بنك البحرين الإسلامي

Bahrain Islamic Bank

The Inception and Development

The Story of the First Islamic Bank in Bahrain

Compiled by:
Dr. Hamad Farooq Al-Sheikh
Head of Sharia Coordination and Implementation
Secretary of the Sharia Supervisory Board





بسم الله الرحمن الرحيم

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Introduction

Introduction

Praise be to Allah, the Lord of all worlds, and peace and blessings be upon the noblest of prophets and messengers, our master Muhammad, and upon his family and companions.

For a long time, I have aspired to prepare a book that documents the experience of establishing the first Islamic bank in the Kingdom of Bahrain—Bahrain Islamic Bank. This endeavor is driven by a desire to preserve and document this significant phase in the history of Islamic finance, particularly in the field of Islamic banking. I hope this book will become an essential part of the historical archive of the Kingdom of Bahrain.

Embarking on this project could be considered somewhat risky, as it demands significant effort in gathering, scrutinizing, and researching, especially given that this period spans 45 years and lacks an adequate amount of documentation. However, my enthusiasm grew after placing my trust in Allah. My tenure at Bahrain Islamic Bank since 2005, during which I witnessed several administrations, further fueled my sense of duty to preserve this historical period.

This task was initially taken up by Mr. Seumas Gallacher, who adopted the name "Faisal" after embracing Islam. He was commissioned by the bank's former CEO, Mr. Hassan Jarrar, to prepare a brief history of the bank. Faisal conducted interviews with pioneers in Bahrain's banking sector and produced a manuscript, yet the book remained unpublished.

I decided to start where brother Faisal left off, building on his efforts and adding many details, data, statistics, and interviews. I also obtained a wealth of archived information from the Akhbar Al Khaleej newspaper, tracing back to the bank's founding in 1979, with the aim of documenting as much historical information as possible. Furthermore, I conducted additional and repeat interviews to verify the information, as this book aims to bear witness to an important era for Bahrain and, in particular, for Islamic finance and Bahrain Islamic Bank. I also enriched the book with significant milestones in the Islamic banking journey within Bahrain, making it a comprehensive record of the country's Islamic banking experience.

Objectives

The primary objective of this book is to document this pioneering experience, recognizing the efforts of the early innovators and examining both the positive outcomes and the challenges faced, particularly during the experimental and foundational phases before the transformation from an experiment to an established industry in the early 1990s.

The significance of the bank's journey is further enhanced by its establishment by dedicated individuals (whom we hold in high regard, and Allah is their true judge) who invested their energy and resources despite a limited budget. These efforts, alongside Allah's guidance and protection, have sustained the bank as a prominent and pioneering institution, even through numerous crises.

Challenges

Some challenges did arise, particularly due to the loss of critical information over time and the lack of adequate documentation. However, my visits to the archive department of Akhbar Al Khaleej, where I found news about the bank dating back to its inception, coupled with the valuable testimonials from some of the bank's early pioneers, enabled me to compile a compelling historical record.

Methodology

I faithfully conveyed historical information and news from their original sources without alteration, in the interest of scholarly accuracy. I organized additional statistical information to the best of my ability based on the data available to me.

To enhance the book's appeal, I included various historical photographs and newspaper archives from the 1980s and 1990s. Additionally, I added a preface containing historical background on banking, a brief history of the establishment and phases of Islamic banking, and an overview of Islamic banks and their philosophy.

Conclusion

I ask for forgiveness and understanding for any unintentional errors or oversights in gathering or documenting information, or any inadvertent omissions of names and personalities, or inaccuracies in some of the details. Every human effort is prone to error. If I succeeded, it is solely due to Allah's grace; if I misjudged, it is from myself and Satan.

Acknowledgments

In conclusion, I extend my sincere thanks to everyone who contributed to the publication and review of this book, including the pioneers of Islamic finance and the esteemed members of the Sharia Supervisory Board of Bahrain Islamic Bank. Special thanks go to Sheikh Dr. Abdul Latif Al-Mahmood, Head of the Sharia Supervisory Board, for his detailed review of the book, and to the bank's executive management.

I pray that Allah accepts this effort and that the book serves as a beneficial resource for all those interested in Islamic finance.





Preface

I.
Historical Background

The history of banking activities, such as depositing money and loan transactions, dates back to ancient times. Various ancient civilizations, despite their different customs and traditions, practiced these types of transactions in simple forms. It is difficult to determine who first engaged in or understood these activities, but some sources(1) suggest that people used barter systems as early as 9,000 BCE. As populations grew, the volume of exchanges increased, and every village had a communal hut, functioning as a "central market" for trading goods. Based on archaeological findings, banking transactions appear to have started around 5000 BCE, with notable examples(2) including:



(1) "The History of Money: From Bartering to Mobile Payments" on Al Jazeera Net.
(2) An Introduction to Money and Banking by Mohamed Zaki Shafei, p. 235, Banking Services by Aladdin Zaatari, p. 40, and "How Money Shaped the History of Humanity Since the Dawn of Civilizations" on Arqam's website, as well as The History of Money on Wikipedia, and "The History of Money: From Bartering to Mobile Payments" on Al Jazeera Net.



Romans (1800 BCE)

Banking activities that were prevalent among the Greeks spread until they became widespread throughout the state. Money changers played an important role in financial transactions, and there existed certain forms of loans and deposits.

Sumerians (3000 BCE)

Banking activities were conducted in prominent temples, notably the "Red Temple."

Babylonians (2300 BCE)

Archaeological inscriptions show evidence of banking activities.

Mesopotamia (3000-5000 BCE)

Farmers deposited grains in temples, which were recorded on clay tablets. They received clay tokens representing the deposited amount, with barley initially serving as the unit of value, later replaced by copper, then silver.



Chinese (1100 BCE)

In China, tools and weapons were used as exchange mediums, with bronze replicas used for convenience. They eventually adopted metal circular objects, marking the early use of coinage.

Egypt

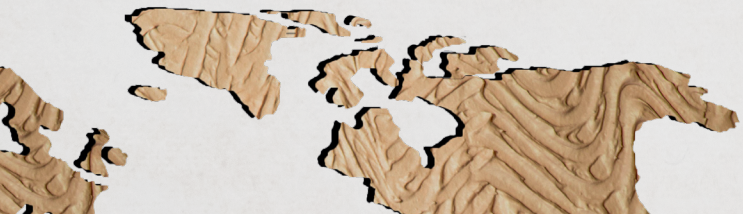
These practices reached Egypt through the Ptolemies, who ruled from 323 BCE.

Greeks (431 BCE)

Gold and silver coins were minted under Alexander the Great. Greeks practiced currency exchange in temples and shops, accepted deposits in temples and private companies, granted loans, and engaged in currency testing and exchange.

Arabs

Banking practices spread to the Arabs after their adoption by the Romans. The Arabs of the pre-Islamic period lived near Roman borders, facilitating trade, cultural exchange, and economic interactions, especially as the Romans protected some Arab areas.



Islam

When Islam emerged, it endorsed practices that upheld justice among people, abolished those that contradicted this principle, and modified what could be improved. Islam did not completely outlaw all pre-existing practices, nor did it permit them all; rather, it established Sharia-based regulations for transactions that contradicted Islamic principles.

One of the earliest practices in Islamic governance was the safekeeping of public funds in the Bayt al-Mal (House of Wealth).

It is reported that Hind bint Utbah borrowed 4,000 dirhams from the Bayt al-Mal during the caliphate of Omar ibn al-Khattab for trade, which she guaranteed. When she later reported losses, Omar responded, “Had it been my wealth, I would have waived it, but it is the wealth of Muslims[3] .”

A practice known as “sufajah” also emerged, which involved a document or certificate written by a person to their representative or debtor in another city, instructing them to pay a specified amount to the bearer of the document. Numerous examples of this practice existed. For instance, Ibn Abbas (may Allah be pleased with him) would receive silver in Mecca and issue a document allowing its equivalent to be paid in Kufah, Iraq . Similarly, Abdullah ibn al-Zubayr (may Allah be pleased with him) would accept silver coins in Mecca and issue instructions for the amount to be paid to the recipient in Iraq[4].

When Sayf al-Dawla al-Hamdani visited Baghdad in disguise, he entered the home of the Bani Khaqan family, where they welcomed and honored him. Upon leaving, he requested ink and a pen, wrote them a note, folded it, and then he left. When they opened the note, they found it addressed to a money changer in Baghdad, instructing him to pay them one thousand dinars. Upon presenting the note to the money changer, he acknowledged it and immediately paid them the amount. When asked about the man, he revealed, "That was Sayf al-Dawla ibn Hamdan[5]."

(3) Ibn al-Athir, Al-Kamil fi al-Tarikh (The Complete History), Vol. 3, p. 62.
(4) Al-Mabsut by Al-Sarakhsi, 14/37, and Al-Mughni by Ibn Qudamah, 4/354.
(5) See: An Introduction to Money and Banking by Mohamed Zaki Shafei, p. 235.

The use of Safatij (financial instruments similar to checks) became widespread for trade purposes in Basra, where established procedures regarding stamps and witnesses were set. By approximately 400 AH (1010 CE), money changers had become essential figures in the Basra market.

During the Abbasid era, remittance and check-like transactions spread and were used among merchants and travelers, and they are considered among the earliest forms of the checks known today. Bayt al-Māl functioned as a centralized financial institution responsible for managing public funds and financing public expenditure.

Money changing (sarfah) also emerged in al-Andalus and the Arab Maghreb, which witnessed advanced financial activity, and written documents for debts and transactions appeared there.

The origins of formal banking can be traced back to the 12th century CE, when the resurgence of trade and industry in Italy revived the banking system. The first bank was established in Venice in 1157, and subsequently, banks began appearing across European countries, eventually reaching Arab and Islamic lands.





II.
History of Islamic Banks

Modern Islamic banking emerged after the spread of conventional commercial banks, marking it a relatively recent development compared to the traditional banking system. The evolution of Islamic banking can be outlined in the following phases:

Phase One: The First Experiment

(1910–1970)

- In 1910, Bosnia and Herzegovina, which were under Austro-Hungarian rule, witnessed the emergence of the idea of establishing an Islamic financial institution aimed at economically empowering Muslims and protecting them from reliance on conventional banks. Accordingly, what became known as the Islamic Savings Fund was established with the support of religious scholars and economic elites. It provided interest-free loans for the benefit of Muslim farmers and traders. However, the project faced challenges from the Austro-Hungarian authorities and the Catholic Church; despite these challenges, the fund continued to operate for decades.
- In 1929, an initiative by some scholars and reformers in Algeria sought to establish an Islamic financial institution as an alternative to conventional banks operating under French colonial rule. The motivation was to protect Muslims' funds from usurious transactions prevalent in French banks, as well as to provide financing for Muslim farmers and merchants.

- In the mid-1950s (around 1956), a small experiment was launched in Pakistan through rural cooperative banks, focusing on providing interest-free agricultural loans to farmers. The project was funded by the state, and transactions were conducted through contracts resembling mudarabah and musharakah.
- However, the experiment encountered bureaucratic difficulties and a lack of support from the central bank, leading to its suspension.
- The first experiment in Islamic banking took place in the city of Mit Ghamr in Upper Egypt in 1963, where Dr. Ahmed El-Naggar(6) established the first local savings bank based on Islamic principles. He was inspired by the German model during his studies in Germany. Following this, Presidential Decree No. 17 of 1961 was issued to establish the bank. Local banking units were set up in each village or neighborhood to collect people's savings under the supervision of the National Savings Bank, using these funds to meet local needs. This experiment attracted 59,000 depositors, but ultimately, it was halted and discontinued in 1967.
- Around the same time, Malaysia established a financial fund for pilgrimage in 1963 called Tabung Haji, aimed at helping people save regular amounts to cover the cost of pilgrimage (Hajj). This fund evolved into a full financing institution by 1969.
- In Sudan, a bank called the «Interest-Free Bank» was established specifically at the University of Omdurman. In 1966, Islamic economics professors Dr. Mohammed Abdullah Al-Arabi, Dr. Kamil Al-Baqir, and Dr. Ahmed El-Naggar presented this project to the Sudanese Central Bank for review and implementation. However, due to certain circumstances, the project was not realized.

(6) Dr. Ahmed Abdel Aziz Al-Najjar (1932–2015): Born in Egypt, he earned a Bachelor's degree in Commerce from Cairo University, a Master's degree from the Institute of Political Science at the same university in 1954, and a Ph.D. in Economics from the University of Cologne in West Germany in 1959. He was one of the pioneers of Islamic banking and contributed to the establishment of several Islamic banks and financial companies. He served as Deputy Chairman of the International Institute for Savings and Investment in Germany, as an advisor to Nasser Social Bank, and as a professor of Islamic Economics at King Abdulaziz University in Jeddah from 1975 to 1978.

Phase Two: The Second Experiment

(1971–1972)

On September 27, 1971, Egypt issued Law No. 77 of 1971, establishing a public entity named Nasser Social Bank. The law stipulated that the bank would have its own legal identity, headquartered in Cairo, under the Ministry of Treasury, and operate according to the following principles:

- Provide insurance for those not covered by pension laws.
- Support small craftsmen facing the risks of old age, illness, or other hazards.
- Assist citizens by providing interest-free loans.
- Prohibit interest-based transactions (Riba), either in taking or giving.

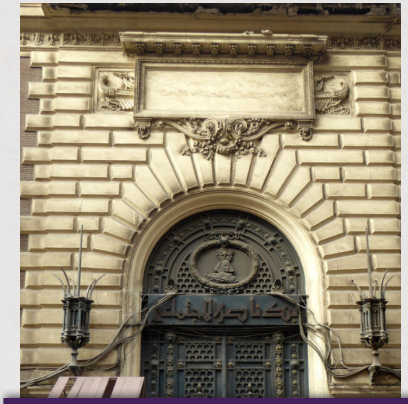
This bank was established to perform banking functions, such as accepting deposits, managing their investments, and providing interest-free loans to those in need. It was also supported by charitable committees across Egypt, including Zakat and voluntary donations. The bank charged a nominal administrative fee of only 1% on these loans, covering the operational costs involved in handling transactions.

In the same year, the Islamic Development Bank (IDB) was established in Jeddah, Saudi Arabia, as an international developmental finance institution open to participation by all Islamic countries. Its founding members included Saudi Arabia, the UAE, Kuwait, Egypt, Pakistan, Algeria, Indonesia, Qatar, Malaysia, Sudan, Turkey, Bangladesh, Morocco, Jordan, Syria, Lebanon, Afghanistan, Chad, Senegal, Mali, and Cameroon. The Islamic dinar, equivalent at the time to 1.25 USD, was adopted as its unit of currency, and the bank officially began operations in 1975.

The objectives of the IDB included promoting trade among member states, investing in the capital of projects and productive institutions within member countries, providing loans for financing projects and programs in the public and private sectors, accepting deposits and attracting funds through means compliant with Islamic law, investing surplus funds with high returns and low costs, and offering training resources for individuals involved in development within member states.



Dubai Islamic Bank - UAE



Nasser Social Bank - Egypt

Phase Three: The Emergence of Islamic Banks

(1975–1979)

During this phase, the concept of Islamic banking became established and well-defined. The first official Islamic bank, Dubai Islamic Bank, was founded in 1975. This was followed by Faisal Islamic Bank of Egypt in Cairo (1977) and Faisal Islamic Bank in Sudan. Kuwait Finance House was also established in 1977, followed by the Jordan Islamic Bank in 1978, Bahrain Islamic Bank in 1979, and Qatar Islamic Bank in 1982.

Phase Four: The Establishment of Supporting Institutions for Islamic Finance

(1990–2002)

During this phase, several supporting institutions for Islamic banks were established, with Bahrain leading the way by hosting many of them. Key institutions founded during this period include:

- Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in 1991,
- General Council for Islamic Banks and Financial Institutions in 2001,
- Liquidity Management Centre in 2002,
- International Islamic Financial Market (IIFM) in 2002.

Additionally, the Islamic Financial Services Board was established in Malaysia in 2002. Bahrain also hosted the Islamic International Rating Agency in 2005, while the International Islamic Center for Reconciliation and Arbitration was founded in the UAE in 2005. The Waqf Fund, under the Central Bank of Bahrain, was established in 2006, among other institutions.





Phase Five: The Expansion Phase of Islamic Banks

(Starting from 2003)

Islamic banks spread rapidly as countries worldwide began granting licenses and facilitating transactions with them. By 2021, the number of active Islamic banks in the Arab world reached 565 banks, with assets amounting to $3.9 trillion.

Phase Six: The Digital Islamic Banking Phase

(From 2021 to Present)

Since 2021, several digital Islamic banks have been established, such as Nomo Bank, affiliated with Boubyan Bank; Tam Bank, affiliated with Kuwait Finance House in 2023; and Ila Bank in Bahrain, which introduced its Islamic finance service (Al-Buraq Account) in 2023, among others.



III:
The Essence and Philosophy of Islamic Banks

An Islamic bank is a financial institution that operates in accordance with Islamic Sharia law in all aspects of financing, banking services, and investment. It is supervised and regulated by the central bank. Additionally, an Islamic bank is committed to Sharia principles across all transactions and products it offers to its clients, including investment deposits, Islamic investment Sukuk, and savings accounts.

Islamic banks meet customers' various financing needs by providing a range of options such as Murabaha, Musharaka, and Ijara. They also offer Islamic alternatives for Guarantees, Letters of credit, and covered cards.

Islamic banks have Sharia supervisory bodies, which include a Fatwa and Sharia Supervisory Board composed of scholars knowledgeable in Sharia, banking, law, and economics. This board issues rulings and Sharia-compliant decisions for all ongoing and new banking transactions. It also oversees the internal Sharia supervisory units, which include a Sharia Compliance Dept. that performs pre-transaction and ongoing reviews, and a Sharia Audit Dept. that reviews banking operations post-execution. Additionally, banks may also be required to obtain an independent opinion from an external Sharia auditor.

The philosophy of Islamic banking is based on several principles, including:

1

Islamic banks strictly comply with Sharia law in all transactions and operations, most notably through the prohibition of Riba(usury/interest), which traditional banks rely on for lending and borrowing activities. Islamic banking fundamentally differs from conventional banking by integrating religious principles with economic transactions, upholding Sharia law in both worship and business dealings.

Money is considered a medium of exchange, a store of value, and a means of fulfilling obligations. It is not treated as a commodity, and its value does not change over time unless tied to trade in goods, under Sharia conditions.

2

3

Islamic banks engage in profit through risk-sharing models, evident in products such as Mudaraba and Musharaka, where risk and profit are shared between the bank and the customer.

Promoting wealth growth through circulation and exchange

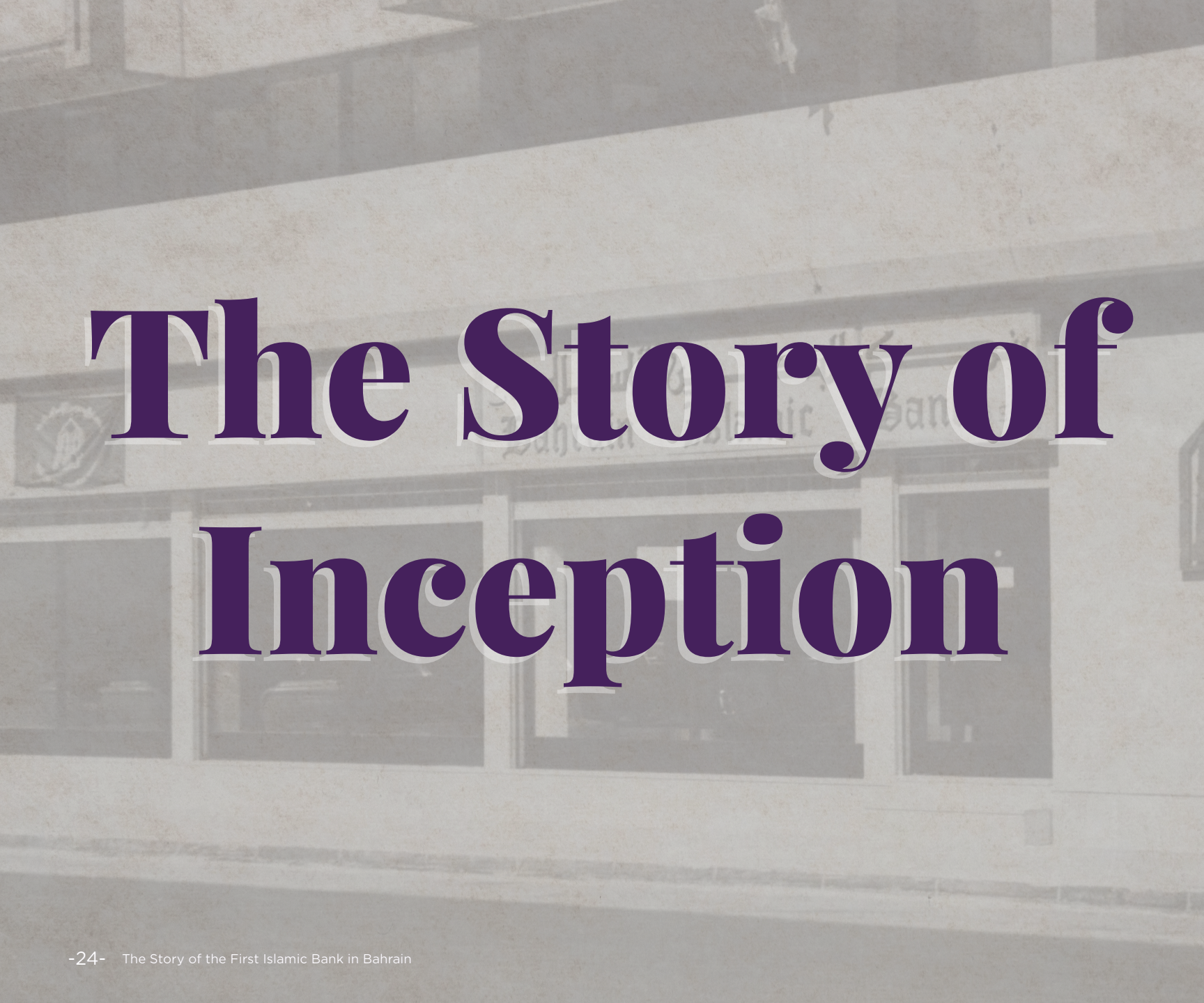
4

5

Customer relationships with Islamic banks differ from those with conventional banks. Islamic banks follow the principle of profit-sharing through Mudaraba and Musharaka.

Human ownership is directed towards developing the earth and preventing corruption within it, as humans are entrusted with the responsibility of building and sustaining it.

6



The Story of Inception

Before We Begin

Anyone following the journey of Bahrain Islamic Bank over the past forty-five years, since its establishment in 1979 as a financial institution operating under Islamic Sharia principles, will appreciate the scale and level of growth and transformation this bank has achieved in Bahrain's Islamic banking sector across various fields and dimensions. Bahrain Islamic Bank was not only a pioneer at its inception but also set an example and became a role model, with leadership being a defining characteristic throughout its history.

In the 1970s, the Islamic financial sector was merely a small drop in the vast ocean of the global economy. At that time, Bahrain Islamic Bank was the first Islamic bank in Bahrain, the third in the Gulf region, and the sixth globally. This early start required the bank to strive, develop, and innovate in Islamic financial products and services, despite limited resources, scarce applications, and few experts. This resilience carried the bank through waves of economic crises, from the recession of the early 1980s, the global financial crisis in 2008, to the recent COVID pandemic (2019-2021), as well as political challenges like the Iran-Iraq War (1980-1988) and the Gulf War (1990-1991), and others.

The Islamic banking sector in Bahrain has continued to grow, surpassing its conventional counterpart, with Islamic banking assets in the retail sector reaching around 54% and 58% for institutions.

Conventional financial services also have a strong presence in Bahrain, bolstered by its central position in the Gulf and substantial support from the government for the banking sector. As a result, numerous financial institutions, whether local, regional, or global, have chosen Bahrain as a launching point for their business. However, many people across the region sought to deal with financial institutions that adhered to the noble principles of Islamic Sharia.

A significant number of influential figures contributed to the establishment of Bahrain Islamic Bank after a series of consultations and meetings, bringing the bank to life despite facing skepticism and doubt.

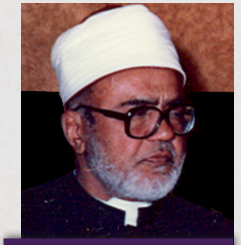
Join us as we explore the story of the bank’s inception and its stages of development.

The Beginning of the Idea

The idea of establishing Islamic banks began to take root in Arab countries with the founding of Dubai Islamic Bank in 1975. News of Islamic banking and Islamic economic concepts began to spread, introducing the revolutionary idea of banks that would operate without interest. This was a notion that many had previously considered almost impossible and unrealistic, as it contradicted prevailing economic theories and the capitalist financial system. The concept of banks operating in lending and financing without calculating interest led many analysts to predict the failure of these new institutions.

Despite the abundance of conventional banks in Bahrain at the time, many people refrained from dealing with them due to their non-compliance with Islamic principles. Out of concern about usury, some preferred to keep their money at home rather than depositing it in banks, while others reluctantly used these banks, avoiding any dealings that would incur interest. When Islamic banks began emerging in other Arab countries, a few pioneering minds in Bahrain were inspired to explore the possibility of establishing an Islamic bank locally.

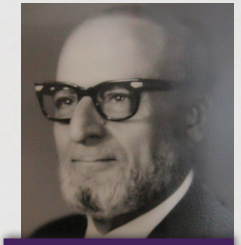
One such visionary was Mr. Abdul Latif Abdul Rahim Janahi (known as Bu Ziyad)[7], one of the few finance and insurance experts drawn to the idea of establishing an Islamic bank in Bahrain. He recounts that his journey began in 1974 in London, where he was studying insurance at the Chartered Insurance Institute. During a walk



Shaikh Mohammed Taieb Al Najjar
(May Allah have mercy on him)



Dr. Zakarya Barri
(May Allah have mercy on him)



Dr. Isa Abduh
(May Allah have mercy on him)



Mr. Abdul Latif Janahi (Bu Ziyad)

(7) Mr. Abdul Latif Janahi (Bu Ziyad) was born on December 31, 1939, and grew up in Al-Hidd, where he completed his elementary education. He later attended Al-Manama Secondary School in Qudaibiya, where he excelled in the scientific track, graduating with very high marks. He then worked as a teacher for eight years before moving to Saudi Arabia in 1967 in search of new opportunities. There, he worked for an English insurance company before returning to Bahrain to accept an offer from Abdulrahman Al Zayani & Sons as the head of the insurance department, a role he held for eight years. Mr. Janahi was a founding member of Bahrain Islamic Bank, where he served as General Manager and Managing Director from its establishment until 2002. He authored five books and 41 research papers on Islamic economics and contributed to the establishment of numerous investment and Islamic insurance companies, including Bahrain Insurance Company (1969) and Bahrain Islamic Insurance Company (Takaful), where he served as chairman. He also played a role in establishing Al Rajhi Islamic Cooperative Insurance and the Islamic Insurance & Reinsurance Company (1985), as well as Gulf Finance and Investment Company (1983). Internationally, he served on the boards of Dubai Islamic Bank (1992-1994) and Islamic Bank Bangladesh (1982-1986).

in Hyde Park, he met a Sudanese man who was a graduate student preparing his thesis on Islamic economics. The man's story resonated deeply with Mr. Janahi, sparking his interest in learning more about Islamic finance and banking.

This interest continued to grow after Mr. Janahi returned to Bahrain. In 1978, he received a call from a colleague who was the chairman of a reinsurance company in Egypt. Seizing the opportunity, Mr. Janahi arranged a visit to Cairo to learn about the Islamic banking experience firsthand. There, he visited Nasser Social Bank and Faisal Islamic Bank, two pioneering institutions in Islamic finance.

Yet, these visits only deepened Mr. Janahi's curiosity. He sought out experts in Islamic economics, particularly Dr. Issa Abdo[8], a distinguished figure who had contributed significantly to the establishment of these banks. Mr. Janahi met Dr. Abdo in Cairo, and they engaged in an in-depth discussion about Islamic banking and economics. Dr. Abdo provided Mr. Janahi with a wealth of resources, surprising him the following day with 70 books on Islamic economics as a gift.

Mr. Janahi's journey of discovery continued as he met with scholars and experts such as Dr. Zakaria Al-Bari[9], a university professor and former Minister of Endowments, and Dr. Muhammad Tayyib Al-Najjar[10], who later became president of Al-Azhar University. After his successful trip to Egypt, Mr. Janahi continued his research, visiting Jordan, where he met Dr. Abdul Hamid Al-Sayeh[11], the Grand Mufti of Jordan at the time, and Dr. Sami Hamoud[12]. He then traveled to Lebanon and Syria to meet with other scholars and thinkers.

Mr. Janahi's exploratory journey also took him to Sudan, where he observed the Islamic banking experience at Faisal Islamic Bank. He then returned to the Gulf, where he witnessed the early days of Dubai Islamic Bank, founded by Mr. Saeed Lootah[13], and learned from its pioneering ideas. His journey culminated in a visit to Kuwait Finance House to meet with its founding members.

