



بنك الخليج المتحد
United Gulf Bank B.S.C.

Interim Consolidated Statement of Financial Position

As at 30 June 2014 (Reviewed)

	Reviewed 30 June 2014 US\$ 000	Audited 31 December 2013 US\$ 000	Reviewed 30 June 2013 US\$ 000
ASSETS			
Demand and call deposits with banks	199,502	17,747	18,241
Placements with banks	59,077	113,063	72,561
Investments carried at fair value through statement of income	69,796	46,629	53,538
Non-trading investments	223,623	166,267	198,080
Loans and receivables	983,798	3,958	33,941
Other assets	67,278	29,630	26,629
Investments in associates and joint ventures	801,967	824,557	781,984
Investment properties	14	14	14,020
Property and equipment	39,503	690	736
Goodwill	77,342	56,008	56,303
TOTAL ASSETS	2,621,900	1,258,563	1,256,013
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions	626,362	258,548	186,365
Deposits from customers	465,193	23,802	60,248
Loans payable	713,604	386,325	401,256
Subordinated debt	93,270	100,000	100,000
Other liabilities	69,338	30,326	26,381
TOTAL LIABILITIES	1,967,767	799,001	774,250
EQUITY			
Share capital	208,651	208,651	208,650
Treasury shares	(18,131)	(18,131)	(18,111)
Share premium	11,459	11,459	11,459
Statutory reserve	96,882	96,882	96,623
General reserve	77,367	77,367	77,108
Treasury shares reserve	14,248	14,248	14,248
Fair value reserve	(3,182)	(17,313)	(4,903)
Foreign currency translation reserve	6,301	6,686	9,968
Retained earnings	72,866	56,451	64,046
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	466,461	436,300	459,088
Non-controlling interests in equity	87,672	23,262	22,675
TOTAL EQUITY	554,133	459,562	481,763
TOTAL LIABILITIES AND EQUITY	2,621,900	1,258,563	1,256,013

Interim Consolidated Statement of Cash Flows

For the six-month period ended 30 June 2014 (Reviewed)

	Six-months period ended 30 June	
	2014 US\$ 000	2013 US\$ 000
Net cash used in operating activities	(170,660)	(35,455)
Net cash from investing activities	146,230	30,184
Net cash from financing activities	146,083	16,042
Foreign currency translation adjustments	(385)	(2,618)
Movement in non-controlling interests	(1,842)	(62)
NET CHANGE IN CASH AND CASH EQUIVALENTS	119,426	8,081
Cash and cash equivalents at 1 January	130,491	82,393
CASH AND CASH EQUIVALENTS AT 30 JUNE	249,917	90,474

Interim Consolidated Statement of Changes in Equity

For the six-month period ended 30 June 2014 (Reviewed)

	Attributable to shareholders of the parent										Total before non-controlling interests	Non-controlling interests	Total equity
	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	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Balance at 1 January 2014	208,651	(18,131)	11,459	96,882	77,367	14,248	(17,313)	6,686	56,451	436,300	23,262	459,562	
Profit for the period	-	-	-	-	-	-	14,131	(385)	16,415	16,415	(194)	16,221	
Other comprehensive income (loss)	-	-	-	-	-	-	14,131	(385)	16,415	30,161	(155)	30,006	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	14,131	(385)	16,415	64,565	-	64,565	
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	87,672	-	87,672	
Balance at 30 June 2014	208,651	(18,131)	11,459	96,882	77,367	14,248	(3,182)	6,301	72,866	466,461	87,672	554,133	
Balance at 1 January 2013	208,644	(15,340)	11,459	96,623	77,108	14,308	(3,562)	12,586	54,382	456,208	21,974	478,182	
Profit for the period	-	-	-	-	-	-	-	-	9,664	9,664	763	10,427	
Other comprehensive income (loss)	-	-	-	-	-	-	(1,341)	(2,618)	(3,959)	(71)	-	(4,030)	
Total comprehensive income (loss) for the period	-	-	-	-	-	-	(1,341)	(2,618)	9,664	5,705	692	6,397	
Share issued	6	(2,771)	-	-	-	(60)	-	-	-	(2,831)	-	(2,831)	
Dividend of subsidiaries	-	-	-	-	-	-	-	-	-	6	-	6	
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	9	-	9	
Balance at 30 June 2013	208,650	(18,111)	11,459	96,623	77,108	14,248	(4,903)	9,968	64,046	459,088	22,675	481,763	

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 Consolidated Financial Statements of United Gulf Bank B.S.C. for the six-month period ended 30 June 2014, which were approved by the Board of Directors on 13 August 2014 and were reviewed by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Vice Chairman

Rabih Soukari
Chief Executive Officer

Major Subsidiaries



البنك الخليجي للمصارف والخدمات المالية
United Gulf Financial Services (UFGS)



Major Associates

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CHINA LENDING SLOWS IN JULY

Kelly Olsen
Beijing

China's bank lending plunged in July as the weakening property sector hit demand for loans, statistics showed on Wednesday as other key indicators slowed, raising concerns for growth in the world's second-largest economy.

Domestic banks' new yuan loans amounted to 385.2 billion yuan (\$62.5bn) last month, the People's Bank of China (PBoC) said in a statement, a drastic decline from June's 1.08 trillion yuan.

Signs of strength in China's economy have been tempered by nagging worries over the potential for a downturn in the huge property sector to dampen growth.

An official of the PBoC, China's central bank, attributed the fall in lending to the real estate market "undergoing

some adjustments" and "downward pressure in the domestic economy".

An independent survey of Chinese property prices showed their decline accelerated in July, dropping for the third straight month.

