



### Interim Consolidated Statement of Financial Position

As at 30 June 2012 (Unaudited)

	Unaudited 30 June 2012 US\$ 000	Audited 31 December 2011 US\$ 000	Unaudited 30 June 2011 US\$ 000
<b>ASSETS</b>			
Demand and call deposits with banks	30,958	17,857	16,400
Placement with banks	73,510	102,282	86,910
Investments carried at fair value through statement of income	55,958	73,183	107,361
Non-trading investments	178,862	435,028	431,520
Loans and receivables	5,213	27,942	26,355
Other assets	71,564	37,490	38,234
Investments in associates and joint ventures accounted for under the equity method	954,331	1,002,940	995,884
Investment properties	16,054	16,054	21,178
Property and equipment	806	946	1,246
Goodwill	56,782	56,782	56,296
<b>TOTAL ASSETS</b>	<b>1,444,038</b>	<b>1,770,504</b>	<b>1,781,384</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to banks and other financial institutions	158,056	211,795	161,749
Deposits from customers	97,412	80,349	103,001
Loans payable	472,311	731,185	742,029
Subordinated debt	100,000	100,000	100,000
Other liabilities	33,911	44,021	70,875
<b>TOTAL LIABILITIES</b>	<b>861,690</b>	<b>1,167,350</b>	<b>1,177,654</b>
<b>EQUITY</b>			
Share capital	208,644	208,640	208,640
Treasury shares	(15,340)	(12,725)	(12,725)
Share premium	11,459	11,459	11,459
Statutory reserve	95,518	95,518	95,371
General reserve	76,003	76,003	75,856
Treasury shares reserve	14,308	14,308	14,308
Fair value reserve	(22,164)	(13,532)	(34,305)
Foreign currency translation reserve	35,764	40,134	45,679
Retained earnings	158,491	142,037	154,157
<b>CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>	<b>562,683</b>	<b>561,842</b>	<b>558,440</b>
Non-controlling interests in equity	19,665	41,312	45,290
<b>TOTAL EQUITY</b>	<b>582,348</b>	<b>603,154</b>	<b>603,730</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,444,038</b>	<b>1,770,504</b>	<b>1,781,384</b>

### Interim Consolidated Statement of Income

For the six-month period ended 30 June 2012 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2012 US\$ 000	2011 US\$ 000	2012 US\$ 000	2011 US\$ 000
Investment income - net	20,343	20,626	24,066	38,527
Interest income	1,662	2,307	3,295	4,082
	22,005	22,933	27,361	42,609
Fees and commissions	4,843	5,340	11,539	9,505
Foreign currency translation gains (losses) - net	38	41	(196)	(67)
Share of results of associates and joint ventures accounted for under the equity method - net	924	8,882	21,560	11,460
<b>Total income</b>	<b>27,810</b>	<b>37,196</b>	<b>60,264</b>	<b>63,507</b>
Interest expense	(11,996)	(13,789)	(25,301)	(26,142)
<b>Operating income before expenses and provisions</b>	<b>15,814</b>	<b>23,407</b>	<b>34,963</b>	<b>37,365</b>
Salaries and benefits	(5,001)	(6,576)	(10,583)	(11,081)
General and administrative expenses	(2,859)	(3,656)	(4,884)	(6,324)
<b>Operating income before provisions</b>	<b>7,954</b>	<b>13,175</b>	<b>19,496</b>	<b>19,960</b>
Impairment loss on investments	(6,797)	(5,036)	(9,223)	(8,288)
Write-back of provision for doubtful loans, guarantees and other assets - net	12	18	12	88
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,169</b>	<b>8,157</b>	<b>10,285</b>	<b>11,760</b>
<b>Profit (loss) attributable to</b>				
Shareholders of the parent	7,334	8,470	16,454	13,297
Non-controlling interests	(6,165)	(313)	(6,169)	(1,537)
	1,169	8,157	10,285	11,760
<b>Earnings per share</b>				
Basic earnings per share (US cents)	0.89	1.03	2.00	1.62
Diluted earnings per share (US cents)	0.89	1.03	2.00	1.62

### Interim Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2012 (Unaudited)

	Six-month period ended 30 June	
	2012 US\$ 000	2011 US\$ 000
Net cash from (used in) operating activities	185,296	(313,181)
Net cash from investing activities	80,367	47,518
Net cash (used in) from financing activities	(261,485)	170,644
Foreign currency translation adjustments	(4,370)	2,214
Movement in non-controlling interests	(15,478)	679

