

Seera Investment Bank B.S.C. (c)

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS**

31 MARCH 2017 (REVIEWED)

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SEERA INVESTMENT BANK B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial statements of Seera Investment Bank B.S.C. (c) (the "Bank") and its subsidiaries (the "Group") as at 31 March 2017, comprising of the interim consolidated statement of financial position as at 31 March 2017 and the related interim consolidated statements of income, cash flows and changes in owners' equity for the three-month period then ended, and explanatory notes. The Board of Directors are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the accounting policies disclosed in note 2. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the accounting policies disclosed in note 2.





10 May 2017
Manama, Kingdom of Bahrain


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2017 (Reviewed)

		(Reviewed) 31 March 2017 US\$ '000	(Audited) 31 December 2016 US\$ '000
	Note		
ASSETS			
Cash and balances with banks		2,960	3,787
Due from banks and financial institutions	3	36,579	34,003
Non-trading investments	4	25,298	26,487
Investment in ijarah assets	5	28,347	28,892
Investment in real estate		10,476	10,476
Other assets	6	1,924	2,321
Property and equipment		5,293	5,353
TOTAL ASSETS		110,877	111,319
LIABILITIES AND OWNERS' EQUITY			
LIABILITIES			
Term financing	7	11,809	12,413
Other liabilities		8,207	7,703
TOTAL LIABILITIES		20,016	20,116
OWNERS' EQUITY			
Share capital		145,643	145,643
Reserves		10,291	10,073
Accumulated losses		(68,813)	(68,243)
Equity attributable to shareholders of the parent		87,121	87,473
Non-controlling interest		3,740	3,730
TOTAL OWNERS' EQUITY		90,861	91,203
TOTAL LIABILITIES AND OWNERS' EQUITY		110,877	111,319


Hamad Al Ameer
Chairman


Abdulla Janahi
Chief Executive Officer


Mubarak Al Hemeiri
Board Member

INTERIM CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2017 (Reviewed)

		Three months ended 31 March	
		2017	2016
	Note	US\$ '000	US\$ '000
Rental income from investment in ijarah assets	8	789	2,249
Depreciation on investment in ijarah assets	5	(545)	(1,685)
Management fees relating to ijarah assets		-	(62)
Financing cost relating to term financing obtained to purchase ijarah assets		(126)	(189)
Other income relating to ijarah assets		20	25
Gain on disposal of ijarah assets		-	2,232
Other operating expenses relating to ijarah assets		(68)	(120)
Net income from investment in ijarah assets		70	2,450
Profit on amounts due from banks and financial institutions		104	101
Fee and other income	9	266	169
TOTAL INCOME		440	2,720
Expenses			
Staff expenses		814	893
General and administrative expenses		304	295
Depreciation on property and equipment		60	68
TOTAL EXPENSES		1,178	1,256
NET (LOSS) INCOME FOR THE PERIOD BEFORE FOREIGN EXCHANGE GAINS (LOSSES), AND UNREALISED GAINS (LOSSES)		(738)	1,464
Foreign exchange gain (loss)		71	(147)
Unrealised fair value gain (loss) on investments		107	(232)
NET (LOSS) INCOME FOR THE PERIOD		(560)	1,085
Attributable to:			
Shareholders of the parent		(570)	721
Non-controlling interest		10	364
		(560)	1,085



Hamad Al Ameer
Chairman



Abdulla Janahi
Chief Executive Officer



Mubarak Al Hemeiri
Board Member

Seera Investment Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2017 (Reviewed)

