



بنك الخليج العربي
ش.م.ب. (مغلقة)
United Gulf Bank B.S.C. (Closed)

Regulatory Capital Disclosure

30th September 2020





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
Assets	US\$ 000	US\$ 000
Cash and balances with central banks	125,663	318
Due from banks and other financial institutions	145,203	270,548
Investments at fair value through statement of income	85,824	85,824
Loans and advances to customers	27,911	28,287
Non-trading investments	123,844	123,844
Held-to-maturity investments	-	-
Investments in associated companies	66,460	118,634
Interest receivable and other assets	63,121	93,797
Investment properties	102,197	102,197
Property and equipment	49,904	49,904
Goodwill and other intangibles	64,627	-
Assets of disposal group held for sale	4,815	-
Total assets	859,569	873,353
Liabilities		
Due to banks and other financial institutions	173,505	173,505
Deposits from Customers	68,051	68,051
Term borrowings	91,093	91,093
Long term bonds	130,719	130,719
Interest payable and other liabilities	85,288	85,290
Total liabilities	548,656	548,658
Equity		
Share capital	116,132	116,132
Share premium	5,687	5,687
Statutory reserve	52,032	52,032
General reserve	31,763	31,763
Cumulative changes in fair values	(8,233)	(8,232)
Foreign currency translation adjustments	(5,294)	(5,294)
Retained earnings	5,569	5,567
Collective impairment provision	-	13,784
Subordinated debts	-	-
Attributable to the owners of the Bank	197,656	211,439
Non-controlling interests	80,257	80,256
Perpetual Tier 1 capital facility	33,000	33,000
Total equity	310,913	324,695
Total Liabilities and equities	859,569	873,353

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

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	US\$ 000	US\$ 000	
Assets			
Cash and balances with central banks	125,663	318	
Due from banks and other financial institutions	145,203	270,548	
Investments at fair value through statement of income	85,824	85,824	
Investments held to maturity	-	-	
Loans and advances to customers	27,911	28,287	
of which specific provisions	(37,562)	(37,562)	
of which loans and advances (gross of provisions)	65,473	65,849	
Non-trading investments	123,844	123,844	
of which related to equity investments in financial entities	23,742	23,742	
of which related to CET1	23,742	23,742	a
of which related to Tier 1	-	-	
of which related to Tier 2	-	-	
of which related to other AFS investments	100,102	100,102	
of which equity investments in financial entities	-	-	
Investments in associated companies	66,460	118,634	
of which equity investments in financial entities	12,353	12,353	
of which other investments	54,107	54,107	
of which Goodwill	-	52,174	d
Interest receivable and other assets	63,121	93,797	
of which deferred tax assets due to temporary differences	-	-	e
of which Interest receivable and other assets	63,121	93,797	
Investment properties	102,197	102,197	
Property and equipment	49,904	49,904	
Goodwill	64,627	-	d
Assets of disposal group held for sale	4,815	-	
Total assets	859,569	873,353	



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	173,505	173,505	
Deposits from Customers	68,051	68,051	
Term borrowings	91,093	91,093	
Subordinated debt	130,719	130,719	
Interest payable and other liabilities	85,288	85,290	
Total liabilities	548,656	548,658	
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	52,032	52,032	h
General reserve	31,763	31,763	i
Treasury shares reserve	-	-	
Cumulative changes in fair values	(8,233)	(8,232)	
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	19	19	k
of which unrealized gains and losses from fair valuing equities	(8,251)	(8,251)	l
Foreign currency translation adjustments	(5,294)	(5,294)	m
Retained earnings	5,569	5,567	
of which Treasury shares reserve	-	-	n
of which Retained earnings	5,569	5,567	o
Collective impairment provision	-	13,784	p
Subordinated debts	-	-	
of which Tier 2 capital instruments	-	-	q
Attributable to the owners of the Bank	197,656	211,439	
Non-controlling interests	80,257	80,256	
Perpetual Tier 1 capital facility	33,000	33,000	r
Total equity	310,913	324,695	
Total Liabilities and equities	859,569	873,353	

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	5,567	o
3	Accumulated other comprehensive income and losses (and other reserves)	70,269	h+i+j+k+l+m+n
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	21,657	
6	Common Equity Tier 1 capital before regulatory adjustments	219,312	
Common Equity Tier 1 capital :regulatory adjustments			
8	Goodwill (net of related tax liabilities)	52,174	d
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	12,453	d
11	Cash flow hedge reserve	19	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)	8,275	
28	Total regulatory adjustments to Common equity Tier 1	72,921	
29	Common Equity Tier 1 capital (CET1)	146,391	
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)	3,610	
36	Additional Tier 1 capital before regulatory adjustments	36,610	
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)	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	36,610	
45	Tier capital (T1 = CET1 + AT1)	183,001	
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)	4,813	
50	Provisions	11,050	p
51	Tier 2 capital before regulatory adjustments	15,863	
Tier 2 capital: regulatory adjustments			
58	Tier 2 capital (T2)	15,863	
59	Total capital (TC = T1 + T2)	198,864	
60	Total risk weighted assets	1,070,954	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.67%	
62	Tier 1 (as a percentage of risk weighted assets)	17.09%	
63	Total capital (as a percentage of risk weighted assets)	18.57%	
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)	13.67%	
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	23,742	
73	Significant investments in the common stock of financials	12,353	
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)	14,105	p
77	Cap on inclusion of provisions in Tier 2 under standardised approach	11,050	

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 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-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 half-year ended 30 June 2020.