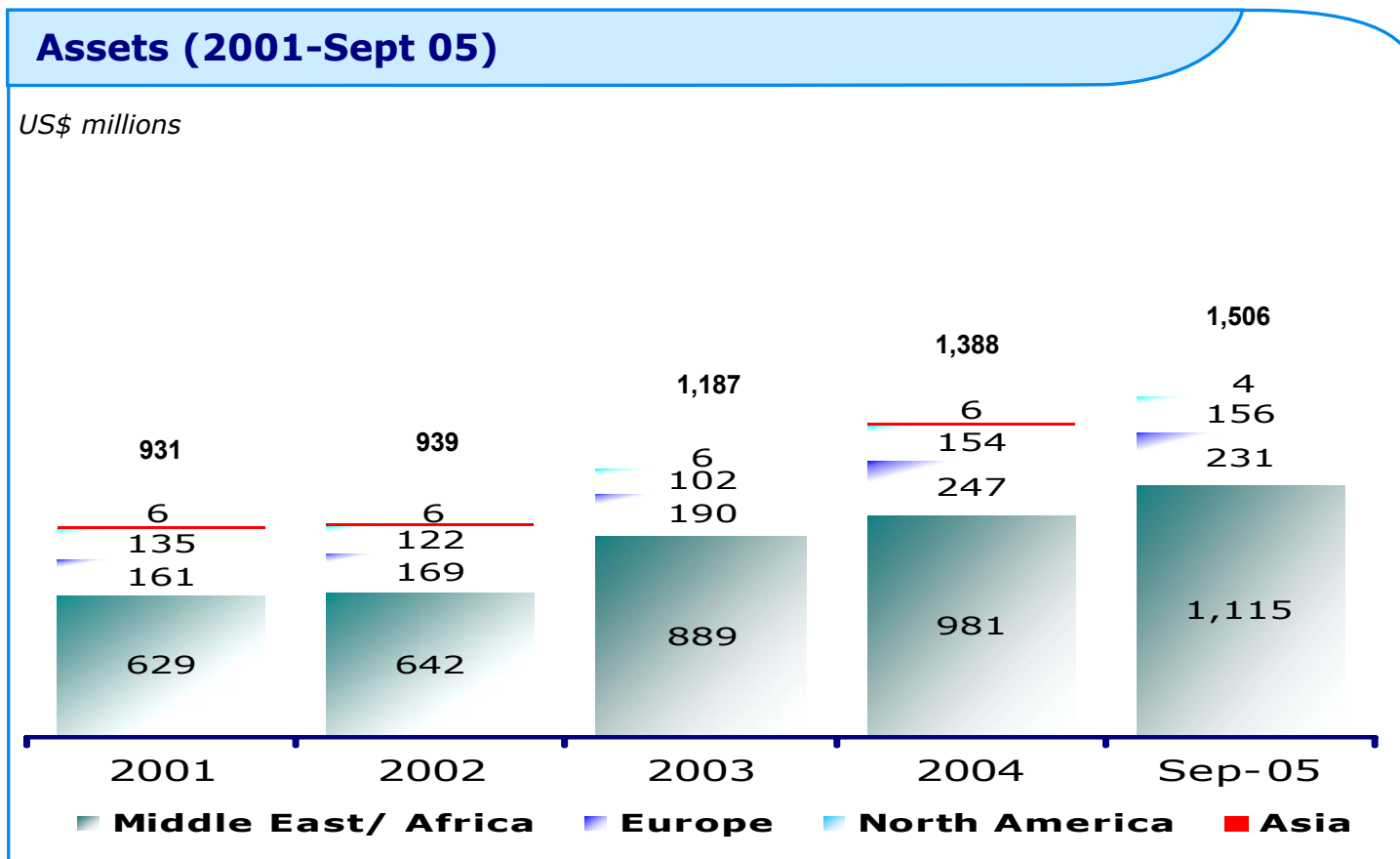
# Quality Assets - Diversified Portfolio

