

KHALEEJI BANK B.S.C.

BASEL III

Composition of Capital Disclosure

(As at 30 June 2024)

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	69,410	69,409	
OF WHICH ECL (STAGE 1&2)	-	-	a
OF WHICH CASH AND BANK BALANCES TO SUBSIDIARY (COMMERCIAL ENTITY)	1	-	
PLACEMENTS WITH FINANCIAL INSTITUTIONS	116,254	116,254	
OF WHICH ECL (STAGE 1&2)	-	-	b
FINANCING CONTRACTS	600,459	607,230	
OF WHICH ECL (STAGE 1&2)	(6,771)	-	c
OF WHICH FINANCING TO SUBSIDIARY (COMMERCIAL ENTITY)	-	-	
INVESTMENT IN SUKUK	534,288	534,751	
OF WHICH ECL (STAGE 1&2)	(463)	-	d
INVESTMENT SECURITIES	39,198	72,588	
OF WHICH INVESTMENT SECURITIES TO SUBSIDIARY (COMMERCIAL ENTITY)	(33,390)	-	
OF WHICH ECL (STAGE 1&2)	-	-	e
OF WHICH RELATED TO INSIGNIFICANT INVESTMENTS IN FINANCIAL ENTITIES	-	-	
OF WHICH CAPITAL ADJUSTMENTS RELATED TO INVESTMENT IN FINANCIAL ENTITIES WHERE OWNERSHIP IS < 10% OF ISSUED COMMON SHARE CAPITAL (AMOUNT ABOVE 10% CET1A)	-	-	f
OF WHICH RELATED TO OTHER INVESTMENTS	39,198	72,588	
INVESTMENT IN REAL ESTATE	69,074	37,084	
OF WHICH INVESTMENT IN REAL ESTATE OF SUBSIDIARY (COMMERCIAL ENTITY)	31,990	-	
EQUITY ACCOUNTED INVESTEEES	27,534	27,534	
OF WHICH EQUITY ACCOUNTED INVESTEEES OF SUBSIDIARY (COMMERCIAL ENTITY)	-	-	
OTHER ASSETS	31,187	31,216	
OF WHICH RECEIVABLE FROM SUBSIDIARY (COMMERCIAL ENTITY)	(29)	-	
PROPERTY AND EQUIPMENT	3,205	3,205	
TOTAL ASSETS	1,490,609	1,499,271	
LIABILITIES			
PLACEMENTS FROM FINANCIAL INSTITUTIONS	132,579	132,579	
PLACEMENTS FROM NON-FINANCIAL INSTITUTIONS AND INDIVIDUALS	326,676	326,676	
TERM BORROWING	236,367	236,367	
CUSTOMERS' CURRENT ACCOUNTS	179,927	181,022	
OF WHICH ACCOUNT OF SUBSIDIARY (COMMERCIAL ENTITY)	(1,095)	-	
OTHER LIABILITIES	20,739	21,812	
OF WHICH ECL (STAGE 1&2)	54	-	g
OF WHICH PAYABLES OF SUBSIDIARY (COMMERCIAL ENTITY)	(1,127)	-	
TOTAL LIABILITIES	896,288	898,457	
EQUITY OF INVESTMENT ACCOUNT HOLDERS	471,865	471,865	
OWNERS' EQUITY			
SHARE CAPITAL	113,044	113,044	h
SUBORDINATED MUDARABA (AT 1)	-	-	
STATUTORY RESERVE	12,410	12,410	i
TREASURY SHARES	(6,254)	(6,254)	j
INVESTMENT FAIR VALUE RESERVE	(6,642)	(6,642)	k
RETAINED EARNINGS BEFORE MODIFICATION LOSS	9,311	14,147	l
LESS: MODIFICATION LOSS NET OF GOVERNMENT GRANT AND ECL ADD BACK	-	(5,043)	
RETAINED EARNINGS	9,311	9,104	
OF WHICH RETAINED EARNINGS OF SUBSIDIARY (COMMERCIAL ENTITY)	207	-	
TOTAL EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT	121,869	121,662	
ECL (STAGE 1&2)	-	7,288	a+b+c+d+e-g
NON-CONTROLLING INTEREST	587	-	
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNT HOLDERS AND OWNERS' EQUITY	1,490,609	1,499,271	