### NET CHANGE IN CASH AND CASH EQUIVALENTS

	Six-month period ended 30 June	
	2012 US\$ 000	2011 US\$ 000
Cash and cash equivalents at 1 January	119,820	195,118
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>104,150</b>	<b>102,992</b>

### Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2012 (Unaudited)

	Attributable to shareholders of the parent										Non-controlling interests	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Treasury share reserve	Fair value reserve	Foreign currency translation reserve	Retained earnings	Total before non-controlling interests		
	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Balance at 1 January 2012	208,640	(12,725)	11,459	95,518	76,003	14,308	(13,532)	40,134	142,037	561,842	41,312	603,154
Profit (loss) for the period	-	-	-	-	-	-	-	-	16,454	16,454	(6,169)	10,285
Other comprehensive loss	-	-	-	-	-	-	(8,632)	(4,370)	-	(13,002)	(1,429)	(14,431)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(8,632)	(4,370)	16,454	3,452	(7,598)	(4,146)
Shares issued	4	-	-	-	-	-	-	-	-	4	-	4
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(19,252)	(19,252)
Purchase of treasury shares	-	(2,615)	-	-	-	-	-	-	-	(2,615)	-	(2,615)
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	5,203	5,203
<b>Balance at 30 June 2012</b>	<b>208,644</b>	<b>(15,340)</b>	<b>11,459</b>	<b>95,518</b>	<b>76,003</b>	<b>14,308</b>	<b>(22,164)</b>	<b>35,764</b>	<b>158,491</b>	<b>562,683</b>	<b>19,665</b>	<b>582,348</b>
Balance at 1 January 2011	208,234	(12,725)	10,631	95,371	75,856	14,308	(21,374)	43,465	140,860	554,626	46,148	600,774
Profit (loss) for the period	-	-	-	-	-	-	-	-	13,297	13,297	(1,537)	11,760
Other comprehensive (loss) income	-	-	-	-	-	-	(12,931)	2,214	-	(10,717)	918	(9,799)
Total comprehensive (loss) income for the period	-	-	-	-	-	-	(12,931)	2,214	13,297	2,580	(619)	1,961
Shares issued	406	-	828	-	-	-	-	-	-	1,234	-	1,234
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(239)	(239)
<b>Balance at 30 June 2011</b>	<b>208,640</b>	<b>(12,725)</b>	<b>11,459</b>	<b>95,371</b>	<b>75,856</b>	<b>14,308</b>	<b>(34,305)</b>	<b>45,679</b>	<b>154,157</b>	<b>558,440</b>	<b>45,290</b>	<b>603,730</b>

### Interim Consolidated Statement of Comprehensive Income

For the six-month period ended 30 June 2012 (Unaudited)

	Three-month period ended 30 June		Six-month period ended 30 June	
	2012 US\$ 000	2011 US\$ 000	2012 US\$ 000	2011 US\$ 000
<b>NET PROFIT FOR THE PERIOD</b>	<b>1,169</b>	<b>8,157</b>	<b>10,285</b>	<b>11,760</b>
<b>Other comprehensive (loss) income:</b>				
Foreign currency translation reserve	(4,329)	180	(4,661)	3,394
Fair value reserve	(9,964)	(2,406)	(1,025)	8,942
Transfer to interim consolidated statement of income upon disposal / impairment	(21,321)	(9,381)	(20,927)	(25,616)
Share of other comprehensive income of associates and joint ventures accounted for under the equity method	7,947	1,737	9,336	1,119
Cash flow hedges	1,473	1,922	2,846	2,362
<b>Other comprehensive loss for the period</b>	<b>(26,194)</b>	<b>(7,948)</b>	<b>(14,431)</b>	<b>(9,799)</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(25,025)</b>	<b>209</b>	<b>(4,146)</b>	<b>1,961</b>
<b>Total comprehensive (loss) income attributable to</b>				
Shareholders of the parent	(15,837)	769	3,452	2,580
Non-controlling interests	(9,188)	(560)	(7,598)	(619)
	(25,025)	209	(4,146)	1,961

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 six-month period ended 30 June 2012, which were approved by the Board of Directors on 7 August 2012 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat  
Chairman

Faisal Al Ayyar  
Director

Rabih Soukarieh  
Acting Chief Executive Officer

#### Major Subsidiaries



#### Major Associates