---

(8) Dr. Issa Abdo Ibrahim Abdel Malik (1901-1980), born into a Christian family, later embraced Islam and became a pioneer in Islamic economics. He served as a professor of Islamic economics at the Faculty of Sharia and Law at Al-Azhar University and as a professor of Islamic civilization at the Faculty of Economics and Commerce at the University of Libya. He also held teaching positions in business management at Ain Shams University and Cairo University and served as a consultant in various Islamic institutions. He is credited with promoting Islamic banking across the Arab and Islamic worlds through lectures, radio, and TV programs, especially in Kuwait and the Gulf. Dr. Abdo authored numerous books, articles, and studies, including Banks Without Interest, Why Allah Prohibited Usury, The Role of Usury in Exploiting People's Resources, and The Project of Establishing an Islamic Bank. He passed away in Riyadh, Saudi Arabia, on January 9, 1980, and was buried in Al-Baqi Cemetery in Medina.

(9) Dr. Zakaria Al-Bari (1921-1991) was born in Al-Buhayra, Egypt. He studied at Al-Azhar University, earning his degree in Sharia and further qualifications in judicial practice and Arabic. He served as a teacher at Al-Azhar and later became a professor of Sharia at Cairo University, Kuwait University, and Qatar University. Dr. Al-Bari also served as Minister of Endowments under President Anwar Sadat and held roles on the Sharia Supervisory Boards of the International Union of Islamic Banks.

(10) Dr. Muhammad Tayyib Al-Najjar (1916-1991) graduated from the Faculty of Fundamentals of Religion at Al-Azhar University and earned a professorship in Islamic history in 1946. He taught at Al-Azhar, Baghdad University, and Imam Muhammad bin Saud University in Saudi Arabia. He held several prominent roles, including Deputy of Al-Azhar, member of the Islamic Research Academy, and President of Al-Azhar University, as well as being a member of the Arabic Language Academy. Dr. Al-Najjar authored many books and received numerous awards.

(11) Dr. Abdul Hamid Al-Sayeh (1907-2001) was born in Nablus and pursued his studies in Cairo, where he graduated from Al-Azhar University. He returned to Palestine, working as a teacher of Arabic and religion before assuming roles as a judge in Nablus and Chief of the Sharia Court of Appeal. He later moved to Jordan, where he served as Chief of the Sharia Court of Appeal and held the position of Minister of Awqaf and Islamic Affairs twice.

(12) Dr. Sami Hassan Hamoud is the founder of Jordan Islamic Bank in 1978 and is credited with drafting the Murabaha financing contract in his doctoral thesis.

(13) Saeed bin Ahmed bin Nasser bin Obeid Al Lootah (1923-2020) was an Emirati businessman who worked in economics, trade, contracting, and education. He founded the world's first Islamic bank (Dubai Islamic Bank) and the first consumer cooperative society in the UAE and the Gulf region. He also contributed to the establishment of Bahrain Islamic Bank, providing significant support for its growth.

Idea Formation

Following the establishment of one Islamic bank after another and learning from their experiences, the idea of creating an Islamic bank in Bahrain began to crystallize in Mr. Abdul Latif Janahi's mind. Gradually, he shifted away from his previous focus on Islamic insurance to embark on a new journey in a promising field. This was followed by discussions with several prominent figures, and one of the first people he discussed the idea with was Sheikh Abdul Rahman bin Mohammed bin Rashid Al Khalifa[14], then Undersecretary of the Ministry of Justice and Islamic Affairs. Sheikh Abdul Rahman was eager to learn more about Islamic banks, especially with their emergence in neighboring countries, and he did not want Bahrain to lag behind in an area where it was known for leadership, innovation, and pioneering spirit. He discussed the idea with his close friend, Mr. Abdul Latif Janahi, who was then the General Manager of Bahrain Insurance Company,



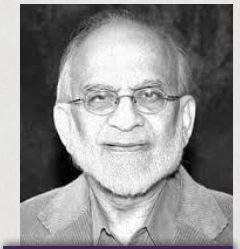
Sheikh Abdullah bin Khalid Al Khalifa
(May Allah have mercy on him)



Sheikh Abdul Rahman bin Mohammed Al Khalifa



Saeed bin Ahmed Lootah
(May Allah have mercy on him)



Dr. Saleh Hassan Hamoud
(May Allah have mercy on him)



Dr. Abdul Hamid Al-Sayeh
(May Allah have mercy on him)

(14) Sheikh Abdul Rahman bin Mohammed Al Khalifa Born in 1942, Sheikh Abdul Rahman graduated from Cairo University in Egypt. He served as the Undersecretary of the Ministry of Justice and Islamic Affairs in the Kingdom of Bahrain, chaired the Al-Hidaya magazine, and held the position of Vice Chairman of the Hajj Board. Appointed as a judge in 1966, he later became Chief Justice of the Court of Cassation, Bahrain's highest court, before being appointed as the Legal Advisor to His Majesty the King. Sheikh Abdul Rahman bin Mohammed bin Rashid Al Khalifa made significant contributions to Bahrain's judiciary system. He has dedicated much of his professional and personal life to promoting and preserving Islamic principles in the kingdom. Currently, he serves as the Chairman of the Supreme Council for Islamic Affairs.



Bahrain Monetary Agency -1982

and both men developed a strong interest in the subject, becoming convinced of the feasibility of establishing an Islamic bank in Bahrain.

Sheikh Abdul Rahman subsequently presented the idea to Sheikh Abdullah bin Khalid Al Khalifa[15], who was the Minister of Justice at the time. Sheikh Abdullah was enthusiastic about the idea and welcomed it wholeheartedly. His support proved instrumental in persuading other officials of the bank's potential.

Rejection of the Idea

by the Bahrain Monetary Authority (Central Bank of Bahrain)[16]

The proposal was sent to the Bahrain Monetary Agency for review and to obtain final licensing approval. After several weeks, Sheikh Abdullah bin Khalid called Mr. Janahi to his office to inform him that the Monetary Agency had rejected the licensing request. The reasons cited were the unsuitability of the idea to the economic reality, the difficulty of implementation, and the high probability of failure. Additionally, the Agency's laws and regulations did not align with this banking model, as it involved trading, buying, selling, and investment through Mudaraba and Musharaka, among other modes.

After consultations, it was agreed that the best way to obtain approval for establishing the bank was through a royal decree issued by the Emir of Bahrain.

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(15) Sheikh Abdullah bin Khalid Al Khalifa (1922–2018) was a pivotal figure in the development of modern Bahrain and was renowned as a scholar, poet, historian, and author, known for his eloquence and oratory skills. His career began in the judiciary, serving as a judge in Bahrain's courts from 1951 until 1956. He continued his judicial work in the Supreme Court of Appeals from 1957 to 1962. In 1954, he established Bahrain's first public library, and in 1962, he was entrusted with establishing Riffa Municipality, where he served as chairman until 1967. He later chaired the Manama Municipality and the first Planning and Coordination Council in 1969. In 1978, Sheikh Abdullah founded the Historical Documents Center, which houses over 70,000 historical documents related to Bahrain. His efforts led to the creation of a library within the center, which is now part of the Isa Cultural Center.| When Bahrain gained independence and formed its first Cabinet in 1971, Sheikh Abdullah joined the government, serving as Minister of Agriculture and Municipalities until 1975. He then served as Minister of Justice and Islamic Affairs, also taking on the portfolio of Minister of Commerce and Agriculture in an acting capacity. Over subsequent governments, he held the position of Minister of Justice and Islamic Affairs, then Minister of Islamic Affairs and Deputy Prime Minister. From 1997 to 2018, he chaired the Supreme Council for Islamic Affairs, which is the primary official body for Islamic institutions in Bahrain. Sheikh Abdullah also led the committee for drafting the National Action Charter and subsequently chaired the committee for drafting the Constitution in 2002.

(16) Bahrain's Monetary Authority In 1964, Bahrain established its Currency Board by Decree No. 6. Later, Decree-Law No. 23 of 1973 led to the creation of the Bahrain Monetary Agency, following a recommendation from the International Monetary Fund (IMF). In 2006, the Central Bank of Bahrain was established as an independent regulatory body with financial and administrative autonomy under Law No. 64.

Meeting with the Emir of Bahrain

With Sheikh Abdullah's mediation, Sheikh Abdul Rahman bin Mohammed Al Khalifa, Mr. Abdul Latif Janahi, and Dr. Abdul Rahman Salem Al-Atiqi[17] from Kuwait visited the late Emir, His Highness Sheikh Isa bin Salman Al Khalifa, may Allah have mercy on him, as well as the late Prime Minister, His Highness Sheikh Khalifa bin Salman Al Khalifa, may Allah have mercy on him. They discussed the idea, its economic feasibility, and the success of Islamic banks in other countries. They expressed confidence in the success of such a bank in Bahrain, given its cultural and religious similarities to Kuwait and the UAE, where people have a deep-rooted connection to Islam. Upon learning that the Monetary Agency had rejected the idea due to its incompatibility with Bahraini regulations, the late Emir saw that an exceptional approval should be granted through a royal decree issued by him. This decision highlighted Sheikh Isa's foresight, as it was the most effective solution for the bank's establishment. Notably, Sheikh Isa was one of the first signatories of the Islamic Banking Support Agreement initiated by King Faisal, may Allah have mercy on him, at the third Islamic conference held in Jeddah in 1972, which led to the founding of the Islamic Development Bank.



Dr. Abdulrahman Salem Al-Atiqi
(May Allah have mercy on him)



Sheikh Khalifa bin Salman Al Khalifa
(May Allah have mercy on him)



Sheikh Isa bin Salman Al Khalifa
(May Allah have mercy on him)

(17) Dr. Abdul Rahman Salem Al-Atiqii (1928–2020) was a Kuwaiti politician, diplomat, and advisor to the Minister of Finance and Oil. He served as Kuwait's Minister of Finance and Oil, was the country's first ambassador to the United States, and also served as its permanent representative to the United Nations. As one of the pioneers of modern Kuwait's development, he played a significant role in establishing the Future Generations Fund and the Kuwait Investment Authority. He contributed to the founding of Kuwait Finance House and the Islamic Guidance Society, which was later renamed the Social Reform Society.

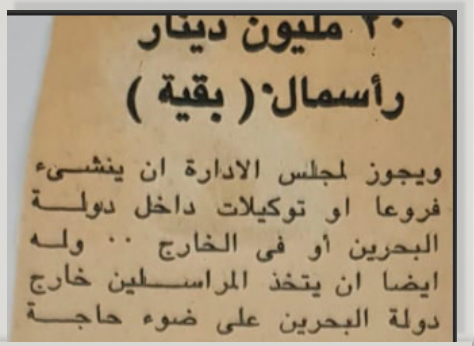
Promoting the Idea

The next step was more challenging, as Mr. Janahi ("Bu Ziyad") recognized the importance of gaining public acceptance for this new idea. He began a series of educational lectures at clubs, councils, schools, university colleges, as well as Masjids, targeting teachers who would pass the concept to students and future generations. He recalls conducting and presenting around 36 lectures to various segments of society. Additionally, Dr. Issa Abdo was invited (who at the time was lecturing at Imam Muhammad bin Saud University in Saudi Arabia and also teaching in Cairo) to visit Bahrain to promote the concept of Islamic banks, explaining the dangers of usury on Islamic societies, and to discuss the mechanisms for establishing an Islamic bank. He was requested to provide a comprehensive proposal on the subject. Dr. Abdo visited Bahrain, bringing with him a detailed plan on how to build an Islamic bank. He visited various councils, Masjids, and associations across Bahrain, delivering educational lectures on Islamic economics and warning of the dangers of usury on Muslim societies.

Discussion on the Mechanism for Establishing an Islamic Bank

In addition to discussing the mechanism for establishing an Islamic bank, Dr. Issa Abdo was asked to provide a complete proposal on the topic. He visited Bahrain with a comprehensive plan on how to establish an Islamic bank. Dr. Abdo traveled around Bahrain, giving educational lectures in various councils, mosques, and organizations, where he discussed Islamic economics, warned against the dangers of usury, and highlighted the importance of conducting financial transactions in accordance with Islamic principles. These lectures had a profound impact, helping to change some prevailing misconceptions about Islamic economics. Many businesspeople had previously believed that trade and economic growth could only be achieved through conventional banks and that banks could not operate without usury, considering it a

necessity in the global system. However, with Allah's blessing, this notion was disproved, as the success of "non-usurious" Islamic banks demonstrated the feasibility of alternative financial models.
Dr. Abdul Latif Al Mahmood, a member of the Sharia Supervisory Board since the bank's founding, recalls that he was keen to attend all of Dr. Issa Abdo's lectures. He benefited greatly from these sessions in understanding and embracing the concept of an Islamic bank, having been invited by Mr. Abdul Latif Janahi to attend these lectures, which began in 1977.


٢٠ مليون دينار
رأسمال (بقية)
ويجوز لمجلس الادارة ان ينشىء
فروعا او توكيلات داخل دولة
البحرين أو فى الخارج .. وله
ايضا ان يتخذ المراسلين خارج
دولة البحرين على ضوء حاجة

Akhbar Al Khaleej Newspaper – "Capital of 20 Million Dinars"


رأى للمناقشة
بنك البحرين الإسلامى
وسياسة القرضية

Akhbar Al Khaleej Newspaper – "Bahrain Islamic Bank and the Lending Policy"

Consultations
with Businessmen and Community Leaders

Following the significant support Janahi received from Sheikh Abdullah and Sheikh Abdul Rahman, the three agreed on the importance of gaining the endorsement of as many merchants, prominent figures, and community leaders as possible to form a supportive public opinion. A campaign to gather and persuade them began, aiming initially to secure at least twenty founding members for the new bank. However, through his efforts, Mr. Janahi successfully convinced sixty individuals.

Sheikh Abdullah bin Khalid recognized the need to hold a meeting with the merchants to reassure them and secure their support. On April 8, 1978, he invited 82 of Bahrain's most prominent families and companies to an introductory meeting about the planned Islamic bank. The support of these attendees was crucial, and the meeting took place on April 9 of the same year in the meeting hall of the temporary Central Municipal Authority building. Present at the meeting were Sheikh Abdul Rahman bin Mohammed Al Khalifa, who was the Undersecretary of the Ministry of Justice and Islamic Affairs at the time, Dr. Diaa Al-Din Saleh, advisor to the Central Municipal Authority, members of the Board of Directors of the Bahrain Chamber of Commerce and Industry, and several religious scholars.

Dr. Issa Abdo also attended the meeting and addressed attendees' questions regarding the bank's operating model. Some of the attendees were initially uneasy, fearing that the Islamic bank might compete with existing commercial banks. However, Sheikh Abdul Rahman reassured them that this bank would not hinder any traditional bank from conducting its usual business. The purpose of establishing the Islamic bank was to provide people with the option to engage in Islamic banking services if they desired, without disrupting other institutions. This was particularly important given that a significant number of citizens had avoided banking altogether, either due to perceived incompatibility with Islamic principles or concerns about the safety of their money. Bahrain Islamic Bank aimed to offer a suitable alternative for this segment of the population.

In the end, the attendees were impressed by the idea and expressed their willingness to participate in the project. They all signed an agreement to establish the bank and became its founding members. The attendees decided to form a committee of eight people to oversee the procedures for establishing the bank, starting weekly meetings the following week, with Sheikh Abdul Rahman as chairman, and the following as


٢٠ مليون دينار رأسمال البنك الإسلامي
٨٢ من رجال المال والاقتصاد والبنوك والأعيان و
تشكيل لجنة للمتابعة من ٨ أعضاء تبدأ أعمالها

Akhbar Al Khaleej Newspaper – "'Capital of 20 Million Dinars"

members: Mr. Mubarak Kanoo, Mr. Mohammed Jalal, Mr. Jassim Al-Saffar, Mr. Othman Ibrahim Al Mahmood, Mr. Khalid Rashid Al Zayani, Mr. Ibrahim Mohammed Zainal, Mr. Abdul Latif Janahi, and Mr. Khalifa Al-Mannai.

One of the committee's key discussions was the proposed Articles of Association for the bank. The bank was to be established as a Bahraini public joint-stock company with limited liability and a capital of 20 million Bahraini dinars, divided into 10 million ordinary nominal shares. The issued capital was set at 5 million dinars, with each share priced at 2 dinars. Shareholders were required to pay 1 dinar per share and an additional 100 fils as subscription fees. The founding members contributed 15% of the capital, and 4.25 million shares were offered to the public. The bank's term was agreed to be 30 Hijri years, starting from the date of the royal decree's publication, with provisions for extension by an extraordinary general assembly decision, subject to the approval of the Minister of Commerce and Agriculture.

The draft stipulated that the bank would conduct all legally authorized activities for investment companies, insurance, and commercial banking, including operations akin to industrial, agricultural, cooperative, real estate, and business banks. It would do so by directly investing the bank's funds or financing clients' projects based on Sharia-compliant contracts such as Mudaraba, Wadia (deposit), and Kafala (guarantee). The bank would also have the right to establish affiliate companies or invest in other institutions and companies whose purposes align with or complement those of the bank.

Widespread support was recorded from numerous prominent Bahraini families and figures. Among these was Sheikh Isa bin Mohammed Al Khalifa[19], who played a significant role in promoting the bank and reassuring citizens through his communication with Dr. Issa Abdo and by liaising with local associations to gain backing for the project.

Prominent families, such as the Kanoo, Al Zayani, and Al Awadhi families, also supported the bank. Sheikh Ali Al Awadhi[20], for instance, transferred all his accounts from HSBC to the new bank, and his sons, Abdulhay and Abdulhamid, as well as the sons of Abdul Razzaq Al Awadhi, who owned several trading agencies, became supporters. Other notable supporters included the Al-Kooheji, Zainal, and Al-Dhahrani families, including Khalifa Al Dhahrani and Hessa Al Dhahrani, among many others.

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(18) The bank's management adopted the Hijri calendar in all its operations and in preparing its financial reports. The General Manager insisted that the bank follow this calendar even if it conflicted with the Monetary Agency's system. This continued until the year 2000, when the Bahrain Monetary Agency issued a directive mandating that financial reports be issued according to the Gregorian calendar.

(19) Sheikh Isa bin Mohammed Al Khalifa (1938–2015) was a Bahraini lawyer, judge, and minister. He began his studies at Al-Hidaya Al-Khalifiya School in Muharraq, then continued at Helwan Secondary School in Egypt, where he completed his secondary education. He studied law at Cairo University, earning a bachelor's degree in law. Sheikh Isa served as the Chief Justice of the High Court of Appeals and was appointed Minister of Justice from 1974 to 1975, followed by a role as Minister of Labor. He also chaired the Al-Islah Society, Ibn Khaldun School, and the Bahrain Bar Association in 1980.

(20) Sheikh Ali Al-Awadhi (1928–2015) studied at the elementary level in Mecca and later taught Sharia at Al-Falah Schools in Mecca and Medina. He established Bahrain Pharmacy in 1945 and was a member of the Islamic Da'wah Organization. Sheikh Ali also contributed to the founding of Islamic banks and Islamic insurance companies in Bahrain.

Official Procedures

The official steps to establish the bank began on October 29, 1978, when the Cabinet, in its session No. 532, ordered the preparation of the bank's Articles of Association. On December 30, 1978, the Ministry of Justice and Islamic Affairs announced that it had received written commitments from banks, Islamic investment companies in neighboring countries, and from institutions and citizens in Bahrain, pledging to contribute 57% of the bank's founding capital. The remaining 43% would be offered to the public through a subscription process.

Then, a series of presentations were made to the higher authorities in the country, led by His Highness Prime Minister Sheikh Khalifa bin Salman Al Khalifa, who was greatly interested in the economic conditions of the country and committed to the project's success. Sheikh Abdullah bin Khalid Al Khalifa, Sheikh Abdul Rahman bin Mohammed Al Khalifa, and Mr. Abdul Latif Janahi visited him.

Subsequently, by royal decree from the late His Highness Sheikh Isa bin Salman Al Khalifa, on 8 Rabi' al-Thani 1399 AH (corresponding to March 7, 1979), Royal Decree No. 2 was issued, granting a license to establish a Bahraini public joint-stock company named "Bahrain Islamic Bank," officially marking its establishment. The decree was published in the Official Gazette, issue No. 1322, dated Tuesday, March 15, 1979.



رئيس اللجنة التنفيذية لبنك البحرين الإسلامي يتحدث عن :

الإجراءات التالية على صدور المرسوم الأميري بإنشاء البنك

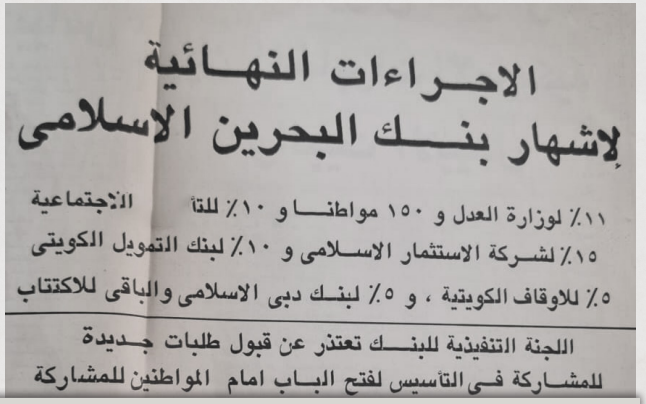
Akhbar Al Khaleej Newspaper – "Procedures Following the Issuance of the Amiri Decree Establishing the Bank

List of Shareholders

The bank's founding list included over sixty individuals representing many prominent business families in the Kingdom of Bahrain, along with six banks and institutions. The interim executive committee formed by the bank's Board of Directors, chaired by Sheikh Abdul Rahman bin Mohammed Al Khalifa, managed the subscription mechanism. The Government of Bahrain, represented by the Ministry of Justice and the Minor Affairs Fund, was also a partner in the bank. Due to the overwhelming interest from individuals, institutions, and banks wishing to be recognized as founding members, the committee had to close the founding period and decline additional applications.

The founders' shares were as follows:

- **Ministry of Justice along with over 100 citizens: 11%**
- **Social Insurance Organization: 11%**
- **Islamic Investment Company: 15%**
- **Ministry of Awqaf, Kuwait: 5%**
- **Kuwait Finance House: 10%**
- **Dubai Islamic Bank: 5%**


الاجراءات النهائية
لإشهار بنك البحرين الاسلامى
١١٪ لوزارة العدل و ١٥٠ مواطنا و ١٠٪ للتأ الاجتماعية
١٥٪ لشركة الاستثمار الاسلامى و ١٠٪ لبنك التمويل الكويتى
٥٪ للاوقاف الكويتية ، و ٥٪ لبنك دبى الاسلامى والباقى للاكتتاب
اللجنة التنفيذية للبنك تعتذر عن قبول طلبات جديدة
للمشاركة فى التأسيس لفتح الباب امام المواطنين للمشاركة

Akhbar Al Khaleej Newspaper – ""Final Procedures for the Official Establishment of Bahrain Islamic Bank"

The total contribution from these founding members amounted to 2.1 million Bahraini dinars.

- Public shareholding in the bank: 43%, which was offered for public subscription. The demand was very high, with shares oversubscribed twice. Public shares were offered on March 25, 1979, with the subscription period lasting for one and a half months. The bank was able to distribute a 6% profit in its first fiscal year (1400 AH) after setting aside reserves, which is unusual in the market, but it was a clear indication of the success of Islamic banking.

List of Founding Entities First: Corporate Entities

- Ministry of Justice and Islamic Affairs (Minor Affairs Fund)
- General Social Insurance Organization
- Ministry of Awqaf and Islamic Affairs (Kuwait)
- Kuwait Finance House
- Kuwaiti Ministry of Justice (Guardianship Affairs Administration)
- Kuwaiti Ministry of Finance
- Dubai Islamic Bank

An extraordinary general assembly meeting was held on October 7, 1979, at the Bahrain Chamber of Commerce and Industry to approve the Islamic Development Bank in Jeddah joining as a founding member with a 15% stake, and to increase the bank's capital from 20 to 23 million Bahraini dinars.

Secondly: Individual Personalties

1. Hussain Ali Yateem
2. Mohammed Saleh Abdul Ghani
3. Salem Abdullah Essa Al Mannai
4. Youssef Abdul Karim Mohammed Al Ali
5. Mohammed Ali Al Hassan
6. Mohammed Abdullah Al Qadi
7. Ali Hussain Yateem
8. Ali Abdul Hameed Mohammed Taib
9. Youssef Abdul Hameed Mohammed Taib
10. Sheikh Hisham Abdul Rahman Mohammed
11. Harith Hassan Haidar Darwish
12. Salem Ahmed Al Mannai
13. Mahmood Mohammed Rafee' Faqihi
14. Sayyed Mohammed Dawood Al Mudaifa
15. Ibrahim Hassan Kamal
16. Jalal Al Meer Qutb Al Deen Al Meer
17. Mubarak Qasim Mohammed Kanoo
18. Abdul Latif Abdul Rahim Janahi
19. Hussain Haidar Darwish
20. Hussain Mohammed Aryan
21. Abdul Rahman Ahmed Naas
22. Ali Hussain Al Bahar
23. Abdullah Ahmed Bin Hindi
24. Abdul Rahman Mohammed Jamshir
25. Othman Ibrahim Al Mahmood
26. Ibrahim Mohammed Ali Zainal
27. Mohammed Sharif Abdul Rahman Zainal
28. Omar Abdul Aziz Al Mahmood
29. Sheikh Ibrahim bin Abdullah bin Khalid
30. Ali Abdullah Karimi
31. Salah Al Deen Abdul Rahman Mohammed
32. Sheikh Ali Ahmed Al Awadhi
33. Ibrahim Mohammed Youssef Haji
34. Ali bin Ahmed Al Rumaihi
35. Jalal bin Ali bin Ibrahim
36. Abdullah and Abdul Wahid Sons of Abdul Rahim Al Koheji
37. Mohammed Youssef Jalal
38. Rashid Abdul Rahman Ibrahim
39. Youssef Ahmed Sayyadi
40. Sheikh Abdul Rahman bin Mohammed Al Khalifa
41. Mohammed Abdullah Hermas
42. Ali and Mahmood Sons of Mahmood Hussain

43. Essa Ahmed Bin Hindi
44. Mohammed Abdul Latif Jassim Kanoo
45. Sheikh Abdullah bin Essa bin Mohammed
46. Sheikh Mohammed bin Essa bin Mohammed
47. Saleh Ibrahim Al Sheikh & Partners
48. Khalil Murtada Dewani & Sons
49. Abdul Latif Khalid Al Awjan
50. Abdul Rahman Suleiman Al Bassam
51. Jassim Mohammed Hussain Baqir
52. Hussain Mohammed Hussain Baqir
53. Abdul Latif Suleiman Al Nasser
54. Abdul Razzaq Mahmood Ibrahim Al Mahmood
55. Mohammed Salman Al Zayani
56. Abdullah Ahmed Naas
57. Mohammed Abdullah Essa Al Mannai
58. Hassan Youssef Al Mannai
59. Essam Ahmed Sheikh Abdullah
60. Nader Ahmed Sheikh Abdullah
61. Louai Ahmed Sheikh Abdullah
62. Zamil Hassan Al Dhabib
63. Jassim Mohammed Al Saffar
64. Khalifa Ahmed Al Dhahrani
65. Mohammed Sheikh Ishaq Abdul Rahman
66. Ahmed Darwish Al Tattan
67. Mohammed bin Abdullah Al Mannai
68. Khalifa bin Abdullah Hamad Al Khalifa
69. Khalifa Abdullah Ahmed Al Mannai
70. Sheikh Salman bin Essa bin Khalifa
71. Abdul Moneim Sheikh Ahmed Al Mahmood
72. Ahmed Youssef Boubshait
73. Shaheen Ali Al Jalahma
74. Youssef Khalil Al Moayed & Sons
75. Sheikh Daij bin Hamad Al Khalifa
76. Abdul Aziz Suleiman Al Bassam
77. Zayed Rashid Al Zayani
78. Mohammed Aref Al Bastaki
79. Khalil Ibrahim Kanoo
80. Mohammed Abdullah Al Zamil
81. Mohammed Saleh Ali Askar
82. Sheikh Essa bin Khalifa bin Salman
83. Abdullah Suleiman Al Bassam
84. Ibrahim bin Hamad Al Khalifa
85. Salah Ali Reza Abbas
86. Ali Reza Abbas Reza
87. Sadiq Taqi Al Haj Bahrani
88. Ahmed Mansour Al Aali
89. Saleh Abdullah Kamashki
90. Mohammed Ali Al Daif
91. Mohammed Mahmood Al Koheji
92. Abdul Jabbar Mahmood Al Koheji & Sons
93. Abdullah Abdul Jabbar Al Koheji
94. Mohammed Hadi Al Heli
95. Abdul Hameed Abdul Jabbar Al Koheji
96. Ali Mohammed Haji Bojiri
97. Abdul Rahman Hassan Taqi
98. Ishaq Abdul Rahman Al Khan
99. Mohammed Youssef Najibi
100. Darwish Ahmed Al Mannai

101. Ibrahim Ishaq Abdul Rahman

102. Rashid Abdul Rahman Al Zayani

103. Khalid Rashid Al Zayani

104. Hamed Rashid Al Zayani

105. Majed Rashid Al Zayani

106. Ali bin Youssef Fakhro

107. Jassim Abdul Rahman Al Zayani

108. Ahmed bin Hassan Ibrahim

109. Ahmed Abdul Rahman Al Zayani

110. Salem Abdullah Al Sharouqi

111. Abdul Kareem Ali Abdul Rahim

112. Al Haj Mohammed Abdullah Jumaa & Sons

113. Mohammed and Abdullah Mulla Hassan Akhoond

114. Ali Abdullah Essa Al Mannai

115. Sameer Qasim Ahmed Fakhro

116. Ali bin Saleh bin Hindi

117. Al Haj Hassan bin Ali Al Aali

118. Essa Ismail Al Nasser

119. Ali Mubarak Al Qaisi

120. Youssef and Mohammed Sons of Abdullah Hashim

121. Ahmed and Essa Al Jalahma



بسم الله الرحمن الرحيم

"قالوا إنما البيع مثل الربا، وأحل الله البيع وحرم الربا" صدق الله العظيم

بنك البحرين الاسلامي

شركة مساهمة بحرينية

تأسس بمرسوم بقانون أميري رقم (٢) الصادر في ٢٣ من المحرم ١٣٩٩هـ الموافق ٢٣ من ديسمبر ١٩٧٨م وحاصل على ترخيص من مصرف البحرين المركزي بتاريخ ٢٠ من مارس ١٩٧٩م ورأسماله المدفوع ٢٠,٠٠٠,٠٠٠ دينار بحريني

إعلان الدعوة للاكتتاب العام في أسهم البنك

يسر بنك البحرين الاسلامي أن يتقدم للجمهور الكريم عند طرح ٤٣٪ من رأسماله للاكتتاب العام، وقد اكتتب الموسسون بما يعادل ٥٧٪ من رأسمال البنك، ويبلغ عدد الأسهم المطروحة للاكتتاب العام ١٥,٠٠٠,٠٠٠ مليون وخمسمائة وخمسين ألف سهم، بقيمة إسمية قدرها ٢٪ دينار للقل سهم يتم منها عند الاكتتاب دينار واحد (١٪ دينار) أي ما يعادل ٥٠٪ من القيمة الاسمية.