Composition of Capital as at 30 June 2024

Composition of Capital as at 30 June 2024			Source based on reference letters of the statement of financial position under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1.	Directly issued qualifying common share capital plus related stock surplus	106,790	h+j
2.	Retained earnings	26,556	i+l
3.	Accumulated other comprehensive income (and other reserves)	(6,642)	
4.	<i>Not applicable</i>		
5.	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6.	Common Equity Tier 1 capital before regulatory adjustments	126,704	
Common Equity Tier 1 capital: regulatory adjustments			
7.	Prudential valuation adjustments	-	
8.	Goodwill (net of related tax liability)	-	
9.	Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10.	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
11.	Cash-flow hedge reserve	-	
12.	Shortfall of provisions to expected losses	-	
13.	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-	
14.	<i>Not applicable</i>		
15.	Defined-benefit pension fund net assets	-	
16.	Investments in own shares	-	
17.	Reciprocal cross-holdings in common equity	-	
18.	Investments 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)	-	
19.	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)	-	f
20.	Mortgage servicing rights (amount above 10% threshold)	-	
21.	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22.	Amount exceeding the 15% threshold	-	
23.	of which: significant investments in the common stock of financials	-	
24.	of which: mortgage servicing rights	-	
25.	of which: deferred tax assets arising from temporary differences	-	
26.	CBB specific regulatory adjustments	-	
27.	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28.	Total regulatory adjustments to Common equity Tier 1	-	
29.	Common Equity Tier 1 capital (CET1)	126,704	
Additional Tier 1 capital: instruments			
30.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31.	of which: classified as equity under applicable accounting standards	-	
32.	of which: classified as liabilities under applicable accounting standards	-	
33.	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-	
34.	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35.	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36.	Additional Tier 1 capital before regulatory adjustments	-	
Additional Tier 1 capital: regulatory adjustments			
37.	Investments in own Additional Tier 1 instruments	-	
38.	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39.	Investments 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 common share capital of the entity (amount above 10% threshold)	-	
40.	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41.	CBB specific regulatory adjustments	-	
42.	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43.	Total regulatory adjustments to Additional Tier 1 capital	-	

44.	Additional Tier 1 capital (AT1)	-	
45.	Tier 1 capital (T1 = CET1 + AT1)	126,704	
Tier 2 capital: instruments and provisions			
46.	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47.	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-	
48.	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49.	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50.	Provisions	6,380	
51.	Tier 2 capital before regulatory adjustments	6,380	
Tier 2 capital: regulatory adjustments			
52.	Investments in own Tier 2 instruments	-	
53.	Reciprocal cross-holdings in Tier 2 instruments	-	
54.	Investments 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 common share capital of the entity (amount above the 10% threshold)	-	
55.	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56.	National specific regulatory adjustments	-	
57.	Total regulatory adjustments to Tier 2 capital	-	
58.	Tier 2 capital (T2)	6,380	
59.	Total capital (TC = T1 + T2)	133,084	
60.	Total risk weighted assets	594,694	
Capital ratios and buffers			
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	21,31%	
62.	Tier 1 (as a percentage of risk weighted assets)	21,31%	
63.	Total capital (as a percentage of risk weighted assets)	22,38%	
64.	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9%	
65.	of which: capital conservation buffer requirement	2,5%	
66.	of which: bank specific countercyclical buffer requirement	N/A	
67.	of which: D-SIB buffer requirement	N/A	
68.	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	21,31%	
National minima including CCB (where different from Basel III)			
69.	CBB Common Equity Tier 1 minimum ratio	9,0%	
70.	CBB Tier 1 minimum ratio	10,5%	
71.	CBB total capital minimum ratio	12,5%	
Amounts below the thresholds for deduction (before risk weighting)			
72.	Non-significant investments in the capital of other financials	-	
73.	Significant investments in the common stock of financials	-	
74.	Mortgage servicing rights (net of related tax liability)	-	
75.	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
76.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	7,288	a+b+c+d+e-g
77.	Cap on inclusion of provisions in Tier 2 under standardized approach	6,380	
78.	N/A	-	
79.	N/A	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)			
80.	Current cap on CET1 instruments subject to phase out arrangements	NA	
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	
82.	Current cap on AT1 instruments subject to phase out arrangements	NA	
83.	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA	
84.	Current cap on T2 instruments subject to phase out arrangements	NA	
85.	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA	

Disclosure template for main feature of regulatory capital instruments

1.	Issuer	Khaleeji Bank B.S.C
2.	Unique identifier	KHALEEJI
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 113 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