

**Bahrain Islamic Bank B.S.C.**  
**Composition of Capital and Liquidity Disclosures**  
**As at 31 March 2023**

# Reconciliation of Published Financial Balance Sheet to Regulatory Reporting as at 31 March 2023

|                                                                                                           | Statement of Financial<br>position as per<br>published financial<br>statements | Statement of Financial<br>position as per<br>Regulatory Reporting |
|-----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                                                                           | Q1 2023<br>BD'000                                                              | Q1 2023<br>BD'000                                                 |
| <b>Assets</b>                                                                                             |                                                                                |                                                                   |
| Cash and balances with banks and Central Bank                                                             | 58,858                                                                         | 58,858                                                            |
| Gross Placements with financial institutions                                                              | 69,612                                                                         | 69,612                                                            |
| Less: Expected credit loss (stage 3)                                                                      | (3,686)                                                                        | (3,686)                                                           |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (6)                                                                            | -                                                                 |
| Net placements with financial institutions                                                                | 65,920                                                                         | 65,926                                                            |
| Gross financing assets                                                                                    | 647,629                                                                        | 647,629                                                           |
| Less: Expected credit loss (stage 3)                                                                      | (18,324)                                                                       | (18,324)                                                          |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (13,913)                                                                       | -                                                                 |
| Net financing assets                                                                                      | 615,392                                                                        | 629,305                                                           |
| Gross investment securities                                                                               | 286,612                                                                        | 286,612                                                           |
| Less: Expected credit loss (stage 3)                                                                      | (26,801)                                                                       | (26,801)                                                          |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (119)                                                                          | -                                                                 |
| Net investment securities                                                                                 | 259,692                                                                        | 259,811                                                           |
| Ijarah Muntahia Bittamleek                                                                                | 316,685                                                                        | 316,685                                                           |
| Less: Expected credit loss (stage 3)                                                                      | (1,545)                                                                        | (1,545)                                                           |
| Less: Expected credit loss (stage 1 and stage 2)                                                          | (1,932)                                                                        | -                                                                 |
| Net Ijarah Muntahia Bittamleek                                                                            | 313,208                                                                        | 315,140                                                           |
| Investment in associates                                                                                  | 8,960                                                                          | 8,960                                                             |
| Investment in real estate                                                                                 | 13,661                                                                         | 13,661                                                            |
| Property and equipment                                                                                    | 13,824                                                                         | 13,824                                                            |
| Other assets                                                                                              | 16,250                                                                         | 16,250                                                            |
| <b>TOTAL ASSETS</b>                                                                                       | <b>1,365,765</b>                                                               | <b>1,381,735</b>                                                  |
| <b>Liabilities, Equity Of Investment Accountholders<br/>And Owners' Equity</b>                            |                                                                                |                                                                   |
| <b>Liabilities</b>                                                                                        |                                                                                |                                                                   |
| Placements from financial institutions                                                                    | 164,745                                                                        | 164,745                                                           |
| Placements from non-financial institutions and individuals                                                | 298,615                                                                        | 298,615                                                           |
| Financing from financial institutions                                                                     | 108,752                                                                        | 108,752                                                           |
| Customers' current accounts                                                                               | 200,034                                                                        | 200,034                                                           |
| Other liabilities                                                                                         | 36,370                                                                         | 36,277                                                            |
| of which: Expected credit loss - Off balance sheet exposures (stage 3)                                    | 1,310                                                                          | 1,310                                                             |
| (stage 1 and stage 2)                                                                                     | 93                                                                             | -                                                                 |
| of which: Other liabilities                                                                               | 34,967                                                                         | 34,967                                                            |
| Total Liabilities                                                                                         | 808,516                                                                        | 808,423                                                           |
| Total Equity of Investment Accountholders                                                                 | 418,771                                                                        | 418,771                                                           |
| <b>Owners' Equity</b>                                                                                     |                                                                                |                                                                   |
| Share capital                                                                                             | 106,406                                                                        | 106,406                                                           |
| Subordinated Mudaraba (AT1)                                                                               | -                                                                              | -                                                                 |
| Treasury shares                                                                                           | (892)                                                                          | (892)                                                             |
| Shares under employee share incentive scheme                                                              | (169)                                                                          | (169)                                                             |
| Share premium                                                                                             | 206                                                                            | 206                                                               |
| Statutory reserve                                                                                         | 6,606                                                                          | 6,606                                                             |
| Real estate fair value reserve                                                                            | 1,320                                                                          | 1,320                                                             |
| Investment securities fair value reserve                                                                  | 1,635                                                                          | 1,635                                                             |
| Expected credit loss                                                                                      | -                                                                              | 16,063                                                            |
| of which: amount eligible for Tier 2 capital subject to a maximum of 1.25% of credit risk weighted assets | -                                                                              | 9,108                                                             |
| of which: amount ineligible for Tier 2 capital                                                            | -                                                                              | 6,955                                                             |
| Profit for the year                                                                                       | 3,003                                                                          | 3,003                                                             |
| Retained earnings brought forward                                                                         | (4,637)                                                                        | (4,637)                                                           |
| of which: Retained earnings as of 1 January 2023                                                          | (4,217)                                                                        | (4,217)                                                           |
| of which: Zakah and donations approved                                                                    | (420)                                                                          | (420)                                                             |
| of which: Profit distribution on AT1 Capital                                                              | -                                                                              | -                                                                 |
| of which: Share of reserve of investment in associate                                                     | -                                                                              | -                                                                 |
| of which: Transfer to statutory reserve                                                                   | -                                                                              | -                                                                 |
| Equity Attributable to Parent's Shareholders                                                              | 113,478                                                                        | 129,541                                                           |
| Subordinated Mudaraba (AT1)                                                                               | 25,000                                                                         | 25,000                                                            |
| Total Owners' Equity                                                                                      | 138,478                                                                        | 154,541                                                           |
| <b>TOTAL LIABILITIES, EQUITY OF INVESTMENT<br/>ACCOUNTHOLDERS AND OWNERS' EQUITY</b>                      | <b>1,365,765</b>                                                               | <b>1,381,735</b>                                                  |