مقدار الاكتتاب: يسمح للاكتتاب للجمهور من مواطني البحرين ولأعضاء من جهات أو فرد عشرة أسهم وبحد أقصى قدره ٢٠,٠٠٠,٠٠٠ سهم.

مدة الاكتتاب: يبدأ الاكتتاب اعتباراً من يوم الأحد ٢٦ من ربيع الثاني ١٣٩٩ الموافق ٢٥ من مارس ١٩٧٩ ولمدة شهر ونصف، ويجوز إغلاق باب الاكتتاب بعد شهر واحد إذا تمت تغطية الأسهم المطروحة.

أماكن الاكتتاب:

يجوز الاكتتاب على النماذج المعدة والمتوفرة لدى البنوك التالية:

- المركز الرئيسي لبنك البحرين الوطني وفروعه بالمحرق ومدينة عيسى.
- المركز الرئيسي لبنك البحرين والكويت وفروعه بالمحرق ومدينة عيسى والرفاع الشرقي.
- المركز الرئيسي للبنك الأهلي التجاري.

اللجنة التأسيسية لبنك البحرين الاسلامي



بسم الله الرحمن الرحيم

"قالوا إنما البيع مثل الربا، وأحل الله البيع وحرم الربا" صدق الله العظيم

بنك البحرين الاسلامي

شركة مساهمة بحرينية

تأسس بمرسوم بقانون أميري رقم (٢) الصادر في ٢٣ من المحرم ١٣٩٩هـ الموافق ٢٣ من ديسمبر ١٩٧٨م وحاصل على ترخيص من مصرف البحرين المركزي بتاريخ ٢٠ من مارس ١٩٧٩م ورأسماله المدفوع ٢٠,٠٠٠,٠٠٠ دينار بحريني

إعلان الدعوة للاكتتاب العام في أسهم البنك

يسر بنك البحرين الاسلامي أن يتقدم للجمهور الكريم عند طرح ٤٣٪ من رأسماله للاكتتاب العام، وقد اكتتب الموسسون بما يعادل ٥٧٪ من رأسمال البنك، ويبلغ عدد الأسهم المطروحة للاكتتاب العام ١٥,٠٠٠,٠٠٠ مليون وخمسمائة وخمسين ألف سهم، بقيمة إسمية قدرها ٢٪ دينار للقل سهم يتم منها عند الاكتتاب دينار واحد (١٪ دينار) أي ما يعادل ٥٠٪ من القيمة الاسمية.

مقدار الاكتتاب: يسمح للاكتتاب للجمهور من مواطني البحرين ولأعضاء من جهات أو فرد عشرة أسهم وبحد أقصى قدره ٢٠,٠٠٠,٠٠٠ سهم.

مدة الاكتتاب: يبدأ الاكتتاب اعتباراً من يوم الأحد ٢٦ من ربيع الثاني ١٣٩٩ الموافق ٢٥ من مارس ١٩٧٩ ولمدة شهر ونصف، ويجوز إغلاق باب الاكتتاب بعد شهر واحد إذا تمت تغطية الأسهم المطروحة.

أماكن الاكتتاب: يجوز الاكتتاب على النماذج المعدة والمتوفرة لدى البنوك التالية:

المركز الرئيسي لبنك البحرين الوطني وفروعه بالمحرق ومدينة عيسى.

المركز الرئيسي لبنك البحرين والكويت وفروعه بالمحرق ومدينة عيسى والرفاع الشرقي.

المركز الرئيسي للبنك الأهلي التجاري.

اللجنة التأسيسية لبنك البحرين الاسلامي

Articles of Association and Bylaws

The bank's founding articles were established on Rabi' al-Awwal 18, 1399 AH, corresponding to February 15, 1979, by the following attendees: Mubarak Kanoo, Othman Al Mahmood, Mohammed Jalal, Abdul Latif Janahi, Khalid Rashid Al Zayani, Ibrahim Mohammed Zainal, Khalifa Al Mana'i, and Jassim Al Saffar.

Company Name

Bahrain Islamic Bank, Bahraini Joint Stock Company (B.S.C.)

Purpose of the Company

To engage in all legally approved activities of investment and insurance companies, commercial banking operations, and similar institutions, including industrial, agricultural, cooperative, real estate, and business banks. This may be achieved through the direct investment of company funds or by financing its clients' projects based on Sharia-compliant contracts such as profit-sharing contracts, deposit contracts(Wadia), and Guarantees(Kafala). The company is also authorized to establish affiliate and subsidiary companies and to invest in other entities and companies whose purposes align with or complement those of this company.

The articles include a commitment to adhering to Islamic Sharia in all contracts and transactions related to its activities, specifically prohibiting Riba(usury) in any form—whether explicit, hidden, or ambiguous. The company may seek the guidance of a Sharia Supervisory Committee to ensure compliance.
The bylaws specify that the company was established in accordance with Decree-Law No. 38 of 1975 and the current regulations as a Bahraini Joint Stock Company among shareholders, in addition to restating the company's commitment to Islamic principles.

The bylaws also outline the acceptance of deposits under two categories:

1. Deposits without investment authorization – These take the form of current accounts[21] and savings books common in modern banking systems and are treated as Wadia (deposits) under Islamic guidelines.
2. Deposits with investment authorization – The authorization may be restricted or unrestricted, taking the form of a legally recognized Qirad (Mudaraba) contract.



عقد تاسيس شركة مساهمة بحرينية

في يوم الخميس الثامن عشر من شهر ربيع الاول لعام الف وثلاثمائة وتسعة وتسعين الهجرية ، الموافق الخامس عشر من فبراير لعام الف وتسعمائة وتسعة وتسعين الميلادي ، لدى انا عبدالعزيز يوسف الحميد رئيس الموثقين بمكتب التوثيق بدولة البحرين ، بحضور الشاهدين :

(١) اسماعيل أمين / بحريني الجنسية والمقيم بالبحرين .
(٢) احمد شريف / بحريني الجنسية والمقيم بالبحرين .

الشاهدين الحائزين لجميع الصفات القانونية المطلوبة والمثبتين لشخصية الحاضرين بعد حضر كل من :

١ ـ مبارك كانو / بحريني الجنسية والمقيم بالبحرين . (طرف أول)
٢ ـ عثمان الحمود / بحريني الجنسية والمقيم بالبحرين . (طرف ثان)
٣ ـ محمد جلال / بحريني الجنسية والمقيم بالبحرين . (طرف ثالث)
٤ ـ عبدالطيف جناحي / بحريني الجنسية والمقيم بالبحرين . (طرف رابع)
٥ ـ خالد راشد الزيانى / بحريني الجنسية والمقيم بالبحرين . (طرف خامس)
٦ ـ ابراهيم محمد على زيتل / بحريني الجنسية والمقيم بالبحرين . (طرف سادس)
٧ ـ خليفة العثامى / بحريني الجنسية والمقيم بالبحرين . (طرف سابع)
٨ ـ جاسم الصفار / بحريني الجنسية والمقيم بالبحرين . (طرف ثامن)

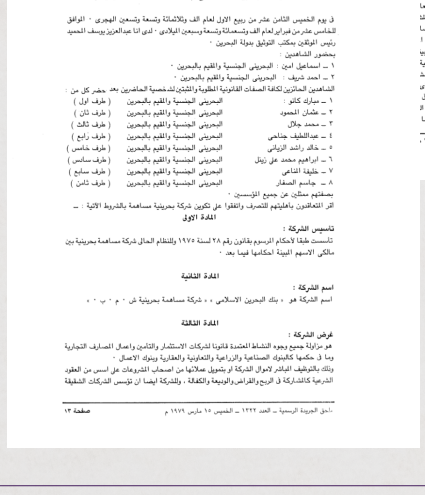
بصفتهم ممثلين عن جميع المؤسسين وكلهم بحدسنه الخمسة وسكنه، ق المحرم، اقر المتعاقدين باهليتهم للتصرف واتفقوا على ان تكون الشركات التجارية واحكام هذا العقد والنظام الا اولا ـ اسم الشركة :

اسم الشركة ، بنك البحرين الاسلامي ، شركة

ثانيا ـ غرض الشركة :

هو مزاولة جميع وجوه النشاط المعتمدة قانونا لنا وما في حكمها كالبنوك الصناعية والزراعية والتعاونية لاموال الشركة او بتمويل عملائها من اصحاب الفا الربح والقراض والوديعة والكفالة . وللشركة ايضا فيرها من الهيئات والشركات القائمة التي تتفق ا سبيل المثال دون الحصر ان تباشر الاعمال التي ١ ـ القيام بجميع الخدمات والعمليات المصرفية ٢ ـ القيام بأعمال الاستثمار مباشرة او بشراء مث ويجوز للشركة ان تكون لها مصلة او ان تشترك باي باعمالها او التي قد تعاونها على تحقيق غرضها في ان تلحقها بها باي حد تقتنيه كالاندماج او ال ٣ ـ قبول الودائع النقدية على اختلاف صورها

ملحق الجريدة الرسمية ـ العدد ١٣٢٢ ـ الخميس ١٥ ،



النظام الاساسي
لشركة بنك البحرين الاسلامي (شركة مساهمة بحرينية)

في يوم الخميس الثامن عشر من ربيع الاول لعام الف وثلاثمائة وتسعة وتسعين الهجرية ، الموافق الخامس عشر من فبراير لعام الف وتسعمائة وتسعة وتسعين الميلادي ، لدى انا عبدالعزيز يوسف الحميد رئيس الموثقين بمكتب التوثيق بدولة البحرين ، بحضور الشاهدين :

١ ـ اسماعيل امين : البحريني الجنسية والمقيم بالبحرين .
٢ ـ احمد شريف : البحريني الجنسية والمقيم بالبحرين .

الشاهدين الحائزين لكافة الصفات القانونية المطلوبة والمثبتين لشخصية الحاضرين بعد حضر كل من :

١ ـ مبارك كانو : البحريني الجنسية والمقيم بالبحرين (طرف اول)
٢ ـ عثمان الحمود : البحريني الجنسية والمقيم بالبحرين (طرف ثان)
٣ ـ محمد جلال : البحريني الجنسية والمقيم بالبحرين (طرف ثالث)
٤ ـ عبدالطيف جناحي : البحريني الجنسية والمقيم بالبحرين (طرف رابع)
٥ ـ خالد راشد الزيانى : البحريني الجنسية والمقيم بالبحرين (طرف خامس)
٦ ـ ابراهيم محمد على زيتل : البحريني الجنسية والمقيم بالبحرين (طرف سادس)
٧ ـ خليفة العثامى : البحريني الجنسية والمقيم بالبحرين (طرف سابع)
٨ ـ جاسم الصفار : البحريني الجنسية والمقيم بالبحرين (طرف ثامن)

بصفتهم ممثلين عن جميع المؤسسين .

اقر المتعاقدون باهليتهم للتصرف واتفقوا على تكوين شركة بحرينية مساهمة بالشروط الآتية : ـ

المادة الاولى

تاسيس الشركة :

تاسست طبقا لاحكام المرسوم بقانون رقم ٢٨ لسنة ١٩٧٥ والنظام الحالي شركة مساهمة بحرينية بين مالكي الاسهم المبينة احكامها فيما بعد .

المادة الثانية

اسم الشركة :

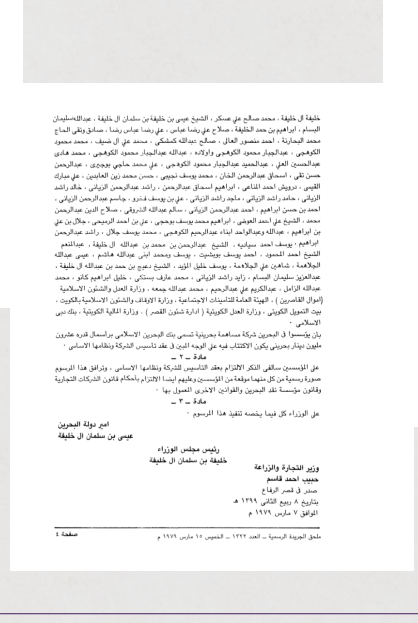
اسم الشركة هو « بنك البحرين الاسلامي » ، شركة مساهمة بحرينية ش . م . ب ( ) .

المادة الثالثة

غرض الشركة :

هو مزاولة جميع وجوه النشاط المعتمدة قانونا لشركات الاستثمار والتأمين واعمال المصارف التجارية وما في حكمها كالبنوك الصناعية والزراعية والتعاونية والعقارية وبنوك الاعمال .

وذلك بالتوظيف المباشر لاموال الشركة او بتمويل عملائها من اصحاب المشروعات على اساس من العقود الشرعية كالمشاركة في الربح والغرامر والوديعة والكفالة . وللشركة ايضا ان تؤسس الشركات الشقيقة



خليفة آل خليفة ، محمد صالح علي عسكر ، الشيخ عيسى بن خليفة بن سلمان آل خليفة ، عبدالله سليمان البسام ، ابراهيم بن حمد الخليفة ، صلاح علي رضا عباس ، علي رضا عباس رضا ، صادق وقلي الحاج محمد البحارنة ، احمد منصور العالي ، صالح عبدالله كمشكي ، سمحد علي آل شيف ، محمد محمود الكوهجي ، عبدالجبار محمود الكوهجي واولاده ، عبدالله عبدالجبار محمود الكوهجي ، محمد هادي عبدالحسين العلي ، عبدالحميد عبدالجبار محمود الكوهجي ، علي محمد ماجي بوجيري ، عبدالرحمن حسن تقي ، اسحاق عبدالرحمن الخان ، محمد يوسف نجيبي ، حسن محمد زين العابدين ، علي مبارك القمي ، درويش احمد الشامي ، ابراهيم اسحاق عبدالرحمن ، راشد عبدالرحمن الزيانى ، خالد راشد الزيانى ، حامد راشد الزيانى ، ماجد راشد الزيانى ، علي بن يوسف فخرو ، جاسم عبدالرحمن الزيانى ، احمد بن حسن ابراهيم ، احمد عبدالرحمن الزيانى ، سالم عبدالله الدرويش ، صلاح الدين عبدالرحمن محمد ، الشيخ علي احمد العوضي ، ابراهيم محمد يوسف يوحنى ، علي بن احمد الرميحي ، جلال بن علي بن ابراهيم ، عبدالله وعبدالواحد آبناء عبدالرحيم الكوهجي ، محمد يوسف جلال ، راشد عبدالرحمن ابراهيم ، يوسف احمد سيمانيه ، الشيخ عبدالرحمن بن محمد بن عبدالله آل خليفة ، عبدالمنعم الشيخ احمد المحمود ، احمد يوسف بوشهري ، يوسف ومحمد آبنى عبدالله هاشم ، عيسى عبدالله الجلاهمة ، شاهين علي الجلاهمة ، يوسف خليل المؤيد ، الشيخ دعيج بن حمد بن عبدالله آل خليفة ، عبدالعزيز سليمان البسام ، زايد راشد الزيانى ، محمد عارف بستكي ، خليل ابراهيم كانو ، محمد عبدالله الزامل ، عبدالكريم علي عبدالرحيم ، محمد عبدالله جمعه ، وزارة العدل والشئون الاسلامية (أموال القاصرين) ، الهيئة العامة للتأمينات الاجتماعية ، وزارة الاوقاف والشئون الاسلامية بالكويت ، بيت التمويل الكويتي ، وزارة العدل الكويتية (ادارة شئون القصر) ، وزارة المالية الكويتية ، بنك بنى الاسلامي .

بان يؤسسوا في البحرين شركة مساهمة بحرينية تسمى بنك البحرين الاسلامي برأسمال قدره عشرين مليون دينار بحريني يكون الاكتتاب فيه عن الوجه التي في عقد تاسيس الشركة ونظامها الاساسي .

مادة ـ ٢

على المؤسسين سالفي الذكر الالتزام بعقد التاسيس للشركة ونظامها الاساسي . ووافق هذا المرسوم صورة رسمية من كل منهما موقعة من المؤسسين وتعليم اينا ! الالتزام بأحكام قانون الشركات التجارية وقانون مؤسسة نقد البحرين والقوانين الاخرى المعمول بها .

مادة ـ ٣

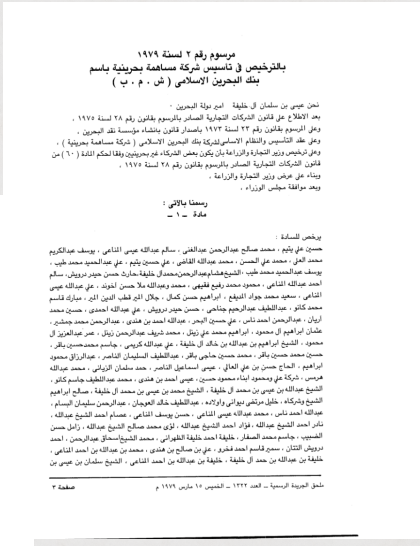
على الوزراء كل فيما يخصه تنفيذ هذا المرسوم .

امير دولة البحرين
عيسى بن سلمان آل خليفة

رئيس مجلس الوزراء
خليفة بن سلمان آل خليفة

وزير التجارة والزراعة
حبيب احمد قاسم

صدر في قصر الرفاع
بتاريخ ٨ ربيع الثاني ١٣٩٩ هـ
الموافق ٧ مارس ١٩٧٩ م



مرسوم رقم ٢ لسنة ١٩٧٩
بالترخيص في تاسيس شركة مساهمة بحرينية باسم
بنك البحرين الاسلامي (ش . م . ب)

نحن عيسى بن سلمان آل خليفة امير دولة البحرين .

بعد الاطلاع على قانون الشركات التجارية الصادر بالمرسوم بقانون رقم ٢٨ لسنة ١٩٧٥ ،

وعلى المرسوم بقانون رقم ٢٣ لسنة ١٩٧٣ بالصادار قانون بانشاء مؤسسة نقد البحرين ،

وعلى عقد التاسيس والنظام الاساسي لشركة بنك البحرين الاسلامي (شركة مساهمة بحرينية) ،

وعلى ترخيص وزير التجارة والزراعة بان يكون بعض الشركاء غير بحرينيين وفقا لحكم المادة (٦٠) من قانون الشركات التجارية الصادر بالرسوم بقانون رقم ٢٨ لسنة ١٩٧٥ ،

وبناء على عرض وزير التجارة والزراعة ،

وبعد موافقة مجلس الوزراء ،

رسمنا بالاتي :

مادة ـ ١ ـ

يرخص للسادة :

حسين علي يتيم ، محمد صالح عبدالرحمن عبدالغني ، سالم عبدالله عيسى المناعي ، يوسف عبدالكريم محمد العفي ، محمد علي الحسن ، محمد عبدالله الفاضي ، علي حسين يتيم ، علي عبدالحميد محمد طيب ، يوسف عبدالحميد محمد طيب ، الشيخ هشام عبدالرحمن محمد آل خليفة ، حارث حسن حيدر درويش ، سالم احمد عبدالله المناعي ، محمود محمد رفيع فقيهي ، محمد وعبدالله ملا حسن لنجوند ، علي عبدالله عيسى المناعي ، سعيد محمد جواد الدمينغ ، ابراهيم حسن كمال ، جلال الدين الدين الدين ، مبارك قاسم محمد كانو ، عبداللطيف عبدالرحيم جناحي ، حسين حيدر درويش ، علي عبدالله احمدى ، حسين محمد ارديان ، عبدالرحمن احمد ناس ، علي حسين البحر ، عبدالله احمد بن هندى ، عبدالرحمن محمد جمشير ، عثمان ابراهيم آل محمود ، ابراهيم محمد علي زيتل ، محمد شريف عبدالرحمن زيتل ، عمر عبدالعزيز آل محمود ، الشيخ ابراهيم بن عبدالله بن خالد آل خليفة ، علي عبدالله كريمي ، جاسم محمد حسين بقر ، حسين محمد حسين بقر ، محمد حسين جاسم بقر ، عبداللطيف السليمان الناصر ، عبدالرزاق محمود ابراهيم ، الحاج حسن بن علي العالي ، عيسى اسماعيل الناصر ، احمد سلمان الزياني ، محمد عبدالله هرمس ، شركة علي ومحمود آبناء محمود حسين ، عيسى احمد بن هندى ، محمد عبداللطيف جاسم كانو ، الشيخ عبدالله بن عيسى بن محمد آل خليفة ، الشيخ محمد بن عيسى بن محمد آل خليفة ، صالح ابراهيم الشيخ وشركاه ، خليل مرتضى ديواني وأولاده ، عبداللطيف خالد العوجان ، عبدالرحمن سليمان البسام ، عبدالله احمد ناس ، محمد عبدالله عيسى المناعي ، حسن يوسف المناعي ، عصام احمد الشيخ عبدالله ، ناصر احمد الشيخ عبدالله ، فؤاد احمد الشيخ عبدالله ، لؤي محمد صالح الشيخ عبدالله ، زامل حسن الشهيب ، جاسم محمد الصفار ، خليفة احمد خليفة الظهراني ، محمد الشيخ اسحاق عبدالرحمن ، احمد درويش التلتان ، سميح قاسم احمد فخرو ، علي بن صالح بن هندى ، محمد بن عبدالله بن احمد المناعي ، خليفة بن عبدالله بن حمد آل خليفة ، خليفة بن عبدالله بن احمد المناعي ، الشيخ سلمان بن عيسى بن

(21) The current account, according to most contemporary scholars, is regarded as a form of qard hasan (non-interest loan), which is also the position taken by the AAOIFI standard. Other types of deposits are classified as mudaraba or qirad, both terms indicating the same purpose. The term mudaraba is commonly used by scholars in Iraq, while qirad is traditionally used by scholars in the Hijaz region.

Role of Other Islamic Banks

Sheikh Abdul Rahman bin Mohammed Al Khalifa, in a statement published on March 8, 1979, in Akhbar Al Khaleej newspaper, mentioned that "Kuwait Finance House, Dubai Islamic Bank, and the Islamic Development Bank have offered to train the employees of Bahrain Islamic Bank on Islamic financial transactions free of charge." These banks also contributed to covering the costs of delegating trainers from outside the country to train the bank's employees. Beyond this, they provided unlimited support for the establishment, funded a portion of the bank's shares, and represented the bank on its Board of Directors.

Mr. Abdul Latif Janahi recalls, "After the establishment of the bank, I invited Prince Mohammed Al Faisal to bring Faisal Islamic Bank to Bahrain. I did the same with Sheikh Saleh Kamel, founder of Dallah Al Baraka Group, who had already established their institutions. Some criticized me for this, claiming it would compete with Bahrain Islamic Bank. However, I believe no one can work alone; there must be competition, which will benefit the people, the market, and Islamic banking as a whole."

Mr. Janahi's vision was realized, as the two banks opened in Bahrain in 1982 and 1984, respectively. They initially focused on corporate banking and business services, and in 1988, Faisal Bank expanded to include retail banking services.

His Eminence Dr. Abdul Latif Al Mahmoud emphasizes the supportive role of other Islamic banks, such as the Islamic Development Bank, along with the role of Dubai Islamic Bank, represented by Mr. Saeed Lootah, and Kuwait Finance House, represented by Sheikh Ahmed Bazie Al Yasin. These figures visited the bank regularly, demonstrating a strong commitment to Sharia compliance and the bank's success, expressing their readiness to provide full support.



Sheikh Ahmed Bazie Al-Yaqout
(May Allah have mercy on him)



Sheikh Saleh Kamel
(May Allah have mercy on him)



Prince Mohammed Al-Faisal
(May Allah have mercy on him)



وكيل وزارة العدل يصرح :

مليونان و١٠٠ ألف دينار أودعها المؤسسون للبنك الإسلامي

أقفل باب التأسيس والفرصة أمام الراغبين في الاكتتاب قريبا

كتب ـ محمد بخيت :

انتهت وزارة العدل والشئون الاسلامية من اعداد الاجراءات النهائية لتأسيس بنك البحرين الإسلامي فقد سدد المؤسسون جميع حصصهم التي تشكل نسبة تمثل ٤٢٪ من رأس المال المخصص وقدره خمسة ملايين دينار بحريني وهذه النسبة موزعة كالتالي ٢ في المائة وزارة العدل والشئون الاجتماعية و ١٠ في المائة لبيت التمويل الكويتي و ٥ في المائة لوزارة الاوقاف والشئون الاسلامية بدولة الكويت و ٥ في المائة لبنك دبي الاسلامي .

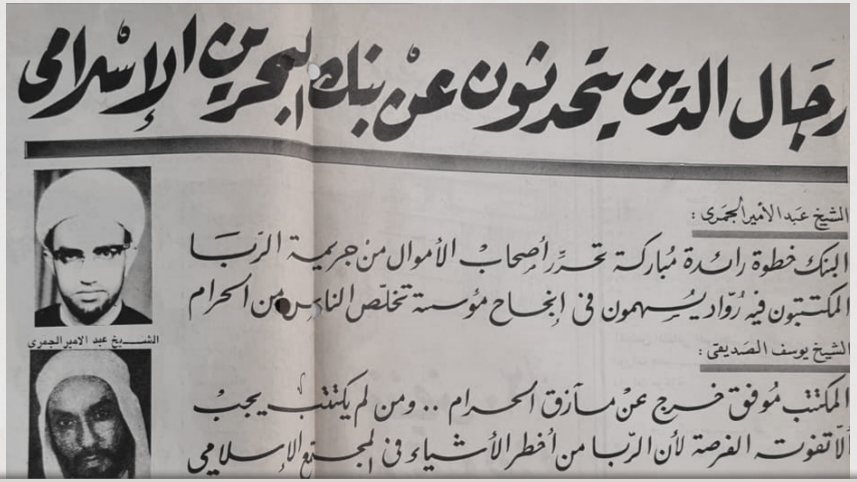
ويبلغ قيمة المبالغ التي اودعها المؤسسون بالبنك ٢ مليون و ١٠٠

البلاد المعظم وسمو رئيس الوزراء وولي العهد على الموافقة والتأييد

Akhbar Al Khaleej Newspaper – Founders' Capital of 1.01 Billion Dinars for the Islamic Bank

Support from Religious Scholars

The reactions of religious scholars from both Sunni and Shia communities were overwhelmingly supportive of the establishment of Bahrain Islamic Bank. The bank's articles of association stipulated the appointment of a Sharia Supervisory Board comprising Bahrain's leading scholars at the time. In a press interview, Sheikh Youssef Al-Siddiqi affirmed the prohibition of Riba (usury), urging citizens to subscribe to and support the bank, stating that those who do not participate would miss a significant opportunity for reward. Likewise, His Eminence Sheikh Abdul Amir Al-Jamri strongly asserted the prohibition of Riba both before and after the bank's establishment, emphasizing that subscribers were helping to shield people from engaging in the forbidden.