## Assets (2001-Sept 05)

US\$ millions



# Assets – Geographic Distribution

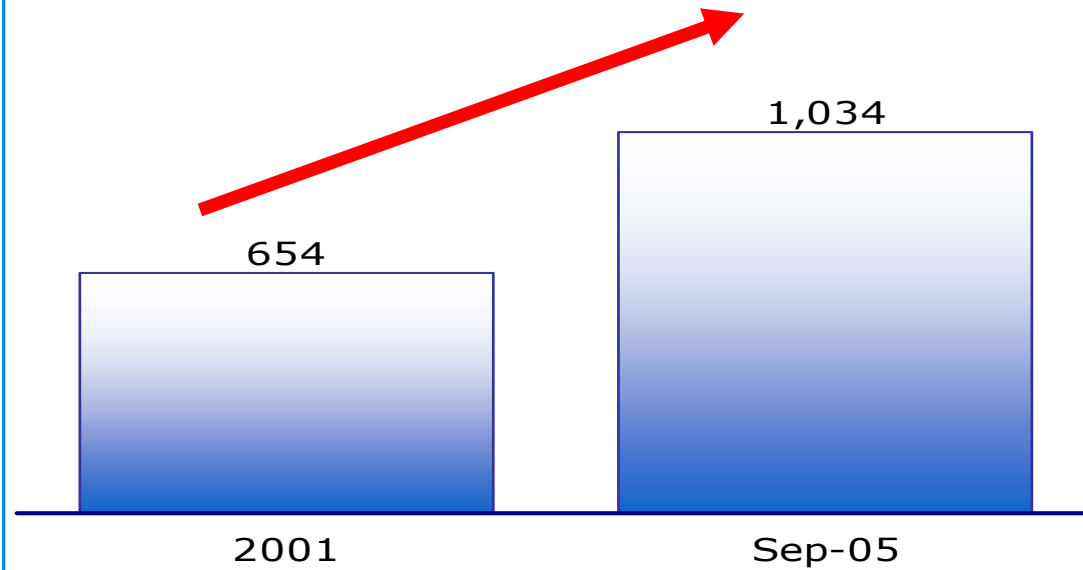


# Funding Base

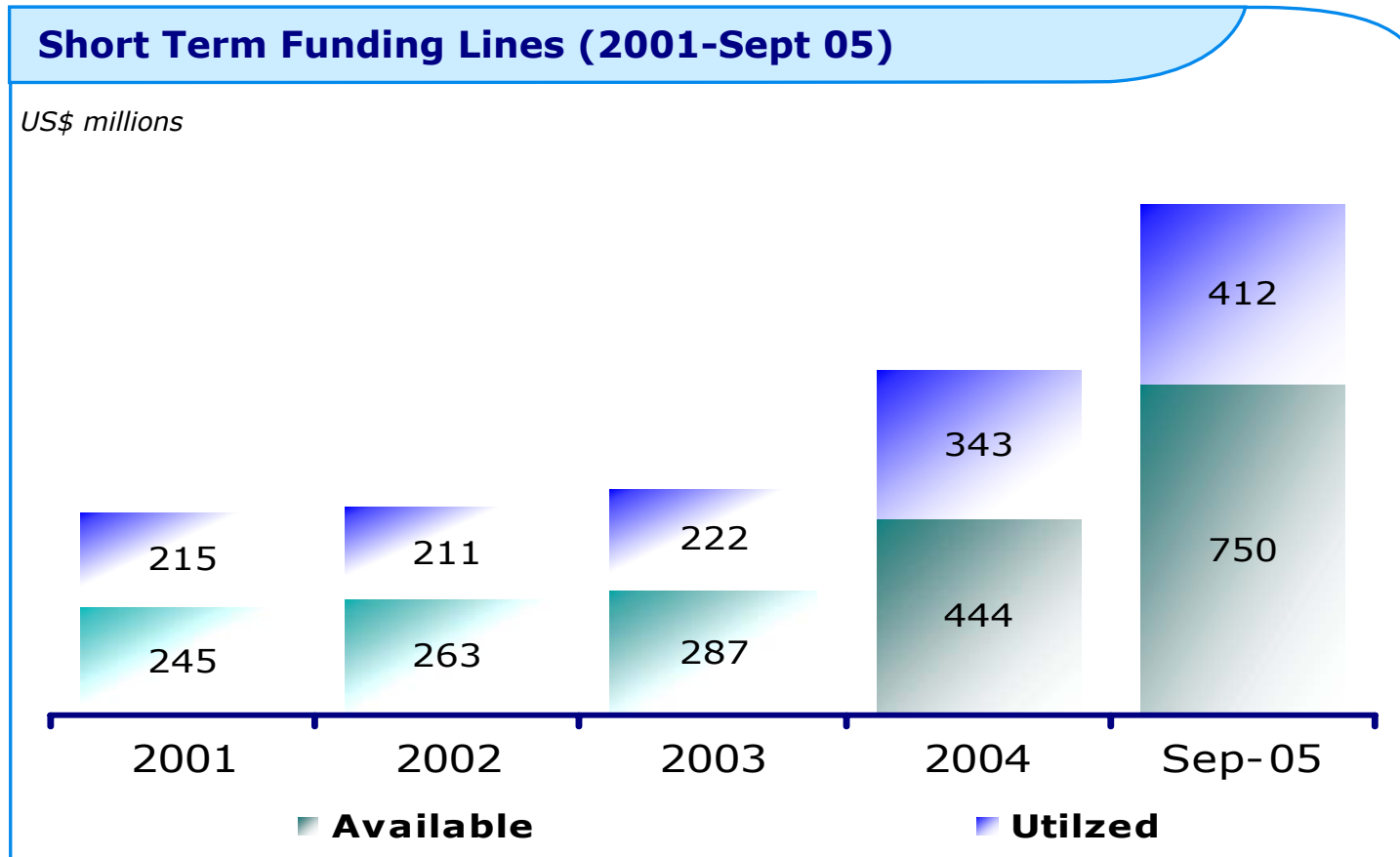


## Funding Base (2001-Sept 05)

*US\$ millions*

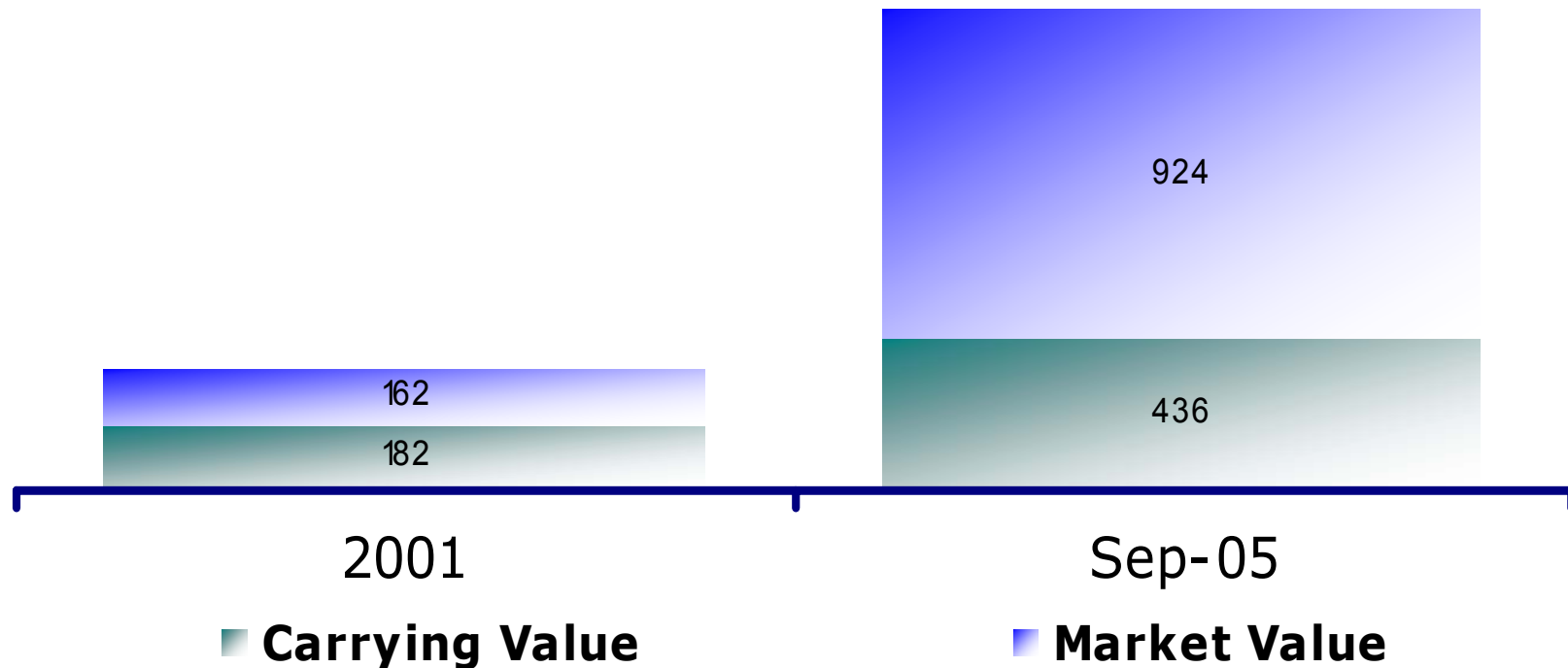


# Funding Lines Available and Utilized



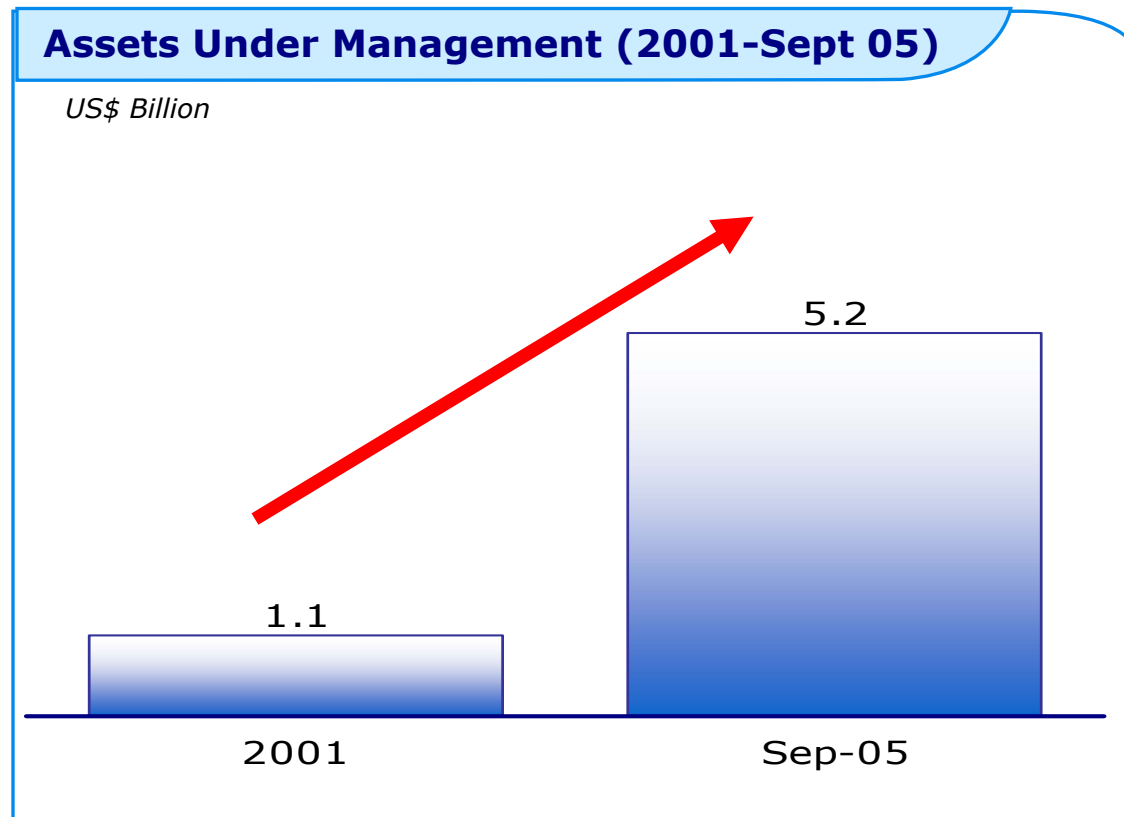
# Carrying Cost and Market Value of Listed Subsidiaries and Associates

