

BASEL III
Regulatory capital Disclosure

(for the three months ended 31 March 2018)

Statement of Financial position under the regulatory scope of consolidation

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.

	Statement of Financial position as in published financial statements	Statement of Financial position as per Regulatory Reporting	Reference
ASSETS			
Cash and bank balances	45,861	45,859	
Placements with financial institutions	45,044	45,044	
Gross Financing assets	353,194	345,689	
Less: ECL impairment	(21,747)	-	a
Net Financing assets	331,447	345,689	
Investment in sukuk	111,037	111,037	
Assets acquired for leasing	99,686	100,559	
Gross Lease rentals receivables	9,771	3,057	
Less: ECL impairment	(1,181)	-	b
Net Gross Lease rental receivables	8,590	3,057	
Investment in equity securities	52,189	52,189	
Of which related to equity investment in financial entities	13,148	13,148	
Of which related to CET1	3,156	3,156	c
Of which related to other investments	35,885	35,885	
Investment in real estate	18,519	18,519	
Development property	6,003	-	
Other assets	14,506	10,003	
Property and equipment	7,814	7,814	
Total assets	735,162	744,374	

LIABILITIES			
Placements from financial institutions	99,576	99,576	
Placements from non-financial institutions and individuals	76,533	76,533	
Customers' current accounts	74,303	74,335	
Medium-term borrowing	41,312	41,312	
Other liabilities	7,610	5,646	
Total liabilities	299,334	297,402	

Equity of investment account holders	331,146	331,146	
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OWNERS' EQUITY			
Share capital	105,000	105,000	d
Statutory reserve	8,159	8,159	e
Treasury shares	(10,212)	(10,212)	f
Employee share incentive scheme	(70)	(70)	g
Investment fair value reserve	-	-	h
Retained earnings	(552)	(633)	i
Total equity attributable to shareholders of the parent	102,325	102,244	
Collective impairment provision which qualify as capital	-	13,582	a+b
Non-controlling interest	2,357	-	
Total liabilities, equity of investment account holders and owners' equity	735,162	744,374	

Composition of Capital as at 31 December 2017

	Component of regulatory capital	Amounts subject to pre-2015 treatment	Source based on reference letters of the statement of financial position under the regulatory scope of consolidation
Common Equity Tier 1: Instruments and reserves			
Directly Issued qualifying common share capital plus related stock surplus	113089	-	d+e+g+h
Retained earnings	(633)	-	i
Common Equity Tier 1 capital before regulatory adjustment	112,456	-	
Common Equity Tier 1 capital: regulatory adjustments			
Investment in own shares	10,212	-	f
Investment in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	2,339	-	c
Total regulatory adjustment to Common equity Tier 1	12,551	-	
Common Equity Tier 1 capital (CET1)	99,905	-	
Additional Tier 1 capital: Instruments			
Additional Tier 1 capital before regulatory adjustments	-	-	
Additional Tier 1 capital: regulatory adjustments			
Total regulatory adjustment to additional Tier 1 capital	-	-	
Additional Tier 1 capital (AT1)	-	-	
Tier 1 capital (T1 = CET1 + AT1)	99,905	-	
Tier 2 capital: instruments and provisions			
Expected Credit Loss (ECL) Stage 1 & 2 (cap for inclusion 1.25% of CRWA)	7,387	-	a+b
Tier 2 capital before regulatory adjustments	7,387	-	
Tier 2 capital: regulatory adjustments			
Total regulatory adjustment to Tier 2 capital	-	-	
Tier 2 capital (T2)	-	-	
Total Capital (TC = T1 + T2)	107,292	-	
Total risk weighted assets	660,783	-	
Capital ratios and buffers			
Common Equity Tier 1 (as a percentage of risk weighted assets)	15.12%	-	
Tier 1 (as a percentage of risk weighted assets)	15.12%	-	
Total capital (as a percentage of risk weighted assets)	16.24%	-	
Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.00%	-	
of which: capital conservation buffer requirement	2.50%	-	
of which: bank specific countercyclical buffer requirement	N/A	-	
of which: G-SIB buffer requirement	N/A	-	
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	15.12%	-	
National minima including CCB (where 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%	-	
Applicable caps on the inclusion of provisions in Tier 2			
Expected Credit Loss (ECL) Stage 1 & 2 (cap for inclusion 1.25% of credit risk weighted assets)	7,387	-	a+b

Disclosure template for main feature of regulatory capital instruments

1.	Issuer	Khaleeji Commercial Bank B.S.C
2.	Unique identifier	KHCB
3.	Governing law(s) of the instrument	All applicable laws and regulations of the Kingdom of Bahrain
	<i>Regulatory treatment</i>	
4.	Transitional CBB rules	Common Equity Tier 1
5.	Post-transitional CBB rules	Common Equity Tier 1
6.	Eligible at solo/group/group & solo	Group and solo
7.	Instrument type (types to be specified by each jurisdiction)	Equity Shares
8.	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	BD 105 million
9.	Par value of instrument	BD 0.100
10.	Accounting classification	Shareholders' Equity
11.	Original date of issuance	Various
12.	Perpetual or dated	Perpetual
13.	Original maturity date	No Maturity
14.	Issuer call subject to prior supervisory approval	No
15.	Optional call date, contingent call dates and redemption amount	Not applicable
16.	Subsequent call dates, if applicable	Not applicable
	<i>Coupons / dividends</i>	
17.	Fixed or floating dividend/coupon	Dividend as decided by the Shareholders
18.	Coupon rate and any related index	Not applicable
19.	Existence of a dividend stopper	Not applicable
20.	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21.	Existence of step up or other incentive to redeem	No
22.	Noncumulative or cumulative	Non-cumulative
23.	Convertible or non-convertible	Non-convertible
24.	If convertible, conversion trigger (s)	Not applicable
25.	If convertible, fully or partially	Not applicable
26.	If convertible, conversion rate	Not applicable
27.	If convertible, mandatory or optional conversion	Not applicable
28.	If convertible, specify instrument type convertible into	Not applicable
29.	If convertible, specify issuer of instrument it converts into	Not applicable
30.	Write-down feature	No
31.	If write-down, write-down trigger(s)	Not applicable
32.	If write-down, full or partial	Not applicable
33.	If write-down, permanent or temporary	Not applicable
34.	If temporary write-down, description of write-up mechanism	Not applicable
35.	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36.	Non-compliant transitioned features	No
37.	If yes, specify non-compliant features	Not applicable