



GFH Financial Group BSC

Regulatory Capital Reconciliation Disclosures as of 31 March 2018

Statement of financial position under the regulatory scope of consolidation and reconciliation of published financial statements to regulatory reporting as at 31 March 2018.

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 2018	Balance sheet as in published financial statements (In USD'000)	Consolidated PIRI data (In USD'000)	Reference
ASSETS			
Cash and bank balance	193,919	193,117	
Placement with financial institutions	125,025	125,025	
<i>Of which Expected Credit Losses (ECL) resulting from adoption of FAS 30</i>	<i>(7)</i>	<i>(7)</i>	A
Financing assets	929,127	929,127	
<i>Of which Expected Credit Losses (ECL) resulting from adoption of FAS 30</i>	<i>(23,430)</i>	<i>(23,430)</i>	A
Investment securities	553,899	1,152,603	
<i>Of which Expected Credit Losses (ECL) resulting from adoption of FAS 30</i>	<i>(8)</i>	<i>(8)</i>	B
<i>Of which equity investments in financial entities</i>	<i>57,196</i>	<i>57,196</i>	B
Assets acquired for leasing	266,735	266,735	
<i>Of which Expected Credit Losses (ECL) resulting from adoption of FAS 30</i>	<i>(4,554)</i>	<i>(4,554)</i>	A
Investment properties	611,901	476,401	
Development properties	904,528	256,241	
Equity-accounted investees	84,895	84,895	

<i>Of which equity investments in financial entities</i>	22,887	22,887	C
Property, plant and equipment	117,377	22,325	
Other assets	203,525	267,345	
<i>Of which Expected Credit Losses (ECL) resulting from adoption of FAS 30</i>	(316)	(316)	A
Total assets	3,972,931	3,733,815	
LIABILITIES			
Investors' fund	35,183	35,183	
Placements from financial institutions, other entities and individuals	841,979	841,979	
Customer current accounts	188,684	188,684	
Financing liabilities	367,035	250,010	
Other liabilities	310,954	207,260	
Total liabilities	1,743,835	1,523,116	
Equity of investment account holders	812,326	811,326	
OWNERS' EQUITY			
Share capital	975,638	975,638	D
Treasury shares	(60,636)	(60,636)	E
Statutory reserve	105,893	105,893	F
Share premium	2,191	2,191	G
Retained earnings	59,670	287,089	
Investment fair value reserve	1,139	1,139	
Share grant reserve	1,026	1,026	I
Total equity attributable to shareholders of the Bank	1,084,921	1,312,339	



Non-controlling interests	331,849	126,033	
Total owners' equity	1,416,770	1,438,372	
Total liabilities, equity of investment account holders and owners' equity	3,972,931	3,773,815	

The table below shows the total assets and shareholders' equity of the Bank's subsidiaries as at 31 March 2018 which are unconsolidated for capital adequacy calculation purposes. For principal activities of these subsidiaries refer Note 1 of the condensed consolidated interim financial statements as at 31 March 2018.

Entity name	Total Assets* (In USD'000)	Total Shareholders' equity * (In USD'000)
Morocco Gateway Investment Company	80,117	43,215
Al Areen Hotels SPC	100,097	95,745
Al Areen Leisure and Tourism Company – The Lost Paradise of Dilmun SPC	37,464	36,686
Energy City Navi Mumbai & Mumbai IT Technology Company	308,455	253,900
Tunis Bay Investment Company	109,929	90,406
GCL CPOL Management Company	135,500	41,600

**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 (In USD'000)	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	975,638	-	D
Treasury shares	(60,636)	-	E
Statutory reserves	105,893	-	F
Share premium	2,191	-	G
Retained earnings	161,292	-	
Accumulated other comprehensive income and losses (and other reserve)	1,026	-	I
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	67,399	-	
Common Equity Tier 1 capital before regulatory adjustments	1,253,942		
Common Equity Tier 1 capital: regulatory adjustments			
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	-	
Total regulatory adjustments to Common equity Tier 1	-		
Common equity Tier 1 capital (CET 1)	1,253,942		
Additional Tier 1 capital: instruments			
Instrument issued by banking subsidiaries to third parties	9,379	-	
Additional Tier 1 capital (AT1)	9,376		
Tier 1 capital (T1 = CET1 + AT1)	1,263,321		

	Component of regulatory capital reported by bank (In USD'000)	Amounts subject to pre-2015 treatment	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 capital: instruments and provisions			
Instruments issued by banking subsidiaries to third parties	14,252	-	
Expected Credit Losses (ECL) Stage 1 & 2	46,027	-	A
Tier 2 capital before regulatory adjustments	60,279		
Tier 2 capital: regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	-	-	
Total Tier 2 capital (T2)	-		
Total capital (TC = T1+T2)	1,323,600		
Total risk weighted assets	8,110,944		
Capital ratios and buffers			
Common Equity Tier 1 (CET1) (as a percentage of risk weighted assets)	15.46%		
Tier 1 (T1) (as a percentage of risk weighted assets)	15.58%		
Total capital (as a percentage of risk weighted assets)	16.32%		
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	57,196		B
Significant investment in common stock of financial entities	22,887		C



	Component of regulatory capital reported by bank (In USD'000)	Amounts subject to pre-2015 treatment	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Applicable caps on the inclusion of provisions in Tier 2			
Expected Credit Losses (ECL) Stage 1 & 2	46,027		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) GFH (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 recognized in regulatory capital (Currency in mil, as of most recent reporting date)	USD 976 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

NA – Not applicable