



بنك الخليج العربي
United Gulf Bank B.S.C. (Closed)

Regulatory Capital Disclosure

31st December 2023





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



Regulatory Capital Disclosure as of 31 December 2023

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	82,467	318
Due from banks and other financial institutions	78,625	158,130
Investments at fair value through statement of income	128,274	126,940
Loans and advances to customers	19,679	20,016
Non-trading investments	130,218	110,863
Held-to-maturity investments	-	-
Investments in associated companies	60,386	137,304
Interest receivable and other assets	70,515	96,166
Investment properties	127,388	100,659
Property and equipment	15,679	15,679
Goodwill and other intangibles	62,151	-
Assets of disposal group held for sale	-	-
Total assets	775,382	766,075
Liabilities		
Due to banks and other financial institutions	121,510	121,510
Deposits from Customers	15,915	15,915
Term borrowings	203,622	203,622
Long term bonds	-	-
Interest payable and other liabilities	89,759	89,542
Total liabilities	430,806	430,589
Equity		
Share capital	116,132	116,132
Share premium	5,687	5,687
Statutory reserve	54,034	54,034
General reserve	3,765	3,765
Cumulative changes in fair values	14,641	12,302
Foreign currency translation adjustments	(6,505)	(4,166)
Retained earnings	4,007	4,007
Collective impairment provision	-	16,226
Subordinated debts	-	-
Attributable to the owners of the Bank	191,761	207,987
Non-controlling interests	119,815	94,499
Perpetual Tier 1 capital facility	33,000	33,000
Total equity	344,576	335,486
Total Liabilities and equities	775,382	766,075



Regulatory Capital Disclosure as of 31 December 2023

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	82,467	318	
Due from banks and other financial institutions	78,625	158,130	
Investments at fair value through statement of income	128,274	126,940	
Investments held to maturity	-	-	
Loans and advances to customers	19,679	20,016	
of which specific provisions	(7,840)	(7,840)	
of which loans and advances (gross of provisions)	27,519	27,856	
Non-trading investments	130,218	110,863	
of which related to equity investments in financial entities	43,895	43,895	
of which related to CET1	40,891	40,891	a
of which related to Tier 1	3,004	3,004	
of which related to Tier 2	-	-	
of which related to other AFS investments	86,323	86,323	
of which equity investments in financial entities	-	-	
Investments in associated companies	60,386	137,304	
of which equity investments in financial entities	4,150	4,150	
of which other investments	56,236	81,690	
of which Goodwill	-	51,464	d
Interest receivable and other assets	70,515	96,166	
of which deferred tax assets due to temporary differences	-	-	e
of which Interest receivable and other assets	70,515	96,166	
Investment properties	127,388	100,659	
Property and equipment	15,679	15,679	
Goodwill	62,151	-	d
Assets of disposal group held for sale	-	-	
Total assets	775,382	766,075	



Regulatory Capital Disclosure as of 31 December 2023

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	121,510	121,510	
Deposits from Customers	15,915	15,915	
Term borrowings	203,622	203,622	
Subordinated debt	-	-	
Interest payable and other liabilities	89,759	89,542	
Total liabilities	430,806	430,589	
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	54,034	54,034	h
General reserve	3,765	3,765	i
Treasury shares reserve	-	-	
Cumulative changes in fair values	14,641	12,302	
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	450	450	k
of which unrealized gains and losses from fair valuing equities	14,191	14,191	l
Foreign currency translation adjustments	(6,505)	(4,166)	m
Retained earnings	4,007	4,007	
of which Treasury shares reserve	-	-	n
of which Retained earnings	4,007	4,007	o
Expected credit losses (Stages 1 & 2)	-	16,226	p
Attributable to the owners of the Bank	191,761	207,987	
Non-controlling interests	119,815	94,499	
Perpetual Tier 1 capital facility	33,000	33,000	r
Total equity	344,576	335,486	
Total Liabilities and equities	775,382	766,075	



Regulatory Capital Disclosure as of 31 December 2023

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	4,007	o
3	Accumulated other comprehensive income and losses (and other reserves)	67,277	h+i+j+k+l+m+n
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	25,480	
6	Common Equity Tier 1 capital before regulatory adjustments	218,583	
Common Equity Tier 1 capital :regulatory adjustments			
8	Goodwill (net of related tax liabilities)	51,464	d
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	10,687	d
11	Cash flow hedge reserve	450	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)	26,361	
28	Total regulatory adjustments to Common equity Tier 1	88,962	
29	Common Equity Tier 1 capital (CET1)	129,621	
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)	4,470	
36	Additional Tier 1 capital before regulatory adjustments	37,470	
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)	1,936	
43	Total regulatory adjustments to Additional Tier 1 capital	1,936	
44	Additional Tier 1 capital (AT1)	35,534	
45	Tier capital (T1 = CET1 + AT1)	165,155	
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)	5,961	
50	Provisions	11,389	p
51	Tier 2 capital before regulatory adjustments	17,350	
Tier 2 capital: regulatory adjustments			
58	Tier 2 capital (T2)	17,350	
59	Total capital (TC = T1 + T2)	182,505	
60	Total risk weighted assets	1,039,967	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	12.46%	
62	Tier 1 (as a percentage of risk weighted assets)	15.88%	
63	Total capital (as a percentage of risk weighted assets)	17.55%	
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)	12.46%	
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	40,891	
73	Significant investments in the common stock of financials	4,150	
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)	16,226	p
77	Cap on inclusion of provisions in Tier 2 under standardised approach	11,389	



Regulatory Capital Disclosure as of 31 December 2023

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 Dec 2023.