



مصرف الطاقة الأول
FirstEnergyBank

FIRST ENERGY BANK B.S.C. (c)

COMPOSITION OF CAPITAL DISCLOSURE REQUIREMENTS

AS AT PERIOD ENDED 30 SEPTEMBER 2017

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1 Composition of Capital Disclosure

1.1 Step 1 and 2: Statement of financial position under the regulatory scope of consolidation and reconciliation of published financial statements to regulatory reporting as at 30 September 2017.

Categories	Statement of financial position as in published financial statements	Statement of financial position as per regulatory reporting	Reference
Cash and bank balances	8,010	7,027	A
Placements with financial institutions	50,974	50,974	
Financing assets	132,143	250,539	A
Ijarah assets	198,561	-	A
Investment securities	399,628	482,205	B
Less: Collective provision	(2,496)	-	C
Net investment securities	397,132	482,205	
Equity accounted investees	45,414	16,209	A
Other assets	34,867	4,796	A
Property and equipment	11,510	834	A
Total assets	878,611	812,584	
Placements from financial institutions	76,713	76,843	A
Bank financing	87,798	40,754	A
Other liabilities	22,424	23,311	A
Total liabilities	186,935	140,908	
Share capital	1,000,000	1,000,000	
Treasury shares	(7,261)	(7,261)	
Total share capital	992,739	992,739	D
Statutory reserve	9,802	9,736	E
Investments fair value reserve	898	898	F
Foreign exchange translation reserve	(2,171)	-	A
Current interim cumulative net income / loss	-	26,551	G
Accumulated losses	(356,756)	(360,744)	G
Non-controlling interests	47,164	-	A
Collective provision eligible for Tier 2 capital	-	2,496	C
Total equity	691,676	671,676	
Total liabilities and equity	878,611	812,584	

A. The table below shows the total assets and shareholders' equity of the Bank's subsidiaries as at 30 September 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 December 2016.

Entity name	Total Assets	Total Shareholders' equity
Al Dur Energy Investment Company	113,293	113,285
North Africa Investment Company	139	(93)
Menadrill Investment Company	141,936	(54,204)
First Energy-Oman	28,806	28,757
FEB-NOVUS Aircraft Holding Company	82,877	35,275
FEB Aqar S.P.C.	10,809	9,836
Total	377,860	132,856

1.2 Step 3: Composition of Capital Common Template (transition) as at 30 September 2017

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
Common Equity Tier 1 capital: instruments and reserves				
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	992,739	-	D
2	Retained earnings	(334,193)	-	G
3	Accumulated other comprehensive income (and other reserves)	10,634	-	E+F
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	669,180	-	
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)	-	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
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	Not applicable.	-	-	
15	Defined-benefit pension fund net assets	-	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	-	
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)	-	-	
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 of financials	-	-	
24	of which: mortgage servicing rights	-	-	
25	of which: deferred tax assets arising from temporary differences	-	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
26	National specific regulatory adjustments	-	-	
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	-	
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)	669,180	-	
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	-	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
	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	National specific regulatory adjustments	-	-	
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	-	
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)	669,180	-	
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	2,496	-	C
51	Tier 2 capital before regulatory adjustments	2,496	-	
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	-	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
	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	-	-	
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	-	-	
57	Total regulatory adjustments to Tier 2 capital	2,496	-	
58	Tier 2 capital (T2)	2,496	-	
59	Total capital (TC = T1 + T2)	671,676	-	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
60	Total risk weighted assets	1,288,856	-	
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	51.92%	-	
62	Tier 1 (as a percentage of risk weighted assets)	51.92%	-	
63	Total capital (as a percentage of risk weighted assets)	52.11%	-	
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)	9.00%	-	
65	<i>of which: capital conservation buffer requirement</i>	2.50%	-	
66	<i>of which: bank specific countercyclical buffer requirement (N/A)</i>	N/A	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
67	<i>of which: D-SIB buffer requirement (N/A)</i>	N/A	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	51.92%	-	
National minima including CCB (if different from Basel 3)				
69	CBB Common Equity Tier 1 minimum ratio	9.00%	-	
70	CBB Tier 1 minimum ratio	10.50%	-	
71	CBB total capital minimum ratio	12.50%	-	
Amounts below the thresholds for deduction (before risk weighting)				
72	Non-significant investments in the capital of other financials	33,014	-	B
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)	-	-	
Applicable caps on the inclusion of provisions in Tier 2				
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	2,496	-	C
77	Cap on inclusion of provisions in Tier 2 under standardised approach	16,111	-	
78	N/A	-	-	
79	N/A	-	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)				
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	-	-	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	-	-	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	-	-	

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Amounts subject to Pre-2015 Treatment	Reference letters of the statement of financial position under the regulatory scope of consolidation from step 2
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	-	

1.3 Disclosure template for main features of regulatory capital instruments

Key features of all regulatory capital instruments		
1.	Issuer	First Energy Bank B.S.C. (c)
2.	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	FEB
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	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)	USD 992.7 Million
9.	Par value of instrument	USD 1
10.	Accounting classification	Shareholders' equity
11.	Original date of issuance	23 June 2008
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	Full discretionary
21.	Existence of step up or other incentive to redeem	No

Key features of all regulatory capital instruments		
22.	Noncumulative or cumulative	Non-cumulative
23.	Convertible or 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	
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