

**BANK ALKHAIR B.S.C. (c )**  
**As at 30 September 2019**

**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.

	<b>30 September 2019</b>		
	<b>Statement of Financial Position as in published Financial Statements</b>	<b>Statement of Financial Position as per regulatory reporting</b>	<b>Reference</b>
	<b>US\$ 000's</b>	<b>US\$ 000's</b>	
<b>ASSETS</b>			
Cash and balances with banks	2,042	779	
Placements with financial institutions	26	26	
Financing receivables	1,539	-	
Investment securities	68,854	128,713	
Equity-accounted investees	130,125	130,125	
Of which related to significant investments in financial entities under CET1	-	130,125	G
Investment property	183,945	-	
Other assets	14,612	1,581	
Equipment	55	20	
<b>TOTAL ASSETS</b>	<b>401,198</b>	<b>261,244</b>	
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Due to financial institutions	34,922	34,922	
Due to customers	207,017	172,095	
Other liabilities	21,917	18,276	
<b>TOTAL LIABILITIES</b>	<b>263,855</b>	<b>225,293</b>	
<b>EQUITY</b>			
Share capital	207,962	207,962	A
Statutory reserve	664	664	D
Investments fair value reserve	242	242	E
Foreign currency translation reserve	(3,495)	(3,495)	F
Accumulated losses	(139,177)	(169,424)	
Retained earnings	-	(153,945)	B
Current interim cumulative net income / losses	-	(15,478)	C
<b>Equity attributable to shareholders of the Bank</b>	<b>66,196</b>	<b>35,949</b>	
Non-controlling interests	71,147	2	
<b>TOTAL EQUITY</b>	<b>137,343</b>	<b>35,951</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>401,198</b>	<b>261,244</b>	

**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.

	<b>30 September 2019</b>		<b>Reference</b>
	<b>Components of regulatory Capital US\$ 000's</b>	<b>Amount Subject to pre-2015 treatment US\$ 000's</b>	
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	207,962		A
Retained earnings	(153,945)		B
Current interim cumulative net income / losses	(15,478)		C
Accumulated other comprehensive income (and other reserves)	(2,589)		D+E+F
<b>Common Equity Tier 1 capital before minority interest</b>	<b>35,950</b>		
Total minority interest in banking subsidiaries given recognition in CET1 capital	-		
<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>35,950</b>		
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
Goodwill (net of related tax liability)	-	-	
Intangibles other than mortgage servicing rights	-		
Non-common equity Invest. in financial entities where ownership is >10% of the issued common share capital	-		
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)	(141,889)	145,485	
Amount exceeding the 15% threshold	(3,595)		
<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>(145,484)</b>	<b>145,485</b>	G
<b>Common Equity Tier 1 capital (CET1)</b>	<b>(109,534)</b>		
<b>Additional Tier 1 capital (AT1)</b>	<b>-</b>		
<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>(109,534)</b>		
<b>Tier 2 capital</b>			
Provisions	-		
Instruments issued by banking subsidiaries to third parties	-		
<b>Tier 2 capital (T2)</b>	<b>-</b>		
<b>Total capital (TC = T1 + T2)</b>	<b>(109,534)</b>		
<b>Total risk weighted assets</b>	<b>2,254,014</b>		
<b>Capital ratios and buffers</b>			
Common Equity Tier 1 (as a percentage of risk weighted assets)	-4.86%		
Tier 1 (as a percentage of risk weighted assets)	-4.86%		
Total capital (as a percentage of risk weighted assets)	-4.86%		
<b>National minima including CCB (if different from Basel 3)</b>			
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
	<b>Regulatory treatment</b>	
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 &amp; 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
	<b>Coupons / dividends</b>	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	<b>Convertible or non-convertible</b>	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	<b>Write-down feature</b>	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