

GFH Financial Group BSC

Regulatory Capital Disclosures - Disclosures As At 30 June 2017

Statement of financial position under the regulatory scope of consolidation and reconciliation of published financial statements to regulatory reporting as at 30 June 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.

USD'000

As at 30 June 2017	Balance sheet as in published financial statements	Consolidated PIRI data	Reference
ASSETS			
Cash and bank balance	162,074	158,202	
Placement with financial institutions	261,300	261,288	
Financing assets	987,226	987,226	
<i>Of which collective impairment provisions</i>	<i>(11,989)</i>	<i>(11,989)</i>	a
Investment securities	452,611	907,813	
<i>Of which equity investments in financial entities</i>	<i>46,201</i>	<i>46,201</i>	b
Assets acquired for leasing	265,377	265,377	
Investment properties	484,973	484,973	
Development properties	882,765	331,910	
Equity-accounted investees	116,662	116,662	
<i>Of which equity investments in financial entities</i>	<i>22,627</i>	<i>22,627</i>	c
Property, plant and equipment	120,089	23,457	
Other assets	200,478	193,531	
Total assets	3,933,555	3,730,439	
LIABILITIES			
Investors' fund	36,538	36,538	
Placements from financial institutions, other entities and individuals	833,208	833,208	
Customer current accounts	222,543	222,543	
Financing liabilities	204,340	173,960	
Other liabilities	232,562	98,976	
Total liabilities	1,529,191	1,365,225	
Equity of investment account holders	882,297	882,297	
OWNERS' EQUITY			
Share capital	657,794	657,794	d
Treasury shares	(340)	(340)	e
Capital adjustment account	282,130	282,130	f
Statutory reserve	95,475	95,475	g
Retained earnings	102,095	102,095	h
Share grant reserve	966	966	i
Total equity attributable to shareholders of the Bank	1,138,120	1,138,120	
Non-controlling interests	383,947	88,702	j
Total owners' equity	1,522,067	1,226,822	
Total liabilities, equity of investment account holders and owners' equity	3,933,555	3,474,344	

The table below shows the total assets and shareholders' equity of the Bank's subsidiaries as at 30 June 2017 which are unconsolidated for capital adequacy calculation purposes.

Entity name	Principal activities	Total Assets* USD'000	Total Shareholders' equity * USD'000
Morocco Gateway Investment Company	Real estate development	67,120	38,464
Al Areen Hotels SPC	Hospitality management	73,202	69,437
Al Areen Leisure and Tourism Company – The Lost Paradise of Dilmun SPC	Amusement and theme park	26,171	25,158
Energy City Navi Mumbai & Mumbai IT Technology Company	Real estate development	308,455	253,838
Tunis Bay Investment Company	Real estate development	177,642	175,745

*The numbers disclosed are before considering 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	102,095	-	h
Accumulated other comprehensive income and losses (and other reserves)	378,571	-	f+g+i
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET 1)	88,702	-	j
Common Equity Tier 1 capital before regulatory adjustments	1,227,162		
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)	1,226,822		
Additional Tier 1 capital: instruments			
Instrument issued by banking subsidiaries to third parties	7,253	-	k1
Additional Tier 1 capital (AT1)	7,253		

	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
Tier 1 capital (T1 = CET1 + AT1)	1,234,075		
Tier 2 capital: instruments and provisions			
Instruments issued by banking subsidiaries to third parties	11,718	-	k2
Provisions	11,989	-	A
Tier 2 capital before regulatory adjustments	23,707		
Tier 2 capital: regulatory adjustments			
Total regulatory adjustments to Tier 2 capital	-	-	
Total Tier 2 capital (T2)	-	-	
Total capital (TC = T1+T2)	1,257,782		
Total risk weighted assets	7,711,645		
Capital ratios and buffers			
Common Equity Tier 1 (CET1) (as a percentage of risk weighted assets)	15.91%		
Tier 1 (T1) (as a percentage of risk weighted assets)	16.00%		
Total capital (as a percentage of risk weighted assets)	16.31%		
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 standardized approach (prior to application of cap)	11,989		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 (<i>DFM</i>) GFH (<i>BHSE</i>) 813 (<i>KSE</i>)
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 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