		Three months ended	
		31 March 2017 US\$ '000	31 March 2016 US\$ '000
	Note		
OPERATING ACTIVITIES			
Net (loss) income for the period		(560)	1,085
Adjustments for:			
Depreciation on investment in ijarah assets	5	545	1,685
Depreciation on property and equipment		60	68
Gain on disposal of ijarah assets		-	(2,232)
Financing cost		126	189
Unrealised fair value (gain) loss on investments		(107)	232
		64	1,027
Changes in operating assets and liabilities:			
Other assets		397	(844)
Other liabilities		504	(2,644)
Net cash from / (used in) operating activities		965	(2,461)
INVESTING ACTIVITIES			
Proceeds from disposal of ijarah assets		-	606
Purchase of non-trading investments		-	(728)
Proceeds from placement / disposal of non trading investments		1,514	7,844
Purchase of equipment		-	(20)
Net cash from investing activities		1,514	7,702
FINANCING ACTIVITY			
Repayment of term financing		(730)	(764)
Net cash used in financing activity		(730)	(764)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at the beginning of the period		37,790	43,096
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
		39,539	47,573
Cash and cash equivalents comprise:			
Cash and balances with banks		2,960	2,043
Cash in transit		-	556
Due from banks and financial institutions with original maturity of ninety days or less	3	36,579	44,974
		39,539	47,573

The attached explanatory notes 1 to 13 form part of these interim condensed consolidated financial statements

Seera Investment Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three month period ended 31 March 2017 (Reviewed)

	Equity attributable to shareholders of the parent					Non- controlling interest US\$ '000	Total owners' equity US\$ '000
	Share capital US\$ '000	Statutory reserve US\$ '000	Investments fair value reserve US\$ '000	Accumulated losses / US\$ '000	Total US\$ '000		
Balance at 1 January 2017	145,643	9,889	184	(68,243)	87,473	3,730	91,203
Net (loss) income for the period	-	-	-	(570)	(570)	10	(560)
Unrealised loss on remeasurement to fair value	-	-	218	-	218	-	218
Balance at 31 March 2017	145,643	9,889	402	(68,813)	87,121	3,740	90,861
Balance at 1 January 2016	145,643	9,889	283	(17,977)	137,838	9,764	147,602
Net income for the period	-	-	-	721	721	364	1,085
Unrealised loss on remeasurement to fair value	-	-	7	-	7	-	7
Balance at 31 March 2016	145,643	9,889	290	(17,256)	138,566	10,128	148,694

The attached explanatory notes 1 to 13 form part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

1 INCORPORATION AND ACTIVITIES

Seera Investment Bank B.S.C. (c) (the "Bank") was incorporated on 5 August 2006, under commercial registration number 62003 as a Bahrain Joint Stock Company (closed). The Bank's registered office is Building 2431, Road 2831, Block 428, Seef, Kingdom of Bahrain.

The Bank operates under an Islamic Wholesale Banking License issued by the Central Bank of Bahrain (the "CBB"). The Bank and its subsidiaries (the "Group") provide investment banking products and services that are compliant with Shari'a principles.

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 10 May 2017.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

These interim condensed consolidated financial statements for the three month period ended 31 March 2017 have been prepared in accordance with the guidance given by International Accounting Standard 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2016. In addition, results for the three month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

2.2 Accounting convention

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for investment in real estate and investments classified as "non-trading investments" that have been measured at fair value.

The interim condensed consolidated financial statements have been presented in United States Dollars ("US\$"), being the functional and presentation currency of the Group. All values are rounded to the nearest thousand (US\$ '000) except when indicated otherwise.

2.3 Significant accounting policies

These interim condensed consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2016.

3 DUE FROM BANKS AND FINANCIAL INSTITUTIONS

	<i>(Reviewed)</i> 31 March 2017 US\$ '000	<i>(Audited)</i> 31 December 2016 US\$ '000
Commodity murabaha contracts	14,869	11,800
Deferred income	(10)	(7)
	14,859	11,793
Wakala contracts	21,720	22,210
	36,579	34,003

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

4 NON-TRADING INVESTMENTS

	(Reviewed) 31 March 2017 US\$ '000	(Audited) 31 December 2016 US\$ '000
Equity type investments at fair value through equity		
Quoted investment (note 4.1)	1,456	1,238
	<u>1,456</u>	<u>1,238</u>
Equity type investment at fair value through statement of income		
Unquoted investments	23,842	25,249
	<u>25,298</u>	<u>26,487</u>

4.1 The movement of non- trading investments at fair value through equity during the period / year is as follows:

	(Reviewed) 31 March 2017 US\$ '000	(Audited) 31 December 2016 US\$ '000
At 1 January	1,238	9,695
Fair value changes during the period / year	218	(98)
Provisions	-	(8,359)
	<u>1,456</u>	<u>1,238</u>

5 INVESTMENT IN IJARAH ASSETS

Investment in ijarah assets represents aircraft indirectly acquired through subsidiaries of the Bank.