رجال الدين يتحدثون عن بنك البحرين الإسلامي

الشيخ عبد الأمير الجمري :

البنك خطوة رائدة مباركة تحرر أصحاب الأموال من جريمة الربا

المكتبون فيه رواد يسهمون في إنجاح مؤسسة تخلص الناس من الحرام

الشيخ يوسف الصديقي :

المكتب موفق خرج عن مأزق الحرام .. ومن لم يكتتب يجب

ألا تفوته الفرصة لأن الربا من أخطر الأشياء في المجتمع الإسلامي

الشيخ عبد الامير الجمري

Akhbar Al Khaleej Newspaper – Religious Scholars Speak about Bahrain Islamic Bank

(22) Sheikh Youssef Al-Siddiqi (1919-2010) served as a member of the Sharia Supervisory Board at Bahrain Islamic Bank from its inception until 2000. He memorized the Qur'an in Bahrain at the age of 9, then studied Islamic jurisprudence in Al-Ahsa, and later attended Al-Azhar University, where he earned his degree. He was appointed as the imam and preacher at Qudaibiya Mosque and served as a Sharia judge in the Sharia Court in 1962. He was also a member of the Islamic Fiqh Academy and the Muslim World League's Council.

(23) Sheikh Abdul Amir Al-Jamri (1937-2003) studied at Al-Budaiya School and began delivering sermons at the age of 17. He moved to Najaf for further studies in 1962 before returning to Bahrain in 1973. He was appointed as a judge at the Jaafari Sharia Court and served as the Vice President of the Islamic Enlightenment Society.

Designing the Bank's Logo


بنك البحرين الإسلامي

مسابقة رسم الشعار

The bank organized a competition to design a logo, announcing the criteria and awards as follows:

- **The logo should be inspired by Islamic Sharia and Bahrain's Islamic heritage.**
- **It should reflect the bank's objectives and purposes.**
- **It should symbolize one of Bahrain's significant landmarks.**

The first prize would be BHD 400, the second prize BHD 250, and the third prize BHD 150. Designs were to be submitted to the Ministry of Justice and Islamic Affairs by March 14, 1979.

The winning design was created by artist and designer Ali Youssef Ibrahim Ahmadi, who crafted the logo to resemble a mosque with two minarets inspired by the Khamis Mosque, topped with a Qur'an, and the bank's name inscribed below the logo.

This logo remained in use until November 2007, when it was updated to reflect a new identity and strategy aligned with financial and technological advancements. The new logo took on a square shape featuring shades of purple, green, and white, incorporating the English abbreviation of the bank's name (BisB) within the square, with two curved lines in light purple and green forming a gateway symbolizing welcome, hospitality, and opportunities. In 2018, yellow was added to the logo.

بنك البحرين الإسلامي ش.م.ب.
Bahrain Islamic Bank B.S.C.

1979

بنك البحرين الإسلامي BisB

2007

بنك البحرين الإسلامي BisB

2018

Official Inauguration Ceremony

Sunday, December 15, 1979 (25 Muharram 1400 AH) was a Landmark Day for the Bank.

On this historic day, the late Emir, Sheikh Isa bin Salman Al Khalifa, accompanied by Prime Minister Sheikh Khalifa bin Salman Al Khalifa and Crown Prince (now His Majesty King Hamad bin Isa Al Khalifa), attended the official opening ceremony at the Central Municipal Building on Government Avenue. The event was graced by numerous ministers and dignitaries from neighboring countries, including Mr. Youssef Jassim Al-Hajji, Kuwait's Minister of Awqaf and Islamic Affairs; Mr. Abdullah Al-Mufarrej, Kuwait's Minister of Justice; Mr. Walid Zaher Al-Hinai, Minister of Awqaf and Islamic Affairs of Oman; Mr. Abdul Rahman Al-Bakr, Minister of Justice, Awqaf, and Islamic Affairs in the UAE; and members of the Union of Islamic Banks and Islamic bank leaders, along with the Bahrain Islamic Bank's Board of Directors.

The celebration began with a recitation from the Holy Qur'an, followed by a speech by Sheikh Abdullah bin Khalid Al Khalifa, who emphasized the prohibition of Riba (usury) and stated that Islamic banks would become pillars of the economic system. He noted that the opening of the bank at the start of a new Hijri century coincided with Bahrain's Independence Day, marking a promising beginning.


أمير البلاد المفدى يفتتح بنك البحرين الإسلامي رسمياً أمس

هذا البنك قام استرشاداً بتوجيهات سمو الأمير وتنفيذاً السياسة الحكومة الرشيدة

قيام البنك يعكس صورة التعاون الصادق بين دول الخليج

Akhbar Al Khaleej Newspaper – His Highness the Amir Officially Inaugurated Bahrain Islamic Bank

Then, Sheikh Abdul Rahman bin Mohammed Al Khalifa gave a speech expressing pride in the bank's establishment and outlining its key offerings, affirming that Riba (usury) was not essential for banking operations. The late Emir then cut the ribbon, officially inaugurating the Bahrain Islamic Bank, and the event was described as a truly Islamic celebration.

It is noteworthy that the bank's founders had delayed the official opening by approximately nine months so it would coincide with the beginning of the new Islamic millennium, 1400 AH. Thus, the bank was ready to embark on its journey in the world of finance, establishing itself as the first Islamic bank in Bahrain, the third Islamic commercial bank in the GCC, and the sixth globally.



Photographs from the Inauguration of Bahrain Islamic Bank – 1979



Facade of the Bahrain Islamic Bank branch in the Manama Souq area



Akhbar Al Khaleej Newspaper - "Today.. His Highness the Emir inaugurates the Bahrain Islamic Bank" (1979)

Board of Directors

The Board of Directors of Bahrain Islamic Bank comprised 12 members, half appointed by institutional founders and the other half representing individual shareholders. The bank held its first General Assembly meeting in the Manama Municipality Hall at 4:30 p.m. on Sunday, June 3, 1979, to elect its Board members. The founding committee supervising the election included Sheikh Abdul Latif Mahmoud Al Mahmoud, Dr. Abdul Latif Kanoo, and Mr. Salem Al-Sharouqi. They oversaw the candidate voting process, tallied the votes, and announced the results as follows:

- **Mr. Abdul Latif Janahi - 1,560,312 votes**
- **Mr. Mubarak Kanoo - 1,536,316 votes**
- **Mr. Ibrahim Zainal - 1,521,118 votes**
- **Mr. Hassan Haidar Darwish - 1,514,178 votes**
- **Mr. Khalid Rashid Al Zayani - 1,512,503 votes**
- **Mr. Othman Al Mahmoud - 1,502,748 votes**
- **Mr. Ali Reza Abbas - 70,141 votes**
- **Mr. Isa Ismail Al Nasser - 23,157 votes**


مجلس إدارة بنك البحرين الإسلامي يقرر
إنشاء شركة للاستثمار الإسلامي في البحرين
رأس المال ٥ مليون دينار وتساهم فيها البنوك الإسلامية بالخليج

Akhbar Al Khaleej Newspaper – Establishment of an Islamic Investment Company in bahrain

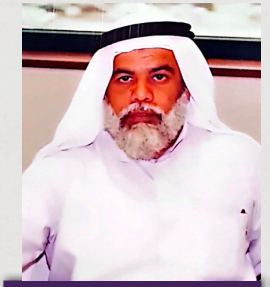
The committee then declared the top six candidates as the elected members.

The bank's first Board meeting was held at 9:00 p.m. on the official opening day, December 15, 1979, where attendees unanimously elected Sheikh Abdul Rahman as the bank's founding chairman and Mr. Abdul Latif Janahi as the founding managing director and general manager of the bank. Sheikh Abdul Munem Al Mahmoud served as the interim meeting secretary and deputy general manager. The Board members were as follows:

1. Sheikh Abdul Rahman bin Mohammed Al Khalifa
   Chairman
2. Khalid bin Rashid Al Zayani
   First Vice Chairman
3. Mr. Mohammed Youssef Al-Roumi
   Second Vice Chairman
4. Mr. Abdul Latif Abdul Rahim Janahi
   Managing Director
5. Mr. Ibrahim Mohammed Zainal
   Deputy Managing Director
6. Mr. Mubarak Jassim Kanoo
   Member
7. Mr. Ibrahim Ahmed Yali
   Member
8. Mr. Hassan Haidar Darwish
   Member
9. Mr. Othman Al Mahmoud
   Member
10. Mr. Youssef Saleh Al Awadhi
    Member
11. Mr. Abdullah Nasser Al Hamlan
    Member
12. Mr. Mohammed Badran Mohammed
    Member

The Board agreed to lease an initial headquarters for the bank and discussed the appointment of a general manager, unanimously selecting Mr. Janahi due to his deep knowledge and belief in the idea of Islamic banking. He resigned from his ten-year career at Bahrain Insurance Company, where he had been highly successful, to start a new journey as the bank's first general manager.

Mr. Ramadan Ali Ramadan , the 21st employee at the bank, was appointed as the Board Secretary. He also served as the Secretary of the Sharia Supervisory Board and all subcommittees of the Board of Directors. Mr. Ramadan mentioned that at one time, he simultaneously served as the secretary for approximately 18 committees.



Mr. Ramadan Ali Ramadan



Mr. Mubarak Jasim Kanoo
(may Allah have mercy on him)



Mr. Khalid bin Rashid
Al Zayani

(24) Ramadan Ali Ramadan was born in 1955 and studied at Al-Hidaya School in Muharraq. He initially worked at the Ministry of Public Works before joining Bahrain Islamic Bank in March 1980, where he worked until his retirement in 2013.

List of Board Members
from Inception to 2005

	Name	Period	Representation	Notes
1	Sheikh Abdul Rahman bin Mohammed Al Khalifa	from 6 June 1979 to 27 October 2001	(Shuun Al-Qassr (Bahrain	
2	Sheikh Saeed Ahmed Lootah	from 6 June 1979 to 4 June 1996	Dubai Islamic Bank	
3	Mr. Mohammed Badran Mohammed	from 6 June 1979 to 23 June 1998	General Organization for Social Insurance	
4	Mr. Youssef Mohammed Saleh Al Awadhi	from 6 June 1979 to 8 February 2009	Kuwaiti Ministry of Awqaf	
5	Mr. Mohammed Youssef Al Roumi	from 6 June 1979 to 6 May 2001	Kuwait Finance House	
6	Mr. Abdullah Nasser Al-Hamlan	from 6 June 1979 to 7 March 1983	(Shuun Al-Qassr (Kuwait	
7	Mr. Khalid Rashid Al-Zayani	from 6 June 1979 to 19 March 2005	Nomination	
8	Mr. Abdul Latif Janahi	from 6 June 1979 to 19 March 2005	Nomination	
9	Mr. Ibrahim Mohammed Zainal	from 6 June 1979 to 27 October 2001	Nomination	
10	Mr. Othman Al Mahmoud	from 6 June 1979 to 13 March 1985	Nomination	Replaced by Mohammed Al-Zamil
11	Mr. Hassan Haidar Darwish	from 6 June 1979 to 28 January 1985	Nomination	Replaced by Ahmed Mansoor Al-Aali
12	Mr. Mubarak Jassim Kanoo	from 6 June 1979 to 18 September 2000	Nomination	

	Name	Period	Representation	Notes
13	Mr. Mohammed Abdullah Al-Zamil	from 15 March 1983 to 19 March 2005	Nomination	
14	Mr. Ahmed Mansoor Al-Aali	from 28 January 1985 to 27 October 2001	Nomination	Replaced Hassan Darwish
15	Mr. Adnan Ahmed Yousuf	from 27 October 2001 to 19 March 2005	Nomination	
16	Mr. Issam Yousif Janahi	from 27 October 2001 to 19 March 2005	Nomination	
17	Dr. Sami Hamoud	from 15 December 1979 to 24 March 1981	Islamic Development Bank	
18	Mr. Ibrahim Ahmed Yali	from 24 March 1981 to 30 March 1993	Islamic Development Bank	
19	Mr. Mohammed Jawad Hassan	from 30 March 1993 to 26 June 1995	Islamic Development Bank	
20	Mr. Jamal Nasser Lootah	from 26 June 1995 to 7 June 1998	Islamic Development Bank	
21	Mr. Mohammed Al-Habib Al-Jaraya	from 8 June 1998 to 12 December 1998	Islamic Development Bank	
22	Mr. Faisal Abdullah Al-Zamil	from 12 December 1998 to 18 September 2000	Islamic Development Bank	
23	Dr. Omar Zuhair Hafiz	from 18 September 2000 to 19 March 2005	Islamic Development Bank	
24	Mr. Khalid Mohammed Habib	from 27 March 2005 to 18 March 2006	Islamic Development Bank	
25	Mr. Mohammed Al-Zuroq Rajab	from 8 March 2006	Islamic Development Bank	
26	Mr. Sameer Hamad Al-Nafisi	from 6 May 2001 to 20 May 2005	Kuwait Finance House	
27	Mr. Sami Badr Al-Janai	from 19 March 2005	International Investment Group	
28	Dr. Ahmed Aqeel Al-Janahi	from 19 March 2005	Gulf Finance House	
29	Mr. Mohammed Abdul Latif Buqais	from 19 March 2005		

Role of the Sharia Supervisory Board

The Sharia Supervisory Board (formerly known as the Sharia Supervisory Committee) began its work even before the bank's opening. Dr. Abdul Latif Al-Mahmoud recalls that "Sheikh Abdul Rahman bin Mohammed bin Rashid Al Khalifa and Mr. Abdul Latif Janahi nominated several scholars for membership in the Sharia Supervisory Committee, following the example set by other Islamic banks. They nominated me as a member of the committee."

The committee met with esteemed scholars, including Sharia judges and specialists in Islamic jurisprudence from both Bahrain and abroad. Dr. Al-Mahmoud adds, "The committee started its official work immediately after the issuance of the Amiri Decree. We initially met at the court building in the Ministry of Justice to review the draft of the bank's articles of association before its formal establishment, with about three meetings. The committee also monitored the investment activities of the funds raised after the initial offering until the bank's official opening. Approximately three months after the public announcement of the bank's establishment, we held another meeting and learned that the bank had started investing some of the funds received from shareholders. We raised concerns about the institution chosen to handle these investments, as it became clear that it did not fully comply with Sharia principles. After several meetings, it was decided that the institution managing these funds should be changed. The administration promptly responded and ceased renewing the contract with the investment entity."

After the bank's official opening, the committee gathered at Mr. Abdul Latif Janahi's residence to celebrate the bank's establishment and discuss its Sharia framework.

Sharia supervision has undergone several phases since the inception of Islamic banking in Bahrain in 1979, with notable changes over time. These phases can be summarized in three stages:

First Phase:

The Ijtihad Stage (1997 - 1979)

During this period, the committee's name was changed to "Sharia Supervisory Board" following the issuance of the AAOIFI Governance Standard No. 1 for Sharia Supervisory Boards in 1997. The bank's articles of association stated, "The company shall adhere to the application of Islamic Sharia in all its contracts and transactions, particularly prohibiting riba in all its forms and names, whether explicit, hidden, or dubious. It may seek the assistance of a Sharia Supervisory Committee to this end."

Notably, the board's decisions were not yet binding, as they are today. However, members regularly met to

discuss Sharia issues, attended general assembly meetings to present the board's report, and addressed any inquiries from attendees. The board sometimes voiced objections and made recommendations to the executive and board of directors. Structurally, the committee held a position nearly equivalent to, or at times surpassing, the bank's board of directors, as it reported directly to the general assembly.
The committee was officially formed alongside the bank's establishment, with the following members appointed:

1. Sheikh Muhammad bin Abdul Latif Al-Saad
2. Sheikh Yusuf Ahmed Al-Siddiqi
3. Sheikh Abdul Amir Mansour Al-Jamri
4. Sheikh Abdul Hussain Al-Asfour
5. Sheikh Abdul Latif Al-Mahmoud

The founders of the bank intentionally formed the Sharia Supervisory Committee with religious scholars from the main schools of thought prevalent in Bahrain (Shafi'i, Maliki, and Ja'fari). The approach of the Sharia committee members was to adopt any opinion that did not conflict with a clear text from the Quran or Sunnah, and was in the interest of the Muslim community, based on the jurisprudential principle that the original ruling on transactions is permissibility. Initially, Mr. Abdul Latif Janahi personally prepared and documented the committee meetings until Mr. Ramadan Ali Ramadan was assigned this responsibility.
After the bank's establishment, the Sharia Supervisory Committee's role included conducting pre-execution reviews of contracts and preparing them, along with some post-execution Sharia audits of the bank's activities. Additionally, it responded to inquiries from employees and management. The committee chairman conducted weekly Sharia audits until a full-time Sharia auditor was appointed in 1983. The committee held most of its meetings monthly at the Supreme Court of Appeals in the Ministry of Justice or in the meeting room of Bahrain Islamic Bank .

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(25) Sheikh Muhammad Abdul Latif Al-Saad (1936-2000) studied at the Religious Institute and then completed his secondary education at Al-Falah School in Mecca through an official scholarship. He pursued higher education at Al-Azhar University's College of Sharia, earning a bachelor's degree, followed by a master's degree from the same university. In 1962, he was appointed to the Sharia judiciary and later joined the Ministry of Islamic Affairs.

(26) Sheikh Abdul Hussein Al-Asfour (1953) served as the Vice Chairman of the Sharia Supervisory Board until 1999. He received the highest educational qualification granted by the Oriental School in Bahrain in 1950 and graduated from religious seminaries in jurisprudence, principles, and language in Najaf in 1965. He founded the Public Library for Islamic Culture, Bahrain's first public library, in 1969. He was awarded the Bahrain Medal of the Second Class by the late Amir Sheikh Isa bin Salman Al Khalifa in October 1999, and the Bahrain Medal of the First Class by His Majesty King Hamad bin Isa Al Khalifa in December 2009.

(27) Sheikh Dr. Abdul Latif Al Mahmood (1946) is a former Associate Professor of Arabic Language and Islamic Studies at the University of Bahrain. He has been a member of the Supreme Council for Islamic Affairs in Bahrain since 2005 and serves as the Chairman of the Sharia Supervisory Board for the Central Bank of Bahrain. Additionally, he is a member of the Sharia Supervisory Board of the Central Bank of Oman and has chaired and served on Sharia boards for several Islamic banks and insurance/reinsurance companies. He earned his Ph.D. in 1985 from the University of Zaytuna in Tunisia, specializing in Sharia and Islamic jurisprudence, and is an expert at the International Islamic Fiqh Academy under the Organization of Islamic Cooperation and a member of various Islamic jurisprudence councils.

Mr. Abdul Razzaq Abdul Khaleq noted that "the decisions of the Sharia Supervisory Committee were very strict at first. However, over time, as a deeper understanding of Islamic financial transactions and their applications developed, the Sharia rulings became more aligned with modern banking practices. The earlier generation of Sharia scholars in Bahrain had not previously engaged with banking institutions, so Bahrain Islamic Bank sometimes sought fatwas from scholars in Egypt and occasionally referred to decisions and fatwas issued by other Sharia boards. Meetings would often involve the General Manager, Head of Central Operations, and Branch Managers to discuss new products. These meetings would extend for long periods, due to the need for detailed explanations of products and services, followed by discussions before obtaining approval.

His Excellency Dr. Abdul Latif Al-Mahmoud noted that at the time, "The committee worked diligently to the best of its ability, benefiting from the experiences of other Islamic banks and the insights of their Sharia boards. The committee saw no issue in the bank consulting external Sharia boards, given the uniqueness of the experience. The committee lacked procedural manuals, work guidelines, or a written methodology. Although Sharia Board decisions were not mandatory at the time, we did not observe any deliberate or explicit violations by the bank's management."

He continued, "During that time, the committee examined various topics and developed independent conclusions. I conducted a number of studies in this field, as my esteemed colleagues were often occupied with their duties. I was keen to contribute as much as possible to the bank, driven by my interest in research. For instance, I was among the first in 1985 to address the nature of companies in which the bank held shares, the principles for profit distribution among shareholders and depositors, and issues related to Zakat whereby we established a set of guidelines on these topics.

In the 1990s, we emphasized the importance of accounting aspects, including the distribution of Mudaraba profits and addressing key Sharia issues, such as the bank receiving discounts in Murabaha sales, financing



Mr. Abdul Razaq Abdul Khaliq

(28) The history and role of the Sharia Supervisory Board can be explored further by reviewing the bank's publication titled "Fatwas of the Sharia Supervisory Board from 1979 to 2014."

construction projects, documentary credit procedures, and the ruling on issuing preferred shares. I presented studies on these topics and emphasized the significance of the Sharia audit function, striving to examine files and transactions as much as possible. This led me to pose questions for the board's review, through which we reached several solutions. My Ph.D. in social insurance aided me in understanding various Islamic financial transactions."

Regarding Mr. Abdul Latif Janahi's role in supporting the Sharia Committee, Dr. Abdul Latif noted that "Bu Ziyad bore a substantial responsibility in managing the bank's operations. He held respected opinions on Islamic banking products and contracts, which were taken into account in discussions within the Islamic jurisprudence assemblies, Albaraka Seminars, and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), among others. He presented several important studies in this area and excelled in discussing proposed Sharia concepts, ensuring they aligned with administrative and financial aspects. His active listening to the Sharia Committee's discussions and employee insights, as well as his direct interactions and commitment to learning from other experiences, greatly assisted him."

Second Phase:
The Standardization Phase (2017–1997)

In 1997, the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued its first standard for appointing a Sharia Supervisory Board. In 1998, the first standard regulating internal Sharia supervision was introduced (Governance Standard No. 3), followed by the internal Sharia supervision standard that same year.

These standards marked a significant transformation in Sharia-compliant operations, as the bank began preparing policies to govern Sharia auditing activities. Dr. Abdul Latif Al Mahmoud recalls, "Many procedures were revised, and we found incorrect practices. In the following year of auditing, violations decreased significantly, placing the bank at the forefront of compliance in Sharia auditing."

During this phase, the scope of the department expanded, with Sharia auditing adopting a professional approach, auditing all bank products, preparing necessary reports and work plans, collecting, cataloging, and updating contracts and decisions, transforming it into a fully integrated and independent department named "Internal Sharia Audit."

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(29) Mr. Abdul Razzaq attended Isa Town Secondary School, and after graduating in 1976, he joined Gulf Air to study aviation for a period. He was later sent to study in London, where he also worked for Standard Chartered Bank. He earned a bachelor's degree from Gulf Polytechnic and a master's degree from Darden University in Virginia, USA. He began his career with the British Standard Chartered Bank before joining Bahrain Islamic Bank in 1981, where he progressed through various positions until he headed the Operations Department before his retirement. He is currently a member of the Sunni Endowment Board of Trustees.

In 1999, the Sharia Board was re-organized whereby Dr. Abdul Latif Al Mahmoud was Chairman, with members Sheikh Muhammad Jafar Al-Jafiri, Sheikh Adnan Al-Qattan, and Sheikh Nizam Yaquby. The Board also issued an internal charter detailing its roles and responsibilities.

In 2002, the Board established an executive committee, consisting of two of its members, including the chairman, to discuss urgent matters, with their decisions presented to the full Board for approval or amendment. In 2007, the position of an executive member of the Sharia Supervisory Board was created to address urgent issues. That same year, a fifth member, Dr. Essam Khalaf Al-Anzi from Kuwait, was added to the Board.

The Board decided to document its rulings and decisions by publishing a book of the bank's fatwas in 2015, encompassing all fatwas and decisions issued from 1979 to 2014.



Photos from a meeting of Sharia Supervisory Board



Photos from a meeting of Sharia Supervisory Board

Second Phase:
The Standardization Phase (2017–1997)

In 2017, the Central Bank of Bahrain issued the first regulatory framework for Sharia supervision (the SG Module), to be implemented in 2018. This framework outlined the duties of Sharia boards and separated the functions of Sharia compliance from Sharia auditing, introducing external Sharia auditing for the first time.

Sharia Supervisory Board Members

Since its inception in 1979 to the present (2024), the Sharia Supervisory Board has included:



- **Sheikh Yusuf Ahmed Al-Siddiqi**

  From 1979 to 2000

  Passed away in 2010



- **Sheikh Muhammad Abdul Latif Al-Saad**

  From 1979 to 1998

  Passed away in 1998



- **Sheikh Abdul Hussein Khalaf Al-Asfour**

  From 1979 to 2000



- **Sheikh Dr. Abdul Latif Mahmoud Al-Mahmoud**

  From 1979 to Present



- **Sheikh Abdul Amir Mansour Al-Jamri**

  From 1979 to 1984
  Passed away in 2003



- **Sheikh Muhammad Mansour Al-Sitri**

  From 1987 to 1996
  Passed away in 1999

(30) Except for the period from October 1980 to 1985, during which he was replaced by Sheikh Ibrahim Al-Mahmoud due to his being abroad for studies.



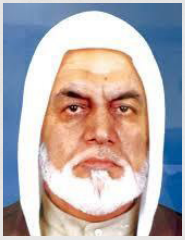
- **Sheikh Adnan Abdullah Al-Qattan**

  From 1999 to Present



- **Sheikh Dr. Essam Khalaf Al-Anzi**

  From 2007 to 2019



- **Sheikh Ibrahim Muhammad Al-Mahmoud**

  From 1981 to 1999
  Passed away in 2015



- **Sheikh Muhammad Jafar Al-Jafiri**

  From 1999 to Present



- **Sheikh Dr. Nizam Muhammad Saleh Yaqoubi**

  From 1999 to Present

The Sharia Supervisory Board played a significant role in producing and reviewing educational publications for both the general public and bank employees. They supervised the publication and printing of various books and informational leaflets, detailed as follows:

Year	Publication Name	Prepared by	Electronic Copies	Paper Copies
1988	**Principles and Applications of Islamic Banking**	Mr. Abdul Latif Janahi	Not Available	Not Available
2006	**Credit Cards**	Dr. Abdul Hameed Al-Bali	Not Available	Not Available
2008	**Board Members' Biography**	Public Relations	Not Available	1000
2010	**Zakat Rulings Booklet**	Dr. Hamad Farooq Al-Sheikh	Available	2000
2012	**Al-Mufeed (Arabic) - 1st Edition**	Dr. Hamad Farooq Al-Sheikh	Available	5000
2013	**Al-Mufeed (English) - 1st Edition**	Dr. Hamad Farooq Al-Sheikh	Not Available	5000
	Board's Fatwas - 1st Edition	Ms. Eman Al-BinGhadeer	Not Available	5000
2014	**Al-Mufeed (Arabic) - 2nd Edition**	Dr. Hamad Farooq Al-Sheikh	Available	2000
	Al-Mufeed (English) - 2nd Edition	Dr. Hamad Farooq Al-Sheikh	Available	2000
2015	**Sharia Guidelines for Bank Products (1st Edition)**	Sharia Supervisory Board	Not Available	1000

Year	Publication Name	Prepared by	Electronic Copies	Paper Copies
2016	**Board's Fatwas - 2nd Edition**	Ms. Eman Al-Bangdeer	Available	2000
2017	**Bank Product Fatwas - 1st Edition**	Dr. Hamad Farooq Al-Sheikh	Available	2000
2018	**Bank Forum Sessions - 1st Edition**	Dr. Hamad Farooq Al-Sheikh	Available	2000
	Bank Forum Sessions - 2nd Edition	Dr. Hamad Farooq Al-Sheikh	Available	2000
2019	**General Queries on Islamic Banks**	Dr. Hamad Farooq Al-Sheikh	Available	1500
2020	**Sharia Guidelines for Bank Products (2nd Edition)**	Dr. Hamad Farooq Al-Sheikh	Available	Not Available
2022	**Bank Product Fatwas (2nd Edition)**	Sharia Coordination and Execution	Available	Not Available
2023	**Board's Fatwas (Part Two)**	Sharia Coordination and Execution	Available	Not Available
	Bank Contract Guidance Manual	Sharia Coordination and Execution	Available	Not Available
2024	**Sharia Guidelines for Bank Products (3rd Edition)**	Sharia Coordination and Execution	Available	Not Available

The Sharia Supervisory Board has issued approximately 2,000 resolutions and fatwas since its inception, along with 1,400 contracts, and has held around 300 meetings with its committees.



Sharia Supervisory Board 1st Edition

Year 2015

Prepared by Sharia Coordination and Execution



Bank Product Fatwas

Year 2000

Prepared by Sharia Coordination and Execution



Al-Mufeed

Year 2012

Prepared by Dr. Hamad Farooq Al-Sheikh



Sharia Supervisory Board 2nd Edition

Year 2015

Prepared by Sharia Coordination and Execution

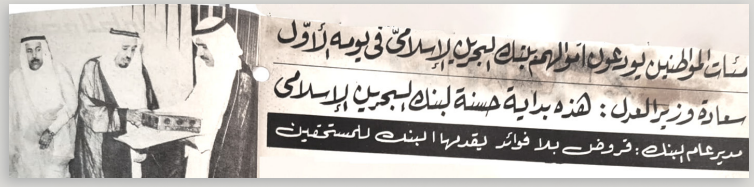


Bank Performance Journey

Opening Doors to Customers

The Bank's Board of Directors decided to rent a modest building in the Bab Al Bahrain area, located in the heart of the Bahraini capital, Manama, directly across from the municipal building. The building was initially empty and without staff, so the bank's administration promptly began furnishing it and selecting qualified, dedicated staff for this pioneering project. Mr. Janahi took on the role of reviewing and selecting job applications. Within just 40 days, the bank was fully prepared to welcome customers and begin operations, having hired only twenty employees. Offices were furnished, signs put up, marketing materials printed, and a fortified room with reinforced concrete and steel was built, containing strong, fire- and theft-resistant safes.

