



بنك الخليج العتد
ش.م.ب. (مقفلة)
United Gulf Bank B.S.C. (Closed)

Regulatory Capital Disclosure

30th September 2019





Table of Contents

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

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

	Balance sheet as in published financial statements	Consolidated PIR data
	US\$ 000	US\$ 000
Assets		
Cash and balances with central banks	94,720	318
Due from banks and other financial institutions	196,506	291,076
Investments at fair value through statement of income	81,732	81,732
Loans and advances to customers	27,116	28,257
Non-trading investments	129,891	129,891
Held-to-maturity investments	283	283
Investments in associated companies	74,008	126,100
Interest receivable and other assets	64,372	91,277
Investment properties	97,744	97,744
Property and equipment	51,071	51,071
Goodwill and other intangibles	65,749	-
Total assets	883,192	897,749
Liabilities		
Due to banks and other financial institutions	210,819	210,819
Deposits from Customers	36,543	36,543
Term borrowings	89,260	89,260
Long term bonds	131,536	131,536
Interest payable and other liabilities	89,936	89,968
Total liabilities	558,094	558,126
Equity		
Share capital	116,132	116,132
Share premium	5,687	5,687
Statutory reserve	50,890	50,890
General reserve	30,621	30,621
Cumulative changes in fair values	(11,507)	(11,507)
Foreign currency translation adjustments	(5,083)	(5,083)
Retained earnings	8,032	7,704
Collective impairment provision	-	14,848
Subordinated debts	-	-
Attributable to the owners of the Bank	194,772	209,292
Non-controlling interests	97,326	97,331
Perpetual Tier 1 capital facility	33,000	33,000
Total equity	325,098	339,623
Total Liabilities and equities	883,192	897,749

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

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
Assets	US\$ 000	US\$ 000	
Cash and balances with central banks	94,720	318	
Due from banks and other financial institutions	196,506	291,076	
Investments at fair value through statement of income	81,732	81,732	
Investments held to maturity	283	283	
Loans and advances to customers	27,116	28,257	
of which specific provisions	(37,562)	(37,562)	
of which loans and advances (gross of provisions)	64,678	65,819	
Non-trading investments	129,891	129,891	
of which related to equity investments in financial entities	28,385	28,385	
of which related to CET1	26,830	26,830	a
of which related to Tier 1	1,555	1,555	
of which related to Tier 2	-	-	
of which related to other AFS investments	101,506	101,506	
of which equity investments in financial entities	-	-	
Investments in associated companies	74,008	126,100	
of which equity investments in financial entities	10,895	10,895	
of which other investments	63,113	63,113	
of which Goodwill	-	52,092	d
Interest receivable and other assets	64,372	91,277	
of which deferred tax assets due to temporary differences	-	-	e
of which Interest receivable and other assets	64,372	91,277	
Investment properties	97,744	97,744	
Property and equipment	51,071	51,071	
Goodwill	65,749	-	d
Total assets	883,192	897,749	

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

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	US\$ 000	US\$ 000	
Liabilities			
Due to banks and other financial institutions	210,819	210,819	
Deposits from Customers	36,543	36,543	
Term borrowings	89,260	89,260	
Subordinated debt	131,536	131,536	
Interest payable and other liabilities	89,936	89,968	
Total liabilities	558,094	558,126	
Equity			
Share capital (net of Treasury shares)	116,132	116,132	
of which amount eligible for CET 1	116,132	116,132	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	(11,507)	(11,507)	
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	301	301	k
of which unrealized gains and losses from fair valuing equities	(11,808)	(11,808)	l
Foreign currency translation adjustments	(5,083)	(5,083)	m
Retained earnings	8,032	7,704	
of which Treasury shares reserve	-	-	n
of which Retained earnings	8,032	7,704	o
Collective impairment provision	-	14,848	p
Subordinated debts	-	-	
of which Tier 2 capital instruments	-	-	q
Attributable to the owners of the Bank	194,772	209,292	
Non-controlling interests	97,326	97,331	
Perpetual Tier 1 capital facility	33,000	33,000	r
Total equity	325,098	339,623	
Total Liabilities and equities	883,192	897,749	

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

		Component of regulatory capital	Source
Common Equity Tier 1: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	121,819	f+g
2	Retained earnings	7,704	o
3	Accumulated other comprehensive income and losses (and other reserves)	64,921	h+i+j+k+l+m+n
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	6,777	
6	Common Equity Tier 1 capital before regulatory adjustments	201,221	
Common Equity Tier 1 capital :regulatory adjustments			
8	Goodwill (net of related tax liabilities)	52,092	d
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	13,657	d
11	Cash flow hedge reserve	301	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)	14,613	
28	Total regulatory adjustments to Common equity Tier 1	80,663	
29	Common Equity Tier 1 capital (CET1)	120,558	
Additional Tier 1 capital: instruments			
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)	1,129	
36	Additional Tier 1 capital before regulatory adjustments	34,129	
Additional Tier 1 capital: regulatory adjustments			
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)	1,555	
43	Total regulatory adjustments to Additional Tier 1 capital	1,555	
44	Additional Tier 1 capital (AT1)	32,574	
45	Tier capital (T1 = CET1 + AT1)	153,132	
Tier 2 capital: instruments and provisions			
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)	1,506	
50	Provisions	11,100	p
51	Tier 2 capital before regulatory adjustments	12,606	
Tier 2 capital: regulatory adjustments			
58	Tier 2 capital (T2)	12,606	
59	Total capital (TC = T1 + T2)	165,738	
60	Total risk weighted assets	942,413	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.79%	
62	Tier 1 (as a percentage of risk weighted assets)	16.25%	
63	Total capital (as a percentage of risk weighted assets)	17.59%	
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%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	12.79%	
National minima (where different from Basel III)			
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%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financials	26,830	
73	Significant investments in the common stock of financials	10,895	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	14,848	p
77	Cap on inclusion of provisions in Tier 2 under standardised approach	11,100	

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)	Not listed	Not listed
3	Governing law(s) of the instrument	Laws and regulations of the Kingdom of Bahrain	Laws and regulations of the Kingdom of Bahrain
	<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\$ 116 million	US\$ 33 million
9	Par value of instrument	US\$ 0.5 per share	US\$ 33 million
10	Accounting classification	Shareholders' Equity	Equity
11	Original date of issuance	Various	Mar-16
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	Cumulative
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 quarter ended 30 September 2019.