

|                                                                                                           | <i>Statement of Financial<br/>position as per in<br/>published financial<br/>statements</i> | <i>Statement of Financial<br/>position as per<br/>Regulatory Reporting</i> |
|-----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
|                                                                                                           | <b>Q4 2018<br/>BD'000</b>                                                                   | <b>Q4 2018<br/>BD'000</b>                                                  |
| <b>Assets</b>                                                                                             |                                                                                             |                                                                            |
| Cash and balances with banks and Central Bank                                                             | 65,437                                                                                      | 65,437                                                                     |
| Gross Placements with financial institutions                                                              | 137,455                                                                                     | 137,455                                                                    |
| Less: Expected credit loss (stage 3)                                                                      | -                                                                                           | -                                                                          |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (5)                                                                                         | -                                                                          |
| Net placements with financial institutions                                                                | 137,450                                                                                     | 137,455                                                                    |
| Gross financing assets                                                                                    | 608,792                                                                                     | 608,792                                                                    |
| Less: Expected credit loss (stage 3)                                                                      | (24,536)                                                                                    | (24,536)                                                                   |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (5,303)                                                                                     | -                                                                          |
| Net financing assets                                                                                      | 578,953                                                                                     | 584,256                                                                    |
| Gross investment securities                                                                               | 262,056                                                                                     | 262,056                                                                    |
| Less: Expected credit loss (stage 3)                                                                      | (21,951)                                                                                    | (21,951)                                                                   |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (52)                                                                                        | -                                                                          |
| Net investment securities                                                                                 | 240,053                                                                                     | 240,105                                                                    |
| Ijarah Muntahia Bittamleek                                                                                | 165,730                                                                                     | 165,730                                                                    |
| Gross ijarah rental receivables                                                                           | 34,684                                                                                      | 34,684                                                                     |
| Less: Expected credit loss (stage 3)                                                                      | (10,824)                                                                                    | (10,824)                                                                   |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (2,719)                                                                                     | -                                                                          |
| Net ijarah rental receivables                                                                             | 21,141                                                                                      | 23,860                                                                     |
| Investment in associates                                                                                  | 21,643                                                                                      | 21,643                                                                     |
| Investment in real estate                                                                                 | 24,284                                                                                      | 24,284                                                                     |
| Property and equipment                                                                                    | 13,641                                                                                      | 13,641                                                                     |
| Gross other assets                                                                                        | 11,295                                                                                      | 11,295                                                                     |
| Less: Expected credit loss (stage 3)                                                                      | (101)                                                                                       | (101)                                                                      |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (132)                                                                                       | -                                                                          |
| Net other assets                                                                                          | 11,062                                                                                      | 11,194                                                                     |
| <b>TOTAL ASSETS</b>                                                                                       | <b>1,279,394</b>                                                                            | <b>1,287,605</b>                                                           |
| <b>Liabilities, Equity Of Investment Accountholders<br/>And Owners' Equity</b>                            |                                                                                             |                                                                            |
| <b>Liabilities</b>                                                                                        |                                                                                             |                                                                            |
| Placements from financial institutions                                                                    | 114,744                                                                                     | 114,744                                                                    |
| Placements from non-financial institutions and individuals                                                | 7,255                                                                                       | 7,255                                                                      |
| Borrowings from financial institutions                                                                    | 96,386                                                                                      | 96,386                                                                     |
| Customers' current accounts                                                                               | 133,244                                                                                     | 133,244                                                                    |
| Other liabilities                                                                                         | 24,025                                                                                      | 23,852                                                                     |
| of which: Expected credit loss - Off balance sheet exposures (stage 3)                                    | 11                                                                                          | 11                                                                         |
| (stage 1 and stage 2)                                                                                     | 173                                                                                         | -                                                                          |
| of which: Other liabilities                                                                               | 23,841                                                                                      | 23,841                                                                     |
| Total Liabilities                                                                                         | 375,654                                                                                     | 375,481                                                                    |
| Equity of Investment Accountholders                                                                       | 785,991                                                                                     | 785,991                                                                    |
| <b>Owners' Equity</b>                                                                                     |                                                                                             |                                                                            |
| Share capital                                                                                             | 106,406                                                                                     | 106,406                                                                    |
| Treasury shares                                                                                           | (892)                                                                                       | (892)                                                                      |
| Shares under employee share incentive scheme                                                              | (391)                                                                                       | (391)                                                                      |
| Share premium                                                                                             | 120                                                                                         | 120                                                                        |
| Statutory reserve                                                                                         | 4,115                                                                                       | 4,115                                                                      |
| Real estate fair value reserve                                                                            | 4,830                                                                                       | 4,830                                                                      |
| Investment securities fair value reserve                                                                  | 718                                                                                         | 718                                                                        |
| Expected credit loss                                                                                      | -                                                                                           | 8,384                                                                      |
| of which: amount eligible for Tier 2 capital subject to a maximum of 1.25% of credit risk weighted assets | -                                                                                           | 7,729                                                                      |
| of which: amount ineligible for Tier 2 capital                                                            | -                                                                                           | 655                                                                        |
| Profit for the period                                                                                     | 11,381                                                                                      | 11,381                                                                     |
| Retained earnings brought forward                                                                         | (8,538)                                                                                     | (8,538)                                                                    |
| Total Owners' Equity                                                                                      | 117,749                                                                                     | 126,133                                                                    |
| <b>TOTAL LIABILITIES, EQUITY OF INVESTMENT<br/>ACCOUNTHOLDERS AND OWNERS' EQUITY</b>                      | <b>1,279,394</b>                                                                            | <b>1,287,605</b>                                                           |

