

BANK ALKHAIR B.S.C. (c)
As at 30 September 2017

Composition of capital disclosure

a. Statement of financial position under the regulatory scope of consolidation

The table below shows the reconciliation between the statement of financial position in the published financial statements (accounting statement of financial position) and the regulatory statement of financial position.

	30 September 2017		
	Statement of Financial Position as in published Financial Statements US\$ 000's	Statement of Financial Position as per regulatory reporting US\$ 000's	Reference
ASSETS			
Cash and balances with banks	25,005	23,277	
Placements with financial institutions	15,000	15,000	
Financing receivables	9,472	12,128	
Investment securities	56,690	121,278	
Equity-accounted investees	126,380	126,380	
Of which related to significant investments in financial entities under CET1	-	126,380	G
Investment property	224,542	38,522	
Other assets	30,758	15,595	
Equipment	9,155	861	
TOTAL ASSETS	497,002	353,041	
LIABILITIES AND EQUITY			
LIABILITIES			
Due to financial institutions	81,527	33,357	
Due to customers	161,566	161,566	
Other liabilities	56,799	34,845	
TOTAL LIABILITIES	299,892	229,768	
EQUITY			
Share capital	207,962	207,962	A
Statutory reserve	664	664	D
Investments fair value reserve	538	538	E
Foreign currency translation reserve	(5,229)	(5,229)	F
Accumulated losses	(107,417)	(112,953)	
Retained earnings	-	(100,480)	B
Current interim cumulative net income / losses	-	(12,473)	C
Equity attributable to shareholders of the Bank	96,518	90,982	
Non-controlling interests	100,592	32,291	
TOTAL EQUITY	197,110	123,273	
TOTAL LIABILITIES AND EQUITY	497,002	353,041	

b. Composition of regulatory capital

The table below provides a detailed breakdown of the bank's regulatory capital components including all regulatory adjustments. The table also provides reference to the comparison displayed in section a between accounting and regulatory statement of financial positions.

	30 September 2017		
	Components of regulatory Capital US\$ 000's	Amount Subject to pre-2015 treatment US\$ 000's	Reference
Common Equity Tier 1 capital: instruments and reserves			
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	207,962		A
Retained earnings	(100,480)		B
Current interim cumulative net income / losses	(12,473)		C
Accumulated other comprehensive income (and other reserves)	(4,027)		D+E+F
Common Equity Tier 1 capital before minority interest	90,982		
Total minority interest in banking subsidiaries given recognition in CET1 capital	21,416		
Common Equity Tier 1 capital before regulatory adjustments	112,398		
Common Equity Tier 1 capital: regulatory adjustments			
Goodwill (net of related tax liability)	(32,047)	32,047	
Intangibles other than mortgage servicing rights	(232)		
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)	(68,493)	122,167	
Amount exceeding the 15% threshold	(3,767)		
Total regulatory adjustments to Common equity Tier 1	(104,539)	154,214	G
Common Equity Tier 1 capital (CET1)	7,859		
Additional Tier 1 capital (AT1)	20,942		
Tier 1 capital (T1 = CET1 + AT1)	28,801		
Tier 2 capital			
Provisions	814		
Instruments issued by banking subsidiaries to third parties	13,045		
Tier 2 capital (T2)	13,859		
Total capital (TC = T1 + T2)	42,660		
Total risk weighted assets	1,396,149		
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk weighted assets)	0.56%		
Tier 1 (as a percentage of risk weighted assets)	2.06%		
Total capital (as a percentage of risk weighted assets)	3.06%		
National minima including CCB (if different from Basel 3)			
CBB Common Equity Tier 1 minimum ratio	6.50%		
CBB Tier 1 minimum ratio	8.00%		
CBB total capital minimum ratio	10.00%		

c. Statement of financial position under the regulatory scope of consolidation

Main features of regulatory capital instruments		
1	Issuer	Bank Alkhair B.S.C. (c)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Kingdom Of Bahrain
	Regulatory treatment	
4	<i>Transitional CBB rules</i>	Common Equity Tier 1
5	<i>Post-transitional CBB rules</i>	Common Equity Tier 1
6	<i>Eligible at solo/group/group & solo</i>	Group & solo
7	<i>Instrument type (types to be specified by each jurisdiction)</i>	Equity shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	USD 207 millions
9	Par value of instrument	USD 1.00
10	Accounting classification	Shareholder's equity
11	Original date of issuance	2004
12	Perpetual or dated	Perpetual
13	<i>Original maturity date</i>	No Maturity
14	Issuer call subject to prior supervisory approval	NA
15	<i>Optional call date, contingent call dates and redemption amount</i>	NA
16	<i>Subsequent call dates, if applicable</i>	NA
	Coupons / dividends	NA
17	<i>Fixed or floating dividend/coupon</i>	NA
18	<i>Coupon rate and any related index</i>	NA
19	<i>Existence of a dividend stopper</i>	NA
20	<i>Fully discretionary, partially discretionary or mandatory</i>	Partially discretionary
21	<i>Existence of step up or other incentive to redeem</i>	NA
22	<i>Noncumulative or cumulative</i>	NA
23	Convertible or non-convertible	NA
24	<i>If convertible, conversion trigger (s)</i>	NA
25	<i>If convertible, fully or partially</i>	NA
26	<i>If convertible, conversion rate</i>	NA
27	<i>If convertible, mandatory or optional conversion</i>	NA
28	<i>If convertible, specify instrument type convertible into</i>	NA
29	<i>If convertible, specify issuer of instrument it converts into</i>	NA
30	Write-down feature	NA
31	<i>If write-down, write-down trigger(s)</i>	NA
32	<i>If write-down, full or partial</i>	NA
33	<i>If write-down, permanent or temporary</i>	NA
34	<i>If temporary write-down, description of write-up mechanism</i>	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	NA
37	If yes, specify non-compliant features	NA