



Consolidated Statement of Financial Position

At 31 December 2011

	2011 US\$ 000	2010 US\$ 000
ASSETS		
Demand and call deposits with banks	17,857	27,914
Placements with banks	102,282	167,257
Investments carried at fair value through statement of income	73,183	126,661
Non-trading investments	435,028	385,770
Loans and receivables	27,942	57,920
Other assets	37,490	46,950
Investments in associates and joint venture accounted for under the equity method	1,002,940	1,026,065
Investment properties	16,054	21,178
Property and equipment	946	1,074
Goodwill	56,782	56,296
TOTAL ASSETS	1,770,504	1,917,085
LIABILITIES AND EQUITY		
LIABILITIES		
Due to banks and other financial institutions	211,795	435,624
Deposits from customers	80,349	139,568
Loans payable	731,185	501,432
Bonds	-	71,187
Subordinated debt	100,000	100,000
Other liabilities	44,021	68,500
TOTAL LIABILITIES	1,167,350	1,316,311
EQUITY		
Share capital	208,640	208,234
Treasury shares	(12,725)	(12,725)
Share premium	11,459	10,631
Statutory reserve	95,518	95,371
General reserve	76,003	75,856
Treasury shares reserve	14,308	14,308
Fair value reserve	(13,532)	(21,374)
Foreign currency translation reserve	40,134	43,465
Retained earnings	142,037	140,860
CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	561,842	554,626
Non-controlling interests in equity	41,312	46,148
TOTAL EQUITY	603,154	600,774
TOTAL LIABILITIES AND EQUITY	1,770,504	1,917,085

Consolidated Statement of Cash Flows

For the year ended 31 December 2011

	2011 US\$ 000	2010 US\$ 000
Net cash (used in) from operating activities	(301,478)	228,571
Net cash from (used in) investing activities	70,042	(193,214)
Net cash from (used in) financing activities	159,800	(8,244)
Foreign currency translation adjustments	(3,331)	7,285
Movement in non-controlling interests	(331)	(22,440)

Consolidated Statement of Changes in Equity

For the year ended 31 December 2011

	Attributable to shareholders of the parent											Total equity US\$ 000
	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	
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 for the year	-	-	-	-	-	-	-	-	1,471	1,471	(4,505)	(3,034)
Other comprehensive income	-	-	-	-	-	-	7,842	(3,331)	-	4,511	(67)	4,444
Total comprehensive income for the year	-	-	-	-	-	-	7,842	(3,331)	1,471	5,982	(4,572)	1,410
Shares issued	406	-	828	-	-	-	-	-	-	1,234	-	1,234
Transfers during the year	-	-	-	147	147	-	-	-	(294)	-	-	-
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(264)	(264)
Balance at 31 December 2011	208,640	(12,725)	11,459	95,518	76,003	14,308	(13,532)	40,134	142,037	561,842	41,312	603,154
Balance at 1 January 2010	207,694	(12,725)	9,612	91,505	71,990	14,308	(30,966)	36,180	119,870	507,468	64,857	572,325
Profit for the year	-	-	-	-	-	-	-	-	38,657	38,657	3,731	42,388
Other comprehensive income	-	-	-	-	-	-	9,592	7,285	-	16,877	988	17,865
Total comprehensive income for the year	-	-	-	-	-	-	9,592	7,285	38,657	55,534	4,719	60,253
Shares issued	540	-	1,019	-	-	-	-	-	-	1,559	-	1,559
Transfers during the year	-	-	-	3,866	3,866	-	-	-	(7,732)	-	-	-
Dividends	-	-	-	-	-	-	-	-	(10,249)	(10,249)	-	(10,249)
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,580)	(2,580)
Employee share option plan	-	-	-	-	-	-	-	-	314	314	-	314
Other movements in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(20,848)	(20,848)
Balance at 31 December 2010	208,234	(12,725)	10,631	95,371	75,856	14,308	(21,374)	43,465	140,860	554,626	46,148	600,774

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2011

	2011 US\$ 000	2010 US\$ 000
NET (LOSS) PROFIT	(3,034)	42,388
Other comprehensive income (loss):		
Foreign currency translation reserve	(2,832)	7,914
Fair value reserve	(4,819)	9,993
Share of other comprehensive income (loss) of associates and joint ventures accounted for under equity method	5,085	(3,138)
Cash flow hedges	7,010	3,096
Other comprehensive income	4,444	17,865
TOTAL COMPREHENSIVE INCOME	1,410	60,253

Consolidated Statement of Income

For the year ended 31 December 2011

	2011 US\$ 000	2010 US\$ 000
Continuing operations		
Investment income - net	53,607	108,502
Interest income	7,365	12,699
Fees and commissions	60,972	121,201
Foreign currency translation (losses) gains - net	17,019	30,493
Share of results of associates and joint ventures accounted for under the equity method - net	(1,151)	2,372
Total income	108,545	163,248
Interest expense	(53,570)	(49,262)
Operating income before expenses and provisions	54,975	113,986
Salaries and benefits	(23,133)	(26,916)
General and administrative expenses	(10,517)	(21,637)
Operating income before provisions	21,325	65,433
Impairment loss on investments	(23,961)	(29,280)
(Provision for) write-back of doubtful loans, guarantees and other assets - net	(398)	149
Net (loss) profit for the year from continuing operations	(3,034)	36,302
Discontinued operations		
Net profit for the year from discontinued operations	-	6,086
NET (LOSS) PROFIT FOR THE YEAR	(3,034)	42,388
Loss (profit) attributable to non-controlling interests		
from continuing operations	4,505	(832)
from discontinued operations	-	(2,999)
	4,505	(3,731)
PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT		
from continuing operations	1,471	35,470
from discontinued operations	-	3,187
	1,471	38,657
Earnings per share		
Basic earnings per share (US cents)	0.18	4.71
Diluted earnings per share (US cents)	0.18	4.70

NET CHANGE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents at 1 January

	2011 US\$ 000	2010 US\$ 000
Cash and cash equivalents at 1 January	195,118	183,160
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	119,820	195,118

The above Consolidated Statement of Financial Position, Consolidated Statement of Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Consolidated Statement of Comprehensive Income have been extracted from the Consolidated Financial Statements of United Gulf Bank B.S.C. for the year ended 31 December 2011, which were approved by the Board of Directors on 28 February 2011 and on which an unqualified audit opinion was issued by Ernst & Young, Kingdom of Bahrain.

Masaud Hayat
Chairman

Faisal Al Ayyar
Director

Mohammad Haroon
Acting Chief Executive Officer

Major Subsidiaries



Major Associates