	Cost at 1 January 2017 US\$ '000	Accumulated depreciation 1 January 2017 US\$ '000	Depreciation charge 2017 US\$ '000	(Reviewed) Net book value at 31 March 2017 US\$ '000	(Audited) Net book value at 31 December 2016 US\$ '000
Falak Lease One Limited	40,348	9,678	-	30,670	30,670
Falak Lease Two Limited	42,015	9,322	-	32,693	32,693
Falak Fin Seven Limited	43,056	13,080	545	29,431	29,976
	<u>125,419</u>	<u>32,080</u>	<u>545</u>	<u>92,794</u>	<u>93,339</u>
Provision and impairment				(64,447)	(64,447)
				<u>28,347</u>	<u>28,892</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

5 INVESTMENT IN IJARAH ASSETS (continued)

The movement in provision and impairment is as follows:

	(Reviewed) 31 March 2017 US\$ '000	(Audited) 31 December 2016 US\$ '000
At 1 January	64,447	24,400
Charge during the period / year	-	40,047
	64,447	64,447

6 OTHER ASSETS

	31 March 2017 (Reviewed)			31 December 2016 (Audited)		
	Gross receivable US\$ '000	Provision US\$ '000	Net receivable US\$ '000	Gross receivable US\$ '000	Provision US\$ '000	Net receivable US\$ '000
Rental receivable	-	-	-	3,825	(3,825)	-
Receivable on sale of aircraft	1,243	-	1,243	3,154	(1,483)	1,671
Staff receivables	360	-	360	392	-	392
Prepaid expenses	173	-	173	138	-	138
Others	148	-	148	462	(342)	120
	1,924	-	1,924	7,971	(5,650)	2,321

7 TERM FINANCING

	(Reviewed) 31 March 2017 US\$ '000	(Audited) 31 December 2016 US\$ '000
Balance at 1 January	12,413	14,496
Financing cost	126	861
Repayments	(730)	(2,944)
	11,809	12,413

The above financing has been obtained by the Bank's subsidiaries Falak Fin Seven Limited to purchase ijarah assets and mature within 3 years bearing profit rate of 4.190%.

8 RENTAL INCOME FROM INVESTMENT IN IJARAH ASSETS

	(Reviewed) 31 March 2017 US\$ '000	(Reviewed) 31 March 2016 US\$ '000
Falak Lease One Limited	-	737
Falak Lease Two Limited	-	723
Falak Lease Seven Limited	789	789
	789	2,249

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

9 FEE AND OTHER INCOME

	(Reviewed) 31 March 2017 US\$ '000	(Reviewed) 31 March 2016 US\$ '000
Placement / structuring and arrangement fees	151	-
Yield on investment	115	169
	<u>266</u>	<u>169</u>

10 RELATED PARTIES

Related parties comprise the Bank's Shareholders, the directors, Shari'a Supervisory Board members, entities owned or controlled, jointly controlled or significantly influenced by them and companies affiliated by virtue of shareholding in common with that of the Bank. For the period ended 31 March 2017, the Bank has not made any provision related to amounts owed by related parties (2016: Nil).

The balances and transactions with related parties are as follows:

	31 March 2017 (Reviewed)				(Audited) 31 December 2016 US\$ '000
	Shareholders US\$'000	Directors US\$'000	Others US\$'000	Total US\$'000	

**Interim consolidated
statement of financial position**

Other Assets	115	-	-	115	248
Other liabilities	-	31	26	57	231

	31 March 2017 (Reviewed)				(Reviewed) 31 March 2016 US\$ '000
	Shareholders US\$'000	Directors US\$'000	Others US\$'000	Total US\$'000	

**Interim consolidated
statement of income**

Expenses

Management fees relating to ijarah assets	-	-	-	-	62
Board of Directors and attendance allowance	-	31	-	31	32
Shari'a Supervisory Board attendance allowance	-	-	26	26	27

