



بنك الخليج المتحد ش.م.ب.
United Gulf Bank B.S.C.
Licensed as a conventional wholesale bank by the CBB

United Gulf Bank B.S.C. Reorganization

Presentation to Shareholders
EGM – Scheduled for 25 Sept 2017

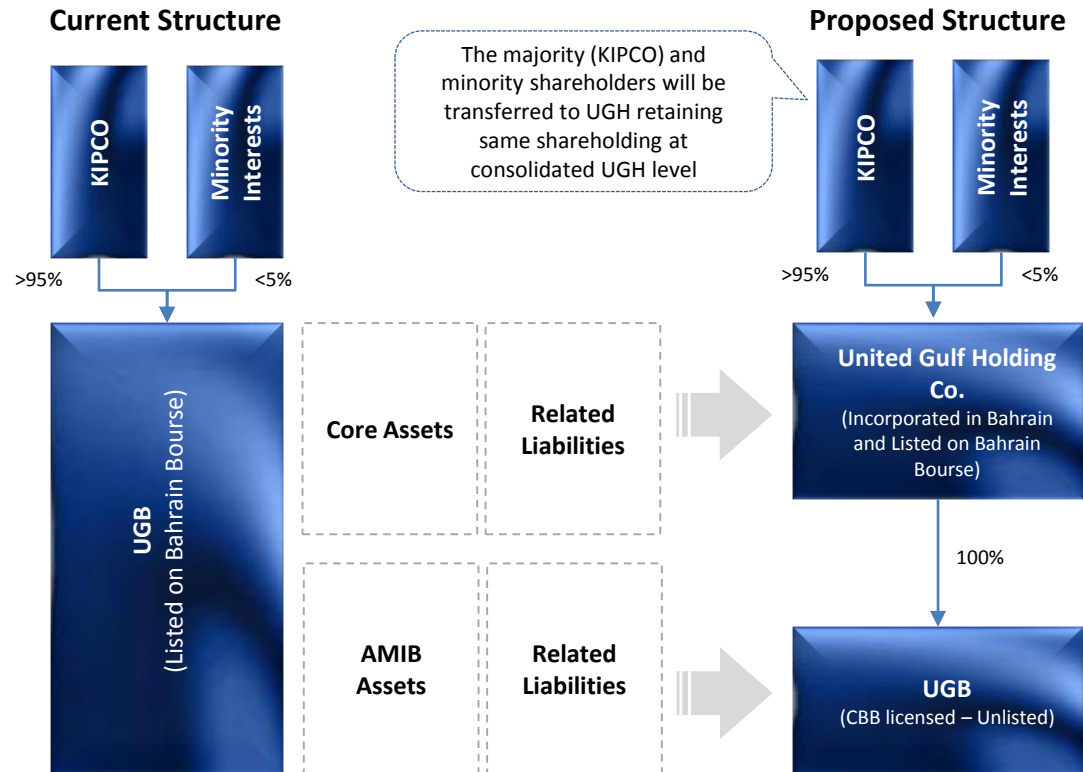
- *United Gulf Bank B.S.C. ("UGB") currently operates as a wholesale conventional bank governed by Central Bank of Bahrain ("CBB") and has two distinct business lines:*
 - ***Regulated Banking Services** such as accepting money market deposits, providing credit, and carrying out **Asset Management and Investment Banking ("AMIB")** activities such as management of AMIB investments, as well as providing fee based services to its clients.*
 - *Moreover, historically, UGB has been an incubator of businesses and holds portfolio of **Core Investments**, which it manages.*
- *Following a detailed internal review of UGB's balance sheet structure, the Board of Director's proposed for Shareholders approvals to carve out its regulated banking activities to optimise the capital structure and set up **clear goals / vision** for the two distinct business lines of UGB, as noted above.*

The purpose of this presentation is to appraise UGB's shareholders about the proposed reorganization plan, to highlight the benefits of such reorganization and to seek their approval

Reorganization



- Majority shareholder, KIPCO has floated a new Holding company in Bahrain, under the MOIC – United Gulf Holding Company B.S.C. (“**UGH**”), which will ultimately own the existing UGB- (Regulated Banking Entity).
- UGH will be listed on the Bahrain Bourse to ensure transparency and proper governance.
- The majority and minority shareholders will be transferred to UGH retaining same shareholding at consolidated UGH level (through a share swap process).
- The UGB will maintain its wholesale conventional bank governed by CBB, and will be delisted and converted into a closed company.
- The core assets and all the related MT loans of UGB will be transferred to the UGH.
- The regulated banking activities, AMIB assets along with related liabilities will be retained at UGB level.
- CBB has granted its in principal approvals on the reorganization, subject to shareholders and other regulatory approvals.



The proposed reorganization will have NO CHANGE in the Overall Shareholding Structure upon completion

Key Features: UGH & UGB



	UGH	UGB
Business Model	<ul style="list-style-type: none">➤ UGH continue to manage its existing core investments➤ UGH to own 100% of UGB	<ul style="list-style-type: none">➤ Managing AMIB investment portfolio and AFS➤ Focus on generating fee and recurring revenue streams➤ Managing an AUM of ~USD10 bn as at 31 Dec 16
Regulator	<ul style="list-style-type: none">➤ UGH to be established as a listed entity under MOIC, Bahrain	<ul style="list-style-type: none">➤ CBB: Licensed as a wholesale conventional bank
Equity Capital	<ul style="list-style-type: none">➤ Equity: Same as of existing UGB (on a consolidated basis)	<ul style="list-style-type: none">➤ Capital will be reduced to USD 203 mn
Funding	<ul style="list-style-type: none">➤ Medium & long term existing debt	<ul style="list-style-type: none">➤ Majority of money market & customer deposits to be retained at UGB
Key Assets	<ul style="list-style-type: none">➤ UGB, Burgan Bank, URC Kuwait, FIM Bank, North Africa Holding, etc	<ul style="list-style-type: none">➤ KAMCO and all AMIB assets and AFS investments
Listing	<ul style="list-style-type: none">➤ Listed on the Bahrain Bourse	<ul style="list-style-type: none">➤ Unlisted

Two separate business entities with distinct business segments and clearly defined objectives as well as goals

Reorganization - Key Details*



- UGH will acquire 100% of the shares of UGB (net of treasury shares), at an exchange ratio of **one** newly issued UGH share for every **two** UGB Shares.
- The acquisition of UGB shares will be made with reference to the carrying values of UGB's assets and liabilities as per UGB latest consolidated reviewed financial statements.
- Overall reorganization will have insignificant dilution of ownership rights of minority shareholders of less **than 0.1%.**
- UGB Board has considered the overall reorganization and proposes shareholder's approvals as in all reasonableness and to the best of their knowledge considers it to be fair and insignificantly dilutive to the economic interest of UGB shareholders.

* The Board Circular containing all details regarding the reorganization, will be made available to all shareholders of UGB

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