

GFH Financial Group BSC

Regulatory Capital Disclosures - Disclosures As At 31 March 2017

Statement of financial position under the regulatory scope of consolidation and reconciliation of published financial statements to regulatory reporting as at 31 March 2017.

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

As at 31 March 2017	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
ASSETS			
Cash and bank balance	126,432	125,124	
Placement with financial institutions	183,577	183,565	
Financing assets	975,542	975,542	
<i>Of which collective impairment provisions</i>	<i>(11,475)</i>	<i>(11,475)</i>	a
Investment securities	560,801	694,854	
<i>Of which equity investments in financial entities</i>	<i>46,201</i>	<i>46,201</i>	b
Assets acquired for leasing	244,703	244,703	
Investment properties	485,758	485,758	
Development properties	280,972	212,751	
Equity-accounted investees	113,408	113,408	
<i>Of which equity investments in financial entities</i>	<i>22,627</i>	<i>22,627</i>	c
Property, plant and equipment	143,031	23,536	
Other assets	126,023	127,018	
Total assets	3,240,247	3,186,259	
LIABILITIES			
Investors' fund	39,259	39,259	
Placements from financial institutions, other entities and individuals	595,127	595,127	
Customer current accounts	183,533	183,533	

Financing liabilities	174,774	144,645	
Other liabilities	190,517	112,924	
Total liabilities	1,183,210	1,075,488	
Equity of investment account holders	992,005	992,005	
OWNERS' EQUITY			
Share capital	657,794	657,794	d
Treasury shares	(340)	(340)	e
Capital adjustment account	24,320	24,320	f
Statutory reserve	95,475	95,475	g
Retained earnings	110,108	131,322	h
Share grant reserve	862	862	i
Foreign currency translation reserve	(10,614)	-	
Other reserves	-	29,442	
<i>Of which instrument issued by banking subsidiaries to third parties</i>	-	17,967	k1,k2
Total equity attributable to shareholders of the Bank	877,605	938,875	
Non-controlling interests	187,427	84,894	j
Total owners' equity	1,065,032	1,023,769	
Total liabilities, equity of investment account holders and owners' equity	3,240,247	3,091,262	

The table below shows the total assets and shareholders' equity of the Bank's subsidiaries as at 31 March 2017 which are unconsolidated for capital adequacy calculation purposes. For principal activities of these subsidiaries refer Note 2 c (iii) of the consolidated financial statements as at 31 March 2017.

Entity name	Total Assets	Total Shareholders' equity *
Morocco Gateway Investment Company	68,089	25,310
Al Areen Hotels SPC	75,233	69,150
Al Areen Leisure and Tourism Company – The Lost Paradise of Dilmun SPC	25,695	24,802
British School of Bahrain (Prop Co.)	104,259	83,232

*The numbers disclosed are before considering acquisition accounting adjustments and intercompany eliminations.

Composition of Capital Common Template (transition)

	Component of regulatory capital reported by bank	Amounts subject to pre-2015 treatment	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1): instruments and reserves			
Directly issued qualifying common share capital plus related stock surplus	657,794	-	d
Retained earnings	131,322	-	h
Accumulated other comprehensive income and losses (and other reserves)	120,657	-	f+g+i
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	84,894	-	j
Common Equity Tier 1 capital before regulatory adjustments	994,667		
Common Equity Tier 1 capital: regulatory adjustments			
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	(340)	-	e
Total regulatory adjustments to Common equity Tier 1	(340)		
Common equity Tier 1 capital (CET 1)	994,327		
Additional Tier 1 capital: instruments			
Instrument issued by banking subsidiaries to third parties	6,823	-	k1
Additional Tier 1 capital (AT1)	6,823		
Tier 1 capital (T1 = CET1 + AT1)	1,001,150		
Tier 2 capital: instruments and provisions			
Instruments issued by banking subsidiaries to third parties	11,144	-	k2
Provisions	11,475	-	a
Tier 2 capital before regulatory adjustments	22,619		
Tier 2 capital: regulatory adjustments			
Total regulatory adjustments to Tier 2 capital		-	
Total Tier 2 capital (T2)	22,619		

	Component of regulatory capital reported by bank	Amounts subject to pre-2015 treatment	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Total capital (TC = T1+T2)	1,023,769		
Total risk weighted assets	4,168,256		
Capital ratios and buffers			
Common Equity Tier 1 (CET1) (as a percentage of risk weighted assets)	23.85%		
Tier 1 (T1) (as a percentage of risk weighted assets)	24.02%		
Total capital (as a percentage of risk weighted assets)	24.56%		
National minima including CCB (if different from Basel III)			
CBB Common Equity Tier 1 minimum ratio	9.00%		
CBB Tier 1 minimum ratio	10.50%		
CBB total capital minimum ratio	12.50%		
Amounts below the thresholds for deduction (before risk weighting)			
Non-significant investments in the capital of other financial entities	46,201		b
Significant investment in common stock of financial entities	22,627		c
Applicable caps on the inclusion of provisions in Tier 2			
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	11,475		a

Disclosure template for main features of regulatory capital instruments		
1	Issuer	GFH Financial Group BSC (c)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	GFH (DFM) GFH (BHSE) 813 (KSE)
3	Governing law(s) of the instrument Regulatory treatment	All applicable laws and regulations in the Kingdom of Bahrain.
4	Transitional CBB rules	NA
5	Post-transitional CBB rules	NA
6	Eligible at solo/group/group & solo	Yes
7	Instrument type (types to be specified by each jurisdiction)	Common shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	USD 658 million
9	Par value of instrument	USD 0.265
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1999
12	Perpetual or dated	NA

13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable Coupons / dividends	NA
17	Dividends	Dividends as decided by the shareholders
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	NA
22	Noncumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	NA
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	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