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

10 RELATED PARTIES (continued)

Key management personnel are those that possess significant decision making and direction setting responsibilities within the Bank. Staff costs attributable to key management personnel of the Bank are as follows:

	<i>(Reviewed)</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Short term employee expenses	358	350
Termination expenses	24	24
	382	374

11 ACCOUNTING CLASSIFICATION OF FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and cash equivalents, held by the Group as at 31 March 2017:

	<i>31 March 2017 (Reviewed)</i>		
	<i>Amortised</i>	<i>Fair value</i>	<i>Fair value</i>
	<i>Cost</i>	<i>through</i>	<i>through</i>
		<i>equity</i>	<i>statement</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>of income</i>
			<i>US\$ '000</i>
Financial assets:			
Non-trading investments	-	1,456	23,842
Other assets (excluding prepayments)	1,352	-	-
	1,352	1,456	23,842
Financial liabilities:			
Term financing	11,809	-	-
Other liabilities	8,207	-	-
	20,016	-	-
	<i>31 December 2016 (Audited)</i>		
	<i>Amortised</i>	<i>Fair value</i>	<i>Fair value</i>
	<i>Cost</i>	<i>through</i>	<i>through</i>
		<i>equity</i>	<i>statement</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>of income</i>
			<i>US\$ '000</i>
Financial assets:			
Non-trading investments	-	1,238	25,249
Other assets (excluding prepayments)	2,183	-	-
	2,183	1,238	25,249
Financial liabilities:			
Term financing	12,413	-	-
Other liabilities	7,703	-	-
Financial guarantee:			
Financial guarantee	3,106	-	-
	23,222	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the value representing the estimate of the amount of cash or cash equivalent that would be received for an asset sold or the amount of cash or cash equivalent paid for a liability extinguished or transferred in an orderly transaction between a willing buyer and a willing seller at the measurement date.

The fair value of a quoted security is derived from quoted market prices in active markets, if available. For unquoted securities, fair value is estimated using appropriate valuation techniques. Such techniques may include recent arm's length market transactions; discounted cash flow analysis or other valuation models.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	31 March 2017 (Reviewed)			
	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000	Total US\$ '000
Non-trading investments	1,456	-	23,842	25,298
31 December 2016 (Audited)				
	Level 1 US\$ '000	Level 2 US\$ '000	Level 3 US\$ '000	Total US\$ '000
Non-trading investments	1,238	-	25,249	26,487

Movements in level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amount of level 3 financial assets which are recorded at fair value:

	(Reviewed) 31 March 2017 US\$ '000	(Audited) 31 December 2016 US\$ '000
Balance as at 1 January	25,249	20,834
Acquisitions	-	24,379
Disposals / placements	(1,514)	(17,808)
Fair value changes in investments	107	(2,156)
	23,842	25,249

The fair values of financial instruments carried at amortised cost are not materially different from their carrying values as at the statement of financial position date.

Transfers between Level 1, Level 2 and Level 3

During the three month period ended 31 March 2017 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

13 SEGMENTAL INFORMATION

a) Geographic sector

The geographical distribution of the Group's assets and liabilities as of 31 March 2017 is as follows:

(Reviewed)	Bahrain US\$'000	Europe US\$'000	Others US\$'000	Total US\$'000
Assets				
Cash and balances with banks	388	2,525	47	2,960
Due from banks and financial institutions	36,579	-	-	36,579
Non-trading investments	-	10,190	15,108	25,298
Investment in ijarah assets	-	28,347	-	28,347
Investment in real estate	10,476	-	-	10,476
Other assets	650	1,274	-	1,924
Property and equipment	5,293	-	-	5,293
Total assets	53,386	42,336	15,155	110,877
Liabilities				
Term financing	-	11,809	-	11,809
Other liabilities	5,721	2,486	-	8,207
Total liabilities	5,721	14,295	-	20,016

The geographical distribution of the Group's assets and liabilities as of 31 December 2016 is as follows:

(Audited)	Bahrain US\$'000	Europe US\$'000	Others US\$'000	Total US\$'000
Assets				
Cash and balances with banks	3,787	-	-	3,787
Due from banks and financial institutions	34,003	-	-	34,003
Non-trading investments	-	6,269	20,218	26,487
Investment in ijarah assets	-	28,892	-	28,892
Investment in real estate	10,476	-	-	10,476
Other assets	650	1,671	-	2,321
Property and equipment	5,353	-	-	5,353
Total assets	54,269	36,832	20,218	111,319
Liabilities				
Term financing	-	12,413	-	12,413
Other liabilities	5,226	2,477	-	7,703
Total liabilities	5,226	14,890	-	20,116

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2017 (Reviewed)

13 SEGMENTAL INFORMATION (continued)

b) Industry sector

The industrial distribution of the Group's assets and liabilities as of 31 March 2017 is as follows:

	<i>Banking and financial institutions</i>	<i>Aviation</i>	<i>Real estate</i>	<i>Manufacturing</i>	<i>Others</i>	<i>Total</i>
(Reviewed)	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Assets						
Cash and balances						
with banks	2,960	-	-	-	-	2,960
Due from banks and						
financial institutions	36,579	-	-	-	-	36,579
Non-trading investments	-	-	23,842	1,456	-	25,298
Investment in ijarah assets	-	28,347	-	-	-	28,347
Investment in real estate	-	-	10,476	-	-	10,476
Other assets	-	1,273	-	-	651	1,924
Property and equipment	-	-	-	-	5,293	5,293
Total assets	39,539	29,620	34,318	1,456	5,944	110,877
Liabilities						
Term financing	11,809	-	-	-	-	11,809
Other liabilities	-	4,319	-	-	3,888	8,207
Total liabilities	11,809	4,319	-	-	3,888	20,016

The industrial distribution of the Group's assets and liabilities as of 31 December 2016 is as follows:

	<i>Banking and financial institutions</i>	<i>Aviation</i>	<i>Real estate</i>	<i>Manufacturing</i>	<i>Others</i>	<i>Total</i>
(Audited)	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Assets						
Cash and balances						
with banks	3,787	-	-	-	-	3,787
Due from banks and						
financial institutions	34,003	-	-	-	-	34,003
Non-trading investments	-	-	25,249	1,238	-	26,487
Investment in ijarah assets	-	28,892	-	-	-	28,892
Investment in real estate	-	-	10,476	-	-	10,476
Other assets	-	1,671	-	-	650	2,321
Property and equipment	-	-	-	-	5,353	5,353
Total assets	37,790	30,563	35,725	1,238	6,003	111,319
Liabilities						
Term financing	-	12,413	-	-	-	12,413
Other liabilities	-	2,477	-	-	5,226	7,703
Total liabilities	-	14,890	-	-	5,226	20,116

The Group's revenue and expenses are reviewed at a Group level and therefore no separate operating segment results and other disclosures are provided in these interim condensed consolidated financial statements.

Additional Disclosures
31 March 2017
(Unaudited)

Step 1: Disclose the reported Balance sheet under the regulatory scope of consolidation

	Balance sheet as in published financial statements	Consolidated PIR data
	31-Mar-2017	31-Mar-2017
	US\$ 000	US\$ 000
Assets		
Cash and balances with central banks	2,960	2,960
Due from banks and other financial institutions	36,579	36,579
Non-trading investments	25,298	25,298
Investment in ijara assets	28,347	28,347
Investment in real estate	10,476	10,476
Other assets	1,924	1,924
Property and equipment	5,293	5,293
Total assets	110,877	110,877
Liabilities		
Term financing	-	-
Current account for non-banks	11,809	11,809
Other liabilities	8,207	8,207
Total liabilities	20,016	20,016
Equity		
Share capital	145,643	145,643
Statutory reserve	9,889	9,889
General reserve	-	-
Cumulative changes in fair values	402	402
Foreign currency translation adjustments	-	-
Retained earnings	(68,253)	(68,253)
Net profit / (loss) for the current period	(560)	(560)
Attributable to the owners of the Bank	87,121	87,121
Non-controlling interests	3,740	3,740
Others		
Total equity	90,861	90,861
Total Liabilities and equities	110,877	110,877