The bank opened its doors to the public for the first time under the auspices of Sheikh Abdullah bin Khalid Al Khalifa, Minister of Justice and Islamic Affairs at the time. A limited number of interested guests attended the opening ceremony. Following the bank's opening on November 22, 1979, citizens flocked to conduct transactions. One report in Akhbar Al Khaleej stated, "People began arriving early in the morning to open accounts and deposit funds, with hundreds of citizens waiting outside before 7 a.m." The report highlighted that such a significant turnout was unprecedented on the opening day of any bank. Sheikh Abdullah bin Khalid Al Khalifa, along with Sheikh Abdul Rahman bin Mohammed Al Khalifa, visited the bank on its opening day to thank citizens for their trust. They toured the bank, met employees, and were joined by board members, Sharia supervisory committee members, and various community and Islamic group leaders. The bank opened 100 new accounts on its first day, with an average of around 60 new accounts being opened daily thereafter.



Akhbar Al Khaleej Newspaper – Hundreds of Citizens Deposit Their Funds at Bahrain Islamic Bank on Its First Day



The Main Branch of Bahrain Islamic Bank

Bank Products

Since its establishment, the bank has offered a wide range of Islamic financial products and services, which include:

First:
Standard Services

These services include deposits, withdrawals, Foreign Exchange, transfers, safe deposit boxes, collections, currency and commodity transactions, as well as dealing in gold and precious metals. These services were available from the bank's inception.

Second:
Financing Services

- **Qard Hasan (Non-interest Loan)**

See the bank's social role for more details.

- **Murabaha for the Purchase Orderer**

Initially introduced as deferred sales contracts in 1980, later becoming known as deferred Murabaha for purchasing cars, homes, and furnishings. Murabaha was also extended to craftsmen for purchasing tools and equipment.

- **Personal Murabaha (Tawarruq):**

Introduced for individuals in 2005 under the product name "Tashil."

- **Credit Cards**

Launched in the late 1990s, initially based on Qard Hasan with a fixed issuance fee, later modified in 2009, and continues to be offered under the Qard Hasan structure.


لأول مرة على مستوى العمل المصرفي بالمملكة

لإسلامي يطرح «الإجارة الموصوفة بالذمة» ويفتتح فرعا للنساء

عبدالرحمن شهاب:
سنقوم بتوزيع أجهزة صراف متكورة وبطاقات تمكن العملاء من السحب بالدولار

يعتزم البنك طرح بطاقة الائتمان مخصوصة تمكنهم من ذلك.

الإجارة الموصوفة بالذمة

من جانبه أوضح مشرف إدارة الرقابة الشرعية الداخلية بالبنك، السيد عبدالناصر عمس أن محمود، مشتحدثا عن الإجارة الموصوفة بالذمة، أن هذه الإجارة تنقسم إلى قسمين عادية (الإجارة المنتهية بالتملك) وتشغيلية، فيما عرف الإجارة الموصوفة بالذمة، بالإجارة التي يكون محلها عينا موصوفة في الذمة، وصفا منضبطا بمنع التنازع، دون تخصيص عين بذاتها، وقال إن البنك سيلتزم وفق هذا التعريف، بشراء من حدده، ثم يقوم بتأجيرها للمستفيد لتنتهي بالتملك، وأن الفرق بين هذا النوع والنوع الذي يتم تحت مسمى الإجارة المنتهية بالتمليك، هو أن العين في هذه الأخيرة موجودة، بينما لا بشترط وجود العين في الإجارة الموصوفة بالذمة.

Akhbar Al Khaleej Newspaper – 2003


بنك البحرين الاسلامي

الى أي مدى نجح في تقديم خدماته من خلال مبدأ المرابحة

Akhbar Al Khaleej Newspaper – 1990

- **Ijarah Products**

a. **Ijarah Muntahia Bittamleek (Lease to Own):** Introduced in the 1990s, this product has been continuously offered and was redesigned with updated contracts and mechanisms in 2007.
b. **Forward Ijarah (Ijarah Mawsoofa fi al-Dhimmah):** Launched in 2003, then reactivated in 2007, although it was discontinued in 2010 due to certain application issues.
c. **Ijarah of Services:** Launched in 2003, then later discontinued.

- **Documentary Credit for Cash and Murabaha Letters of Credit**

Initiated since the bank's inception and remains in use for both domestic and international trade financing.

- **Collection Bills**

Used since the bank's inception, still operational for domestic and international transactions.

- **Diminishing Musharakah**

Introduced around 1982, initially to support customers with construction on owned land. Revitalized in 2007, specifically for real estate financing, and continues to be available.

- **Istisna and Parallel Istisna**

Launched in 2002 for real estate under the BOT (Build-Operate-Transfer) system but was later discontinued. The concept was adopted from Abu Dhabi Islamic Bank for financing weddings, and the bank briefly introduced it for kitchen financing in 2008 before being phased out.

- **International Commodity Murabaha**

Launched in the early 1990s and continues to be available in the bank and corporate sectors.

- **Wakala bil Istithmar (Investment Agency)**

Started in the late 1990s, primarily used in the banking sector and is still active.

Third:
Investment and Savings Services

- **Mudarabah (Qirad):**

Implemented since the bank's inception, this includes:

a. **Savings Accounts**

b. **Fixed-Term Deposits (Wadia)**

c. **Investment Sukuk Deposits:** It was added sometime after the bank's inception. It is an extended investment account lasting for three years. These accounts were invested in the bank's portfolio, which initially contained only Murabaha products.

d. **Targeted Savings Account:** Includes the Children's Education Fund, established in 1988, where 5% of the salary was deducted and invested, allowing withdrawal after a set period with the option for Qard Hasan (non-interest loan). This account was later reactivated in 2008 under the name "Iqra" to fund children's education, and it was later expanded to cover all purposes. This account is still offered.

e. **Al-Shifa' Account for Depositors:** Aimed to provide health-related financial protection for the depositor and their family. A 5% salary deduction was invested, offering Qard Hasan if the depositor or a family member became ill. Withdrawals were restricted for seven years. This service was later discontinued.

f. **Wakala bil Istithmar (Investment Agency):** Initially started in the banking sector in the early 2000s, then expanded to individual and corporate sectors in 2016, and is still offered in the banking sector.

g. **Reverse Murabaha:** Introduced in the banking sector in the early 2000s, expanded to individual and corporate sectors in 2016, and remains in use.


بـجـوائـز تصـل إلـى ٧٥٠ ألـف دولار

«البحرين الإسلامي» يدشن حساب «تجوري» للادخار

تجوري

Akhbar Al Khaleej Newspaper – 2008

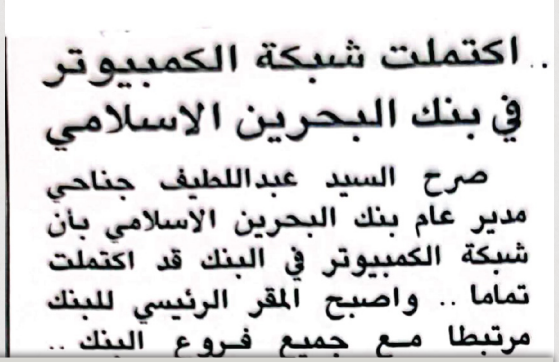

مؤسسة نقد البحرين تقر نظاما جديدا للادخار باسم « صندوق تعليم اطفال المودعين »

النظام تقدم به بنك البحرين الاسلامي وبدأ تنفيذه في اواخر هذا الشهر

Akhbar Al Khaleej Newspaper – 1988

Forth:
Electronic Systems

The bank established a computer network to facilitate various financial services and interbank communication. As branches such as Muharraq and Gudaibiya were opened in the 1980s, there were initial challenges with unifying branch systems, limiting customers to transactions only within their account's home branch. A report in Akhbar Al Khaleej on July 15, 1989, announced that “the computer network at Bahrain Islamic Bank has been completed, linking the main branch with others, allowing customers to transact at any branch.”
For customer accounts and deposits, Mr. Abdul Razzaq Abdul Khaleq notes that the bank “relied on manual records from its inception until it moved to a new headquarters in 1998. Financial entries were recorded manually using the NCR system—a manual ledger system for deposits and withdrawals recorded in green account books given to each customer, while general entries were logged in the general ledger book. The bank introduced ATMs in the mid-1990s, and computer systems were implemented in tandem with the opening of the new headquarters, leveraging ITS technology.”



اكتملت شبكة الكمبيوتر
في بنك البحرين الاسلامي

صرح السيد عبداللطيف جناحي
مدير عام بنك البحرين الاسلامي بان
شبكة الكمبيوتر في البنك قد اكتملت
تماما .. واصبح المقر الرئيسي للبنك
مرتبطا مع جميع فروع البنك ..

Akhbar Al Khaleej Newspaper – 1989

The Customers of the Bank

Mr. Abdul Latif Janahi adopted two simple methodologies:

1. **First Methodology:** Customer Base for Financing. This approach focused on building a customer base centered on ordinary low to middle-income Bahraini citizens, small traders primarily located in the Bab Al Bahrain market area, and small to medium-sized enterprises (SMEs). This strategy relied on the philosophy that "a lot from a little creates plenty," especially given the fierce competition with larger banks. Competing with established banks would be an uncalculated risk for a newly founded institution and would drain resources and energy. In contrast, low to middle-income individuals and small enterprises, although limited in their assets, are deeply rooted in the community. These customers often faced challenges in securing financing from conventional banks, which required property as collateral or high net worth. Consequently, the bank prioritized this segment, with Mr. Janahi recalling that some even referred to the bank as a "small grocery in the world of banking." He took pride in this nickname, valuing it as a compliment rather than an insult. He mentions his passion for supporting low-income individuals, which motivated him to establish a small bank in Bangladesh, one of the poorest countries in the world. This initiative laid the foundation for creating the Family Bank in Bahrain in 2012. The bank also focused on students, viewing them as the future customer base. Mr. Janahi sought permission



احتفال كبير بمرور ١٠ سنوات على انشاء بنك البحرين الاسلامي

٩١٪ من زبائن البنك يؤكدون انه يلتزم بأحكام الشريعة الاسلامية

كتب ـ لطفي نصر

تجرى الان الاستعدادات في بنك البحرين الاسلامي لاقامة احتفال كبير بمناسبة مرور ١٠ سنوات على انشاء البنك .. سيواكب الاحتفال الذي من المؤمل ان يكون خلال شهر ديسمبر القادم ندوة كبرى حول الاقتصاد الاسلامي وانعقاد مجلس اتحاد البنوك الاسلامية على ارض البحرين .

وصرح السيد عبداللطيف جناحي العضو المنتدب والمدير العام للبنك بانه لم يتفق على موعد الاحتفال حتى الان حيث ستعقد فعاليات اسلامية كبيرة أخرى في المنطقة في هذا الوقت .

وقال ان هناك مشاريع تنظيمية جديدة بالبنك . كما تم تقوية جهاز الحاسب الالي اربعة اضعاف لمواجهة الطلب المتزايد على التعامل مع البنك .. كما تم نقل وتطوير فرع المحرق وانشىء به قسم خاص للنساء .. وقال : انه يجرى الان التخطيط لافتتاح الفرع الخامس للبنك .

وقال السيد العضو المنتدب : ان البنك يضع خططه ويبني مشاريعه على ضوء اراء

اراء الزبائن في كل ما يتعلق بالبنك .. وقد شارك في هذا الاستبيان ٥٠٠ زبون وزبونة تم اختيارهم بطريقة عشوائية وكان من ابرز نتائج الاستبيان ما يلي :

● ٦٥٪ من الزبائن يفضلون الحساب الجاري في التعامل مع البنك ، ٧٢٪ التوفير ، والصكوك الاستثمارية ٣٨٪ ، وصندوق تعليم الاطفال المودعين ١٨٪ .

● وحول اقتراحات الزبائن لاستحداث

● عبداللطيف جناحي

Akhbar Al Khaleej Newspaper – 1990



First Day In Bahrain Islamic Bank

from the Minister of Education, Dr. Ali Fakhro, to conduct awareness sessions with students about Islamic banking principles. While the bank was not allowed to promote its name directly, it still held sessions for high school and university students. Mr. Janahi and his team were successful in convincing officials to include Islamic economics as a subject at the University of Bahrain in the late 1980s. Furthermore, the bank organized visits to major companies such as ALBA, BAPCO, and Petrochemicals, introducing Islamic banking services to their employees. As a result, the companies opened salary accounts for their employees at the bank, which in turn offered Murabaha-based financing, enabling employees to purchase vehicles and building materials with repayment deducted from their salaries.


دراسة ميدانية من داخل
بنك البحرين الإسلامي
كان أداء البنك من أعلى المستويات .. وقد حقق نتائج طيبة جداً
Akhbar Al Khaleej Newspaper – 1998

2. **Second Methodology:** Providing Reasonable Returns to Investors The second approach was inspired by the Quranic story of Prophet Yusuf peace be Upon him and the principle of "storing the grain in its ear/spike." Mr. Janahi ensured that the bank distributed reasonable dividends to shareholders, capping them at 10% and retaining the surplus as a reserve for potential crises. Within its first year, the bank introduced its Islamic financing services, starting with deferred sales contracts, later refined into Murabaha contracts on September 27, 1980. These contracts were well-suited to customers' needs for quick and accessible financing. The bank also sought to implement the Musharaka Mutanaqisa product (Diminishing partnership) in an existing property to finance the customer by having the bank acquire a portion of the property and become a partner with the customer in ownership. The customer would then gradually purchase the bank's share, ensuring access to cash without fully mortgaging or risking loss of the entire property. Mr. Abdul Latif notes in his memoirs that he studied this idea, prepared a memorandum, and presented it to the Sharia Supervisory Board, which approved it. This approval served as a basis for its adoption by other Islamic banks, prompting the General Secretariat of the International Islamic Fiqh Academy to present and approve it at the Academy. This was in addition to lease-to-own contracts, diminishing partnerships, cash documentary credits, Murabaha credits, and Mudarabah-based deposit services for savings and fixed-term accounts, among others.

Bank Employees

Mr. Abdul Latif Janahi

The bank started with twenty (20) employees, and Mr. Abdul Latif Janahi personally supervised the interviews and hiring of new employees, alongside the Head of Human Resources at the time, Sheikh Mohammed Ibrahim Al Khalifa. Mr. Ramadan Ali Ramadan recalls, "I was employee number 21. I joined the bank after working at the Ministry of Public Works. I saw the bank's job announcement in the Akhbar Al Khaleej newspaper, interviewed with Mr. Janahi, and was chosen as the Board Secretary. Working hours were from 7 a.m. to about 2 p.m., but I often stayed late into the evening due to the high volume of meetings and workload."

Mr. Abdul Razzaq Abdul Khaleq

Mr. Abdul Razzaq Abdul Khaleq Abdullah was one of the first managers to join the bank after working with Standard Chartered Bank. He recounts his story of joining the bank, "When Mr. Abdul Latif Janahi offered me a position at Bahrain Islamic Bank, I was thrilled. When I informed my manager at Standard Chartered, he asked if I was serious about leaving a well-established international institution to join an unproven venture. I told him I was fully convinced by the idea and principles of Islamic banking and would work at Bahrain Islamic Bank for three months to understand its operations and services. If things didn't work out, I'd return to my previous position at Standard Chartered."

He continues, "When I first met Mr. Abdul Latif Janahi, he asked me a question: 'Do you want to work with us to achieve success? That's all I need to hear from you because I sensed you have the keys to success.' That's how I joined the bank, despite the salary being about 150 BHD less than my previous job. I spent 35 years with the bank, retiring in 2014 after a fulfilling career in which I contributed greatly to the bank's growth."

The bank was committed to hiring competent employees with good reputations and Islamic conduct, both within and outside the bank. As Mr. Abdul Razzaq mentions, part of an employee's annual evaluation included their attendance at the bank's prayer room.


البنك الاسلامى يزاول كل الاعمال المصرفية فى النصف الثانى
من نوفمبر ويخطط لتحريك الركود الذى اصاب بعض المشاريع

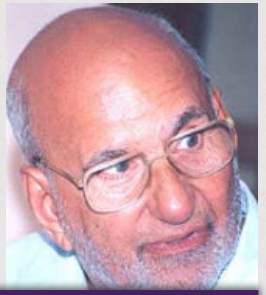
Akhbar Al Khaleej Newspaper – 1979


المدير العام لبنك البحرين الاسلامي :
لا نريد مديرين في العمل وإنما قادة .. لديهم مساحة كبيرة من الأبوة
الصفة الايمانية مطلوبة في أي قائد إداري ولكنها مطلوبة أكثر في المؤسسات المالية الاسلامية

Akhbar Al Khaleej Newspaper – 1995

Employment and Training

Awareness and Education



Dr. Jamal Al Deen Attia
(May Allah have mercy on him)



Dr. Hussein Hamid Hassan
(May Allah have mercy on him)

The General Manager, Mr. Abdul Latif Janahi, played a significant role in promoting awareness among bank employees. He held regular meetings to monitor their training and educate them, guiding them on the correct Islamic principles in dealings and conduct. He also held regular lessons in the bank's prayer room. Similarly, employees like Mr. Ramadan Ali engaged with the public, answering Masjid-goers' questions about the bank's operations. The Sharia Committee also actively responded to employee inquiries and discussed Sharia-related issues with them through scheduled meetings and on-site visits by committee members to the bank.

The bank's commitment to employee training began even before its official establishment. Some employees were sent to train at the Islamic Development Bank in Jeddah, Dubai Islamic Bank, and Kuwait Finance House for a period of 45 days during the bank's founding phase.

Expert Assignments

The bank also brought in Islamic finance experts to train its employees, including Dr. Hussein Hamid Hassan , a lecturer at Saudi universities and a member of the Sharia Supervisory Committee at the Union of Islamic Banks,

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(31) Dr. Hussein Hamid Hassan (1932-2020) was a professor of Islamic economics, a member of the International Union of Muslim Scholars, an executive member of the Islamic World Congress, a member of the European Council for Fatwa and Research, and a member of the Egyptian Constituent Assembly in 2012. He earned a Bachelor's degree in Law and Economics from the Faculty of Law at Cairo University in 1959, a Bachelor's in Sharia from the Faculty of Sharia at Al-Azhar University in 1960, a Master's degree in Islamic Sharia from the Faculty of Law at Cairo University in 1960, a Master's in Civil Law from the Faculty of Law at Cairo University in 1961, and a Ph.D. in Fiqh (Islamic jurisprudence) and Usul al-Fiqh (principles of Islamic jurisprudence) from the Faculty of Sharia at Al-Azhar University in 1965. He authored numerous works on economics and other subjects and served on the Sharia boards of various Islamic banks and financial institutions.

(32) Born in Sudan to Egyptian parents, Dr. Abu Saud attended King Fouad University (now Cairo University) in the College of Commerce and graduated in 1938. During his university years, he was instrumental in founding the Islamic Economic and Political Research Association in December 1938, in collaboration with some of his colleagues. He is credited with planting the seed for Islamic banking in the Arab world. Dr. Abu Saud earned a Ph.D. in Economics from the London School of Economics, after which he began teaching. He later became an advisor to the Arab League, and he held several positions aimed at developing banking systems in Afghanistan, Egypt, Libya, Malaysia, Pakistan, and Kuwait. Dr. Abu Saud was a prolific writer, contributing to many journals and excelling in Islamic economics. He authored several influential books, including Main Principles of Islamic Economics, Contemporary Jurisprudence of Zakat (published in Kuwait), and Landmarks of Islamic Economics. He also worked as an advisor to the Ministry of Economy and the Central Bank of Libya. After leaving Libya, he resided in the Gulf states before moving to Britain, and later settled in the United States, where he taught economics at the University of Missouri and other American universities. He also chaired the American Islamic Council from its founding in 1990.

(33) Jamal Al-Din Atiyah (1928-2017): He studied law at the Faculty of Law at "Fuad I University" (now Cairo University), graduating in 1948. Seeking further specialization in Islamic jurisprudence, he obtained a Diploma in Sharia from the Faculty of Law in 1950. After graduating, he traveled to Kuwait, then to Switzerland, where he earned a doctorate from the University of Geneva in 1960. Upon returning to Kuwait, he practiced law and later joined the faculty of Sharia, Law, and Islamic Studies at Qatar University. He served as the Secretary of the Islamic Jurisprudence Encyclopedia at the Ministry of Awqaf in Kuwait, editor-in-chief of The Contemporary Muslim journal, CEO of the International Islamic Bank in Luxembourg (currently known as the Global Islamic Finance House), and as a legal and Sharia consultant for financial and banking transactions through a private office in Luxembourg. He also held an academic advisory position at the International Institute of Islamic Thought in Washington. Dr. Atiyah participated in the preparatory committee for Kuwait Finance House in 1974 (1394 AH) and engaged practically in this field by traveling to Luxembourg to establish an institution along these lines. He and others later obtained a license in Denmark to establish the first Islamic bank there. Dr. Atiyah wrote extensively about Islamic banks, contributing to the Book of the Nation series, as well as numerous articles published in The Contemporary Muslim and other specialized journals in Saudi Arabia.

and Dr. Ahmed Al-Najjar, the Secretary-General Union of Islamic Banks, Dr. Mahmoud Abu Saud , known as the 'Father of Islamic Economics,' Dr. Jamal Al-Din Atiyah , and others.
Training sessions continued regularly, with internal meetings held at the bank to strengthen Sharia and banking awareness. Many of these sessions were led by Professor Abdul Latif Janahi, and sometimes members of the Sharia Supervisory Board took on this role.



مركز الاقتصاد الاسلامي بالقاهرة ينظم دورة خاصة للعاملين ببنك البحرين الاسلامي

مجموعة من كبار أساتذة الاقتصاد الاسلامي يحاضرون في البرنامج ١٢ يناير

ايمانا من ادارة بنك البحرين الاسلامي بتطوير الكفاءات العاملة بالبنك اتفقت ادارة البنك مع مركز الاقتصاد الاسلامي ، بالقاهرة ، على اقامة دورة تدريبية خاصة لجميع موظفي بنك البحرين الاسلامي في الفترة ما بين ١٢ - ١٧ يناير القادم وستكون الدورة تحت اسم «التسويق وفن بيع الخدمات المصرفية الاسلامية» .

وصرح الاستاذ عبداللطيف جناحي العضو المنتدب والمدير العام لبنك البحرين الاسلامي ان هذا البرنامج يهدف الى تزويد المشاركين بالمعارف التالية :

* الاطار الاقتصادي والشرعي للخدمات المصرفية بمفهومها الشامل .
* الأصول العلمية والعملية للتسويق المصرفي .
* الخصائص المميزة لصيغ العمل في البنوك الاسلامية (الاستثمار ، الخدمات

* تنمية مهارات العاملين في رسم واعداد خطة التسويق للبنك .

ومن بين الموضوعات التي يناقشها البرنامج :

* الاقتصاد الاسلامي وخصائص البنوك الاسلامية ويتفرع الى :

الاسلام عقيدة وشريعة ، وحول جوهر النظام الاقتصادي الاسلامي ، وسلوكيات العمل في البنك الاسلامي ، وصيغ الاستثمار

Akhbar Al Khaleej Newspaper – 1990



Coverage of a lecture at the University of Bahrain- 1997

Human Resources Management

At first, the Human Resources department faced challenges in recruiting and training staff to perform investment, financing, and service provision according to Islamic principles. Some completed the training, while others left, claiming that banks do not operate in this way, noting that at that time, the bank did not have a currency trading room, among other things. They questioned how profits would be generated and liquidity maintained.

Treasury and Investment Department

The treasury team bore a significant responsibility, as Kuwait International Bank and Dubai Islamic Bank became major supporters of Bahrain Islamic Bank. The relationship with these institutions deepened as Bahrain Islamic Bank deposited its excess liquidity with them, and in return, the two institutions offered interest-free loans to the bank's benefit.
The bank then needed to establish relationships with institutions such as American Express, Standard Chartered, and other financial entities in Europe, which it succeeded in doing. Among the first transactions were with Manufacturers Hanover, American Express Bank, and Dresdner Bank in Frankfurt, Germany.

Training Courses

Employees of the bank participated in a special course in Egypt specifically for Bahrain Islamic Bank staff in 1990, organized by the Islamic Economics Center in Cairo. In the same year, Egypt's Grand Mufti, Sheikh Mohammed Sayyid Tantawi, visited Bahrain, where he toured Bahrain Islamic Bank, learned about its main activities, and commended its efforts.

Banking Symposium

The bank organized one of the largest Islamic banking symposiums titled "Financial Markets" on November 27, 1991, to mark its 10th anniversary. Held under the patronage of Minister of Justice Sheikh Abdullah Khalid Al Khalifa at the Sheraton Hotel, the event was in collaboration with the Islamic Fiqh Academy of the Organization of Islamic Cooperation and the Islamic Research and Training Institute of the Islamic Development Bank. Around 47 Islamic economists and scholars participated, including Dr. Bakr Abu Zayd, President of the Islamic Fiqh Academy; Sheikh Mukhtar Salami, Mufti of Tunisia; Dr. Al-Sadiq Al-Dareer, a professor at the University of Khartoum; Sheikh Dr. Abdul Sattar Abu Ghuddah, a member of the Fiqh Encyclopedia and Kuwait Finance House; Dr. Munzer Kahf; Dr. Yusuf Al-Qaradawi; Dr. Ali Al-Salous; and several other experts. The symposium discussed important topics such as commodities, stocks, options, credit cards, and the establishment of joint-stock companies.



Financial Markets Symposium- 1991



وزير العدل يفتتح ندوة الأسواق المالية اليوم

عدد كبير من علماء الاسلام يشاركون بالندوة

يفتتح الشيخ عبدالله بن خالد آل خليفة وزير العدل والشئون الاسلامية في التاسعة من صباح اليوم بقاعة الجسرة بفندق الشيراتون اكبر تجمع اقتصادي اسلامي يناقش قضايا الأسهم والسلع وبطاقات الائتمان من خلال ندوة الأسواق المالية التي سوف تستمر حتى السابع والعشرين من هذا الشهر.

يتحدث في جلسة افتتاح هذه الندوة التي يشارك فيها ٤٧ من العلماء واساتذة الاقتصاد الاسلامي والشريعة وتقام بمناسبة مرور عشر سنوات على تاسيس بنك البحرين الاسلامي - وزير العدل والشيخ عبدالرحمن بن محمد بن راشد آل خليفة رئيس مجلس ادارة البنك حيث يلقي كلمة

الاسلامي الذي يشارك في تنظيم هذه الندوة والدكتور منذر قحف سيلقي كلمة المعهد الاسلامي للبحوث

ومن ابرز المنتدين في هذه الندوة السيد عبداللطيف جناحي المدير العام والعضو المنتدب لبنك البحرين الاسلامي والدكتور يوسف القرضاوي والدكتور علي احمد

Akhbar Al Khaleej Newspaper – 1991

Impact Assessment

To evaluate and monitor its impact in the market and understand customer needs, the bank conducted a survey of nearly 500 of its clients. The survey revealed that 91% chose the bank for religious reasons, and 56% stated that the bank met all their needs. This feedback reflected a stable and satisfactory position for the bank among the public. Consequently, the bank's management was motivated to enhance its services further to meet any identified needs.

On January 15, 1992, the bank held a grand celebration to mark its 10th anniversary, under the patronage of Sheikh Abdul Rahman bin Mohammed Al Khalifa. Fifty employees who had served at the bank for ten years were honored.

Training Center

To elevate its training to a new level of professionalism, the bank established an internal training center focused on Islamic banking practices. The center, inaugurated in 1994, has a capacity of 60 seats and is open to all Islamic banks. It also includes a library accessible to all students and researchers. These efforts bore fruit, as the bank proudly reported in 1995 that 100% of its management positions were held by Bahrainis. The bank also organized numerous internal meetings and Sharia-oriented seminars, hosted annually by members and managers of the Sharia Supervisory Board, to enhance the Sharia knowledge of its employees.



أول مركز تدريب على الأساليب والفنون المصرفية الاسلامية يفتتح في البحرين قريبا

المركز يتبع بنك البحرين الاسلامي ويقبل أساتذة ومتدربين من داخل البحرين وخارجها

صرح الاستاذ عبداللطيف جناحي العضو المنتدب المدير العام لبنك البحرين الاسلامي انه تقرر وبصفة نهائية انشاء مركز للتدريب على اساليب وعلوم الاقتصاد الاسلامي والمصارف الاسلامية سيطلق عليه « مركز تدريب العاملين في بنك البحرين الاسلامي » ..وقال : ان المركز سيفتتح قريبا ببناية البنك على شارع القصر القديم بالقضيبية .. ويتسع المركز لتدريب ٦٠ مصرفيا في وقت واحد وسيقبل العاملين في بنك البحرين الاسلامي في البداية وبعد ذلك سيتم قبول العاملين بالمصارف الاسلامية الاخرى .

