



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

Regulatory Capital Disclosure

31st December 2016





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Regulatory Capital Disclosure – 31st December 2016

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-16	31-Dec-16
Assets	US\$ 000	US\$ 000
Cash and balances with central banks	176,880	7,163
Due from banks and other financial institutions	187,350	357,067
Investments at fair value through statement of income	45,178	45,178
Loans and advances to customers	1,184,804	1,199,426
Non-trading investments	404,436	404,436
Investments in associated companies	709,043	760,911
Interest receivable and other assets	112,735	112,515
Investment properties	101,326	101,326
Property and equipment	32,117	32,117
Goodwill	51,868	-
Total assets	3,005,737	3,020,139
Liabilities		
Due to banks and other financial institutions	726,222	726,222
Deposits from Customers	985,210	985,210
Term borrowings	652,125	652,125
Subordinated debt	50,000	-
Interest payable and other liabilities	62,724	62,722
Liabilities of disposal group classified as held for sale	-	-
Total liabilities	2,476,281	2,426,279
Equity		
Share capital	208,651	190,520
Treasury shares	(18,131)	-
Share premium	11,459	11,460
Statutory reserve	100,514	100,514
General reserve	80,999	80,999
Treasury shares reserve	14,248	-
Cumulative changes in fair values	(49,966)	(49,965)
Foreign currency translation adjustments	(37,476)	(37,476)
Retained earnings	83,711	97,959
Collective impairment provision	-	14,622
Subordinated debts	-	50,000
Attributable to the owners of the Bank	394,009	458,633
Non-controlling interests	102,447	102,227
Perpetual Tier 1 capital facility	33,000	33,000
Total equity	529,456	593,860
Total Liabilities and equities	3,005,737	3,020,139



Regulatory Capital Disclosure – 31st December 2016

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-2016	31-Dec-2016	
Assets	US\$ 000	US\$ 000	
Cash and balances with central banks	176,880	7,163	
Due from banks and other financial institutions	187,350	357,067	
Investments at fair value through statement of income	45,178	45,178	
Loans and advances to customers	1,184,804	1,199,426	
of which specific provisions	(28,913)	(28,913)	
of which collective provisions	(14,623)	-	
of which loans and advances (gross of provisions)	1,228,340	1,228,339	
Non-trading investments	404,436	404,436	
of which related to equity investments in financial entities	32,688	32,688	
of which related to CET1	32,688	32,688	a
of which related to Tier 1	-	-	
of which related to Tier 2	-	-	
of which related to other AFS investments	371,748	371,748	
of which equity investments in financial entities	-	-	
Investments in associated companies	709,043	760,911	
of which equity investments in financial entities	509,646	509,646	c
of which other investments	199,397	199,397	
of which Goodwill	-	51,868	d
Interest receivable and other assets	112,735	112,515	
of which deferred tax assets due to temporary differences	22,134	22,134	e
of which Interest receivable and other assets	90,601	90,381	
Investment properties	101,326	101,326	
Property and equipment	32,117	32,117	
Goodwill	51,868	-	
Total assets	3,005,737	3,020,139	



Regulatory Capital Disclosure – 31st December 2016

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-2016	31-Dec-2016	
Liabilities	US\$ 000	US\$ 000	
Due to banks and other financial institutions	726,222	726,222	
Deposits from Customers	985,210	985,210	
Term borrowings	652,125	652,125	
Subordinated debt	50,000	-	
Interest payable and other liabilities	62,724	62,723	
Total liabilities	2,476,281	2,426,280	
Equity			
Share capital (net of Treasury shares)	190,520	190,520	
of which amount eligible for CET 1	190,520	190,520	f
of which amount eligible for AT 1	-	-	
Share premium	11,459	11,460	g
Statutory reserve	100,514	100,514	h
General reserve	80,999	80,999	i
Treasury shares reserve	14,248	-	
Cumulative changes in fair values	(49,966)	(49,966)	
of which unrealized gains and losses on available for sale financial instruments	8,057	8,057	j
of which gains and losses on derivatives held as cash flow hedges	844	844	k
of which unrealized gains and losses from fair valuing equities	(58,867)	(58,867)	l
Foreign currency translation adjustments	(37,476)	(37,476)	m
Retained earnings	83,711	97,959	
of which Treasury shares reserve	-	14,248	n
of which Retained earnings	83,711	83,711	o
Collective impairment provision	-	14,622	p
Subordinated debts	-	50,000	
of which Tier 2 capital instruments	-	50,000	q
Attributable to the owners of the Bank	394,009	458,632	
Non-controlling interests	102,447	102,227	
Perpetual Tier 1 capital facility	33,000	33,000	r
Total equity	529,456	593,859	
Total Liabilities and equities	3,005,737	3,020,139	