## Composition of Capital Common Disclosure Template as at 31 March 2023

| Common Equity Tier 1 capital: instruments and reserves |                                                                                                                                                                                                                                                                     |                |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 1.                                                     | Directly issued qualifying common share capital plus related stock surplus                                                                                                                                                                                          | 115,160        |
| 2.                                                     | Retained earnings                                                                                                                                                                                                                                                   | 11,088         |
| 3.                                                     | Accumulated other comprehensive income (and other reserves)                                                                                                                                                                                                         | 1,635          |
| 4.                                                     | <i>Not applicable</i>                                                                                                                                                                                                                                               | -              |
| 5.                                                     | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)                                                                                                                                                                | -              |
| 6.                                                     | <b>Common Equity Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                   | <b>127,883</b> |
| 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.                                                    | 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% 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.                                                    | <b>Total regulatory adjustments to Common equity Tier 1</b>                                                                                                                                                                                                         | <b>-</b>       |
| 29.                                                    | <b>Common Equity Tier 1 capital (CET1)</b>                                                                                                                                                                                                                          | <b>127,883</b> |

# Composition of Capital Common Disclosure Template as at 31 March 2023

| Additional Tier 1 capital: instruments            |                                                                                                                                                                                                                                                                                              |                |
|---------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| 30.                                               | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus                                                                                                                                                                                                          | 25,000         |
| 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.                                               | <b>Additional Tier 1 capital before regulatory adjustments</b>                                                                                                                                                                                                                               | <b>25,000</b>  |
| 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.                                               | <b>Total regulatory adjustments to Additional Tier 1 capital</b>                                                                                                                                                                                                                             | <b>-</b>       |
| 44.                                               | <b>Additional Tier 1 capital (AT1)</b>                                                                                                                                                                                                                                                       | <b>25,000</b>  |
| 45.                                               | <b>Tier 1 capital (T1 = CET1 + AT1)</b>                                                                                                                                                                                                                                                      | <b>152,883</b> |
| Tier 2 capital: instruments and provisions        |                                                                                                                                                                                                                                                                                              |                |
| 46.                                               | Directly issued qualifying Tier 2 instruments plus related stock surplus                                                                                                                                                                                                                     | 1,320          |
| 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                                                                                                                                                                                                                                                                                   | 9,108          |
| 51.                                               | <b>Tier 2 capital before regulatory adjustments</b>                                                                                                                                                                                                                                          | <b>10,428</b>  |
| 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.                                               | <b>Total regulatory adjustments to Tier 2 capital</b>                                                                                                                                                                                                                                        | <b>-</b>       |
| 58.                                               | <b>Tier 2 capital (T2)</b>                                                                                                                                                                                                                                                                   | <b>10,428</b>  |
| 59.                                               | <b>Total capital (TC = T1 + T2)</b>                                                                                                                                                                                                                                                          | <b>163,311</b> |
| 60.                                               | <b>Total risk weighted assets</b>                                                                                                                                                                                                                                                            | <b>847,482</b> |

