



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

## Regulatory Capital Disclosure

31<sup>st</sup> December 2018





## Table of Contents

	<u>Page No.</u>
<b>Step 1 - Disclosure of the reported Balance sheet under the regulatory scope of consolidation</b>	<b>2</b>
<b>Step 2 - Expansion of the Balance Sheet under Regulatory scope of consolidation</b>	<b>3</b>
<b>Step 3 - Mapping the components to the composition of capital disclosure templates</b>	<b>5</b>
<b>Disclosure of main features of Regulatory capital instruments</b>	<b>6</b>



## Step 1: Disclosure of the reported Balance sheet under the regulatory scope of consolidation

	Balance sheet as in published financial statements	Consolidated PIR data
	31-Dec-18	31-Dec-18
<b>Assets</b>	<b>US\$ 000</b>	<b>US\$ 000</b>
Cash and balances with central banks	143,510	318
Due from banks and other financial institutions	108,529	252,954
Investments at fair value through statement of income	81,852	81,852
Loans and advances to customers	25,191	25,867
Non-trading investments	167,647	167,647
Held-to-maturity investments	494	494
Investments in associated companies	71,513	123,604
Interest receivable and other assets	61,097	117,869
Investment properties	107,629	107,629
Property and equipment	39,394	106
Goodwill and other intangibles	66,634	-
<b>Total assets</b>	<b>873,490</b>	<b>878,340</b>
<b>Liabilities</b>		
Due to banks and other financial institutions	220,879	220,879
Deposits from Customers	32,608	32,608
Term borrowings	67,033	67,033
0	131,739	131,739
Interest payable and other liabilities	106,375	106,375
<b>Total liabilities</b>	<b>558,634</b>	<b>558,634</b>
<b>Equity</b>		
Share capital	101,132	101,132
Share premium	5,687	5,687
Statutory reserve	50,890	50,890
General reserve	30,621	30,621
Cumulative changes in fair values	(10,121)	(10,121)
Foreign currency translation adjustments	(4,534)	(4,534)
Retained earnings	13,318	13,318
Collective impairment provision	-	4,850
Subordinated debts	-	-
<b>Attributable to the owners of the Bank</b>	<b>186,993</b>	<b>191,843</b>
Non-controlling interests	94,863	94,863
Perpetual Tier 1 capital facility	33,000	33,000
<b>Total equity</b>	<b>314,856</b>	<b>319,706</b>
<b>Total Liabilities and equities</b>	<b>873,490</b>	<b>878,340</b>



Step 2: Expansion of the Balance Sheet under Regulatory scope of consolidation

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	31-Dec-2018	31-Dec-2018	
Assets	US\$ 000	US\$ 000	
Cash and balances with central banks	143,510	318	
Due from banks and other financial institutions	108,529	252,954	
Investments at fair value through statement of income	81,852	81,852	
Investments held to maturity	494	494	
Loans and advances to customers	25,191	25,867	
of which specific provisions	(37,562)	(37,562)	
of which loans and advances (gross of provisions)	62,753	63,429	
<b>Non-trading investments</b>	<b>167,647</b>	<b>167,647</b>	
of which related to equity investments in financial entities	53,638	53,638	
of which related to CET1	51,078	51,078	a
of which related to Tier 1	2,560	2,560	
of which related to Tier 2	-	-	
of which related to other AFS investments	114,009	114,009	
of which equity investments in financial entities	-	-	
<b>Investments in associated companies</b>	<b>71,513</b>	<b>123,604</b>	
of which equity investments in financial entities	11,202	11,202	
of which other investments	60,311	60,310	
of which Goodwill	-	52,092	d
<b>Interest receivable and other assets</b>	<b>61,097</b>	<b>117,869</b>	
of which deferred tax assets due to temporary differences	-	-	e
of which Interest receivable and other assets	61,097	117,869	
<b>Investment properties</b>	<b>107,629</b>	<b>107,629</b>	
<b>Property and equipment</b>	<b>39,394</b>	<b>106</b>	
<b>Goodwill</b>	<b>66,634</b>	<b>-</b>	d
<b>Total assets</b>	<b>873,490</b>	<b>878,340</b>	



Step 2: Expansion of the Balance Sheet under Regulatory scope of consolidation (continued)