US\$ millions



US\$ 487 million in excess valuation of associates and subsidiaries over carrying value at 30 September 2005

# Assets Under Management



# Subsidiaries and Associates

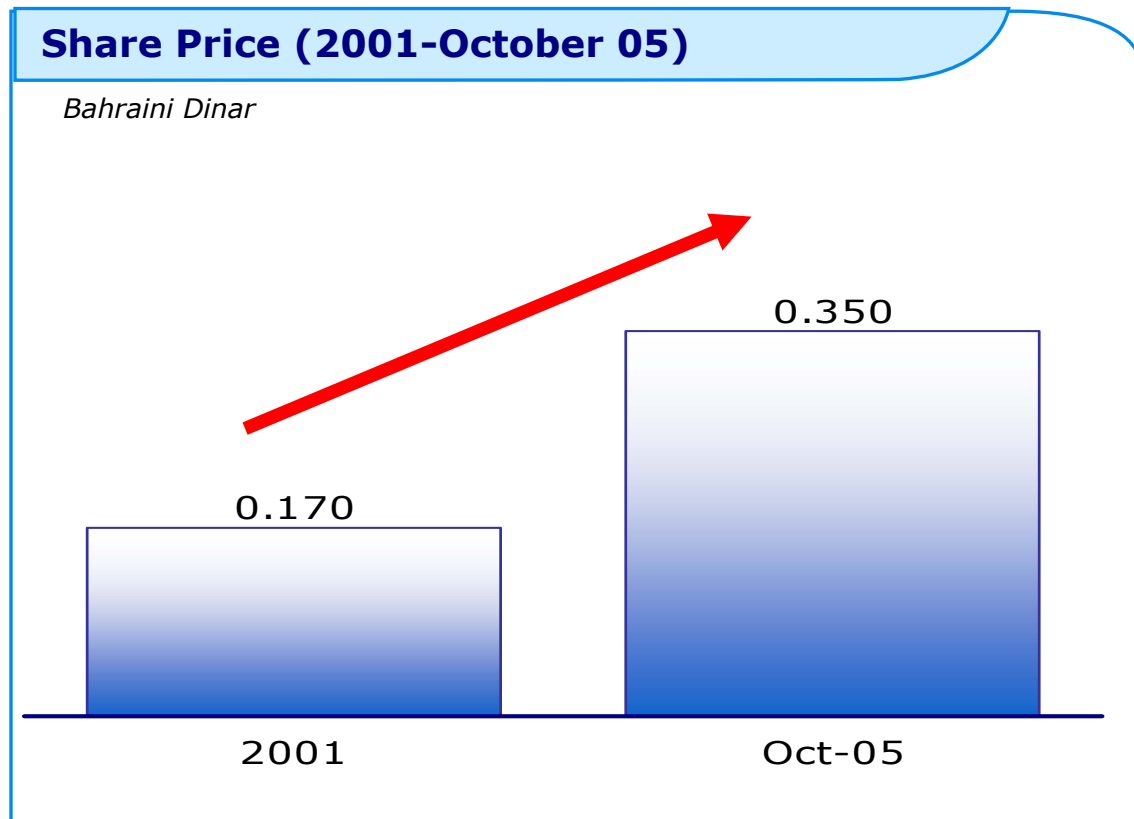
## Subsidiaries and Associates 2001

- KAMCO Asset Management Company
- Tunis International Bank
- United Gulf Bank Securities Company
- United Real Estate Company
- Jordan Kuwait Bank
- Baltic Transit Bank
- United Industries Company

## Subsidiaries and Associates 2005

- KAMCO Asset Management Company
- Tunis International Bank
- Algeria Gulf Bank
- United Gulf Bank Securities Company
- United Real Estate Company
- Jordan Kuwait Bank
- Bank of Baghdad
- United Industries Company
- United Cable Company
- Manafae Investment Company
- United Projects Aviation Company
- United Medical Services Company
- United Warehousing and Cooling Company
- Salem Al Marzouk & Sabah Abi Hanna

# Shareholder Value



# Agenda

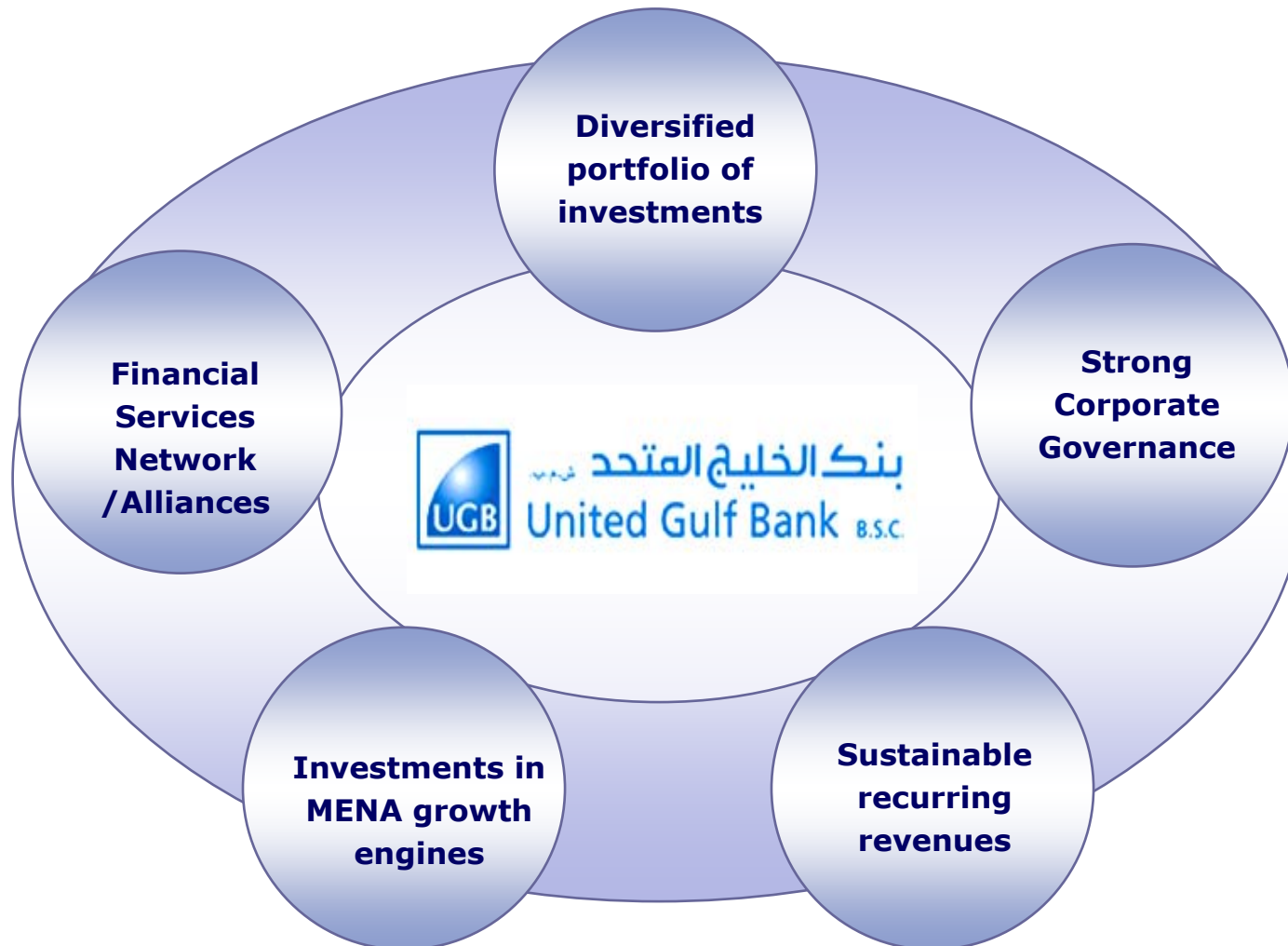
- **Overview**
- **UGB in Figures**
- **Business Review**
- **Financial Review**
- **Future Outlook**