Step 2: Expand the lines of the regulatory Balance sheet to display all of the components used in the definition of capital disclosure template

	Balance sheet as in published financial statements	Consolidated PIR data	Ref.
	31-Mar-2017	31-Mar-2017	
Assets	US\$ 000	US\$ 000	
Cash and balances with central banks	2,960	2,960	
Due from banks and other financial institutions	36,579	36,579	
Non-trading investments	25,298	25,298	
Investment in ijara assets	28,347	28,347	
Other assets	1,924	1,924	
Investment in real estate	10,476	10,476	
Property and equipment	5,293	5,293	
Total assets	110,877	110,877	
Liabilities			
Due to banks and other financial institutions	-	-	
Other liabilities	20,016	20,016	
of which current accounts	11,809	11,809	
Total liabilities	20,016	20,016	
Equity			
Share capital	145,643	145,643	a
of which amount eligible for CET 1	145,643	145,643	
Share premium	-	-	
Statutory reserve	9,889	9,889	c
General reserve	-	-	d
Cumulative changes in fair values	402	402	e
of which Cumulative changes in fair values	402	402	
of which gains and losses on available for sale investments			
of which foreign currency translation adjustments			
Retained earnings	(68,813)	(68,813)	b
of which net profit/(loss)	(68,253)	(68,253)	
of which Retained earnings	(560)	(560)	
Collective impairment provision	-	-	
Attributable to the owners of the Bank	87,121	87,121	
Non-controlling interests	3,740	3,740	
Total equity	90,861	90,861	
Total Liabilities and equities	110,877	110,877	

Regulatory Capital Components
Step 3: Map each of the components that are disclosed in Step 2 to the composition of capital disclosure templates

		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	145,643	a
2	Retained earnings	(68,813)	b
3	Accumulated other comprehensive income and losses (and other reserves)	10,291	c+d+e
4	Not applicable		
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Common Equity Tier 1 capital before regulatory adjustments	87,121	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustment	-	
8	Goodwill (net of related tax liabilities)	-	
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities)	-	
11	Cash flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitization 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	-	
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% of CET1c)	-	
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	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	CBB specific regulatory adjustments	-	
	Regulatory Adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-2015 treatments of which: Positive or negative adjustments due to aggregation of CET1	-	
	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
27		-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET1)	87,121	
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	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
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	of which: instruments issued by subsidiaries subject to phase out	-	
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 the 10% threshold)	-	
40	Significant investments in the capital 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 capital (T1 = CET1 + AT1)	87,121	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
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	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions		f
51	Tier 2 capital before regulatory adjustments	-	

		Component of regulatory capital	Source based on reference letters of the balance sheet under the regulatory scope of consolidation
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)	-	
59	Total capital (TC = T1 + T2)	87,121	
60	Total risk weighted assets	255,575	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	34.09%	
62	Tier 1 (as a percentage of risk weighted assets)	34.09%	
63	Total capital (as a percentage of risk weighted assets)	34.09%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	N/A	
67	of which: G-SIB buffer requirement	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	34.09%	
National minima (where different from Basel III)			
69	CBB Common Equity Tier 1 minimum ratio	6.50%	
70	CBB Tier 1 minimum ratio	8.00%	
71	CBB total capital minimum ratio	10.00%	
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)	-	
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)		
77	Cap on inclusion of provisions in Tier 2 under standardised approach		
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)		