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	31-Dec-2018	31-Dec-2018	
	US\$ 000	US\$ 000	
<b>Liabilities</b>			
Due to banks and other financial institutions	220,879	220,879	
Deposits from Customers	32,608	32,608	
Term borrowings	67,033	67,033	
Subordinated debt	131,739	131,739	
Interest payable and other liabilities	106,375	106,375	
<b>Total liabilities</b>	<b>558,634</b>	<b>558,634</b>	
<b>Equity</b>			
Share capital (net of Treasury shares)	101,132	101,132	
of which amount eligible for CET 1	101,132	101,132	f
of which amount eligible for AT 1	-	-	
Share premium	5,687	5,687	g
Statutory reserve	50,890	50,890	h
General reserve	30,621	30,621	i
Treasury shares reserve	-	-	
Cumulative changes in fair values	(10,121)	(10,121)	
of which unrealized gains and losses on available for sale financial instruments	-	-	j
of which gains and losses on derivatives held as cash flow hedges	1,280	1,280	k
of which unrealized gains and losses from fair valuing equities	(11,401)	(11,401)	l
Foreign currency translation adjustments	(4,534)	(4,534)	m
Retained earnings	13,318	13,318	
of which Treasury shares reserve	-	-	n
of which Retained earnings	13,318	13,318	o
Collective impairment provision	-	4,850	p
Subordinated debts	-	-	
of which Tier 2 capital instruments	-	-	q
<b>Attributable to the owners of the Bank</b>	<b>186,993</b>	<b>191,843</b>	
Non-controlling interests	94,863	94,863	
Perpetual Tier 1 capital facility	33,000	33,000	r
<b>Total equity</b>	<b>314,856</b>	<b>319,706</b>	
<b>Total Liabilities and equities</b>	<b>873,490</b>	<b>878,340</b>	



Step 3: Mapping the components to the composition of capital disclosure templates

		Component of regulatory capital	Source
<b>Common Equity Tier 1: Instruments and reserves</b>			
1	Directly issued qualifying common share capital plus related stock surplus	106,819	f+g
2	Retained earnings	13,318	o
3	Accumulated other comprehensive income and losses (and other reserves)	66,856	h+i+j+k+l+m+n
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	23,903	
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>210,896</b>	
<b>Common Equity Tier 1 capital :regulatory adjustments</b>			
8	Goodwill (net of related tax liabilities)	52,092	d
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	11,634	d
11	Cash flow hedge reserve	1,280	k
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	30,106	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>95,112</b>	
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>115,784</b>	
<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	33,000	r
31	of which: classified as equity under applicable accounting standards	33,000	r
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	1,027	
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>34,027</b>	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	2,560	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>2,560</b>	
44	<b>Additional Tier 1 capital (AT1)</b>	<b>31,467</b>	
45	<b>Tier capital (T1 = CET1 + AT1)</b>	<b>147,251</b>	
<b>Tier 2 capital: instruments and provisions</b>			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	q
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	1,369	
50	Provisions	4,850	p
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>6,219</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
58	<b>Tier 2 capital (T2)</b>	<b>6,219</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>153,470</b>	
60	<b>Total risk weighted assets</b>	<b>993,008</b>	
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	11.66%	
62	Tier 1 (as a percentage of risk weighted assets)	14.83%	
63	Total capital (as a percentage of risk weighted assets)	15.46%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	N/A	
67	of which: G-SIB buffer requirement	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	11.66%	
<b>National minima (where different from Basel III)</b>			
69	CBB Common Equity Tier 1 minimum ratio	6.50%	
70	CBB Tier 1 minimum ratio	8.00%	
71	CBB total capital minimum ratio	10.00%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
72	Non-significant investments in the capital of other financials	51,078	
73	Significant investments in the common stock of financials	11,202	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	4,850	p
77	Cap on inclusion of provisions in Tier 2 under standardised approach	11,803	



Disclosure of main features of regulatory capital instruments

Disclosure template for main features of regulatory capital instruments			
1	Issuer	United Gulf Bank	United Gulf Bank
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Share ticker: UGB	Not listed
3	Governing law(s) of the instrument	Laws and regulations of the Kingdom of	Laws and regulations of the Kingdom of
	<i>Regulatory treatment</i>		
4	Transitional CBB rules	Common Equity Tier 1	Additional Tier 1
5	Post-transitional CBB rules	Common Equity Tier 1	Eligible
6	Eligible at solo/group/group & solo	Group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Common shares	Perpetual Subordinated Loan
8	Amount recognised in regulatory capital	US\$ 101 million	US\$ 33 million
9	Par value of instrument	US\$ 0.25 per share	US\$ 33 million
10	Accounting classification	Shareholders' Equity	Equity
11	Original date of issuance	Various	Mar-2016
12	Perpetual or dated	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	No	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable
	<i>Coupons / dividends</i>		
17	Fixed or floating dividend/coupon	Floating dividends	Fixed coupon
18	Coupon rate and any related index	Not applicable	10.5% p.a.
19	Existence of a dividend stopper	Not applicable	Yes
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary
21	Existence of step up or other incentive to redeem	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Not applicable	Non-convertible
24	If convertible, conversion trigger (s)	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable
30	Write-down feature	No	Yes
31	If write-down, write-down trigger(s)	Not applicable	Non-Viability Event
32	If write-down, full or partial	Not applicable	Partial
33	If write-down, permanent or temporary	Not applicable	Permanent
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Tier 2 subordinated instruments
36	Non-compliant transitioned features	None	None
37	If yes, specify non-compliant features	Not applicable	Not applicable

\* The Additional Tier 1 facility has no impact on the earnings or dividends of the Group for the year ended 31 December 2018.