# Key Highlights



- Assets under management – US\$5.2 billion
- Algeria Gulf Bank cash flow positive
- Preliminary approval from Central Bank of Syria for establishing a commercial bank at Syria
- Funded acquisition of Bank of Baghdad (October 2005)
- Initiatives to open investment firms in Doha and Tunis
- Signed US\$175 million 3 year Murabaha Facility in October 2005. It follows US\$65 million 3 year facility in December 2004
- Increased inter-bank lines from US\$286 million (Dec 03) to US\$750 million (Sept. 05). Enhanced credibility and liquidity
- US\$ 487 million in excess valuation of associates and subsidiaries over carrying value
- Rating upgrade by Capital Intelligence

# UGB Strategy – A Snapshot



**Combining growth with sustainable revenues**

# Business Model – A Strong Foundation

- Offering clients a full range of services
- Wide experience and knowledge of the MENA market
- Continuous thrust on new product development
- Regional banking expansion

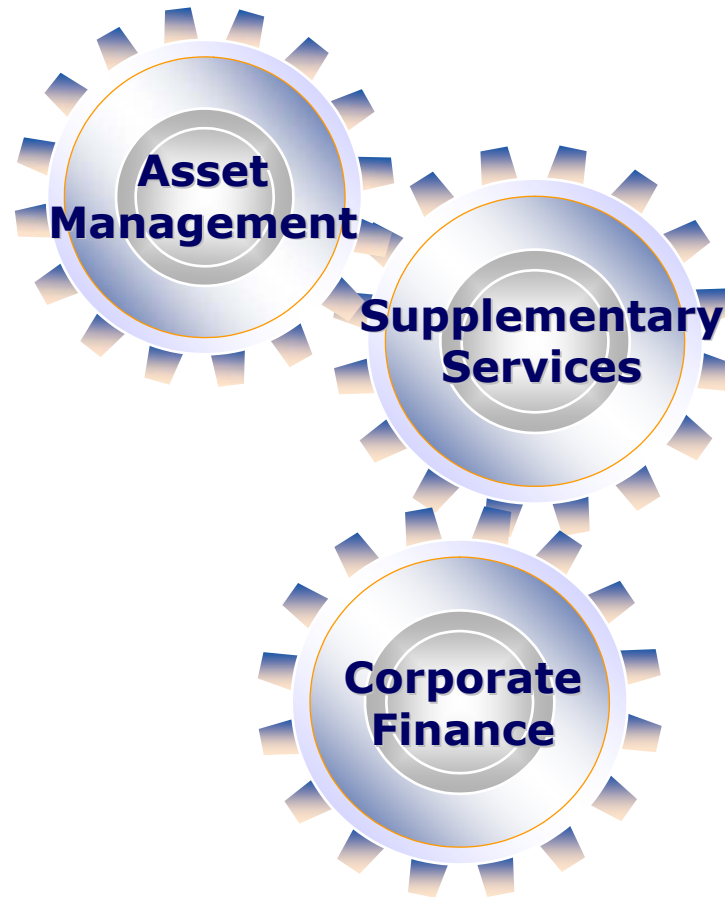


- Subsidiary and associate companies – core investments of UGB
- Provides diversification and stable revenue streams
- Strong performances in future to help UGB's performance

# Key Service Offerings

**UGB offers a wide range of services which serve as a one stop shop to cater to the needs of its clients**

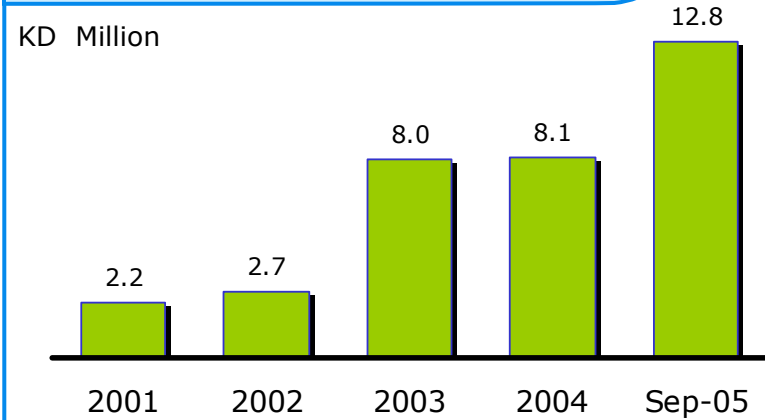
- Allocation advisory services
- Islamic and Financial product structuring
- Corporate valuations
- M&A
- Capital restructuring



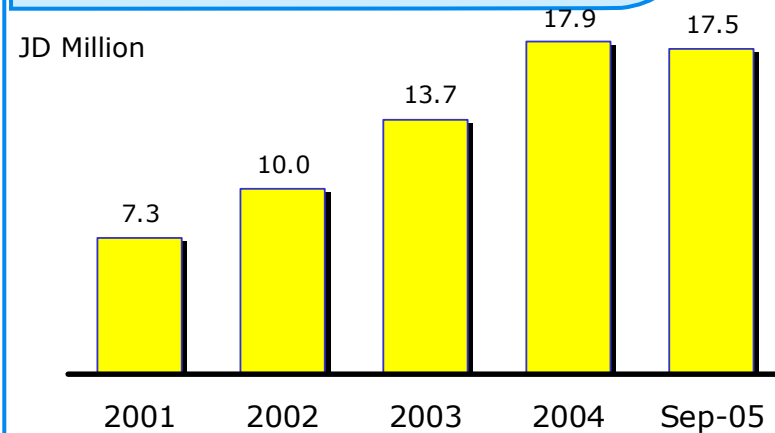
- Business and financial advisory
- Private equity investments
- Treasury
- Commercial Banking
- Murabaha Financing
- Succession planning
- Equity and debt placements
- IPO