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

		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	201,980	f+g
2	Retained earnings	83,711	o
3	Accumulated other comprehensive income and losses (and other reserves)	108,319	h+i+j+k+l+m+n
4	Not applicable		
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	77,902	
6	Common Equity Tier 1 capital before regulatory adjustments	471,912	
Common Equity Tier 1 capital :regulatory adjustments			
7	Prudential valuation adjustment		
8	Goodwill (net of related tax liabilities)	51,868	d
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	1,154	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities)	-	c
11	Cash flow hedge reserve	844	k
12	Shortfall of provisions to expected losses	-	
13	Securitization gain on sale (as set out in paragraph 562 of Basel II framework)	-	
14	Not applicable	-	
15	Defined benefit pension fund net assets	-	
16	Investments in own shares	-	
17	Reciprocal cross holdings in Common equity	-	
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)	-	
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	193,278	
20	Mortgage servicing rights (amount above 10% of CET1c)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	493.00	
23	of which: significant investments in the common stock	322	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	171	
26	CBB specific regulatory adjustments	-	
	Regulatory Adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-2015 treatments	-	
	of which: Positive or negative adjustments due to aggregation of CET1	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	247,637	
29	Common Equity Tier 1 capital (CET1)	224,275	
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
32	of which: classified as liabilities under applicable accounting standards	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
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)	6,848	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	39,848	
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
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)	-	
40	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	CBB specific regulatory adjustments	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	39,848	
45	Tier capital (T1 = CET1 + AT1)	264,123	

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

		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	50,000	q
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-	
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)	9,129	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	14,622	p
51	Tier 2 capital before regulatory adjustments	73,751	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	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)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	73,751	
59	Total capital (TC = T1 + T2)	337,874	
60	Total risk weighted assets	2,434,557	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.21%	
62	Tier 1 (as a percentage of risk weighted assets)	10.85%	
63	Total capital (as a percentage of risk weighted assets)	13.88%	
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)	9.21%	
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	41,805	
73	Significant investments in the common stock of financials	62,707	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	41,805	
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)	14,622	p
77	Cap on inclusion of provisions in Tier 2 under standardised approach	27,840	
78	N/A		
79	N/A		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>		
84	Current cap on T2 instruments subject to phase out arrangements		
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>		



Disclosure of main features of regulatory capital instruments

Disclosure of template for main features of regulatory capital instruments				
1	Issuer	United Gulf Bank	United Gulf Bank	FIMBank, Malta
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier)	Share ticker: UGB	Not listed	Not listed
3	Governing law(s) of the instrument	Laws and regulations of Kingdom of Bahrain	Laws and regulations of Kingdom of Bahrain	Laws of Malta
	<i>Regulatory treatment</i>			
4	Transitional CBB rules	Common Equity Tier 1	Additional Tier 1	Tier 2
5	Post-transitional CBB rules	Common Equity Tier 1	Eligible	Eligible
6	Eligible at solo/group/group & solo	Group and solo	Group and solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Common shares	Perpetual Subordinated Loan	Subordinated Loan
8	Amount recognised in regulatory capital (Currency in mil, as	US\$ 202 million	US\$ 33 million	US\$ 50 million
9	Par value of instrument	US\$ 0.25 per share	US\$ 33 million	US\$ 50 million
10	Accounting classification	Shareholders' Equity	Equity	Borrowing
11	Original date of issuance	Various	Mar-2016	Sep-2015
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	No maturity	No maturity	Sep-2021
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	Not applicable	Not applicable
16	Subsequent call dates, if applicable	Not applicable	Not applicable	Not applicable
	<i>Coupons / dividends</i>			
17	Fixed or floating dividend/coupon	Floating dividends	Fixed coupon	Fixed coupon
18	Coupon rate and any related index	Not applicable	10.5% p.a.	6 month LIBOR + 3%
19	Existence of a dividend stopper	Not applicable	Yes	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No
22	Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
23	Convertible or non-convertible	Not applicable	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	Yes	No
31	If write-down, write-down trigger(s)	Not applicable	Non-Viability Event	Not applicable
32	If write-down, full or partial	Not applicable	Partial	Not applicable
33	If write-down, permanent or temporary	Not applicable	Permanent	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable	Tier 2 subordinated instruments	None
36	Non-compliant transitioned features	None	None	None
37	If yes, specify non-compliant features	Not applicable	Not applicable	Not applicable