SECTION B: CAPITAL ADEQUACY CALCULATION
CAPITAL COMPONENTS - Solo Basis

Reporting Currency **USD '000**

		Solo		
		CET 1	AT1	Tier 2
i	Tier 1 Capital			
i.1	Common Equity Tier 1 (CET1)			
i.1.1	Issued and fully paid ordinary shares	145,643		
i.1.1.1	Less: Employee stock incentive program funded by the bank (outstanding)			
i.1.1.2	Treasury Shares			
i.1.2	General reserves			
i.1.3	Statutory reserves	9,889		
i.1.4	Share premium			
i.1.5	Retained earnings	(68,243)		
i.1.6	Current interim cumulative net income / losses	(570)		
i.1.7	Accumulated other comprehensive income and losses (and other reserves)	402		
i.1.7.1	unrealized gains and losses on available for sale financial instruments	402		
i.1.7.2	gains and losses on derivatives held as cash flow hedges			
i.1.7.3	gains and losses resulting from converting foreign currency of foreign branches to the head office currency			
i.1.7.4	unrealized gains and losses from a foreign currency hedge of a net investment in a foreign operation			
i.1.7.5	all other reserves			
i.1.7.6	unrealized gains and losses from fair valuing equities			
i.1.8	Total CET1 capital prior to regulatory adjustments	87,121		
Less:				
i.1.9	Goodwill	-		
i.1.10	Intangibles other than mortgage servicing rights	-		
i.1.11	Deferred tax assets	-		
i.1.12	Investments in own shares	-		
i.1.13	Reciprocal cross holdings in common equity	-		
i.1.14	Cash flow hedge reserve	-		
i.1.15	Defined benefit pension fund assets	-		
i.1.16	Gain on sale related to securitization	-		
i.1.17	Investment in CET1 of Subsidiaries			
i.1.18	Total CET 1 capital after the regulatory adjustments above (CET1 a)	87,121		
i.1.19	Less: Investment in financial entities where ownership is < 10% of issued common share capital (amount above 10% CET1a)	-		
i.1.20	Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1 b)	87,121		
i.1.21	Less: Non-common equity Invest. in financial entities where ownership is >10% of the issued common share capital			
i.1.22	Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1 C)	87,121		
Less:				
i.1.23	Significant investments in the common stock of financial entities (amount above 10% of CET1c)	-		
i.1.24	Mortgage servicing rights (amount above 10% of CET1c)	-		
i.1.25	Deferred tax assets arising from temporary differences (amount above 10% of CET1c)	-		
i.1.26	Additional deduction to absorb deficiency in AT1	-		
i.1.27	Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1 d)	87,121		
i.1.28	Aggregated amount of exceeding the 15% of CET1d	-		
i.1.29	Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1)	87,121		
i.2	Other Capital (AT1 & T 2)			
i.2.1	Instruments issued by parent company			
i.2.3	Share Premium			
i.2.4	Assets revaluation reserve - property, plant, and equipment			
i.2.5	General financing loss provisions			-
i.2.6	Total Available AT1 & T2 Capital		-	-
Less:				
i.2.7	Investments in own Securities	-	-	-
i.2.8	Reciprocal cross holdings in financial instruments other than common equity	-	-	-
i.2.9	Investment in financial entities where ownership is < 10% of the issued common share capital (amount above 10% CET1a)	-	-	-
i.2.10	Significant investments in the common share of financial entities (amount above 10% of CET1c)	-	-	-
i.2.11	Investment in AT1 & T2 of banking subsidiaries			-
i.2.12	Deduction from AT1 & T2 before additional deduction to absorb deficiency in Tier 2		-	-
i.2.13	Deduction from AT1 to absorb deficiency in Tier 2	-		
i.2.14	Total AT1 & T2 Deductions	-	-	-
i.2.15	Regulatory adjustments actually made to higher Capital Tier	-	-	-
i.2.16	Net Available Capital after regulatory adjustments before Applying Haircut		-	-
i.2.17	Net Available Capital after Applying Haircut	87,121	-	-
i.3	Total Tier 1		87,121	
i.4	Total Capital			87,121

		Risk Weighted Exposures		
		Credit	Operational	Market
ii.	Risk Weighted Exposures			
ii.1	Risk Weighted Exposures	218,735	25,040	11,800
ii.2	Total Risk Weighted Exposures			255,575

		Minimum Capital Requirements		
		CET 1	Tier 1	Total Capital
Minimum Capital Requirements		11,501	15,334	20,446
% of Total Risk Weighted Exposures		34.09%	34.09%	34.09%

Limits		
CET1 must be at least 4.5% of RWA		Yes
Tier 1 must be at least 6% of RWA		Yes
Total Capital must be at least 8% of RWA		Yes