# Core Investments Performance

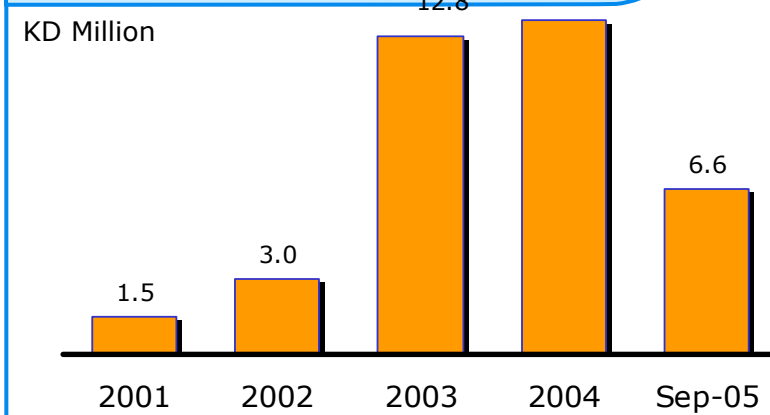
## • KAMCO



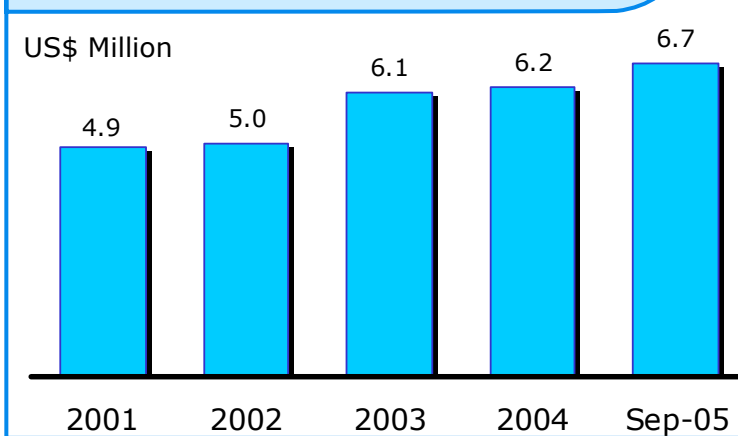
## • Jordan Kuwait Bank



## • United Real Estate Co



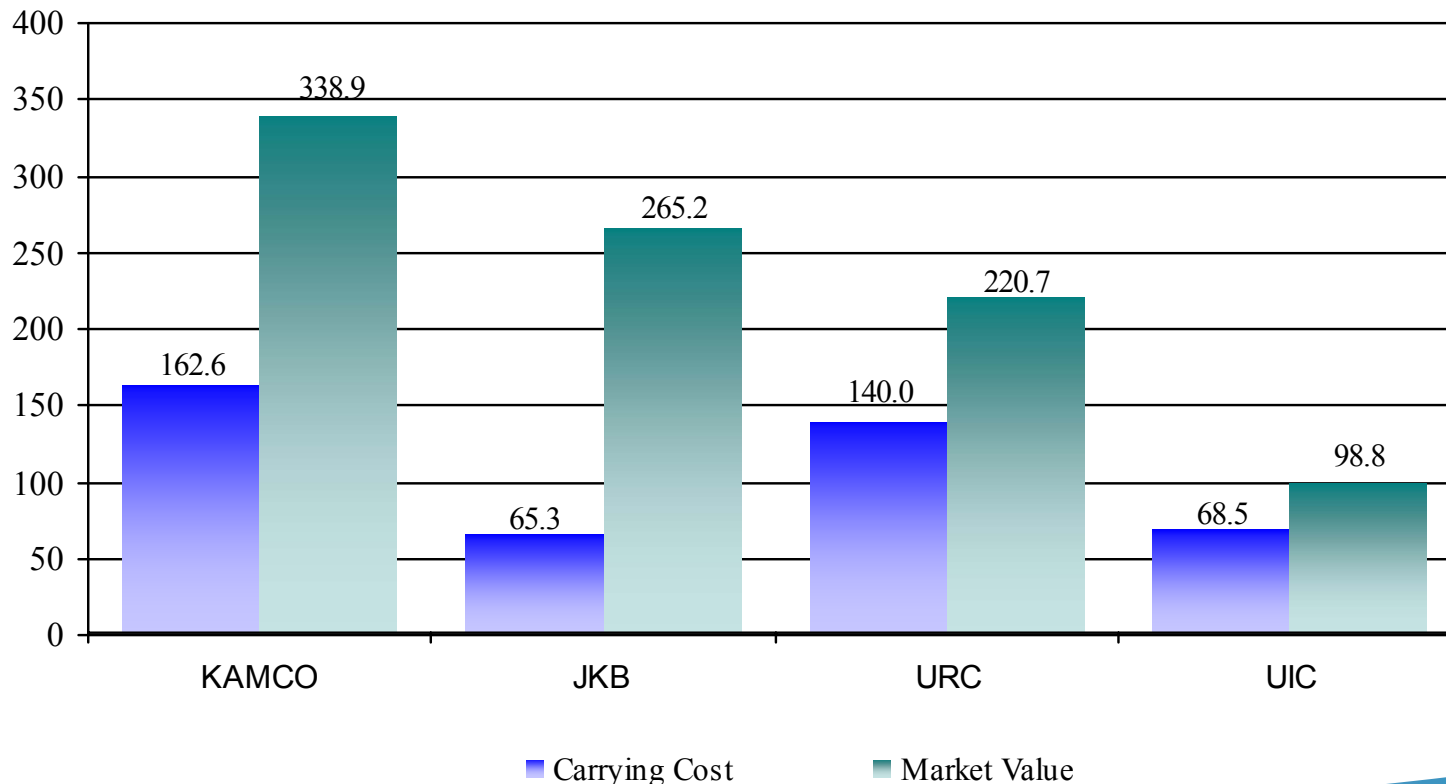
## • Tunis International Bank



# Market Value of Listed Subsidiaries and Associates

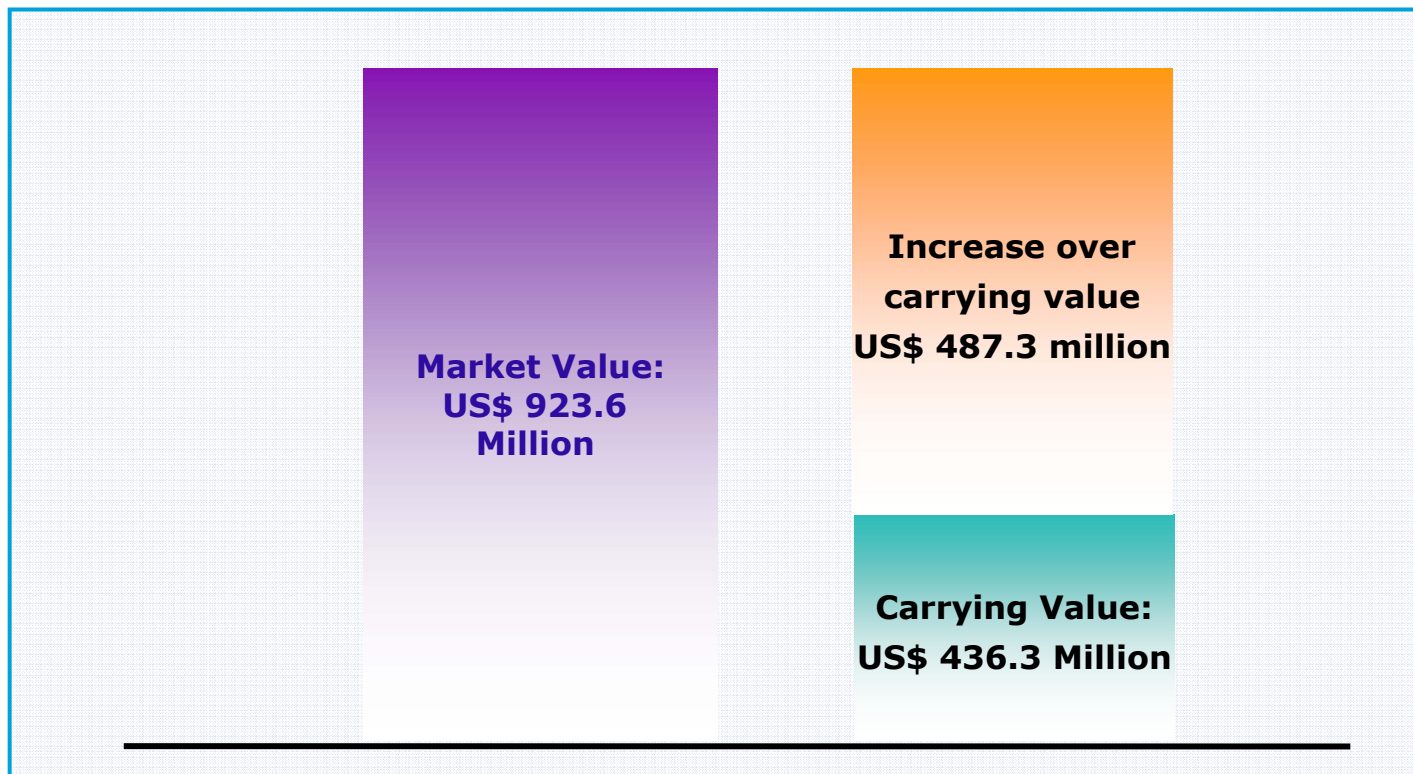
**UGB's listed subsidiaries and associates are actively traded on the stock exchanges**

**September 2005  
 (US\$ million)**



# Hidden Value of Investments

The market Value of investment in subsidiaries and associates was US\$ 923.6 million (September 2005) compared to the carrying value of US\$ 436.3 million as of September 2005.