## Composition of Capital Common Disclosure Template as at 31 March 2023

| Capital ratios and buffers                                                                                |                                                                                                                                                                                                                               |        |
|-----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 61.                                                                                                       | Common Equity Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                | 15.09% |
| 62.                                                                                                       | Tier 1 (as a percentage of risk weighted assets)                                                                                                                                                                              | 18.04% |
| 63.                                                                                                       | Total capital (as a percentage of risk weighted assets)                                                                                                                                                                       | 19.27% |
| 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%     |
| 65.                                                                                                       | of which: capital conservation buffer requirement                                                                                                                                                                             | 2.50%  |
| 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)                                                                                                                                      | 15.09% |
| National minima including CCB (where different from Basel III)                                            |                                                                                                                                                                                                                               |        |
| 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                                                                                                                                                                | -      |
| 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 standardized approach (prior to application of cap)                                                                                            | 16,062 |
| 77.                                                                                                       | Cap on inclusion of provisions in Tier 2 under standardized approach                                                                                                                                                          | 9,108  |
| 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                                                                                                                                                             | NA     |
| 81.                                                                                                       | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)                                                                                                                                       | NA     |
| 82.                                                                                                       | Current cap on AT1 instruments subject to phase out arrangements                                                                                                                                                              | NA     |
| 83.                                                                                                       | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)                                                                                                                                        | NA     |
| 84.                                                                                                       | Current cap on T2 instruments subject to phase out arrangements                                                                                                                                                               | NA     |
| 85.                                                                                                       | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)                                                                                                                                         | NA     |