وقال الاستاذ عبداللطيف انه ضمن الاستراتيجية الموضوعة للمركز سيتم قبول محاضرين ومتدربين من المؤسسات الاسلامية داخل البحرين وخارجها .

وقال : ان هدف المركز بالدرجة الاولى هو اعداد اخصائيين وقادة في مجال العمل المصرفي الاسلامي .. وقد صدرت مجموعة من الكتب والدراسات لا باس بها معظمها عن بنك البحرين الاسلامي ومديره العام

بالمركز سيتم من خلال التركيز على العمل المصرفي الاسلامي الى جانب المهارات المصرفية الاخرى .

وقال الاستاذ عبداللطيف جناحي : ان هذا المركز هو الأول من نوعه في المنطقة تقريبا .. وستلحق بالمركز مكتبة متخصصة في مجال العمل المصرفي بصفة عامة والاقتصاد الاسلامي بصفة خاصة وكذلك حول الفنون والمهارات المصرفية .. والكتب

الشيخ عبدالرحمن بن محمد ال خليفة ●

Akhbar Al Khaleej Newspaper – 1994



اليوم.. الاحتفال بمرور أكثر من ١٠ سنوات على إنشاء بنك البحرين الإسلامي

دلالات الاحتفال أعمق بكثير من الذكرى العاشرة أو تكريم المؤسس

قالوا استهلها تجربة بنك إسلامي.. فأصبح بالبحرين ١١ مؤسسة وتجارة إسلامية

حاولوا تثبيط من ساعوا للعمل بالبنك فصمدوا وكانوا شركاء أساسيين في النجاح

Akhbar Al Khaleej Newspaper – 1993

Enhancing Employee Knowledge

The bank consistently sponsored its employees to study at the University of Bahrain. During the General Assembly meeting on June 20, 1999, it was noted that 12 employees had received scholarships. The bank also provided training at the Bahrain Institute of Banking and Finance, ensuring its employees obtained the best professional certifications. This contributed to improved bank services, with Bahrain Islamic Bank employees becoming highly sought after by other banks.

Academic Seminars

After a long pause from hosting seminars and conferences, the bank held its first seminar targeted at preachers, imams, and Sharia specialists to introduce Islamic financial products. The seminar, held on May 13, 2017, at the Diplomat Hotel, featured discussions on the foundations of Islamic financial products and the differences from conventional banking products. Attended by Sharia board members and a large number of Masjid imams and Friday preachers, it was organized in collaboration with the Sunni and Jaafari Endowment Directorates. Over 100 imams and preachers attended and received copies of the bank's publications and

The bank hosted its second seminar on April 3–4, 2018, aimed at lawyers, judges, and legal professionals. The event gathered Sharia and legal experts from Bahrain and beyond, as well as members of the Bahraini Parliament, Shura Council, the Fatwa and Legislative Authority, and other institutions. The goal was to address the issue of reclassification of Islamic banks' contracts by the Bahraini judiciary as sales rather than leases. These seminars led to recommendations that helped enact Law No. 14 of 2020, which stipulated that Islamic financial transactions must comply with Sharia standards issued by the Central Bank of Bahrain. The Central Bank issued Resolution No. 18 the same year, endorsing AAOIFI standards as a judicial reference, removing a longstanding challenge for Islamic banking operations. Bahrain thus became the first country to legally and judicially adopt Sharia standards.

The Bank held its third academic forum on 19 November 2024, dedicated to academics and students from local universities. The forum was attended by a broad audience of students and faculty members from universities both inside and outside the Kingdom. It was held under the title:

"Islamic Finance between Academic Frameworks and Practical Applications."

The forum addressed a number of scholarly themes, including: the evaluation of Islamic finance curricula and specializations in universities and institutes, and the extent of their alignment with the practical aspects of Islamic banking; their relevance to the realities of the local market; an overview of the juristic heritage



First Seminar - 2017



Second Seminar - 2018



Third Seminar - 2024

across past and contemporary eras; the most significant scholarly efforts in the field of Islamic financial jurisprudence; and the extent of the need for the development and renewal of Islamic financial jurisprudence. The forum also featured the presentation of two awards. The first award was allocated to the best project or academic research, with the winner receiving a scholarship for postgraduate studies in Islamic finance. The second award was granted to a nominee for one year of training with the Sharia Supervisory Board, with the aim of contributing to the preparation of a new generation of members for Sharia supervisory bodies.

Women's Employment

Women have always had a place in the bank, with designated sections for female clients since its founding. The first female employee, Badriya Al Rahma, was appointed to handle female customers and review their interest-free loan applications. Female employees were required to wear the hijab. In an interview on November 3, 1979, Mr. Abdul Latif Janahi remarked that women were welcome as long as they adhered to Islamic dress, which was a key employment requirement. Mr. Janahi also initiated a separate women's section at the Muharraq branch and then at the Qudaibiya branch, which featured a dedicated entrance and section for women, staffed exclusively by female employees who observed Islamic attire and conduct during and beyond work hours.

Women's employment has been a priority for the bank's executive management, reaching 30% in 2013 and increasing to 35% by 2022, a level that continues to this day.



في بادرة تعتبر الأولى من نوعها في المملكة

بنك البحرين الإسلامي يفتتح فرعا لسيدات الأعمال بالجفير

كتبت: زينب التاجر

في سابقة تعد الأولى من نوعها في المنطقة يعتزم بنك البحرين الإسلامي افتتاح فرعه الخاص بسيدات الأعمال بالجفير في أواخر الشهر الجاري بتكلفة تصل الى قرابة ١٥٠ ألف دينار بحريني حيث من المؤمل أن يقدم كافة الخدمات التي يقدمها أي بنك آخر مضيفا الى ذلك بعض الخدمات الخاصة لسيدات الأعمال في المملكة والدول الشقيقة والصديقة كتمويل مشاريعهم الخاصة وتقديم الدعم اللازم، صرح بذلك المدير التنفيذي لبنك البحرين الإسلامي عدنان يوسف والذي نوه الى أن الفكرة لم تأت من فراغ وإنما جاءت لتؤكد دعم مؤسسات الدولة والمؤسسات الأهلية دعم مسيرة عمل المرأة وحريتها التي تنامت في الفترة الأخيرة وخصوصا بعد انخراط المرأة البحرينية خاصة والخليجية عامة في مجال المال والأعمال الأمر الذي دفع المعنيين الى التركيز على تقديم يد العون لفئة باتت فعالة في المجتمع.

وعلى صعيد متصل أشار يوسف الى أن الفرع الجديد هو فيلا ملك لبنك البحرين الإسلامي مكونة من طابقين و مجهزة بجميع الآليات التكنولوجيا المتقدمة الأمر الذي من شأنه ان يسهم في تقديم أفضل الخدمات الممكنة.

يوسف

Akhbar Al Khaleej Newspaper – 2004

Phase One

(1979–1989)

Financial Performance and Key Events

First General Assembly

The bank's first General Assembly meeting took place on March 24, 1981, at the Chamber of Commerce and Agriculture building. The bank announced profits of over half a million Bahraini dinars in its first year—an achievement labeled as unprecedented. Operational profits reached BD 5 million, and dividends of BD 345,000 (6% of capital) were distributed to shareholders. To further support the bank, the board members waived their compensation for the first year, and many shareholders requested that dividends be allocated to reserves instead.

In his address, Sheikh Abdul Rahman bin Mohammed Al Khalifa stated, "No one expected the fledgling bank to survive and thrive, establishing itself prominently among established financial institutions handling major investments. Nor did anyone expect this new bank to achieve its founding purpose... Any project grounded in our noble religion is bound to succeed." In response to a question, he added, "We are committed to the trust you have placed in us, and our greatest accountability is before God, not merely this General Assembly." Sheikh Abdul Rahman also noted that within a year, the bank had gathered deposits exceeding BD 5 million, demonstrating growing public awareness and support.

Second General Assembly

The second General Assembly meeting was held on January 26, 1982, with new elections for the six board members. Despite a decrease in operating profits to BD 1 million, the bank's balance sheet increased to BD 30 million, with profits rising by 24%. Dividends of BD 690,000 (12% of capital) were distributed to shareholders despite the global economic downturn.

Dividend Distribution

The bank continued to achieve strong financial results in subsequent years, distributing BD 575,000 (10%) to shareholders in the 1985 fiscal year and another 10% in 1986, with net profits of BD 3.5 million. During the same meeting, the General Organization for Social Insurance, Civil Retirement Fund, and Military Pension Fund were each approved to hold a 10% share of the bank's capital.

Bahrain Islamic Bank achieved its highest results in 1988 during the financial year 1409 AH, when its balance sheet rose to BHD 91 million. The bank distributed 10% of its profits to shareholders, amounting to BHD 575,000.

One daring incident during the General Assembly meeting that same year was a shareholder's request for all board members to swear on the Quran that they would not violate Islamic Sharia principles.

In the General Assembly of the Hijri year 1411 AH, held in December 1991, the bank again distributed 10% of its profits to shareholders, amounting to BHD 575,000, and six board members were re-elected.

During the financial year 1412 AH, the General Assembly convened on November 24, 1992, and announced a profit distribution of 10% to shareholders. That year, shareholders requested an increase in profits, which had not exceeded 10% in previous years, and also demanded higher salaries for employees, who were complaining about low wages.

The bank continued on the same trajectory of distributing 10% profits in subsequent years. The General Assembly held on November 17, 1993, announced a profit distribution of 10%, with the bank distributing BHD 1.15 million to shareholders. It was also noted in the same meeting that employee salaries had been improved.



Scenes from the General Assembly meetings during the 1980s and 1990s

Scenes from the General Assembly meetings during the 1980s and 1990s

This pattern of not exceeding a 10% profit distribution persisted from 1995 to 1999. In 1995, the bank›s profit exceeded BHD 6 million, while the profits for the Hijri year 1417 AH, published on June 25, 1997, amounted to BHD 5.371 million.

The General Assembly meeting for 1998 was held for the first time in the bank's new building. During this meeting, the title of "Chief Executive Officer" (CEO) was introduced instead of "General Manager," aligning with common practices in most banks to this day. Mr. Abdul Latif Janahi was appointed to this position.


في اجتماع الجمعية العمومية لبنك البحرين الاسلامي :

رئيس مجلس الادارة : ١٠ سنوات مضت على انشاء البنك

وفي كل سنة يحقق نتائج جيدة رغم انشائه في ظل الركود الاقتصادي

عقدت الجمعية العمومية لبنك البحرين الاسلامي اجتماعها السنوي بمبنى الغرفة التجارية مساء أمس برئاسة الشيخ عبدالرحمن بن محمد بن راشد آل خليفة رئيس مجلس الادارة بحضور جميع اعضاء مجلس

Akhbar Al Khaleej Newspaper – 1989


في اجتماع الجمعية العمومية لبنك البحرين الاسلامي :

رئيس مجلس ادارة البنك

زيادة الاعتمادات المخصصة للقرض الحسن للمواطنين ولن يرد طلب للحصول على القرض

البنك يحقق انجازات طيبة رغم الظروف الاقتصادية العالمية والعربية

عقدت الجمعية العمومية لبنك البحرين الاسلامي جلستها العادية مساء امس بمقر غرفة تجارة وصناعة البحرين برئاسة سعادة الشيخ عبدالرحمن بن محمد بن راشد آل خليفة وكيل وزارة العدل والشئون الاسلامية ورئيس مجلس ادارة البنك.

رحب سعادته في بداية الاجتماع بالحضور . ثم رفع باسمه وباسم الجمعية العمومية للبنك واعضاء مجلس الادارة المهنئة بالعيد الوطني المجيد الى مقام حضرة صاحب السمو الشيخ عيسى بن سلمان آل خليفة امير البلاد المفدى . وسمو الشيخ خليفة بن سلمان آل خليفة رئيس الوزراء . وسمو الشيخ حمد بن عيسى آل خليفة ولي العهد الامين وال شعب البحرين . وقال انها لمناسبة سعيدة ان تنعقد الجمعية العمومية في هذه المناسبة الغالية . واشار الى ان البحرين تنعم

وقد دارت مناقشات خلال اجتماع الجمعية العمومية شارك فيها سعادة الشيخ عيسى بن محمد آل خليفة المحامي . والدكتور الشيخ عبداللطيف المحمود . ومحمد علي جاسم . وقد اظهرت المناقشات تجاوبا وتفهما بين اعضاء الجمعية العمومية ومجلس الادارة .

وابرز ما دار خلال الاجتماع هو ما طرحه سعادة الشيخ عيسى بن محمد آل خليفة المحامي . حيث وجه الشكر الى مجلس الادارة على اقتناعه بموضوع القرض الحسن بالبنك .

Akhbar Al Khaleej Newspaper – 1981


في اجتماع الجمعية العمومية لبنك البحرين الاسلامي

المركز الجديد صورة تعبر بدقة عن الصورة الكبيرة التجربة فنؤكد انه لانقبل اي مقترح مشروع قام على اساس من الدين لجنب توصيل الكريم عام لبنك اداري ودوره بتعاون وزارة الاوقاف وشؤ

اضواء على المشاريع الجديدة التي سيقدمها البنك

نص القرارات التي صدرت عن الجمعية العمومية للبنك

Akhbar Al Khaleej Newspaper – 1981


نتائج محققة لأعمال المسلمين في بنك البحرين

٢٤٪ زيادة في صافي الربح و ٦١٠٪ في الأرباح المالية و ٤٣٪ في الودائع

صفقة عقارية واعدة للبنك

يبلغ ثمنها مليون و ٤٠٠ ألف دينار

Akhbar Al Khaleej Newspaper – 1982


يحمل معه مصحفا الى اجتماع الجمعية العمومية

ليقسم عليه أعضاء مجلس الادارة !

حمل احد المساهمين معه الى اجتماع الجمعية العمومية لبنك البحرين الاسلامي الذي عقد مساء امس مصحفا وطلب ان يقسم عليه اعضاء مجلس الادارة بانهم لا يخالفون احكام الشريعة الاسلامية في معاملات البنك وقد قوبل طلبه بالضحك من جميع الحاضرين .

والجدير بالذكر ان لابد من عرضها على اعضاء لجنة الرقابة الشرعية قبل اقرارها وكان معظمهم حاضرين نفس الاجتماع وهم كبار قضاة المحاكم الشرعية

Akhbar Al Khaleej Newspaper – 1989

The Challenge of Declining Profits

The bank faced a sharp decline in its profits, announced during the General Assembly meeting of 1999, where profits dropped to BHD 1.8 million. In light of the significant challenges and competitive pressures the bank faced, it was decided to increase its capital. The assembly approved raising the bank's capital from BHD 23 million to BHD 50 million by issuing 115 million shares with a nominal value of 100 fils per share. The Board of Directors justified the capital increase with the following reasons:

1. **Enhancing the capital adequacy ratio to 12% as per the decision of the Monetary Authority.**
2. **Expanding the bank's operations in the Middle East by opening new branches.**
3. **Expanding into the Gulf Cooperation Council (GCC) countries.**
4. **Competing in the industrial sector.**
5. **Investing in information technology.**

During this meeting, attendees mourned the late Emir, Sheikh Isa bin Salman Al Khalifa (may Allah have mercy on him), who passed away on March 6, 1999. He was considered the primary supporter of the bank, having issued the decree establishing Bahrain Islamic Bank.
In this year, new shareholders joined the bank, including Gulf Finance Group and International Investment Group, holding 35.2% of the bank's shares.

Contribution to Islamic Development Bonds

In the same year, the first issuance of Islamic Development Government Bonds was announced in the Kingdom of Bahrain. These bonds, offered by the Bahrain Monetary Agency to the public on the stock market during the first quarter, amounted to $60 million, with a fixed rental rate payable every six months over three years. Bahrain Islamic Bank contributed BHD 5 million as a direct subscription and BHD 10 million as an underwriting guarantor.


رئيس مجلس ادارة بنك البحرين الاسلامي يعلن :

مضاعفة ايرادات وميزانية البنك فى عام ١٤٠٢ هجرية

مليون دينار أرباح صافية بعد خصم المخصصات والاحتياطى

اجتمع مساء امس مجلس ادارة بنك البحرين الاسلامى برئاسة سعادة الشيخ عبد الرحمن بن محمد بن راشد ال خليفة .. وحضور جميع الاعضاء .. ناقش المجلس التقرير الختامى لنشاط البنك عن عام ١٤٠٢ هجرية .. كما ناقش عددا من المشاريع التى سينفذها خلال الفترة القادمة لتوسيع قاعدة نشاطه خدمة للمساهمين وللاقتصاد الوطنى .

وقد ادلى سعادة الشيخ عبد الرحمن بن محمد بن راشد ال خليفة عقب الاجتماع بالتصريح التالى :

حدود مليون دينار .

وقال : ان هذه النتائج لتؤكد نجاح البنوك الاسلامية المستندة على اساس

Akhbar Al Khaleej Newspaper – 1982


فى اجتماع الجمعية العمومية لبنك البحرين الاسلامي :

توزيع ٥٧٥ ألف دينار بحريني كأرباح على المساهمين بنسبة ١٠٪ من رأس المال

رئيس مجلس الادارة : البنك حقق ارباحا مرضية جدا رغم الظروف الاقتصادية الصعبة

عقدت الجمعية العمومية لبنك البحرين الاسلامي اجتماعها امس بمبنى الغرفة التجارية برئاسة سعادة الشيخ عبدالرحمن بن محمدبن راشد آل خليفة وكيل وزارة العدل والشئون الاسلامية ورئيس مجلس ادارة البنك بحضور اعضاء مجلس ادارة البنك و٦٢٪ من المساهمين في راسمال البنك . وقد وافقت الجمعية العمومية على جدول الاعمال بالاجماع . وقررت الموافقة على توزيع ارباح على المساهمين بنسبة ١٠٪ من راس المال المدفوع وفي حدود ٥٧٥ الف دينار بحريني وتحويل ٦٩٣١٧ دينارا بحرينيا كاحتياطي إجباري وتدوير مبلغ ١٢٦٤٥ دينارا بحرينيا كارباح مدورة، وتفويض مجلس الادارة بتوزيع الزكاة على الاحتياطيات والارباح المدورة من السنة الماضية .

وقد وجه المساهمون الشكر الى مجلس الادارة وجميع العاملين بالبنك على النتائج الممتازة التي حققها البنك والحفاظ على اهدافه ومسيرته في كفاءة عالية رغم صعوبة الاحوال الاقتصادية.

وقد وجه سعادة الشيخ عبدالرحمن في افتتاح جلسة الجمعية العمومية كلمة هنأ فيها باسم الجمعية امير البلاد المفدى بمرور ٢٥ عاما على توليه مقاليد الحكم في البلاد . واشار الى النتائج الطيبة التي حققها البنك رغم الظروف الصعبة التي

Akhbar Al Khaleej Newspaper – 1999

Phase Two

(1990–1999)

Facing Competition

As the number of Islamic banks and financial institutions steadily increased year by year, reaching 11 institutions, competition among Islamic banks intensified after 10 years of the bank's establishment. Bahrain Islamic Bank adopted a cautious approach to managing its balance sheet, carefully selecting investments as a small and growing bank while establishing multiple reserves. This strategy enabled the bank to maintain a strong liquidity position.

This approach proved effective during two major crises in the region: the eight-year Iran-Iraq War (1980–1988) and the Gulf Crisis during the Iraqi invasion of Kuwait (1990–1991). The bank successfully navigated both crises while preserving its solvency and resilience.

The Gulf War

From the outset of the Gulf War, the bank established protection and emergency systems for information security, distributing data across multiple locations to mitigate war risks.

The Iraqi Invasion of Kuwait

The most significant crisis the bank faced during this period was the Iraqi invasion of Kuwait in early August 1990, which lasted for eight months. Sheikh Abdul Rahman bin Mohammed Al Khalifa noted during the General Assembly meeting in December 1991 that the war's challenges had overshadowed the bank's financial year. The bank had to prepare for the worst-case scenarios, a preparation that inevitably came with costs in terms of time and money.

Despite the profound economic impact of this crisis, Bahrain Islamic Bank remained in a strong position, thanks to its solid liquidity and, above all, God's grace.

Phase Three

(2000–2009)

Financial and Administrative Struggles

After 20 years of its establishment and its position as a leading bank in the region, the bank faced financial and administrative difficulties beginning in 1999. These challenging years led to calls for significant changes to ensure the bank's resilience and ability to move forward. Proposed solutions included:

1. **The entry of new investors into the bank.**
2. **Changes in the bank's strategy and Board of Directors.**
3. **A merger with another bank.**

In response, the bank's management decided to initiate a developmental process and explore new markets. The bank began its 21st year by announcing a new expansion plan to enter regional markets[34].

Transition to the Gregorian Calendar

In 2000, the bank announced during its General Assembly that it would adopt the Gregorian calendar for its meetings instead of the Hijri calendar, which had been in use for twenty years.

Regarding financial results, the bank achieved profits of BHD 3.9 million that year and recommended distributing a 9% cash dividend.


في اجتماع الجمعية العمومية لبنك البحرين الإسلامي:

أرباح ٥ ملايين و٣٧١ ألف دينار للمودعين ومليون و١٥٠ ألفا للمساهمين

رئيس مجلس الإدارة: نتائج البنك عن سنة ١٤١٧هجرية ناجحة وموفقة بجميع المقاييس

كتب ـ لطفي نصر

أعلن الشيخ عبدالرحمن بن محمد بن راشد آل خليفة وكيل وزارة العدل والشئون الإسلامية رئيس مجلس ادارة بنك البحرين الإسلامي ان نتيجة أعمال البنك عن سنة ١٤١٧ هجرية كانت ناجحة وموفقة بجميع المقاييس. حيث حققت الميزانية نموا بمعدل ٣٨,٩٢٪ و٤,٥٪ في الودائع، وبلغت حصة المودعين من الارباح ٥ ملايين و٣٧١ ألفا و٦٩ دينارا. وكان نصيب المساهمين مليون و١٥٠ الف دينار. كما أعلن انه طلب من ادارة البنك اعادة النظر في شروط حصول المواطنين على القرض الحسن للتيسير عليهم واتاحة الفرصة لعدد اكبر من المواطنين للحصول على هذا النوع من القروض.

جاء ذلك خلال اجتماع الجمعية العمومية للبنك التي عقدت برئاسته مساء أمس وبحضور جميع أعضاء مجلس الادارة و٨٣٪ من المساهمين.

وقد وافقت الجمعية بالاجماع على جميع البنود المدرجة على جدول الاعمال.. حيث وافقت الجمعية على

Akhbar Al Khaleej Newspaper – 1997


في اجتماع الجمعية العمومية لبنك البحرين الإسلامي:

الموافقة على توزيع ١٠٪ أرباحا على المساهمين واعادة انتخاب ٦ أعضاء لمجلس الادارة

رئيس مجلس الادارة: زيادة الـ٥٠ الف دينار في الميزانية وكنا نتوقع الانخفاض

كتب: لطفي نصر

وافقت الجمعية العمومية لبنك البحرين الإسلامي في اجتماعها امس برئاسة الشيخ عبدالرحمن بن محمد بن راشد آل خليفة وكيل وزارة العدل والشئون الإسلامية رئيس مجلس ادارة البنك بالاجماع على توزيع ارباح على المساهمين بواقع ١٠٪ من رأس المال المدفوع و٥ في حدود ٧٥٠ الف دينار بحريني. وأقرار تحويل مبلغ ٧١,٠٤٤ دينارا بحرينيا كاحتياطي اجباري وتدوير مبلغ ٧١,٨٤٤ دينارا بحرينيا كارباح مدورة

وكان قد بلغ نصاب حضور اجتماع الجمعية العمومية التي عقدت بقاعة الاجتماعات بمبنى الغرفة التجارية مساء امس ٨٢,٢٦٪ حيث تم إعادة انتخاب ٦ أعضاء لمجلس الادارة فقد تقرر الانتخاب لشاغرين انتخب منهم ٦ أعضاء وهم خالد راشد الزياني . وعبدالطيف جناحي . وابراهيم زيمك . واحمد منصور العلي حيث حصل كل منهم على ٢ مليون و ١٠٠ الفا

○ جانب من اجتماع الجمعية العمومية

Akhbar Al Khaleej Newspaper – 1991


جمعية العمومية لبنك البحرين الاسلامي تقرر:

وزيع مليون و ١٥٠ ألف دينار أرباحا على المساهمين

يس مجلس الادارة: أرباح البنك زادت بنسبة ٧٦ , ١٦٪

ب ـ لطفي نصر:

وافقت الجمعية العمومية لبنك البحرين الإسلامي في اجتماعها امس برئاسة الشيخ ارة على توزيع ارباح على المساهمين بواقع ١٠٪ من رأس المال و في حدود مليون و ١٥٠ الف دينار. واقرار تحويل مبلغ ١٣٣ الف و ٩١٠ انبر كاحتياطي قانوني. كما تم خلال الاجتماع اعادة انتخاب ٦ اعضاء لمجلس الادارة بالتزكية وهم السادة عبداللطيف جناحي ـ خالد راشد زياني ـ ابراهيم زيمك ـ محمد الزامل ـ مبارك جاسم كانو ـ احمد منصور العالي.

وخلال المناقشات التي دارت خلال شاع الجمعية العمومية اكد السيد اهيم زيمك ان البنك حريص على تحسين شؤون موظفيه المجدين . وان رواتب اقلين مكبنك قد شهدت تحسنا مع عدم زار مقارنة رواتب موظفي البنك مع رواتب امي الموظفين في البنوك القديمة بالبلاد. في رئيس مجلس الادارة اجتماعة التي ول ان البنك سيغير سنته المالية . وان اية الاجتماع الذي عقد بمقر الغرفة تجارية التي الشيخ عبدالرحمن رئيس

Akhbar Al Khaleej Newspaper – 1994

(34) The bank was unable to implement the planned strategy due to various events and changes in the membership of the Board of Directors, which led to alterations in the bank's programs and plans.

(35) The group was established in 1993 in Kuwait and was a major shareholder in Investors Bank, Takaful Company, and Gulf Finance Group. The group experienced financial fluctuations in its profits starting in 2002, primarily due to the Gulf War in 2001. Its capital was KWD 22 million. In 2005, the group sold its shares in Bahrain Islamic Bank to Kuwait Investment House for KWD 25 million. The group›s name was later changed to International Holding Group in 2021.

New Board of Directors

In September 2000, the bank's Board of Directors was restructured, with five new members joining the board for the first time. These members, from the sister state of Kuwait, were Sheikh Salman Al Sabah, Saad Al Barrak, and Rashid Abdul Qader, representing the International Investment Group[35]. Additionally, Dr. Omar Zuhair Hafiz represented the Islamic Development Bank, and Yousef Bin Fadhel represented Dubai Islamic Bank.

The previous members who remained on the board included: Sheikh Abdul Rahman bin Mohammed Al Khalifa as Chairman, Ibrahim Mohammed Zainal, Ahmed Mansour Al Aali, Yousef Mohammed Al Awadhi (representing the Kuwaiti Awqaf), and Ali Mohammed Al Aleimi (representing the Kuwait Public Authority for Minors' Affairs).

The board saw the departure of Mohammed Abdullah Al Zamil, Mubarak Jassim Kanoo, and Faisal Al Zamil (representing the Islamic Development Bank).

During the General Assembly meeting held on May 6, 2001, Deputy Chairman Khalid Al Zayani announced that the quorum had not been met. A group of new shareholders requested an immediate date for the assembly, citing that elections had been delayed for two years. The new shareholders also expressed a desire for radical changes in the bank's operations and investments, noting that the bank had never distributed dividends exceeding 10% in its history.



مجلس إدارة بنك البحرين الاسلامي يوصي بتوزيع أرباح على المساهمين بنسبة ١٠٪ في حدود مليون و ١٥٠ ألف دينار

تقرر عقد الجمعية العمومية العادية لبنك البحرين الإسلامي بعد ظهر يوم الاحد الموافق العاشر من سبتمبر القادم . بعقد الاجتماع بقاعة الاجتماعات بمبنى غرفة تجارة وصناعة البحرين بحضور أعضاء مجلس الإدارة والمساهمين .