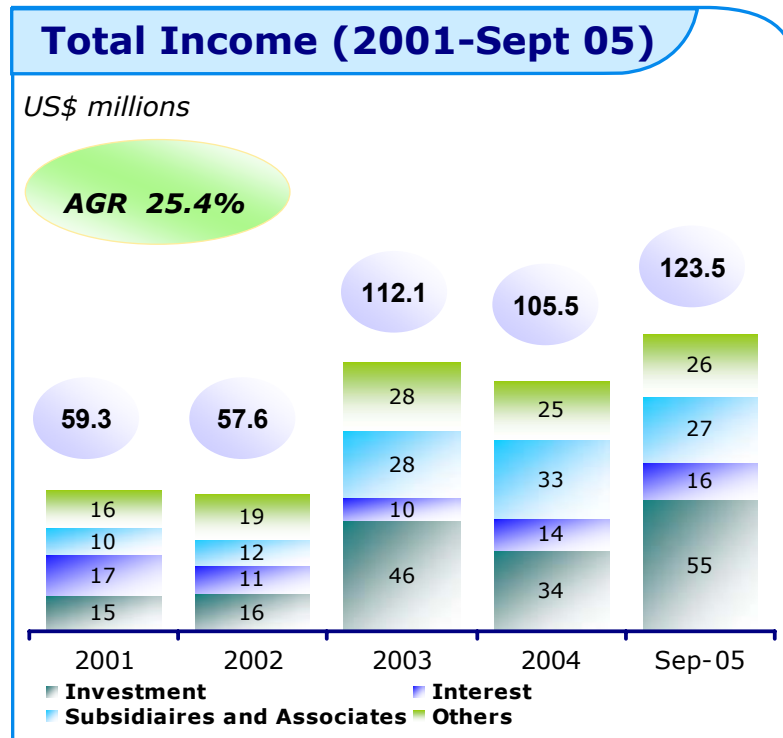


# Agenda

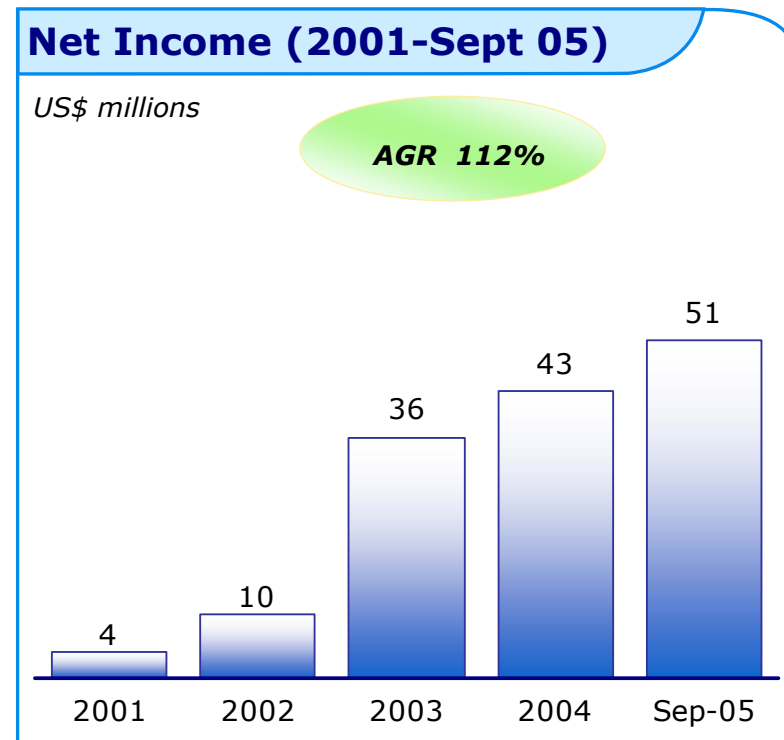
- **Overview**
- **Business Review**
- **UGB in Figures**
- **Financial Review**
- **Future Outlook**

# Revenue and Income – High Growth

**UGB has posted impressive results in the last three years, after the global markets recovered from the slowdown in 2001 and 2002**



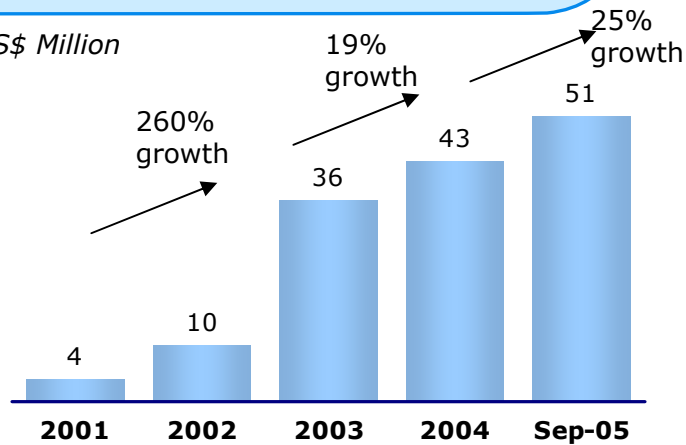
\* Recurring income US\$105.1 million in 2004 & US\$96 million in 2003.



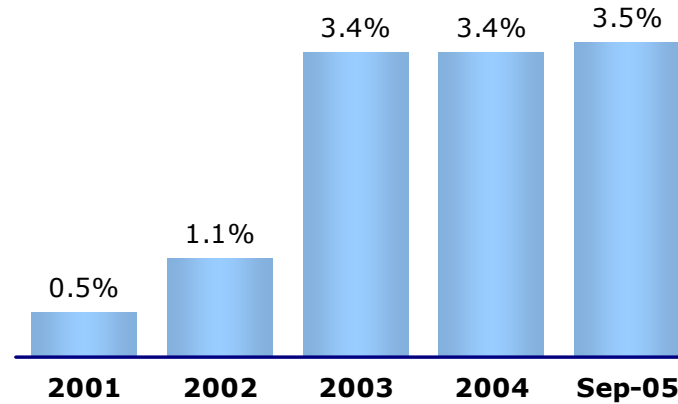
# Key Ratios

## Net Income

In US\$ Million

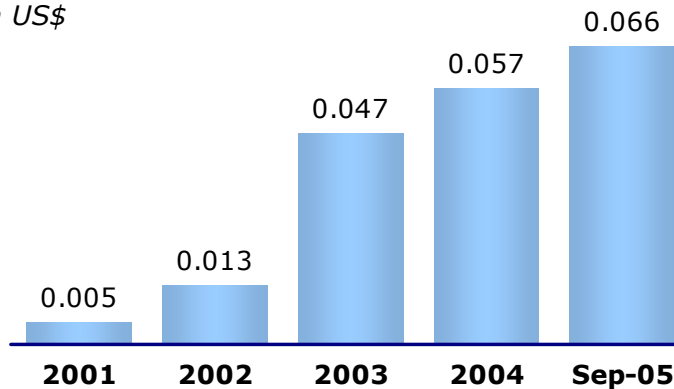


## Return on Average Assets

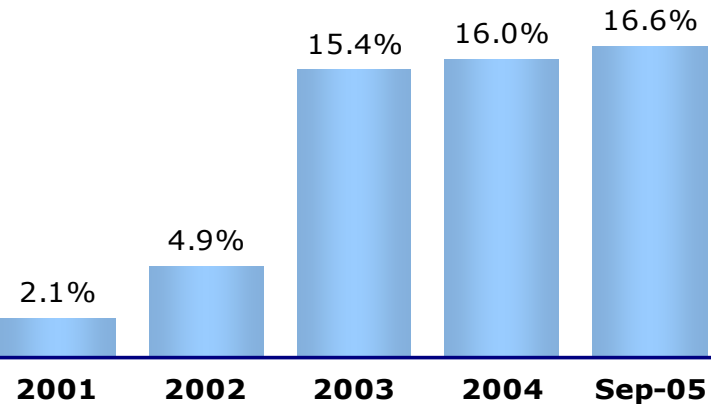


## Earnings Per Share

In US\$



## Return on Average Equity



# Financial Summary - Highlights

	Sept-05	2004	2003	2002	2001
US\$ millions					
Investment Income	55	34	46	16	15
Operating Income	97	84	93	38	29
Shareholders' Equity	331	280	260	211	200
Total Assets	1,506	1,388	1,187	939	923
Net Income	51	43	36	10	4
%					
Return on Average Equity	16.6	16.0	15.4	4.9	2.1
Return on Average Assets	3.5	3.4	3.4	1.1	0.5
Operating Expense/ Operating Income	27	34.9	27.7	39.9	56.8
Average Equity to Average Assets	21.1	21.0	22.2	22.1	23.7
US\$					
Book Value per share	0.43	0.37	0.34	0.28	0.26
Earnings per share	0.07	0.02	0.05	0.01	0.01