China's economy grew a stronger-than-expected annualised 7.5 per cent in the April-June quarter, accelerating from 7.4pc during the first three months of the year, which was the worst since a similar expansion in July-September 2012.

ANZ Bank economists Liu Li-Gang and Zhou Hao said the July lending data was a significant cause for concern.

UBS economist Wang Tao, however, said the drop could be explained by factors including strong deposit and credit growth recorded in June, a crackdown on so-called shadow banking and weak credit



Shanghai's Pudong financial district.

demand in the real economy.

China's importance as a global growth engine was underscored by figures earlier in the day showing that Japan's economy — the world's third largest — shrank an annualised 6.8pc in the April-June quarter after a sales tax increase

doused spending.

Also, China released figures for industrial output, retail sales and fixed-asset investment that were largely in line with expectations, although slightly slower compared to the previous month. (AFP)

Innovation Thesaurus



Dr. JASSIM HAJI

Strategic approach to BYOD

Most of us use personal notebooks, tablets, or smartphones for work at least some of the time. The benefits of the BYOD (bring your own device) phenomenon can be tremendous. Team members can communicate and work on projects from anywhere, at any time—and employers don't have to fork out cash to enable them to do so. What could go wrong?

Plenty, as it turns out. BYOD can put sensitive company data—your data—at risk. All it takes to expose data to a potentially malicious third party is a lost or stolen smartphone. Other hazards include connecting to an open Wi-Fi network—for instance, in a coffee shop. Or a downloaded app from an unsavory developer—or one whose app has been hacked by another party.

Add printing to the mix and the risks multiply. Print a confidential document at a hotel or at a client's office, for example, and unauthorised individuals may see it in the printer output tray or at the hotel's front desk—or your data may be retrievable from the hotel or client network even after your print job is complete. Print a confidential document at home, and unencrypted imprints of it may exist on the hard drive of your device, which may end up lost of stolen. And if you use a mobile printer, sensitive data may be exposed to prying eyes that wouldn't be able to see it behind your company firewall.

But the potential problems don't stop there. BYOD also increases printing risk behind your firewall. Employees connecting to printers in your office using personal devices can infect those printers via malware from "out in the wild," which can wreak havoc on data security and office productivity.

Taking a formal, strategic approach to BYOD in general, and as it relates to printing in particular, can significantly cut the risk that your data will end up in the hands of those who shouldn't have it.

- Give employees a way to print more securely from their devices. Equip employees who travel with a secure mobile print app for their devices.

- Authenticate users. To protect against important documents sitting idly in an output tray, set up your office printers to require employees to use personal identification numbers (PINs), access cards or fingerprint readers in order to print.

- Enable "pull printing." Give employees the ability to send documents securely to a protected server, then use their PIN to access and print those documents—no matter where they are in the world—using printers connected to that server.

- Safer network access. Enable employees to access documents on your network using VPN, whether they're on the road, at home or at a temporary workstation in the office.

- Equip personal devices to enhance security. Make sure employee devices are set up to print securely, with controls like password lock, automatic session timeout, appropriate data-access and printing permissions and the ability to wipe drives if devices are lost or stolen.

- Educate your employees. Even if you lack the IT resources to support every device on the market, you can reduce BYOD risk. Help employees understand the risks of downloading unapproved mobile apps and connecting to open Wi-Fi networks. Also make sure that, when on the road, they choose printers and copy shops that meet your security and compliance standards.

With the right approach—including technology, policies, and processes—your business will enjoy all the benefits of BYOD while avoiding the security headaches that can accompany it.

Dr. Haji is a technology and management expert. He can be reached at jassimhaji@hotmail.com.

Al Ahlia releases financial results

DT News Network

Net profit of Al Ahlia Insurance for the second quarter of 2014 stood at BD363,001 compared to BD1,118,851 of corresponding period last year. The company's profit from underwriting profit in second quarter stood at BD176,119 compared to BD437,339 for the same period of last year due to the increase in the company's extra technical provisions.

General Manager Fadi Al Khatib said the company has reported net profit of BD712,112 in the first half of 2014 compared to BD2,155,646 reported during the corresponding period of last year.

The company's net earned premiums for the period stood at BD2,679,917 against last year's corresponding figure of BD2,325,591 while its gross premiums for the first half of the current year were BD5,496,025 in 2014. (Send your comments to news@dt.bh)

UGB reports 70pc rise in profit

DT News Network

United Gulf Bank (UGB) has announced net profit of \$16.4m for the six months of 2014, a 70 per cent increase over corresponding period last year. Net income attributable to the shareholders of parent for the quarter increased by 95pc to \$6.2m compared to \$3.2m in 2Q13.

On a six months basis, UGB recorded total income of \$86.5m for the first half of 2014 compared to \$37.6m for the six months ended 30 June, 2013.

UGB consolidated FIMBank-Malta from 31 March 2014 in which equity ownership was increased to 60.5pc from 30pc through voluntary bid acquisition. The bank's total assets in-

creased to \$2.5 billion as on 30 June 2014, compared to \$1.3bn at 31 December 2013 due to consolidation of FIMBank. During the quarter, UGB repaid and raised additional funding for longer maturities and UGB long term rating was also affirmed by Capital Intelligence at BBB. Total equity increased to \$554m (2013: \$459.6m) and a capital adequacy ratio of 15pc was maintained. (Send your comments to news@dt.bh)

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Draws	Prizes
Draw 1*	20 winners x \$500
Draw 2*	20 winners x \$1,000
Draw 3*	15 winners x \$2,000
Grand Prize Draw*	1st Prize \$25,000, 2nd Prize \$10,000, 3rd Prize \$5,000

*Draw 1 - 3rd August 2014
*Draw 2 - 1st September 2014

*Draw 3 - 1st October 2014
*Grand Prize - 12th October 2014