صرح بذلك السيد محمد سلمان الزياني نائب المدير العام للبنك وقال : لقد اتخذ مجلس ادارة البنك توصية بتوزيع أرباح على المساهمين بواقع ١٠٪ من رأس المال وفي حدود مليون و ١٥٠ الف دينار . وتحويل مبلغ ١٤٦ الفا و ٥٧٠ دينارا الى الاحتياطي القانوني . وتحويل مبلغ ٩٦ الفا و ٨٦٢ دينارا الى الاحتياطي العام . وصرف مكافأة اعضاء مجلس الادارة في حدود ٥٠ الفا و ٧٠٠ دينار . وتفويض مجلس الادارة بتوزيع الزكاة على الاحتياطات والارباح المدورة من السنة الماضية

وقال كما سيتم خلال اجتماع الجمعية العمومية التي سيترأسها الشيخ عبدالرحمن بن محمد بن راشد آل خليفة رئيس مجلس ادارة البنك التصديق على البيانات الختامية للسنة المالية المنتهية في ٢٩ ذي الحجة ١٤١٥ هجرية . ومناقشة تقرير مجلس الادارة عن نشاط البنك حتى التاريخ المذكور . ومناقشة تقرير الحسابات عن السنة المالية الماضية للبنك .

● محمد سلمان الزياني

Akhbar Al Khaleej Newspaper – 1995



أكثر من ٤ ملايين و٣٣١ ألف دينار أرباح صافية يحققها بنك البحرين الاسلامي

مناقشات حول زيادة أرباح المساهمين ورواتب الموظفين للتحسن الكبير في وضع البنك

وافقت الجمعية العمومية لبنك البحرين الإسلامي في اجتماعها مساء امس برئاسة الشيخ عبد الرحمن بن محمد بن راشد آل خليفة وكيل وزارة العدل والشئون الاسلامية بالاجماع على القرار بتوزيع ارباح على المساهمين بواقع ١٠٪ من رأس المال المدفوع في حدود ٨٧٥ الف دينار تحريرى . وتحويل ٨٢ الفا و ٣٩١ دينارا تحريرا لاحتياطي قانوني وتفويض مجلس الادارة في توزيع الزكاة على الاحتياطيات والارباح المدورة من السنة الماضية . ووجهت الجمعية العمومية الشكر لرئيس واعضاء مجلس الادارة والمدير العام على جهودهم المثمرة التي ادت الى مزيد من النجاح والنمو في وضع البنك .

وكان الاجتماع قد بدأ بكلمة للشيخ عبدالرحمن قال فيها :

يرحب بكم في اجتماع الجمعية العمومية السنوية لبنك البحرين الاسلامي ومن بين الطالع ان يقترن اجتماعنا هذا باحتفالات البلاد بالعيد الوطني المجيد وبالذكرى الحادية والثلاثين لتولي صاحب السمو امير البلاد المفدى سدة الحكم .

لقد كانت سنة ١٤١٢هـ متميزة بارساء جديد للبنك . فقد ارتفع حجم الميزانية من ١٠٠،٤٤٣،٧٦٦ دينارا الى

Akhbar Al Khaleej Newspaper – 1992



في اجتماع الجمعية العمومية لبنك البحرين الإسلامي :

توزيع أرباح بنسبة ١٠٪ على المساهمين وموجودات البنك ترتفع إلى ١٢٧ مليون دينار

البنك يقرر افتتاح فرع خامس في جدحفص وانشاء مركز للتدريب على الأساليب المصرفية الإسلامية

عقدت الجمعية العمومية لبنك البحرين الاسلامي اجتماعها امس برئاسة الشيخ عبدالرحمن بن محمد بن راشد آل خليفة رئيس مجلس الادارة وذلك بقاعة الاجتماعات الصغرى بمبنى الغرفة التجارية . الفرت الجمعية توصية مجلس الادارة بتوزيع الارباح على المساهمين بواقع ١٠٪ من رأس المال وفي حدود مليون و ١٥٠ الف دينار . وتحويل مبلغ ١٣٠ الف دينار كاحتياطي قانوني .

وقد اعلن الشيخ عبدالرحمن خلال مناقشات الجمعية العمومية ان بنك البحرين الاسلامي يتطور وينظم وقد وصلت موجوداته الى ١٢٧ مليون دينار . وان البنك قرر التوسع في عدد فروعه حيث سيتم افتتاح فرع جديد في جدحفص في اول يناير القادم وان فروعه وصلت الان الى ٥ فروع وان البنك يبحث الآن انشاء اول مركز للتدريب على الاساليب المصرفية الاسلامية وتدريس الاقتصاد الاسلامي .

وقد حضر اجتماع الجمعية العمومية كل من السادة : خالد راشد الزياني النائب الاول لرئيس مجلس الادارة . والسيد عبداللطيف جناحي العضو المنتدب .

وابراهيم زينل نائب العضو المنتدب ومعظم اعضاء مجلس الادارة .

وفي بداية اجتماع الجمعية العمومية القى الشيخ عبدالرحمن رئيس مجلس الادارة كلمة قال فيها :

ان اداء البنك في العام المنصرم كان اداء متميزا . فلقد حقق نموا في مختلف اوجه نشاطه وما ذلك الا بفضل مساندة ومؤازرة المساهمين .

لقد تمكن البنك خلال عام ١٤١٣هـ من توزيع ارباح مجزية على المودعين بالرغم من انخفاض العائد عالميا في جملته اما بالنسبة للمساهمين فبالرغم من مضاعفة راس المال المدفوع فان البنك تمكن بفضل الله من المحافظة على نسبة المردود وهي ١٠٪ وهو مردود مشجع يدل على مدى النجاح الذي حققه بنك البحرين الاسلامي .

واود بهذه المناسبة ان ارفع اسمى ايات الشكر والتقدير لحضرة صاحب السمو الشيخ عيسى بن سلمان آل خليفة امير البلاد المفدى . وصاحب السمو الشيخ خليفة بن سلمان آل خليفة رئيس مجلس الوزراء الموقر . وصاحب السمو الشيخ حمد بن عيسى آل خليفة ولي العهد الامين على الدعم والمؤازرة والاهتمام الذي يولونه لهذا البنك ولجميع المؤسسات المصرفية في وطننا العزيز . واحيي جهود وزارة التجارة والزراعة ومؤسسة نقد البحرين وجميع الجهات الرسمية . كما اشكر اصحاب الفضيلة اعضاء لجنة الرقابة الشرعية بالبنك على مساهمتهم الفعالة في جعلته اداة مالية من الناحية الشرعية واسجل بكل تقدير الشكر للادارة التنفيذية وجميع العاملين على جهودهم الطيبة وتفانيهم في خدمة البنك .

Akhbar Al Khaleej Newspaper – 1993

(35) The group was established in 1993 in Kuwait and was a major shareholder in Investors Bank, Takaful Company, and Gulf Finance Group. The group experienced financial fluctuations in its profits starting in 2002, primarily due to the Gulf War in 2001. Its capital was KWD 22 million. In 2005, the group sold its shares in Bahrain Islamic Bank to Kuwait Investment House for KWD 25 million. The group›s name was later changed to International Holding Group in 2021.

The General Assembly was initially scheduled for April 2000, but this did not occur due to the bank's transition from the Hijri to the Gregorian calendar, as explained by Mr. Abdul Latif Janahi in a press statement.

According to media reports, founding shareholders—including Kuwait Finance House, the Islamic Development Bank, Kuwaiti Awqaf, and Bahrain's Ministry of Justice—sought to secure a majority on the board to counter the influence of new shareholders. These founding members were concerned about the new partners' financial struggles and their ability to manage the bank effectively. Consequently, the General Assembly failed to convene for nearly two and a half years.

Collective Resignation

The disputes were ultimately resolved with the collective resignation of four board members: Sheikh Salman Dawood Al Sabah, Ahmed Al Janahi, Rashid Al Abdul Qader, and Saad Al Barrak. These individuals represented Investors Bank, Gulf Finance Group, and the International Investment Group but retained their 35.2% shareholding.

Chairman's Resignation

After significant challenges, the General Assembly convened on October 27, 2001, during which Sheikh Abdul Rahman announced his desire to step down from the board. After serving the bank for 22 years, Sheikh Abdul Rahman had played a pivotal role in establishing the bank's name, significantly contributing to its growth and managing it with exceptional skill and wisdom.

His resignation followed his appointment as President of the Court of Cassation (the Supreme Court), which reflected his commitment to avoiding conflicts of interest. Sheikh Abdul Rahman remains a loyal customer of the bank to this day and believes that people continue to trust and engage with Bahrain Islamic Bank because of the strong relationship they enjoy with it.

This sentiment is supported by the continued presence of many of the bank's founding shareholders—individuals, institutions, and associations—who still hold shares to this day.

New Board of Directors

The General Assembly announced the reduction of the board members to only ten[36], who were elected by acclamation:

1. **Mohammed Abdullah Al Zamil as Chairman.**
2. **Khalid Rashid Al Zayani.**
3. **Abdul Latif Abdul Rahim Janahi.**

(36) Throughout the bank's history, the Board of Directors consisted of 12 members. However, in the year 2000, the number was temporarily increased to 13 members.

4. Sameer Yaqoob Al Nafisi.
5. Dr. Omar Zuhair Hafiz.
6. Yousef Mohammed Al Awadhi.
7. Ali Mohammed Al Aleimi.
8. Yousef Bin Fadhel.
9. Essam Yousef Janahi.
10. Adnan Ahmed Yousef.

The Merger Proposal

In early 2001, Al-Ayam newspaper reported efforts to merge the two largest Islamic banks in Bahrain, with a combined paid-up capital of BHD 300 million. This involved Bahrain Islamic Bank and Bahrain Shamil Bank (later acquired by Ithmaar Bank), which proposed the merger.

Others noted that these were preliminary discussions and ideas. At that time, Bahrain Shamil Bank's capital stood at $230 million, while Bahrain Islamic Bank's capital was BHD 23 million. Despite efforts, the merger discussions did not succeed.



The Departure of a Pioneer

The CEO Steps Down

After 23 years of service, Mr. Abdul Latif Janahi decided in 2002 to step down as CEO of the bank after serving as General Manager for 18 years and CEO for five years. His decision aimed to inject new leadership into the bank and allow him to focus on his private endeavors.

During his tenure, Mr. Janahi made significant contributions to Islamic finance, laying a solid foundation that elevated Bahrain's reputation in this field. He is regarded as a pioneer of Islamic finance in the Kingdom of Bahrain, having been instrumental in founding the bank, several companies, and attracting numerous organizations to the sector.

The New CEO

Following his remarkable career, Mr. Janahi submitted his resignation to Sheikh Ahmed bin Mohammed Al Khalifa, then Governor of the Central Bank of Bahrain, and the Ministry of Finance, expressing his desire to retire. He nominated Mr. Adnan Yousef Abdul Malik[37] from Al Baraka Group as his successor. Mr. Janahi believed that Mr. Abdul Malik's expertise would significantly contribute to propelling Bahrain Islamic Bank into a new phase of growth and development.

Resumption of the General Assembly

The bank's General Assembly convened in 2002 on March 8, 2003, amidst protests from investors owning 36% of the bank's shares. They demanded their right to occupy seats on the Board of Directors.

The matter was referred to Mr. Hamid Rahma, the representative of the Ministry of Commerce, who ruled in favor of the current Board of Directors, stipulating that their membership should not exceed three years. The decision was approved by 75% of the shareholders through a vote.

The assembly also approved a 10% profit distribution to shareholders and announced profits of BHD 2.1 million.

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(37) Adnan Abdul Malik holds a Master's degree in Business Administration from the University of Hull. He is currently the Chairman of the Bahrain Association of Banks and serves as the Chairman of Al Baraka Bank Sudan, Al Baraka Bank Algeria, and Al Baraka Bank Syria.
He is also the Vice Chairman of Al Baraka Islamic Bank and a board member of Itqan Capital in Saudi Arabia and Al Baraka Bank Tunisia. He previously held the position of CEO and board member of Al Baraka Banking Group from 2004 to 2020 and served as Chairman of Al Baraka Bank Lebanon, Al Baraka Bank Egypt, Jordan Islamic Bank, and the Union of Arab Banks in Lebanon from 2007 to 2013. Additionally, he was a board member of Al Baraka Banking Group between 2002 and 2004. Adnan Abdul Malik has received numerous international awards and honors and possesses over 30 years of experience in international banking.

Bank Shareholders at the Time:

1. **Investors Bank (15.8%)**
2. **Islamic Development Bank (13%)**
3. **Kuwait Finance House (13%)**
4. **International Investment Group (10.2%)**
5. **Gulf Finance Group (9.2%)**
6. **Dubai Islamic Bank (4.35%)**
7. **Ministry of Justice, Bahrain (3.4%)**
8. **Ministry of Justice, Kuwait (2.1%)**

A New Era with Technology

Until the early 2000s, Islamic banks lagged significantly behind their conventional counterparts in nearly all aspects, particularly in information technology and credit management. Most managers of Islamic banks at the time had religious backgrounds rather than commercial or banking expertise, creating substantial challenges from a business perspective.

Mr. Adnan Abdul Malik faced numerous and diverse challenges. On his first day in office, at exactly 8:30 a.m., the board secretary, Mr. Ramadan, presented him with over eighty documents for signature. Most of these required approval for minor administrative matters, such as employee leave requests and returns from leave, among other trivial issues.

This situation was unreasonable to Mr. Abdul Malik. Additionally, after signing, the documents were photocopied and hand-delivered to branches and relevant personnel, as the bank lacked computers or an email system.

Introducing Email

To address this, Mr. Abdul Malik hired Mr. Hamid Hashem, an IT specialist and former employee of Arthur Andersen, to lead the corporate banking group. Mr. Abdul Malik asked him, "How long will it take to implement email in all branches?" Mr. Hashem replied, "A week or two."

However, two days after email was installed, no one was using it. The general sentiment among employees was, "We need training."

The new CEO not only worked to train employees but also personally joined training sessions as one of the participants to encourage them. In the first week, only 20% of employees started using email. By the end of the second month, everyone was using it effectively.

Mr. Abdul Malik eliminated unnecessary paperwork and introduced online credit application systems. He also noticed the need to improve staff appearance and behavior to project a more professional image, which led to the hiring of women at Bahrain Islamic Bank.

A New Administrative Structure

The bank's administrative structure also underwent changes. Formal and organized committees were established to manage the bank's commercial affairs. An automated system was designed for Murabaha transaction processing, and manual data entry was replaced with automated systems to expedite financial transfers and deposit/withdrawal transactions across bank branches.

In addition, credit policies and procedures were implemented, a call center was established, and a central operations department was created. The bank began relying increasingly on information technology.

New Branches

During this period, new branches were opened, and administrative committees were formed. Weekly meetings were held between the CEO and department and branch heads to encourage them to share their opinions, discuss problems, and contribute to decision-making.

Mr. Abdul Malik also worked to connect the bank to regional banks through syndicated financing, leveraging his relationships with the Islamic Development Bank and Al Baraka Group.

The bank announced profits of BHD 2.6 million for the 2003 financial year.

When the time was right, and as part of a pre-arranged plan, Mr. Adnan Abdul Malik left Bahrain Islamic Bank and returned to Al Baraka Group in 2004.



بنك البحرين الإسلامي يطلق هويته الجديدة (بين قوسي

خطة لافتتاح ٥ فروع أخرى العام القادم كأكبر بنك تجا

كتب: عبدالرحيم فقيري

تصوير: جوزيف

يفتتح بنك البحرين الإسلامي خمسة فروع جديدة في مختلف أرجاء البحرين خلال عام ٢٠٠٨، رافعا بذلك عدد الفروع التابعة له إلى ١٧ فرعا، ومحتفظا بصدارته بين المصارف الإسلامية كأكثر المصارف انتشارا داخل المملكة، كما يعتزم البنك إطلاق شبكة إلكترونية خاصة به قبل نهاية العام الجاري، الأمر الذي سوف يمكنه من تقديم منتجاته للعملاء بأحدث وسيلة متبعة على

خالد البسام:

خطط لإدراج أسهم البنك في دول الخليج

محمد إبراهيم:

تغييرات جذرية تجري والشبكة الالكترونية

Akhbar Al Khaleej Newspaper – 2007



يوسف خلف رئيسا تنفيذيا لبنك البحرين الإسلامي

صرح السيد محمد عبدالله الزامل رئيس مجلس إدارة بنك البحرين الإسلامي بأنه قد تم تعيين السيد يوسف صالح خلف رئيسا تنفيذيا للبنك ليتولى بذلك مسيرة البنك للسنوات القادمة، ويأتي تعيين السيد يوسف خلف بعد استقالة السيد عدنان أحمد يوسف، الرئيس التنفيذي السابق للبنك.

الجدير بالذكر أن السيد يوسف خلف أحد الكفاءات البحرينية المشهود لها بالنجاح في إدارة العديد من المؤسسات المصرفية في مملكة البحرين حيث عمل في مراكز قيادية بعد اتمام الدراسات العليا في بريطانيا وحصوله على شهادة المحاسبة القانونية في عام ١٩٨٠. وقد اكتسب خبرته بالعمل لمدة ٧ سنوات مع إحدى اكبر الشركات العالمية للمحاسبة والاستشارات. ثم بنك البحرين والكويت لمدة ١٣ عاما حيث شغل منصب مساعد المدير العام للرقابة المالية وإدارة المخاطر ثم عين في مصرف البحرين الشامل نائبا للمدير العام لمدة ٣ سنوات وشغل أخيرا منصب الرئيس التنفيذي لبنك الإثمار حتى الشهر المنصرم.

وقد أثنى رئيس مجلس الإدارة على جهود السيد عدنان يوسف خلال فترة عمله بالبنك وتمنى له المزيد من التوفيق والسداد في عمله الجديد وللرئيس التنفيذي الجديد التوفيق والنجاح وللبنك المزيد من الرقي والنماء.

○ محمد عبدالله الزامل

○ يوسف خلف

Akhbar Al Khaleej Newspaper – 2004

A New CEO and Continued Progress

The bank's management appointed Mr. Yousef Khalaf[38] as CEO in September 2004. The bank also announced a celebration of its 25th anniversary, referred to as the "Silver Jubilee." The event included various activities, such as honoring the bank's founders, major shareholders, depositors, and clients. Additionally, the bank designed ten luxury Qur'ans to gift to His Highness the Prime Minister, the Minister of Justice, and several dignitaries.

In April 2004, the bank announced the election of Mr. Khalid Abdullah Al Bassam as Chairman of the Board and Sheikh Hisham bin Abdulrahman Al Khalifa as Vice Chairman.

Before the General Assembly meeting scheduled for March 19, 2005, the same group of investors expressed concerns over deliberate exclusion, urging the Central Bank and the Ministry of Commerce to intervene.

At the General Assembly, the bank announced its annual profits, which amounted to BHD 2.7 million.

(38) Yusuf Saleh Khalaf pursued his postgraduate studies in the United Kingdom and obtained a Chartered Accountant certificate in 1980. He worked for one of the largest global accounting and consulting firms before joining the Bank of Bahrain and Kuwait, where he served for 13 years in financial control and risk management. He was later appointed Deputy General Manager at Bahrain Shamil Bank and subsequently served as CEO of Ithmaar Bank before joining Bahrain Islamic Bank.

The Beginning of a Boom

Changes in Share Ownership

A major shift in the bank's share ownership and board composition occurred starting in 2005. Kuwait's Dar Investment[39] acquired 25.88% of the bank's shares from the International Investment Group in 2005, later increasing its stake to 40%, and subsequently to 51%.

Dar Investment diversified its investments into land, real estate, stocks, and funds both inside and outside Bahrain.

The year 2005 marked the beginning of a financial boom for the bank due to several factors, including improved financing, banking services, and rising land and investment prices. This was the period preceding the global financial crisis.

On January 19, 2006, the bank announced that its profits had doubled to BHD 7.4 million. The bank also unveiled plans to change its identity while maintaining its Islamic and Bahraini heritage.

In January 2007, the bank reported record profits of BHD 13.1 million for the first time in its history and recommended distributing 32% in dividends along with bonus shares. In the same year, Mr. Yousef Khalaf announced his resignation.

A New CEO and an Era of Innovation and Development

The bank selected Mr. Mohammed Ibrahim Al Bastaki[40] to lead the next phase. He initially served as Head of Retail Services in 2006 before being appointed CEO in 2007.

The bank announced details of a public offering to issue additional shares aimed at increasing its capital. It also launched its new corporate identity and opened five new branches.

On January 16, 2008, the bank announced record profits of BHD 25 million for 2007, the highest in its history, and recommended distributing 23% in dividends along with bonus shares for the fourth consecutive year.

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(39) Dar Investment Company (Al Dar) was established in 1994 as a joint-stock company conducting its financial operations in accordance with Sharia principles. In 2005, Al Dar acquired a 25.88% stake in Bahrain's first commercial Islamic bank, Bahrain Islamic Bank. A year after the acquisition, Al Dar increased its stake to 40%. In 2012, Al Dar sold its shares in the bank.

(40) Mohammed Ibrahim Al Bastaki: Al Bastaki worked at Benefit and Global Payment Services. He holds a Diploma in Executive Management from the University of Bahrain (1993) and a Master›s in Business Administration from the University of Glamorgan (1998). Currently, he serves as Chairman of Benefit Company, Vice Chairman of the Board of Trustees at Kingdom University, Chairman of Sanad Company, and a board member of the Social Insurance Organization(SIO), Osool Company, and Seef Properties.



الإسلامي يعين محمد إبراهيم مديرا عاما للخدمات المصرفية للأفراد

مواكبة للتطورات المتلاحقة في الصناعة المصرفية الإسلامية، وفي إطار استراتيجيته الرامية لاستكمال هيكله الإداري والقيادي بالبنك وتدعيمهما بالكفاءات البحرينية الخبيرة والمؤهلة الموجودة على الساحة المصرفية و المالية في البحرين، انضم مؤخرا إلى عائلة بنك البحرين الإسلامي السيد محمد إبراهيم محمد كمدير عام الخدمات المصرفية للأفراد.

ويأتي محمد إبراهيم إلى البنك محملا بخبرة مصرفية كبيرة متنوعة قرابة ٣٠ عاما، تقلد فيها العديد من المناصب الإدارية والتنفيذية والقيادية في العديد من المصارف والشركات المالية المحلية والعالمية المرموقة في داخل وخارج البحرين منها شركة كريدي ماكس وبنك البحرين والكويت،

في شركة بنفت، وخدمات الدفع العالمية حيث ترأس مجلس إدارتها، كما ساهم بصفته عضو مجلس إدارة شركة سكنا.

وفي هذا الصدد، قال الرئيس التنفيذي للبنك يوسف صالح خلف البحرين الاسلامي: نفخر كثيرا لتمكننا من استقطاب كفاءة بحرينية كبيرة أخرى كالأخ محمد إبراهيم لنقوي به من دعائم هذا البنك الصرح، وأنا على ثقة تامة بأنه سيكون إضافة نوعية

الأفضل طالما كانوا مؤهلين علميا وعمليا في آن واحد، والأخ محمد إبراهيم غني عن التعريف والإشادة، وما انضمامه إلى عائلة بنك البحرين الإسلامي وبقية الإخوة من قبله سواء في المستوى التقيادي او التنفيذي إلا دلالة واضحة على ان الخيار البحريني المؤهل والقادر على تحقيق نتائج إيجابية هو ما نعمل من أجله وبه.

من جانبه، قال محمد إبراهيم: لقد سعدت حقا

وأضاف: لقد كان طموحي دوما منصبا للعمل في بنك إسلامي، إلا أن الأمر لم يتم كما أردت في الماضي، و لكني الآن أحمد الله كثيرا أن حقق لي هذا الأمل، لذا، أشعر بالسعادة الغامرة لانضمامي لهذا البنك العريق الذي ليس إسلاميا فحسب، بل أسس للعمل المصرفي الإسلامي في البحرين.

جدير بالذكر، أن السيد محمد إبراهيم محمد من مواليد البحرين، ومؤهلاته الأكاديمية عديدة منها دبلوما الإدارة التنفيذية من جامعة البحرين في عام ١٩٩٣، الماجستير في إدارة الأعمال من جامعة جلامورجان بمقاطعة ويلز بالمملكة المتحدة في عام ١٩٩٨، وشهادة مشاركة في

Akhbar Al Khaleej Newspaper – 2007

In June 2008, the bank signed a strategic agreement with the Islamic Bank of Yemen to acquire a significant stake, making it an influential shareholder. The agreement involved restructuring the Yemeni bank, followed by mutual site visits for development purposes. However, the global financial crisis and Yemen's political conditions ultimately hindered the continuation of the acquisition process.

Growth of the Retail Banking Sector

During this period, the bank's retail banking sector flourished with a diversification and evolution of Islamic financial products. The retail banking division introduced several innovative products, including the launch of the Tijori deposit product in June 2008, the first of its kind in Bahrain. This product aimed to encourage customers to invest and save while giving them the opportunity to enter prize draws for financial rewards, in addition to earning profits on their savings based on the Sharia-compliant Mudarabah structure. Tijori created a significant market buzz as it was the first Islamic prize-linked savings account in Bahrain. The total prizes offered that year amounted to BHD 750,000, supported by a fatwa from the Sharia Supervisory Board and a detailed explanation by its chairman, Dr. Abdul Latif Al Mahmood, addressing key questions about the product.

Additionally, the bank introduced the Iqra investment account aimed at supporting education, helping parents secure their children's future education. This account allowed parents to deposit a fixed monthly amount, which the bank invested through Mudarabah, earning profits for the account holder.

Developing Real Estate Finance Products

The bank developed real estate financing products using Ijarah Muntahia Bittamleek (lease-to-own) and Diminishing Musharaka structures, offering terms of up to 25 years. Furthermore, the bank introduced personal financing based on Tawarruq (Murabaha) for the first time, replacing Murabaha products for furniture and construction materials. This product aimed to help customers obtain cash for purposes such as marriage, medical expenses, travel, construction, and investments.
Products like Istisna and Parallel Istisna were also introduced for furniture financing but did not succeed.

Credit Cards

The bank introduced a significant improvement in its credit card offering, which was based on the concept of a Qard Hasan (interest-free loan). The bank provided cardholders with an interest-free loan for purchases and services, charging only administrative fees, which could be partially or fully waived.

Digital Services for Customers

The bank launched its first electronic account for customers, later developed into a digital application accessible via mobile devices and electronic platforms.
Regarding financial performance, the bank continued to achieving successful financial results, and in 2008 achieved a profit of BHD 22.3 million and distributed 10% in dividends along with bonus shares.

Impact of the Global Financial Crisis

The bank faced several challenges during this period, most notably the global financial crisis, which had a profound impact on the global and regional economy. It negatively affected banking operations, leading to declines in property and land prices, market stagnation, and a slowdown in the local economy.
The crisis also caused many clients to default on their payments, resulting in the bank's inability to distribute dividends in some years and recording losses due to accumulated bad debts. One significant case was the default of the Saad and Al-Gosaibi Group, with debts amounting to USD 59 million. The issue remained unresolved until it was finally settled in 2017, with the bank recovering approximately 20% of the debt.

Sheikh Hisham bin Abdulrahman Al Khalifa[41], who served as Vice Chairman of Bahrain Islamic Bank from 2005 to 2011, recalled this period, stating, "The bank experienced significant growth, but things changed dramatically following the global financial crisis, which impacted the Gulf region starting in 2008. The bank managed to navigate the crisis, benefiting from the investment boom to extend financed assets in its balance sheet. However, Bahrain Islamic Bank always maintained a cautious and deliberate approach."
Nevertheless, every bank must face losses and setbacks at some point and may lose part of its capital. However, it must possess the economic strength to withstand such crises.

Rising Financing Costs

The global financial crisis led to an increase in financing costs due to rising global interest rates, a typical occurrence during economic turmoil. However, the bank's policy, which relied on a diversified customer base and high liquidity, helped mitigate the effects of these disruptions.
Sheikh Hisham added, "The recession period was indeed challenging, but it gave the bank an opportunity to reorganize and move forward. We tightened our belts and focused on core business operations and income generation. Risk management controls played a crucial role in supporting the bank's corporate and commercial clients."
He also emphasized, "The bank is its people—those inside the building conducting the transactions. These individuals must possess the highest level of integrity."

Strengthening Audit Practices

Sheikh Hisham stressed the importance of robust auditing, stating, "Having a strong audit committee is key to ensuring oversight and balance." He also noted that Bahrain Islamic Bank's business operations kept pace with the development of Bahraini society and provided services to everyone equally.
The bank consistently employed a workforce that was over 95% Bahraini.
The bank's financial results for 2009 were a shock, recording a non-operational loss of BHD 19.4 million due to the fallout from the global financial crisis. The bank had to increase provisions by BHD 26 million to address difficulties in its portfolio caused by customer defaults and to prepare for potential market fluctuations.
The bank endured recurring losses over approximately four years, during which it refrained from distributing

(41) Sheikh Hisham bin Abdulrahman Al Khalifa, the eldest son of His Excellency Sheikh Abdulrahman bin Mohammed Al Khalifa, worked with the Ministry of Finance to develop high-level strategies and formulate public policies.
He also founded the Middle East and North Africa Financial Action Task Force (MENAFATF), headquartered in Bahrain, to combat money laundering and terrorism financing. Sheikh Hisham served as Vice Chairman of the Board of Directors of Bahrain Islamic Bank from 2005 to 2011, in addition to chairing the Board's Audit Committee. He resigned from his position in 2011 following his appointment as Governor of the Capital Governorate. In 2021, he was appointed Undersecretary of the Ministry of Interior for Nationality, Passports, and Residence Affairs.

dividends to shareholders until 2023, with the exception of 2016. Despite a slight reduction in losses, the financial year 2010 recorded a net loss of BHD 39 million.
In the same year, the bank signed an agreement with the Labour Fund (Tamkeen) for BHD 10 million to process financing requests for small, medium, and large enterprises. This positioned the bank as the first Islamic bank in Bahrain to offer such financing to businesses.