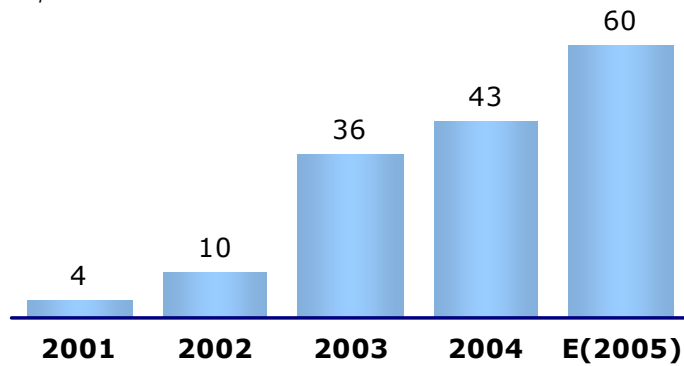
# Agenda

- **Overview**
- **UGB in Figures**
- **Business Review**
- **Financial Review**
- **Future Outlook**

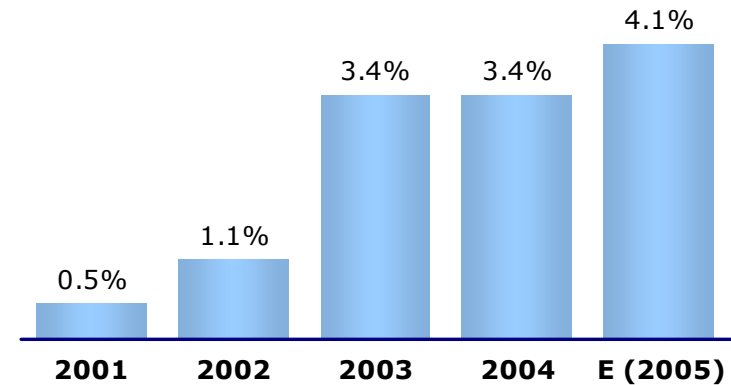
# Key Ratios

## Net Income

In US\$ Million

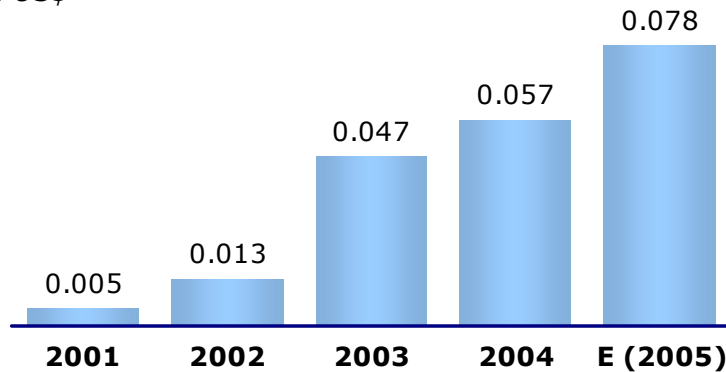


## Return on Average Assets

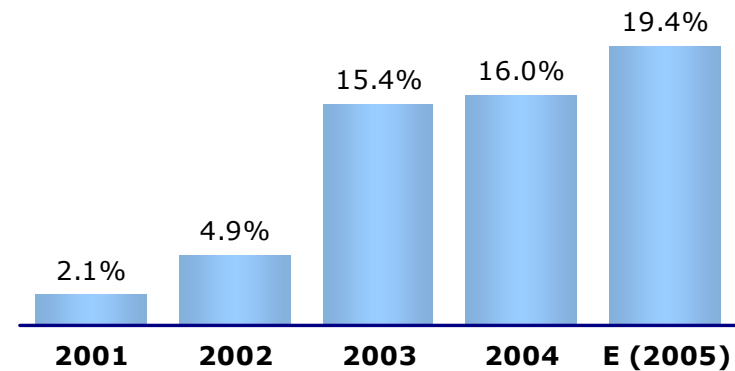


## Earnings Per Share

In US\$



