



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
ASSETS			
Demand and call deposits with banks	30,958	17,857	16,400
Placement with banks	73,510	102,282	86,510
Investments carried at fair value through statement of income	55,958	73,185	107,361
Non-trading investments	178,862	435,038	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	965,884
Investment properties	16,054	16,054	21,178
Property and equipment	806	946	1,246
Goodwill	56,782	56,782	56,296
TOTAL ASSETS	1,444,038	1,770,504	1,781,384
LIABILITIES AND EQUITY			
LIABILITIES			
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
TOTAL LIABILITIES	861,690	1,167,350	1,177,654
EQUITY			
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
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	562,683	561,842	558,440
Non-controlling interests in equity	19,665	41,312	45,290
TOTAL EQUITY	582,348	603,154	603,730
TOTAL LIABILITIES AND EQUITY	1,444,038	1,770,504	1,781,384

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	4,282
Fees and commissions	22,005	22,833	27,361	42,609
Foreign currency translation gains (losses) - net	4,843	5,340	11,539	9,505
Share of results of associates and joint ventures accounted for under the equity method - net	38	41	(196)	(67)
Total income	27,810	37,196	60,264	63,507
Interest expense	(11,996)	(13,788)	(25,301)	(26,142)
Operating income before expenses and provisions	15,814	23,407	34,963	37,365
Salaries and benefits	(5,001)	(6,576)	(10,583)	(11,081)
General and administrative expenses	(2,859)	(3,656)	(4,884)	(6,324)
Operating income before provisions	7,954	13,175	19,496	19,960
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
NET PROFIT FOR THE PERIOD	1,169	8,157	10,285	11,760
Profit (loss) attributable to				
Shareholders of the parent	7,334	8,470	16,454	13,297
Non-controlling interests	(6,165)	(313)	(6,169)	(1,537)
Earnings per share				
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	(313,161)	
Net cash from investing activities	50,367	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	

Interim Consolidated Statement of Changes in Equity			
For the six-month period ended 30 June 2012 (Unaudited)			
	Six-month period ended 30 June		
	2012 US\$ 000	2011 US\$ 000	
NET CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January			(15,670)
CASH AND CASH EQUIVALENTS AT 30 JUNE			104,150

Interim Consolidated Statement of Changes in Equity												
For the six-month period ended 30 June 2012 (Unaudited)												
	Attributable to shareholders of the parent											
	Share capital US\$ 000	Treasury shares US\$ 000	Share premium 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 before non-controlling interests US\$ 000	Non-controlling interests US\$ 000	Total equity 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
Balance at 30 June 2012	208,644	(15,340)	11,459	95,518	76,003	14,308	(22,164)	35,764	158,491	562,683	19,665	582,348
Balance at 1 January 2011	208,234	(12,725)	10,631	95,371	75,856	14,308	(21,374)	43,465	140,860	554,628	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)
Balance at 30 June 2011	208,640	(12,725)	11,459	95,371	75,856	14,308	(34,305)	45,679	154,157	558,440	45,290	603,730

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	
NET PROFIT FOR THE PERIOD	1,169	8,157	10,285	11,760	
Other comprehensive (loss) income:					
Foreign currency translation reserve	(4,329)	180	(4,661)	3,394	
Fair value reserve	(9,964)	(2,408)	(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	
Other comprehensive loss for the period	(26,194)	(7,948)	(14,431)	(9,799)	
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(25,025)	209	(4,146)	1,961	

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
Total comprehensive (loss) income attributable to				
Shareholders of the parent	(15,837)	769	3,452	2,580
Non-controlling interests	(9,188)	(503)	(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