|                                                                                           | <i>CET 1</i><br><i>BD'000</i> | <i>T2</i><br><i>BD'000</i> |
|-------------------------------------------------------------------------------------------|-------------------------------|----------------------------|
| <b>Components of capital</b>                                                              |                               |                            |
| Issued and fully paid ordinary shares                                                     | 106,406                       | -                          |
| General reserves                                                                          | -                             | -                          |
| Legal / statutory reserves                                                                | 4,115                         | -                          |
| Share premium                                                                             | 120                           | -                          |
| Retained earnings brought forward                                                         | (8,538)                       | -                          |
| Current period profits                                                                    | 11,381                        | -                          |
| Unrealized gains and losses on available for sale financial instruments                   | 718                           | -                          |
| <b>Less:</b>                                                                              |                               |                            |
| Employee stock incentive program funded by the bank (outstanding)                         | 391                           | -                          |
| Treasury Shares                                                                           | 892                           | -                          |
| <b>Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1 d)</b> | <u>112,919</u>                | <u>-</u>                   |
| Assets revaluation reserve - property, plant, and equipment                               |                               | 4,830                      |
| Expected Credit Losses (ECL) Stages 1 & 2                                                 |                               | 7,729                      |
| <b>Total Available AT1 &amp; T2 Capital</b>                                               |                               | <u>12,559</u>              |
| <b>Total Capital</b>                                                                      |                               | <b>125,478</b>             |

| Disclosure template for main features of regulatory capital instruments |                                                                                                               |                                                               |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 1                                                                       | Issuer                                                                                                        | Bahrain Islamic Bank BSC                                      |
| 2                                                                       | Unique identifier (Bahrain bourse ticker)                                                                     | BISB                                                          |
| 3                                                                       | Governing law(s) of the instrument                                                                            | All applicable laws and regulations in 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                                                                           | Group and 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)                   | BD 106.40 million                                             |
| 9                                                                       | Par value of instrument                                                                                       | BD 0.100                                                      |
| 10                                                                      | Accounting classification                                                                                     | Shareholders' equity                                          |
| 11                                                                      | Original date of issuance                                                                                     | Various                                                       |
| 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 declared by 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                                                     | Fully discretionary                                           |
| 21                                                                      | Existence of step up or other incentive to redeem                                                             | No                                                            |
| 22                                                                      | Noncumulative or cumulative                                                                                   | Non-cumulative                                                |
| 23                                                                      | Convertible or non-convertible                                                                                | Not applicable                                                |
| 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                                                                                            | No                                                            |
| 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                                                |