



مصرف الطاقة الأول
FirstEnergyBank

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

COMPOSITION OF CAPITAL DISCLOSURE REQUIREMENTS

AS AT PERIOD ENDED 30 SEPTEMBER 2020

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1.1 Appendix PD 1 - Common Disclosure Template

Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital	Source based on reference letters of the balance sheet under regulatory scope of consolidation
1.	Directly issued qualifying common share capital plus related stock surplus	595,644	D
2.	Retained earnings	(168,935)	G
3.	Accumulated other comprehensive income (and other reserves)	3,116	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	429,825	
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)	-	
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	-	

Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital	Source based on reference letters of the balance sheet under regulatory scope of consolidation
29.	Common Equity Tier 1 capital (CET1)	429,825	
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)	429,825	
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.	Expected credit losses (ECL) Stages 1 & 2	5,069	C
51.	Tier 2 capital before regulatory adjustments	5,069	
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)	-	

Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital	Source based on reference letters of the balance sheet under regulatory scope of consolidation
56.	National specific regulatory adjustments	-	
57.	Total regulatory adjustments to Tier 2 capital	-	
58.	Tier 2 capital (T2)	5,069	
59.	Total capital (TC = T1 + T2)	434,894	
60.	Total risk weighted assets	680,603	
Capital ratios and buffers			
61.	Common Equity Tier 1 (as a percentage of risk weighted assets)	63.15%	
62.	Tier 1 (as a percentage of risk weighted assets)	63.15%	
63.	Total capital (as a percentage of risk weighted assets)	63.90%	
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)		
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)	63.15%	
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	28,777	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)	5,069	C
77.	Cap on inclusion of provisions in Tier 2 under standardised approach	7,071	
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	-	
81.	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82.	Current cap on AT1 instruments subject to phase out arrangements	-	
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)	-	

1.2 Appendix PD 2 - Statement of financial position under the regulatory scope of consolidation and reconciliation of published financial statements to regulatory reporting as at 30 September 2020.

Categories	Statement of financial position as in published financial statements	Statement of financial position as per regulatory reporting	Reference
Assets			
Cash and bank balances	6,173	3,859	A
Placements with financial institutions	81,794	80,530	
Less: Expected credit losses (Stages 1 & 2)	(66)	-	C
Net placements with financial institutions	81,728	80,530	
Financing assets	111,627	129,922	A
Less: Expected credit losses (Stages 1 & 2)	-	-	C
Net financing assets	111,627	129,922	
Ijarah assets	48,372	-	A
Investment securities	319,399	323,747	B
Less: Expected credit losses (Stages 1 & 2)	(4,893)	-	C
Net investment securities	314,506	323,747	
Equity accounted investees	44,256	44,256	A
Other assets	37,843	13,337	A
Less: Expected credit losses (Stages 1 & 2)	(110)	-	C
Net other assets	37,733	13,337	
Property and equipment	37,056	687	A
Total assets	681,451	596,338	
Liabilities			
Placements from financial institutions	37,301	37,431	A
Bank financing	143,098	92,646	A
Other liabilities	31,683	31,367	A
Total liabilities	212,082	161,444	
Equity			
Share capital	600,000	600,000	
Treasury shares	(4,356)	(4,356)	
Total share capital	595,644	595,644	D
Statutory reserve	14,678	14,612	A, E
Foreign exchange translation reserve	(17,121)	(14,949)	A, F
Investment fair value reserve	3,453	3,453	F
Accumulated losses	(166,830)	(52,587)	G
Current interim cumulative net loss	-	(116,348)	G
Non-controlling interests	39,545	-	A
Expected credit losses (Stages 1 & 2) eligible for Tier 2 capital	-	5,069	C
Total equity	469,369	434,894	
Total liabilities and equity	681,451	596,338	

A. The table below shows the total assets and shareholders' equity of the Bank's subsidiaries as at 30 September 2020, which are unconsolidated for capital adequacy calculation purposes. For principal activities of these subsidiaries refer Note 4.1 of the condensed consolidated interim financial information as at 30 September 2020.

Entity name	Total Assets	Total Shareholders' equity
Al Dur Energy Investment Company	95,370	95,355
North Africa Investment Company	133	(146)
First Energy Oman	-	(3)
FEB-Novus Aircraft Holding Company	50,368	18,627
FEB Aqar S.P.C.	38,190	13,204
Total	184,061	127,037

1.3 Appendix PD 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 and group
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 595.6 Million
9.	Par value of instrument	USD 1
10.	Accounting classification	Shareholders' equity
11.	Original date of issuance	23 September 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 mandatory	Full discretionary
21.	Existence of step up or other incentive to redeem	No
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