

BANK ALKHAIR B.S.C. (c)
As at 31 December 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.

	31 December 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	8,172	7,121	
Placements with financial institutions	6,588	6,588	
Financing receivables	8,956	11,613	
Investment securities	70,644	128,101	
Equity-accounted investees	125,035	125,035	
Of which related to significant investments in financial entities under CET1	-	125,035	G
Investment property	224,873	38,522	
Other assets	28,483	15,553	
Equipment	9,491	1,374	
TOTAL ASSETS	482,242	333,907	
LIABILITIES AND EQUITY			
LIABILITIES			
Due to financial institutions	71,342	23,172	
Due to customers	167,372	167,372	
Other liabilities	53,570	36,288	
TOTAL LIABILITIES	292,284	226,832	
EQUITY			
Share capital	207,962	207,962	A
Statutory reserve	664	664	D
Investments fair value reserve	487	487	E
Foreign currency translation reserve	(5,179)	(5,179)	F
Accumulated losses	(115,687)	(129,356)	
Retained earnings	-	(107,693)	B
Current interim cumulative net income / losses	-	(21,663)	C
Equity attributable to shareholders of the Bank	88,247	74,578	
Non-controlling interests	101,711	32,497	
TOTAL EQUITY	189,958	107,075	
TOTAL LIABILITIES AND EQUITY	482,242	333,907	

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.

	31 December 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	(107,693)		B
Current interim cumulative net income / losses	(21,663)		C
Accumulated other comprehensive income (and other reserves)	(4,028)		D+E+F
Common Equity Tier 1 capital before minority interest	74,578		
Total minority interest in banking subsidiaries given recognition in CET1 capital	21,673		
Common Equity Tier 1 capital before regulatory adjustments	96,251		
Common Equity Tier 1 capital: regulatory adjustments			
Goodwill (net of related tax liability)	(32,047)	32,047	
Intangibles other than mortgage servicing rights	(147)		
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)	(68,179)	120,039	
Amount exceeding the 15% threshold	(3,851)		
Total regulatory adjustments to Common equity Tier 1	(104,224)	152,086	G
Common Equity Tier 1 capital (CET1)	(7,973)		
Additional Tier 1 capital (AT1)	24,529		
Tier 1 capital (T1 = CET1 + AT1)	16,556		
Tier 2 capital			
Provisions	83		
Instruments issued by banking subsidiaries to third parties	13,251		
Tier 2 capital (T2)	13,334		
Total capital (TC = T1 + T2)	29,890		
Total risk weighted assets	1,635,256		
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk weighted assets)	-0.49%		
Tier 1 (as a percentage of risk weighted assets)	1.01%		
Total capital (as a percentage of risk weighted assets)	1.83%		
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