

BANK ALKHAIR B.S.C. (c)
As at 30 June 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 June 2017		Reference
	Statement of Financial Position as in published Financial Statements US\$ 000's	Statement of Financial Position as per regulatory reporting US\$ 000's	
ASSETS			
Cash and balances with banks	26,581	25,013	
Placements with financial institutions	11,482	11,482	
Financing receivables	10,108	12,749	
Investment securities	49,107	113,695	
Equity-accounted investees	125,198	125,198	
Of which related to significant investments in financial entities under CET1	-	125,198	G
Investment property	224,471	38,523	
Other assets	34,838	17,643	
Equipment	9,476	837	
TOTAL ASSETS	491,261	345,140	
LIABILITIES AND EQUITY			
LIABILITIES			
Due to financial institutions	79,550	27,167	
Due to customers	157,308	157,308	
Other liabilities	58,504	36,483	
TOTAL LIABILITIES	295,362	220,958	
EQUITY			
Share capital	207,962	207,962	A
Statutory reserve	664	664	D
Investments fair value reserve	554	554	E
Foreign currency translation reserve	(5,763)	(5,763)	F
Accumulated losses	(105,771)	(110,193)	
Retained earnings	-	(100,480)	B
Current interim cumulative net income / losses	-	(9,713)	C
Equity attributable to shareholders of the Bank	97,646	93,224	
Non-controlling interests	98,253	30,958	
TOTAL EQUITY	195,899	124,182	
TOTAL LIABILITIES AND EQUITY	491,261	345,140	

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 June 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	(9,713)		C
Accumulated other comprehensive income (and other reserves)	(4,545)		D+E+F
Common Equity Tier 1 capital before minority interest	93,224		
Total minority interest in banking subsidiaries given recognition in CET1 capital	18,618		
Common Equity Tier 1 capital before regulatory adjustments	111,842		
Common Equity Tier 1 capital: regulatory adjustments			
Goodwill (net of related tax liability)	(32,047)	32,047	
Intangibles other than mortgage servicing rights	(192)		
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)	(67,815)	120,985	
Amount exceeding the 15% threshold	(3,721)		
Total regulatory adjustments to Common equity Tier 1	(103,775)	153,032	G
Common Equity Tier 1 capital (CET1)	8,067		
Additional Tier 1 capital (AT1)	-		
Tier 1 capital (T1 = CET1 + AT1)	8,067		
Tier 2 capital			
Provisions	814		
Tier 2 capital (T2)	814		
Total capital (TC = T1 + T2)	8,881		
Total risk weighted assets	1,512,467		
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk weighted assets)	0.53%		
Tier 1 (as a percentage of risk weighted assets)	0.53%		
Total capital (as a percentage of risk weighted assets)	0.59%		
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