

**Bahrain Islamic Bank B.S.C.**  
**Composition of Capital and Liquidity Disclosures**  
**As at 31 December 2019**

**Reconciliation of Published Financial Balance Sheet to Regulatory Reporting as at 31 December 2019**

	Statement of Financial position as per published financial statements	Statement of Financial position as per Regulatory Reporting
	Q4 2019 BD'000	Q4 2019 BD'000
<b>Assets</b>		
Cash and balances with banks and Central Bank	61,629	61,629
Gross Placements with financial institutions	76,071	76,071
Less: Expected credit loss (stage 3)	-	-
Less: Expected credit loss (stage 1 and stage 2)	(3)	-
Net placements with financial institutions	76,068	76,071
Gross financing assets	604,321	604,321
Less: Expected credit loss (stage 3)	(26,299)	(26,299)
Less: Expected credit loss (stage 1 and stage 2)	(3,171)	-
Net financing assets	574,851	578,022
Gross investment securities	268,610	268,610
Less: Expected credit loss (stage 3)	(22,377)	(22,377)
Less: Expected credit loss (stage 1 and stage 2)	(20)	-
Net investment securities	246,213	246,233
Ijarah Muntahia Bittamleek	194,648	194,648
Gross ijarah rental receivables	24,546	24,546
Less: Expected credit loss (stage 3)	(11,797)	(11,797)
Less: Expected credit loss (stage 1 and stage 2)	(2,994)	-
Net ijarah rental receivables	9,755	12,749
Investment in associates	18,750	18,750
Investment in real estate	18,756	18,756
Property and equipment	13,591	13,591
Gross Other assets	9,632	9,632
Less: Expected credit loss (stage 3)	(333)	(333)
Less: Expected credit loss (stage 1 and stage 2)	-	-
Net Other assets	9,299	9,299
<b>TOTAL ASSETS</b>	<b>1,223,560</b>	<b>1,229,748</b>
<b>Liabilities, Equity Of Investment Accountholders And Owners' Equity</b>		
<b>Liabilities</b>		
Placements from financial institutions	188,551	188,551
Placements from non-financial institutions and individuals	253,610	253,610
Borrowings from financial institutions	29,566	29,566
Customers' current accounts	181,692	181,692
Other liabilities	21,516	21,459
of which: Expected credit loss - Off balance sheet exposures (stage 3)	-	-
of which: Expected credit loss - Off balance sheet exposures (stage 1 and stage 2)	57	-
of which: Other liabilities	21,459	21,459
Total Liabilities	674,935	674,878
Equity of Investment Accountholders	427,702	427,702
<b>Owners' Equity</b>		
Share capital	106,406	106,406
Treasury shares	(892)	(892)
Shares under employee share incentive scheme	(281)	(281)
Share premium	180	180
Statutory reserve	4,736	4,736
Real estate fair value reserve	2,049	2,049
Investment securities fair value reserve	718	718
Expected credit loss	-	6,245
of which: amount eligible for Tier 2 capital subject to a maximum of 1.25% of credit risk weighted assets	-	-
of which: amount ineligible for Tier 2 capital	-	6,245
Profit for the year	6,214	6,214
Retained earnings brought forward	1,793	1,793
Total Owners' Equity	120,923	127,168
<b>TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY</b>	<b>1,223,560</b>	<b>1,229,748</b>

**Composition of Capital Common Disclosure Template as at 31 December 2019**

	<i>CET 1</i>	<i>T2</i>
	<i>BD'000</i>	<i>BD'000</i>
<b>Components of capital</b>		
Issued and fully paid ordinary shares	106,406	-
General reserves	-	-
Legal / statutory reserves	4,736	-
Share premium	180	-
Retained earnings brought forward	1,793	-
Current year profits	6,214	-
Unrealized gains and losses on available for sale financial instruments	718	-
<b>Less:</b>		
Employee stock incentive program funded by the bank (outstanding)	281	-
Treasury Shares	892	-
<b>Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1 d)</b>	<b>118,874</b>	<b>-</b>
Assets revaluation reserve - property, plant, and equipment		2,049
Expected Credit Losses (ECL) Stages 1 & 2		6,245
<b>Total Available AT1 &amp; T2 Capital</b>		<b>8,294</b>
<b>Total Capital</b>		<b>127,168</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

**Consolidated Liquidity Coverage Ratio as of 31 December 2019**

In August 2018, the Central Bank of Bahrain issued its regulations on Liquidity Risk Management (Module LM). The module mandates that banks must adequately manage their assets and liabilities to create strong short-term resilience and a sufficient ability to meet the bank's net cash outflows within 30 days

As per CBB Module LM, banks are required to meet the minimum LCR of at least 100% on a daily basis. Below is Bahrain Islamic Bank's LCR disclosure as of 31 December 2019:

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Consolidated LCR		Total Unweighted Value (average) <sup>(1)</sup>	Total Weighted Value (average) <sup>(1)</sup>
<b>High Quality Liquid Assets</b>			
1	Total HQLA		220,053,206
<b>Cash Outflows</b>			
2	<b>Retail deposits and deposits from small business customers, of which:</b>		
3	Stable deposits	226,774,068	6,803,222
4	Less stable—retail deposits	186,905,788	18,690,579
5	<b>Unsecured Wholesale Funding</b>		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	183,311,543	117,479,086
8	Unsecured Sukuk	-	-
9	<b>Secured Wholesale Funding</b>		
10	<b>Additional requirements, of which:</b>		
11	Outflows related to Shari'a-compliant hedging instruments exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on financing products	-	-
13	Credit and liquidity facilities	67,208,558	4,716,295
14	<b>Other contractual funding obligations</b>		
15	Other contingent funding obligations	69,644,560	3,482,228
16	<b>Total Cash Outflow</b>		<b>151,171,411</b>
<b>Cash Inflows</b>			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	86,989,518	69,442,107
19	Other cash inflows	8,401,751	8,401,751
20	<b>Total Cash Inflow</b>	<b>95,391,270</b>	<b>77,843,859</b>
		<b>Total Adjusted Value</b>	
21	Total HQLA		220,053,206
22	Total net cash outflows		73,327,552
23	<b>Liquidity Coverage Ratio (%)</b>		<b>300.10%</b>

(1) Figures based on simple daily average of working days during the quarter, as per CBB Module LM.