## Return on Average Equity

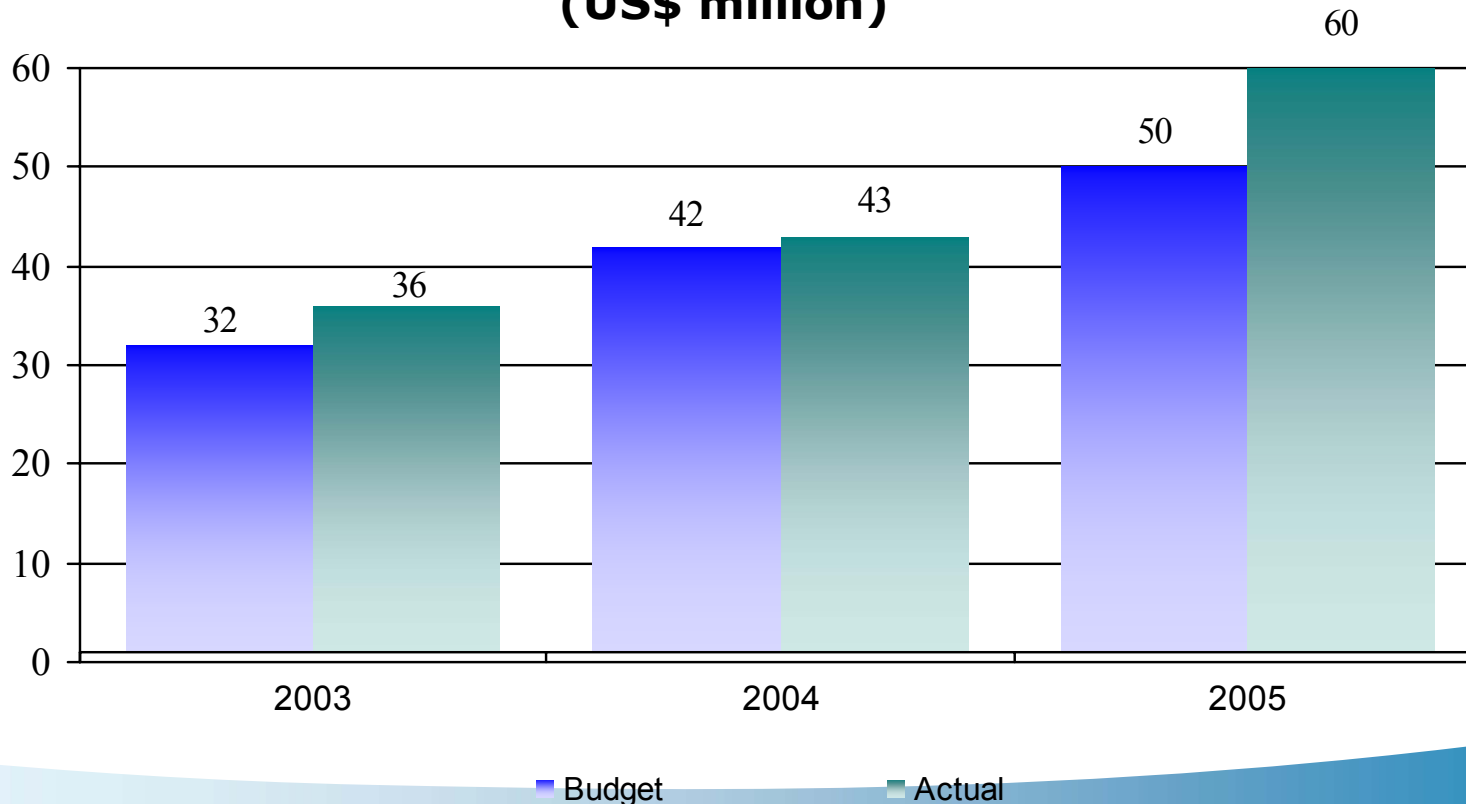


# Net Income

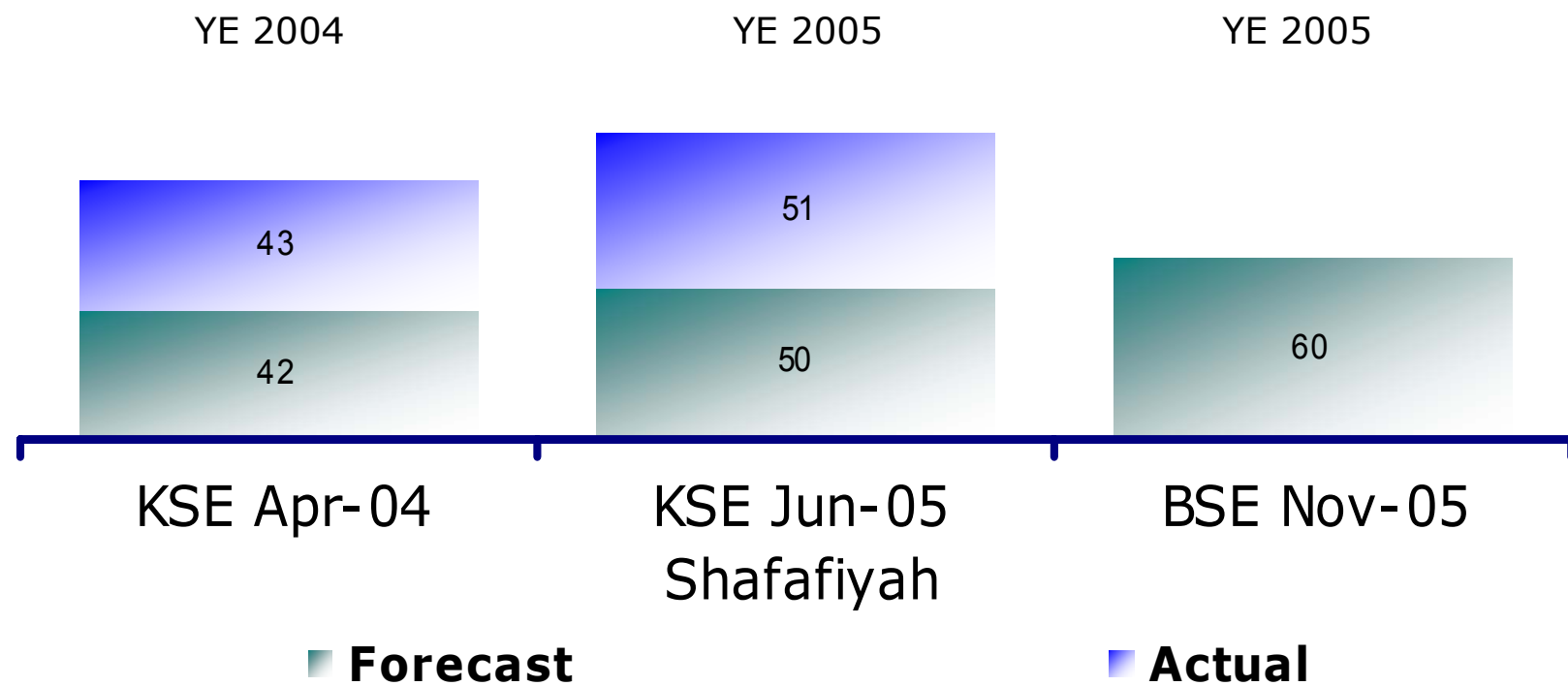


**Sound budget process and actual results in line with budget**

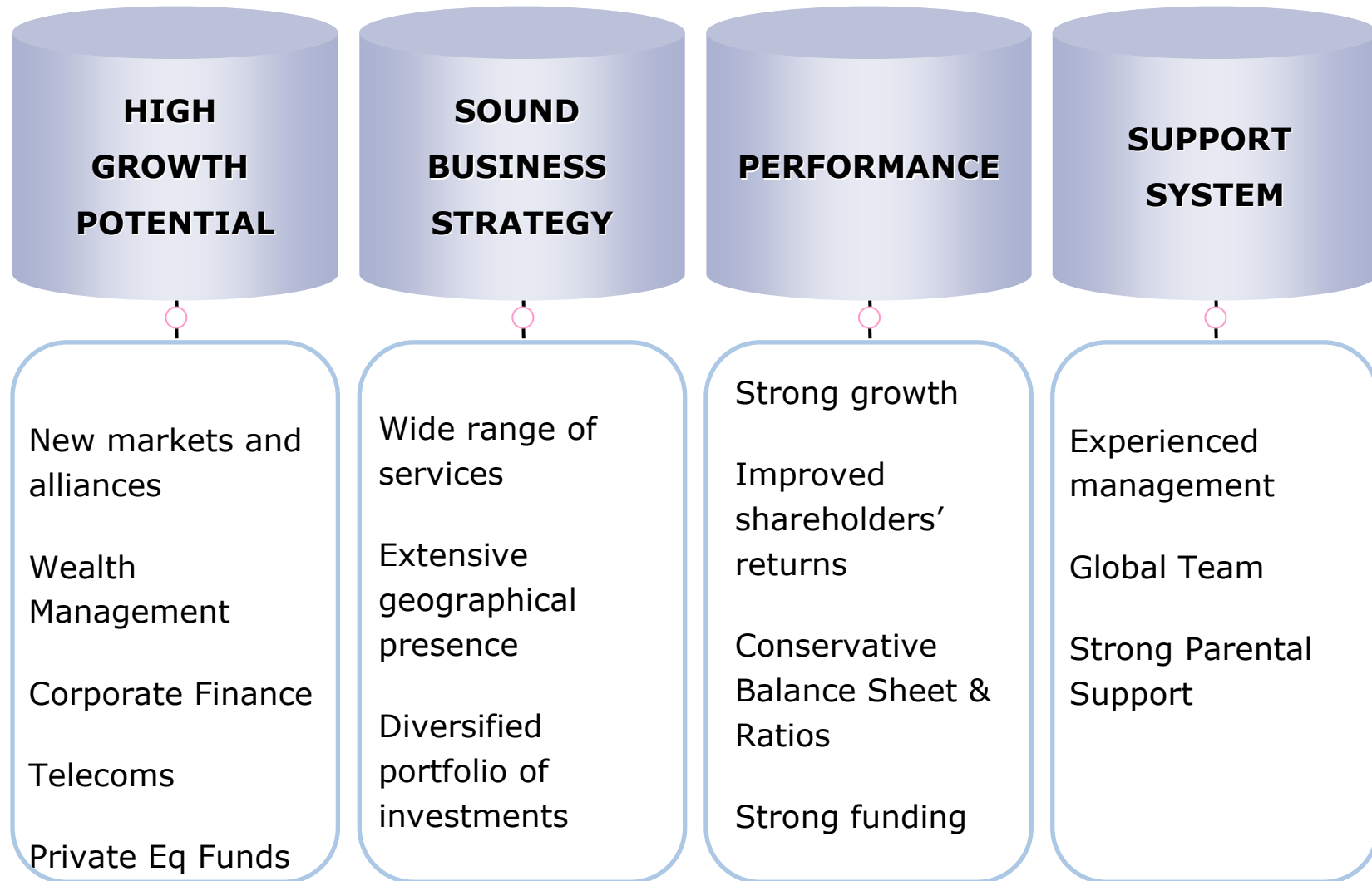
**Net Income Budget and Actual Comparison (US\$ million)**



# Forecast vs Actual



# Summary



**THANK YOU**

[www.ugbbah.com](http://www.ugbbah.com)