



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

Regulatory Capital Disclosure

31st December 2020





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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 | 111,000 | 318 |
| Due from banks and other financial institutions | 72,486 | 183,168 |
| Investments at fair value through statement of income | 71,836 | 71,836 |
| Loans and advances to customers | 33,098 | 33,612 |
| Non-trading investments | 120,089 | 120,089 |
| Held-to-maturity investments | - | - |
| Investments in associated companies | 64,675 | 116,671 |
| Interest receivable and other assets | 62,729 | 89,664 |
| Investment properties | 98,716 | 98,716 |
| Property and equipment | 47,666 | 47,666 |
| Goodwill and other intangibles | 64,242 | - |
| Assets of disposal group held for sale | - | - |
| Total assets | 746,537 | 761,740 |
| | | |
| Liabilities | | |
| Due to banks and other financial institutions | 167,519 | 167,519 |
| Deposits from Customers | 42,053 | 42,053 |
| Term borrowings | 32,906 | 32,906 |
| Long term bonds | 131,497 | 131,497 |
| Interest payable and other liabilities | 79,601 | 79,601 |
| Total liabilities | 453,576 | 453,576 |
| | | |
| 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 | (10,720) | (10,720) |
| Foreign currency translation adjustments | (4,693) | (4,694) |
| Retained earnings | (8,959) | (8,960) |
| Collective impairment provision | - | 15,204 |
| Subordinated debts | - | - |
| Attributable to the owners of the Bank | 181,242 | 196,444 |
| Non-controlling interests | 78,719 | 78,718 |
| Perpetual Tier 1 capital facility | 33,000 | 33,000 |
| Total equity | 292,961 | 308,162 |
| Total Liabilities and equities | 746,537 | 761,738 |

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 | 111,000 | 318 | |
| Due from banks and other financial institutions | 72,486 | 183,168 | |
| Investments at fair value through statement of income | 71,836 | 71,836 | |
| Investments held to maturity | - | - | |
| Loans and advances to customers | 33,098 | 33,612 | |
| of which specific provisions | (37,562) | (37,562) | |
| of which loans and advances (gross of provisions) | 70,660 | 71,174 | |
| Non-trading investments | 120,089 | 120,089 | |
| of which related to equity investments in financial entities | 26,581 | 26,581 | |
| of which related to CET1 | 23,846 | 23,846 | a |
| of which related to Tier 1 | 2,735 | 2,735 | |
| of which related to Tier 2 | - | - | |
| of which related to other AFS investments | 93,508 | 93,508 | |
| of which equity investments in financial entities | - | - | |
| Investments in associated companies | 64,675 | 116,671 | |
| of which equity investments in financial entities | 9,985 | 9,985 | |
| of which other investments | 54,690 | 54,690 | |
| of which Goodwill | - | 51,996 | d |
| Interest receivable and other assets | 62,729 | 89,664 | |
| of which deferred tax assets due to temporary differences | - | - | e |
| of which Interest receivable and other assets | 62,729 | 89,664 | |
| Investment properties | 98,716 | 98,716 | |
| Property and equipment | 47,666 | 47,666 | |
| Goodwill | 64,242 | - | d |
| Assets of disposal group held for sale | - | - | |
| Total assets | 746,537 | 761,740 | |

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 | 167,519 | 167,519 | |
| Deposits from Customers | 42,053 | 42,053 | |
| Term borrowings | 32,906 | 32,906 | |
| Subordinated debt | 131,497 | 131,497 | |
| Interest payable and other liabilities | 79,601 | 79,601 | |
| Total liabilities | 453,576 | 453,576 | |
| 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 | (10,720) | (10,720) | |
| 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 | (10,739) | (10,739) | l |
| Foreign currency translation adjustments | (4,693) | (4,694) | m |
| Retained earnings | (8,959) | (8,960) | |
| of which Treasury shares reserve | - | - | n |
| of which Retained earnings | (8,959) | (8,960) | o |
| Collective impairment provision | - | 15,204 | p |
| Subordinated debts | - | - | |
| of which Tier 2 capital instruments | - | - | q |
| Attributable to the owners of the Bank | 181,242 | 196,444 | |
| Non-controlling interests | 78,719 | 78,718 | |
| Perpetual Tier 1 capital facility | 33,000 | 33,000 | r |
| Total equity | 292,961 | 308,162 | |
| Total Liabilities and equities | 746,537 | 761,738 | |

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 | (8,960) | o |
| 3 | Accumulated other comprehensive income and losses (and other reserves) | 68,382 | h+i+j+k+l+m+n |
| 5 | Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1) | 21,409 | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 202,650 | |
| Common Equity Tier 1 capital :regulatory adjustments | | | |
| 8 | Goodwill (net of related tax liabilities) | 51,996 | d |
| 9 | Other intangibles other than mortgage servicing rights (net of related tax liabilities) | 12,246 | 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) | 12,493 | |
| 28 | Total regulatory adjustments to Common equity Tier 1 | 76,754 | |
| 29 | Common Equity Tier 1 capital (CET1) | 125,896 | |
| 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) | 3,568 | |
| 36 | Additional Tier 1 capital before regulatory adjustments | 36,568 | |
| 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) | 2,735 | |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | 2,735 | |
| 44 | Additional Tier 1 capital (AT1) | 33,833 | |
| 45 | Tier capital (T1 = CET1 + AT1) | 159,729 | |
| 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) | 4,757 | |
| 50 | Provisions | 10,441 | p |
| 51 | Tier 2 capital before regulatory adjustments | 15,198 | |
| Tier 2 capital: regulatory adjustments | | | |
| 58 | Tier 2 capital (T2) | 15,198 | |
| 59 | Total capital (TC = T1 + T2) | 174,927 | |
| 60 | Total risk weighted assets | 981,039 | |
| Capital ratios and buffers | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 12.83% | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 16.28% | |
| 63 | Total capital (as a percentage of risk weighted assets) | 17.83% | |
| 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) | 12.83% | |
| 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 | 23,846 | |
| 73 | Significant investments in the common stock of financials | 9,985 | |
| 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 | 10,441 | |

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 31 December 2020.