| Disclosure template for main features of regulatory capital instruments |                                                                                                               |                                                               |                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                                                                       | Issuer                                                                                                        | Bahrain Islamic Bank BSC                                      | Bahrain Islamic Bank BSC                                                                                                                                                                                                                                                                         |
| 2                                                                       | Unique identifier (Bahrain bourse ticker)                                                                     | BISB                                                          | BISB                                                                                                                                                                                                                                                                                             |
| 3                                                                       | Governing law(s) of the instrument                                                                            | All applicable laws and regulations in the Kingdom of Bahrain | All applicable laws and regulations in the Kingdom of Bahrain                                                                                                                                                                                                                                    |
|                                                                         | <i>Regulatory treatment</i>                                                                                   |                                                               |                                                                                                                                                                                                                                                                                                  |
| 4                                                                       | Transitional CBB rules                                                                                        | Common Equity Tier 1                                          | AT1                                                                                                                                                                                                                                                                                              |
| 5                                                                       | Post-transitional CBB rules                                                                                   | Common Equity Tier 1                                          | AT1                                                                                                                                                                                                                                                                                              |
| 6                                                                       | Eligible at solo/group/group & solo                                                                           | Group and solo                                                | Group and solo                                                                                                                                                                                                                                                                                   |
| 7                                                                       | Instrument type (types to be specified by each jurisdiction)                                                  | Equity shares                                                 | Subordinated Mudaraba Sukuk                                                                                                                                                                                                                                                                      |
| 8                                                                       | Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)                   | BD 106.40 million                                             | BD 25 million                                                                                                                                                                                                                                                                                    |
| 9                                                                       | Par value of instrument                                                                                       | BD 0.100                                                      | Not applicable                                                                                                                                                                                                                                                                                   |
| 10                                                                      | Accounting classification                                                                                     | Shareholders' equity                                          | Shareholders' equity                                                                                                                                                                                                                                                                             |
| 11                                                                      | Original date of issuance                                                                                     | Various                                                       | 2021                                                                                                                                                                                                                                                                                             |
| 12                                                                      | Perpetual or dated                                                                                            | Perpetual                                                     | Perpetual                                                                                                                                                                                                                                                                                        |
| 13                                                                      | Original maturity date                                                                                        | No maturity                                                   | No maturity                                                                                                                                                                                                                                                                                      |
| 14                                                                      | Issuer call subject to prior supervisory approval                                                             | No                                                            | Yes                                                                                                                                                                                                                                                                                              |
| 15                                                                      | Optional call date, contingent call dates and redemption amount                                               | Not applicable                                                | 2026                                                                                                                                                                                                                                                                                             |
| 16                                                                      | Subsequent call dates, if applicable                                                                          | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |
|                                                                         | <i>Coupons / dividends</i>                                                                                    |                                                               |                                                                                                                                                                                                                                                                                                  |
| 17                                                                      | Fixed or floating dividend/coupon                                                                             | Dividend as declared by shareholders                          | Fixed                                                                                                                                                                                                                                                                                            |
| 18                                                                      | Coupon rate and any related index                                                                             | Not applicable                                                | 7.50%                                                                                                                                                                                                                                                                                            |
| 19                                                                      | Existence of a dividend stopper                                                                               | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |
| 20                                                                      | Fully discretionary, partially discretionary or mandatory                                                     | Fully discretionary                                           | Fully discretionary                                                                                                                                                                                                                                                                              |
| 21                                                                      | Existence of step up or other incentive to redeem                                                             | No                                                            | No                                                                                                                                                                                                                                                                                               |
| 22                                                                      | Noncumulative or cumulative                                                                                   | Non-cumulative                                                | Non-cumulative                                                                                                                                                                                                                                                                                   |
| 23                                                                      | Convertible or non-convertible                                                                                | Not applicable                                                | Convertible                                                                                                                                                                                                                                                                                      |
| 24                                                                      | If convertible, conversion trigger (s)                                                                        | Not applicable                                                | If a Non-Viability Event occurs (means the Central bank has notified the Bank in writing that it has determined that Bank is, or will become, Non-Viable without: (a) a Conversion; or (b) a public sector injection of capital or equivalent support).                                          |
| 25                                                                      | If convertible, fully or partially                                                                            | Not applicable                                                | full or partially depending on the non-viability event                                                                                                                                                                                                                                           |
| 26                                                                      | If convertible, conversion rate                                                                               | Not applicable                                                | Conversion Rate means the amount, in Bahraini Dinar per Ordinary Share, as determined by the Bank based on the higher of (i) the market price of an Ordinary Share; (ii) the book value of an Ordinary Share; and (iii) the value of an Ordinary Share as determined by an independent appraiser |
| 27                                                                      | If convertible, mandatory or optional conversion                                                              | Not applicable                                                | Optional                                                                                                                                                                                                                                                                                         |
| 28                                                                      | If convertible, specify instrument type convertible into                                                      | Not applicable                                                | CET1 Instruments                                                                                                                                                                                                                                                                                 |
| 29                                                                      | If convertible, specify issuer of instrument it converts into                                                 | Not applicable                                                | BisB                                                                                                                                                                                                                                                                                             |
| 30                                                                      | Write-down feature                                                                                            | No                                                            | No                                                                                                                                                                                                                                                                                               |
| 31                                                                      | If write-down, write-down trigger(s)                                                                          | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |
| 32                                                                      | If write-down, full or partial                                                                                | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |
| 33                                                                      | If write-down, permanent or temporary                                                                         | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |
| 34                                                                      | If temporary write-down, description of write-up mechanism                                                    | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |
| 35                                                                      | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Not applicable                                                | Rank subordinate to all Senior Obligations, and rank Pari Passu with all other Pari Passu Obligations.                                                                                                                                                                                           |
| 36                                                                      | Non-compliant transitioned features                                                                           | No                                                            | No                                                                                                                                                                                                                                                                                               |
| 37                                                                      | If yes, specify non-compliant features                                                                        | Not applicable                                                | Not applicable                                                                                                                                                                                                                                                                                   |

**Consolidated Liquidity Coverage Ratio as of 31 March 2023**

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 March 2023:

BD '000

| Consolidated LCR                  |                                                                                                       | Total Unweighted Value<br>(average) <sup>(1)</sup> | Total Weighted Value<br>(average) <sup>(1)</sup> |
|-----------------------------------|-------------------------------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------------------------|
| <b>High Quality Liquid Assets</b> |                                                                                                       |                                                    |                                                  |
| 1                                 | Total HQLA                                                                                            |                                                    | 164,832                                          |
| <b>Cash Outflows</b>              |                                                                                                       |                                                    |                                                  |
| 2                                 | <b>Retail deposits and deposits from small business customers, of which:</b>                          |                                                    |                                                  |
| 3                                 | Stable deposits                                                                                       | 256,875                                            | 7,706                                            |
| 4                                 | Less stable—retail deposits                                                                           | 219,006                                            | 21,901                                           |
| 5                                 | <b>Unsecured Wholesale Funding</b>                                                                    |                                                    |                                                  |
| 6                                 | Operational deposits (all counterparties) and deposits in networks of cooperative banks               | -                                                  | -                                                |
| 7                                 | Non-operational deposits (all counterparties)                                                         | 159,724                                            | 102,386                                          |
| 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                                                                       | 88,483                                             | 7,274                                            |
| 14                                | <b>Other contractual funding obligations</b>                                                          |                                                    |                                                  |
| 15                                | Other contingent funding obligations                                                                  | 26,783                                             | 1,339                                            |
| 16                                | <b>Total Cash Outflow</b>                                                                             |                                                    | <b>140,606</b>                                   |
| <b>Cash Inflows</b>               |                                                                                                       |                                                    |                                                  |
| 17                                | Secured lending (e.g. reverse repos)                                                                  | -                                                  | -                                                |
| 18                                | Inflows from fully performing exposures                                                               | 78,638                                             | 67,245                                           |
| 19                                | Other cash inflows                                                                                    | 6,615                                              | 6,615                                            |
| 20                                | <b>Total Cash Inflow</b>                                                                              | <b>85,253</b>                                      | <b>73,860</b>                                    |
| <b>Total Adjusted Value</b>       |                                                                                                       |                                                    |                                                  |
| 21                                | Total HQLA                                                                                            |                                                    | 164,832                                          |
| 22                                | Total net cash outflows                                                                               |                                                    | 66,746                                           |
| 23                                | <b>Liquidity Coverage Ratio (%)</b>                                                                   |                                                    | <b>274.5%</b>                                    |

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

## Consolidated Net Stable Funding Ratio as of 31 March 2023

In August 2018, the Central Bank of Bahrain issued its regulations on Liquidity Risk Management (Module LM). The main objective of the NSFR is to promote the resilience of the banking system by improving the funding profile of banks by ensuring they have sufficient level of stable funding in relation to their assets and commitments. The NSFR thus promotes banks to rely on funding from stable sources and long-term borrowing in order to reduce the risks of disruptions which might impact the bank's liquidity position.

As per CBB Module LM, banks are required to meet the minimum NSFR of at least 100% on a continuous basis. Below is Bahrain Islamic Bank's NSFR disclosure as of 31 March 2023:

| BD '000                         |                                                                                                                                                                            |                                             |                    |                                           |               |                      |
|---------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|--------------------|-------------------------------------------|---------------|----------------------|
|                                 |                                                                                                                                                                            | Unweighted Values (before applying factors) |                    |                                           |               | Total Weighted Value |
| Sr.                             | Item                                                                                                                                                                       | No Specified maturity                       | Less than 6 months | More than 6 months and less than one year | Over one year |                      |
| Available Stable Funding (ASF): |                                                                                                                                                                            |                                             |                    |                                           |               |                      |
| 1                               | Capital:                                                                                                                                                                   |                                             |                    |                                           |               |                      |
| 2                               | Regulatory Capital                                                                                                                                                         | 152,882                                     | -                  | -                                         | 17,384        | 170,266              |
| 3                               | Other Capital Instruments                                                                                                                                                  | -                                           | -                  | -                                         | -             | -                    |
| 4                               | Retail Deposits and deposits from small business customers:                                                                                                                |                                             |                    |                                           |               |                      |
| 5                               | Stable Deposits                                                                                                                                                            | -                                           | 263,736            | 7,315                                     | 1,375         | 258,874              |
| 6                               | Less stable deposits                                                                                                                                                       | -                                           | 278,301            | 83,676                                    | 28,926        | 354,706              |
| 7                               | Wholesale funding:                                                                                                                                                         |                                             |                    |                                           |               |                      |
| 8                               | Operational deposits                                                                                                                                                       | -                                           | -                  | -                                         | -             | -                    |
| 9                               | Other wholesale funding                                                                                                                                                    | -                                           | 350,547            | 166,827                                   | 10,213        | 196,506              |
| 10                              | Other liabilities:                                                                                                                                                         |                                             |                    |                                           |               |                      |
| 11                              | NSFR Shari'a-compliant hedging contract liabilities                                                                                                                        |                                             | -                  | -                                         | -             |                      |
| 12                              | All other liabilities not included in the above categories                                                                                                                 | -                                           | 20,551             | -                                         | -             | -                    |
| 13                              | Total ASF                                                                                                                                                                  |                                             |                    |                                           |               | 980,352              |
| Required Stable Funding (RSF):  |                                                                                                                                                                            |                                             |                    |                                           |               |                      |
| 14                              | Total NSFR high-quality liquid assets (HQLA)                                                                                                                               | 18,696                                      |                    |                                           |               | 72,940               |
| 15                              | Deposits held at other financial institutions for operational purposes                                                                                                     | -                                           | -                  | -                                         | -             | -                    |
| 16                              | Performing financing and sukuk/ securities:                                                                                                                                |                                             |                    |                                           |               |                      |
| 17                              | Performing financing to financial institutions secured by Level 1 HQLA                                                                                                     | -                                           | -                  | -                                         | -             | -                    |
| 18                              | Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions                                    | -                                           | 73,673             | 4,553                                     | 10,514        | 23,842               |
| 19                              | Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which: | -                                           | 89,728             | 71,560                                    | 723,232       | 693,040              |
| 20                              | - With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines                                                                             | -                                           | -                  | -                                         | -             | -                    |
| 21                              | Performing residential mortgages, of which:                                                                                                                                |                                             |                    |                                           |               |                      |
| 22                              | - With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines                                                                          | -                                           | -                  | -                                         | -             | -                    |
| 23                              | Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities                                                                   | -                                           | 0                  | -                                         | -             | -                    |
| 24                              | Other assets:                                                                                                                                                              |                                             |                    |                                           |               |                      |
| 25                              | Physical traded commodities, including gold                                                                                                                                | -                                           |                    |                                           |               | -                    |
| 26                              | Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs                                                         |                                             | -                  | -                                         | -             | -                    |
| 27                              | NSFR Shari'a-compliant hedging assets                                                                                                                                      |                                             | 1,287              | -                                         | -             | 1,287                |
| 28                              | NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted                                                                            |                                             | -                  | -                                         | -             | -                    |
| 29                              | All other assets not included in the above categories                                                                                                                      | 107,369                                     | -                  | -                                         | 7,694         | 115,063              |
| 30                              | OBS items                                                                                                                                                                  |                                             | 99,373             | -                                         | -             | 4,969                |
| 31                              | Total RSF                                                                                                                                                                  |                                             | 264,061            | 76,113                                    | 741,440       | 911,139              |
| 32                              | NSFR (%)                                                                                                                                                                   |                                             |                    |                                           |               | 107.6%               |

## Consolidated Leverage Ratio as of 31 March 2023

In June 2018, the Central Bank of Bahrain issued regulations on the financial leverage ratio as part of the CA: Capital Adequacy Module Chapter 10, which has been implemented as of 30 June 2019.

The leverage ratio calculations take into account all on balance sheet exposures, all off balance sheet exposures, and any derivative exposures after applying the applicable adjustments as per the CBB guidelines. The leverage ratio represents how well the bank's core capital covers the bank's total exposures.

CBB require banks to hold a minimum leverage ratio of at least 3%.

| S. No. | Description                                                       | BD '000          |
|--------|-------------------------------------------------------------------|------------------|
| 1      | Total Self Financed Assets                                        | 946,995          |
| 2      | Total URIA Financed Assets                                        | 418,771          |
| 3      | Less: PER of URIAs                                                | (1,509)          |
| 4      | Less: IRR of URIAs                                                | -                |
| 5      | Off Balance Sheet items - with relevant Credit Conversion Factors | 39,749           |
| 6      | <b>Leverage ratio exposure [(1) + {(2)+(3)+(4)}*30% + (5)]</b>    | <b>1,111,922</b> |
| 7      | Tier 1 Capital                                                    | 152,883          |
| 8      | <b>Leverage Ratio [(7)/(6)]</b>                                   | <b>13.7%</b>     |