Contacting small and medium - sized enterprises

Losses narrowed in 2011 to BHD 17 million but rose again to BHD 36 million in 2012. To address these challenges, the General Assembly approved a 75% increase in the bank's capital on February 8, 2011. By the end of the first half of 2011, the bank raised its capital by BHD 21 million.

Revival of Merger Talks

In an effort to address its situation, the bank entered discussions in 2011 with Al Salam Bank-Bahrain regarding a potential merger. The proposed merger would create the largest Islamic bank in Bahrain by total assets. Both banks' boards of directors acknowledged that a merger was the best path for local and Islamic banks in light of the post-crisis competitive environment in the regional banking sector.
The proposed merged entity was projected to have total assets of BHD 1.7 billion and shareholder equity of BHD 337 million. It would be the third-largest local bank by assets and the second-largest by shareholder equity. Additionally, the merged institution was expected to have a high capacity and benefit from synergies that could enhance its position as a regional player in the Islamic banking sector.
However, negotiations ultimately ended without an agreement.

Phase Four

(2010–2019)

Back to Basics

Embracing Modern Commerce

Islamic banking globally reached a level comparable to conventional banks in most areas of financing and business operations. As a pioneer in the field, Bahrain Islamic Bank recognized the importance of adapting to modern commerce, characterized by increasingly shorter innovation cycles. The rapid pace of technological advancements in the past two decades made speed and accessibility in banking services critical to maintaining customer loyalty.

Changes in Ownership

Following these developments and the bank's gradual recovery, National Bank of Bahrain (NBB) and the Social Insurance Organization (SIO) each acquired a 25.8% stake in the bank from Dar Investment in 2013. This marked the start of a new phase for the bank, driven by a strategic plan named "Focus on Basics," which lasted until 2015. The strategy revolved around four key pillars:

1. **Divesting non-performing investment assets.**
2. **Reducing capital costs and operating expenses.**
3. **Upgrading IT infrastructure.**
4. **Exploring opportunities to enter new international markets outside of Bahrain.**

Social Housing Products

In collaboration with the Ministry of Housing, the bank launched social housing financing in 2013 through Ijarah Muntahia Bittamleek (lease-to-own), becoming the first Islamic bank in Bahrain to provide such financing. Later, in 2015, the bank introduced a joint mortgage product in partnership with Eskan Bank. These products remain part of the bank's offerings.

Management Changes

The same year saw the appointment of Abdul Razak Al Qassim as Chairman, replacing Khalid Al Bassam. CEO Mohammed Ibrahim resigned, and Mohammed Hassan Janahi, previously General Manager of Human Resources and Operations, was appointed Acting CEO.

The bank returned to profitability in subsequent years, driven by addressing accumulated losses and selling a significant portion of its non-performing investments. Profits for 2013 reached BHD 6.1 million, rising to BHD 9.3 million in 2014 and BHD 11.2 million in 2015.

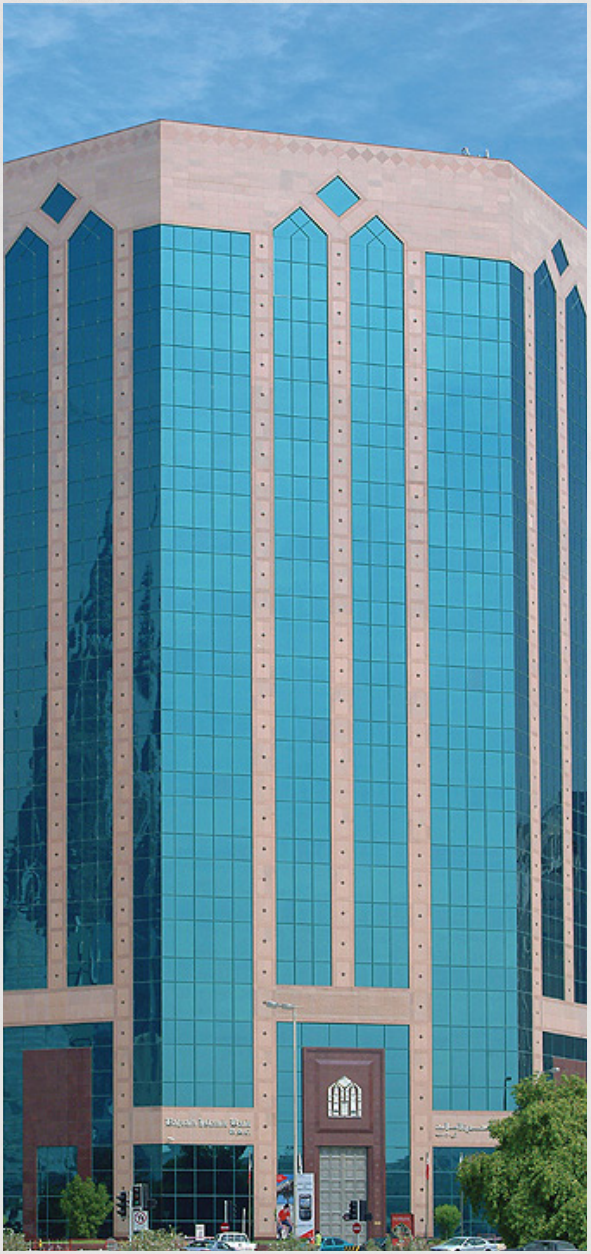
In mid-2015, Hassan Amin Jarrar[42] was appointed CEO to implement structural and organizational changes to keep pace with market competition. In 2016, Dr. Essam Fakhro was nominated to lead the board of directors.

The bank launched a dynamic strategy, "Eshraq – Back to Basics," for the years 2016 to 2019 focusing on five pillars:

1. **Reorganizing and restructuring the bank's financial position.**
2. **Simplifying and enhancing banking operations.**
3. **Prioritizing digitization.**
4. **Investing in employee development and talent growth.**
5. **Delivering exceptional customer service and building deeper relationships.**

The strategy leveraged advanced digital applications, making the bank's services more accessible and efficient. The bank also divested numerous non-performing investments, including equities, funds, and real estate properties, to refocus on delivering financial solutions to individual and corporate clients.
In 2016, the bank wrote off one of its most significant bad debts related to the Saad and Al-Gosaibi Group. The bank also sold numerous investments, reducing its portfolio from BHD 43 million to BHD 28 million, and cut other investments from BHD 29 million to BHD 26.5 million.
The bank distributed a 5% cash dividend to shareholders for the first time in seven years, reporting a net profit of BHD 8.4 million.

(42) Hassan Amin Jarrar served as the CEO of Standard Chartered Bank Bahrain before moving to Bahrain Islamic Bank. He previously worked at Mashreq Bank in the UAE and Abu Dhabi Islamic Bank.



Increase in SME Financing

In 2017, the bank doubled its financing for small and medium enterprises (SMEs) in collaboration with Tamkeen, establishing a financial portfolio worth BHD 20 million. The bank also reported profits of BHD 10.1 million and launched its first electronic application, offering advanced features that enabled customers to perform various transactions.

New Board of Directors

In 2018, elections were held for the bank's board of directors, resulting in the following members:

1. **Dr. Essam Abdullah Fakhro – Representative of National Bank of Bahrain (NBB).**
2. **Khalid Yousif Abdulrahman – Representative of NBB.**
3. **Brigadier Ibrahim Abdullah Al Mahmoud – Representative of the Social Insurance Organization (SIO).**
4. **Abdullah Ahmed Kamal – Representative of SIO.**
5. **Mohammed Al Zurooq Rajab – Representative of the Islamic Development Bank (IDB).**

Additional elections for the remaining seats resulted in the following independent members:

6. **6. Mohammed Abdullah Noordin.**
7. **7. Marwan Tabara.**
8. **8. Khalid Abdulaziz Al Jassim.**
9. **9. Mohammed Abdullah Al Jalahma.**
10. **The bank reported profits of BHD 11.3 million that year.**

Bank Acquisition

Discussions about merging the bank began in 2000 when Bahrain Shamil Bank (later acquired by Ithmaar Bank) proposed a merger with Bahrain Islamic Bank. The idea remained under consideration by the bank's board members for years. Subsequent merger negotiations with Gulf Finance House and Al Salam Bank in 2011 were unsuccessful.

To maintain the bank's strength and reputation, a strategic vision emerged to have the National Bank of Bahrain (NBB) acquire Bahrain Islamic Bank. This vision gained momentum following NBB and SIO's joint acquisition of a 51.6% stake in Bahrain Islamic Bank in 2013 for BHD 33 million (72 fils per share).

In 2017, NBB resumed acquisition talks, offering to purchase SIO's 29% stake while conducting the required financial and legal reviews. By October 2018, NBB proposed acquiring an additional 21.6% stake from major shareholders, specifically the Islamic Development Bank (14.4%) and Kuwait Awqaf Public Foundation (7.2%).

Issuance of New Shares

In 2019, NBB announced plans to increase its capital from BHD 154.4 million to BHD 168.8 million by issuing 145 million new shares valued at BHD 14.5 million. The issuance included a premium to be determined based on market conditions and regulatory approvals. NBB, which held 29.2% of Bahrain Islamic Bank's shares at the time, sought approval from its shareholders in an extraordinary general meeting on November 24, 2019, to waive preemptive rights and allow the issuance of new shares to increase its ownership in Bahrain Islamic Bank.

Optional Offer

In January 2020, NBB presented an optional offer to Bahrain Islamic Bank shareholders, providing the choice to exchange shares for 0.167 new NBB shares)[43] or sell their shares for a cash price of BHD 0.117 per share. By December 31, 2019, NBB had acquired 47.64% of Bahrain Islamic Bank's shares, surpassing the acquisition threshold of 40.9%.

At the time, Bahrain Islamic Bank's market capitalization on the Bahrain Bourse was estimated at BHD 129.8 million.

In January 2020, NBB announced the results of its bid to acquire up to 100% of Bahrain Islamic Bank's issued and paid-up ordinary shares. The bid was accepted for 529,424,282 shares, granting NBB a controlling stake of 78.8% by the settlement date.

(43) The Sharia Supervisory Board had previously issued a detailed Sharia ruling on the subject of the bank's acquisition, permitting the acquisition in principle and allowing the sale of shares to the National Bank of Bahrain, but not allowing the exchange of shares with it.

The offer was accepted by 93.55% of institutional shareholders, with the remaining 6.45% held by individual shareholders. Of those who accepted the offer, 94.95% chose the cash option at BHD 0.117 per share, while 5.05% opted for the share exchange, receiving 0.167 NBB shares for each Bahrain Islamic Bank share.
The combined market share of the two banks amounted to approximately 20% of Bahrain's retail banking sector.

Sharia Supervisory Board's Opinion

Questions were raised about the Sharia compliance of a conventional bank acquiring an Islamic bank. The Sharia Supervisory Board played a significant role in ensuring the acquisition adhered to Sharia principles while maintaining the Islamic bank's independence. The board clarified that there is no Sharia prohibition on a conventional bank owning or acquiring 100% of an Islamic bank, provided the following conditions are met:

1. **The Islamic bank's identity, license, financial autonomy, and balance sheet must remain independent from the conventional bank.**
2. **A clear and complete separation must exist between the finances and funding operations of both banks.**
3. **The operations, products, and contracts of the Islamic bank must continue to adhere to Islamic standards, particularly those issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and in compliance with the decisions and fatwas of the Islamic bank's Sharia Supervisory Board.**
4. **The Islamic bank's structure and Sharia governance framework must remain intact according to AAOIFI standards.**

Regarding the transfer of shares, the board stated:
"The bank may accept the sale of shares from shareholders for cash only, but shareholders cannot be offered shares in the conventional bank as a form of payment, whether mandatory or optional."

Meetings Between the Sharia Supervisory Board and Bank Management

Several meetings were held between the Sharia Supervisory Board, the management of both banks, and the advisory firm executing the acquisition. These discussions aimed to develop Sharia-compliant and legally sound acquisition frameworks. The acquisition was ultimately completed under a hybrid model, ensuring complete independence for some departments while integrating others, in line with the Sharia conditions established by the board.

This acquisition strengthened the financial position and stability of the Islamic bank.

Operational Developments

The bank continued to simplify and digitize its product offerings. In 2019, it launched an electronic platform for personal Murabaha financing, enabling purchase and sale transactions to be completed within four minutes. The bank also introduced a corporate digital application in the same year.

The bank unveiled a new strategy for 2020–2023, titled "Ready for Growth," based on the following pillars:

1. **Becoming a technology-driven and industry-leading bank.**
2. **Aligning cost structures with strategy.**
3. **Eliminating inefficiencies.**
4. **Encouraging simplified banking and technology adoption.**
5. **Ensuring the presence of appropriate indicators before pursuing growth.**

Phase Five

(2020–2025)

COVID-19 Pandemic (2020)

The COVID-19 pandemic profoundly impacted the global economy. Strict health and preventive measures were implemented, forcing the bank to adopt remote work policies for most employees from March 2020 to September 2021.

The Central Bank of Bahrain mandated a six-month deferment of loan installments for all customers without additional interest or profits, followed by two optional six-month extensions with interest or profit charges applied.

For the first time, the bank held its General Assembly meeting electronically on Sunday, April 11, 2020, in compliance with preventive measures to limit large gatherings. During the meeting, the bank announced a drop in profits to BHD 6.2 million. This decline was attributed to the pandemic's effects and the significant provisions imposed due to previous defaulted financings and a decrease in the value of properties owned by the bank.

New Management Appointments

The General Assembly announced the appointment of the following new board members due to NBB's increased ownership, representing 49.75% of the Islamic bank's shares:

- **Jean-Christophe Durand**
- **Yasser Al-Sharifi**
- **Dana Buheji**

The bank reported profits of BHD 6.1 million for both 2020 and 2021, maintaining these modest levels for the reasons outlined above.

New CEO

In October 2022, Yasser Al-Sharifi was appointed CEO of the bank following the resignation of the previous CEO, Hassan Jarrar. Mr. Al-Sharifi played a pivotal role in establishing and completing the innovative acquisition process, making him the ideal candidate to lead the bank under the National Bank of Bahrain's umbrella.

New Strategy

The bank launched a new strategy for the three years starting from 2024, titled "Leadership" (Ri'ada), drawing from its pioneering history as the first Islamic bank in Bahrain. The strategy focuses on the following key areas:

1. **Speed, accuracy, and productivity in execution.**
2. **Creating a personalized and simplified customer experience.**
3. **Developing innovative solutions.**
4. **Establishing strong financial and governance frameworks.**

New Chairman of the Board

In April 2024, the bank announced the resignation of Dr. Essam Fakhro as Chairman of the Board, with Mr. Zaid Khalid Abdulrahman appointed as his successor.
Additionally, CEO Mr. Yasser Al-Sharifi announced his resignation in June 2024.

Financial Performance of the Bank Since 1979

Year	Net Profit (BHD)	Dividends Distributed to Shareholders
1979	Year of Establishment	–
1980	500,000	6%
1981	1.5 million	12%
1982	Data not found	12%
1983	Data not found	12%
1984	Data not found	12%
1985	Data not found	10%
1986	3.5 million	10%
1987	3.1 million	10%
1988	Data not found	10%
1989	Data not found	10%

Year	Net Profit (BHD)	Dividends Distributed to Shareholders
1990	Data not found	10%
1991	4.3 million	10%
1992	Data not found	10%
1993	Data not found	10%
1994	Data not found	10%
1995	6.2 million	10%
1996	5.3 million	10%
1997	7.6 million	10%
1998	6.8 million	10%
1999	1.8 million	10%
2000	3.9 million	9%
2001	Data not found	10%
2002	2.1 million	10%
2003	2.6 million	10%
2004	2.7 million	Bonus Shares + 10%

Year	Net Profit (BHD)	Dividends Distributed to Shareholders
2005	7.4 million	Bonus Shares + 10%
2006	13.1 million	Bonus Shares + 32%
2007	25 million	Bonus Shares + 32%
2008	22.3 million	Bonus Shares + 10%
2009	-19.4 million	_
2010	-39 million	_
2011	-17 million	_
2012	-36 million	_
2013	6.1 million	_
2014	9.3 million	_
2015	11.2 million	_
2016	8.4 million	5%
2017	10.1 million	_
2018	11.4 million	_

Year	Net Profit (BHD)	Dividends Distributed to Shareholders
2019	6.2 million	–
2020	6.1 million	–
2021	6.1 million	–
2022	12.5 million	–
2023	11.1 million	–
2024	5 million	–
2025	18.5million	5%


توزيع أرباح نقدية بقيمة ٢,٣ مليون دينار

بنك البحرين الإسلامي يحقق ٢,١ مليون دينار أرباحا صافية

Akhbar Al Khaleej Newspaper – 2003


بنك البحرين الاسلامي

اكثر من ١٠٠٠٪ نسبة الزيادة في ارباحه

Akhbar Al Khaleej Newspaper – 1990


رئيس مجلس إدارة بنك البحرين الإسلامي" لأخبار الخليج" :

البنك يحقق أعلى نتائج منذ انشائه وميزانيته ترتفع إلى ٩١ مليون دينار

النتائج تؤكد ثبات العمل المصرفي الإسلامي ودعم المواطنين الكامل للبنك

Akhbar Al Khaleej Newspaper – 1989

Social Responsibility

Support for Distressed Borrowers

Since 1988, the bank's Board of Directors has maintained a policy requiring its legal counsel to refrain from issuing detention orders for distressed borrowers without consulting the bank's management. This policy aims to review the financial and humanitarian circumstances of clients and decide the appropriate course of action.

The bank has consistently followed this approach, granting deferrals to distressed borrowers without imposing additional fees or profits until they can repay their debts, in alignment with the Quranic verse:

"And if someone is in hardship, then let there be postponement until a time of ease. But if you give charity, then it is better for you, if you only knew." (44)



(44) Surah Al-Baqarah, 2:280

Qard Hasan (Interest-Free Loan Program)

Since its establishment, the Bank has sought to leave a clear and tangible impact on Bahraini society in general and the Islamic community in particular. Among the earliest initiatives it introduced, beginning in 1979, was the provision of benevolent Qard Hasan. The Bank initially began offering Qard Hasan to eligible citizens in amounts not exceeding BHD 500, through an internal committee established for this purpose.

In 1984, the Bank allocated an amount of BHD 50,000 to provide benevolent loans to citizens for purposes such as marriage, education, and housing renovation, with the possibility of increasing this allocation in the future. Due to the high demand, the total amount of benevolent loans was increased in 1986 to BHD 75,000. Of this amount, BHD 2,500 represented a donation from Sheikh Saeed Ahmed Lootah, who waived part of the Board of Directors' remuneration to be transferred to the benevolent loan fund. The total allocation subsequently rose to BHD 109,000 in 1990, and then to BHD 125,000 in 1994. In addition, one of the shareholders donated BHD 3,000 to the benevolent loan fund, bringing its total to BHD 128,000. In a press statement, Mr. Abdul Latif Janahi noted that the fund had contributed to the marriage of 100 young men during the preceding years (from establishment until 1995).

The ceiling allocated by the Bank for benevolent Qard Hasan continued to stand at BHD 125,000 until the end of 2020, after which it was doubled to BHD 250,000. The number of beneficiaries of benevolent loans since the Bank's establishment up to the present time is estimated at approximately 1,000 citizens and residents, for purposes including marriage, medical treatment, home renovation, debt repayment, furnishing, and other needs.



بنك البحرين الإسلامي يقرر دعم قطاع الصحة
البنك وزع ٧٠٠ ألف دينار للزكاة و٣٥٠ ألفا للجمعيات الخيرية

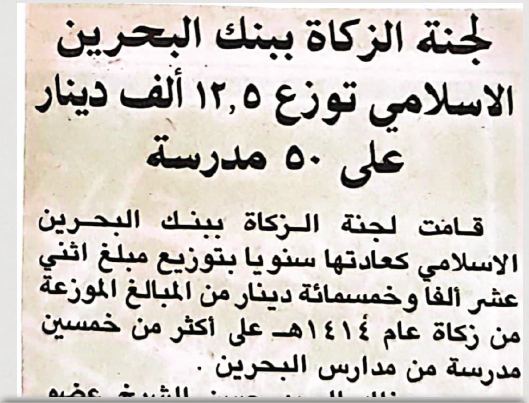
كتب ـ محمد بخيت

تسلم وكيل وزارة الصحة السيد عبدالرحمن بوعلي شيكا بمبلغ ٤ آلاف دينار تبرعا من بنك البحرين الاسلامي لوزارة الصحة وذلك في اطار التبرع السنوي الذي يقدمه البنك الى الوزارة، والذي يتراوح ما بين ٥ الى ١٠ آلاف دينار سنويا.

قام بتسليم الشيك السيد عبداللطيف جناحي العضو المنتدب والرئيس التنفيذي لبنك البحرين الاسلامي بحضور وكيل وزارة الصحة المساعد للخدمات الادارية والمالية السيد علي النور والسيد عيسى بوعلي مدير ادارة المالية والسيد عادل خلف مدير ادارة المواد والتجهيزات الطبية.

وقد عبر وكيل وزارة الصحة عن

Akhbar Al Khaleej Newspaper – 2000



لجنة الزكاة ببنك البحرين الاسلامي توزع ١٢,٥ ألف دينار على ٥٠ مدرسة

قامت لجنة الزكاة ببنك البحرين الاسلامي كعادتها سنويا بتوزيع مبلغ اثني عشر الفا وخمسمائة دينار من المبالغ الموزعة من زكاة عام ١٤١٤هـ على أكثر من خمسين مدرسة من مدارس البحرين .

Akhbar Al Khaleej Newspaper – 1995

Zakat and Donations

First: Establishment of the Zakat Committee

Since its establishment, the Bank has consistently discharged the zakat due on its funds, in addition to the amounts donated by the Board of Directors as part of the Bank's social responsibility. These funds were distributed to a number of charitable institutions and charitable funds on the one hand, as well as to individuals in need and the indigent on the other.

The General Manager at the time entrusted Mr. Ramadan Ali and Mr. Hassan Al-Sheikh with the task of delivering assistance to certain families in need. Subsequently, Sheikh Issa Ahmed Al-Zarouqi (may Allah have mercy on him) joined them in this mission. In addition to his role as the Bank's Sharia auditor, he was also tasked with following up on applications for benevolent (interest-free) loans.

Thereafter, charitable activities within the Bank evolved and were institutionalized through the establishment of an official committee known as the Zakat, Donations, and Benevolent Loans Committee, reporting to the Chief Executive Officer of the Bank. The committee was composed of a number of managers from different departments and was formally established in 2002 to undertake this responsibility.

The committee's mandate was later expanded to include the assessment of cases submitted by charitable societies and the provision of support thereto, in addition to assistance provided to individuals for purposes such as medical treatment, marriage, debt settlement, furnishing, and home renovation, while observing Sharia controls. Moreover, the funds allocated for these purposes were supplemented (under a separate item) by transactions designated by the Sharia Supervisory Board to be channeled to charitable causes in lieu of non-Sharia-compliant transactions, transactions containing Sharia non-compliance, or suspected funds, starting from 2005. This also included amounts that the Bank commits to donate, in addition to late payment penalties (delay fine) collected by the Bank.

The committee has developed internal bylaws governing its activities and continues to operate regularly, making a significant contribution to assisting individuals and charitable organizations.

Second: Financial Contributions

The bank has contributed approximately BHD 100,000 in the first seven years of its establishment. In 1988, it donated BHD 100,000 for purchasing medical equipment for Salmaniya Hospital and the Military Hospital, building a mosque at Al-Hidd Preparatory School for Boys, and another Masjid in Muharraq. Additionally, the bank distributed BHD 12,500 from Zakat funds to benefit more than fifty schools and BHD 20,000 to charitable funds in the same year.

In 1998, the bank approved a contribution of BHD 150,000 for the establishment of the Sheikh Isa bin Salman Al Khalifa Library, to be paid over three years.

The General Manager, Mr. Abdul Latif Janahi, announced on December 14, 2000, that the bank had distributed around BHD 700,000 in Zakat and BHD 350,000 to charitable organizations during the preceding years.

A detailed report in January 2001 revealed that the bank contributed BHD 1,141,000 in Zakat and charitable activities.

Since 2005, the bank's contributions to Zakat and donations amount to BHD 10.5 million, with total contributions since its establishment reaching nearly BHD 15 million.

In 2018, the bank launched the "Jood" initiative, which encourages employees to volunteer in community service through charitable and humanitarian activities.

Year	Individuals	Organizations	Expenses	Qard Hasan (BHD)
2005	–	–	159000	–
2006	–	–	185000	–
2007	–	–	224000	–
2008	–	–	317000	–
2009	–	–	909982	–
2010	–	–	1,154,000	–
2011	–	–	608000	–
2012	281	80	669640	16
2013	281	144	695885	31
2014	282	129	752,095	17
2015	255	84	426,852	9
2016	355	87	499,086	9
2017	484	48	574,466	10
2018	502	156	671,054	15
2019	701	102	934,779	23
2020	723	71	619,718	16
2021	432	160	409,022	14
2022	448	70	278,306	20
2023	461	88	477,855	37
2024	490	134	569,273	33

Organizations Supporting Islamic Finance

Establishment of AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions)

AAOIFI was established in 1991 in Bahrain, with the bank beginning its collaboration and support for the organization in 1994. Since 1999, the bank has been an active member of AAOIFI[45], which develops Shariah and accounting standards for Islamic financial institutions.

Initially, AAOIFI focused solely on accounting standards for six years before expanding to governance and ethics standards in 1997. In the same year, it established its Shariah Board, issuing the first Shariah standard in 2000 on currency trading.

Before the issuance of AAOIFI standards, Islamic banks, including Bahrain Islamic Bank, relied on Shariah supervisory boards, fiqh-based judgments, and resolutions from fiqh academies and conferences like the Al-Baraka Symposium (since 1981), which significantly contributed to Islamic economic development.

(45) AAOIFI is one of the most prominent international non-profit organizations supporting Islamic financial institutions. Established in 1991 and headquartered in the Kingdom of Bahrain, the organization has made significant professional achievements, most notably the issuance of 100 standards to date in the fields of accounting, auditing, business ethics, governance, and Shariah standards. These standards have been adopted as either mandatory or advisory by central banks and financial authorities in various countries. The organization is supported by a wide range of member institutions, including central banks, regulatory authorities, financial institutions, accounting and auditing firms, and legal offices from over 45 countries. Its standards are currently applied by leading Islamic financial institutions worldwide, fostering a high degree of uniformity in practices to Islamic finance on a global level. The idea originated from a working paper presented at the Islamic Development Bank conference in Istanbul in 1987. The agreement to establish the organization was signed in Algeria in 1990, and it was officially registered in the Kingdom of Bahrain on Ramadan 11 (corresponding to March 17, 1991). In 1998, the Shariah standards and the Shariah Board responsible for their development were established.

Bahrain Islamic Bank was one of the first to sponsor AAOIFI's Shariah conferences since their inception in 2002. Mr. Abdul Latif Janahi, in his memoirs, mentioned his role in attracting AAOIFI to establish its headquarters in Bahrain, being part of the founding team preparing the initial frameworks.

In 1998, the Bahraini Minister of Commerce issued Decision No. 6, mandating that Islamic financial institutions adhere to AAOIFI's standards. This was reinforced in 2014 by the Central Bank of Bahrain and later legislated under Law No. 14 in 2020.

The law stipulates that Islamic financial transactions and contracts comply exclusively with AAOIFI standards, making Bahrain the first and only country to legally enforce these standards as regulatory frameworks.

Bahrain Islamic Bank, particularly its Shariah Board, played a pivotal role in this achievement. The board engaged with the executive, judicial, and legislative authorities to highlight the reclassification of Islamic banking contracts since 2012, reiterated its call in 2017, and organized its second forum, which contributed to the issuance of Law No. 14 in 2020.

Establishment of the General Council for Islamic Banks and Financial Institutions (CIBAFI)

In 2000, Bahrain Islamic Bank, alongside several other institutions, contributed to establishing the General Council for Islamic Banks and Financial Institutions (previously known as the Union of Islamic Banks)[46]. The bank has been a member since its inception, represented by Mr. Abdul Latif Janahi, who successfully advocated for Bahrain to host the council over two other options (Egypt and Jeddah).

International Islamic Rating Agency (IIRA)[47]

As the bank's reputation and strength grew, it became subject to evaluations by credit rating agencies. The bank's CEO, Mr. Abdul Latif Janahi, expressed concerns about the methodologies used by these agencies, which he felt were not suitable for Islamic banks. During a meeting at the Islamic Development Bank in 2000, he proposed the establishment of a dedicated Islamic credit rating agency in collaboration with the Islamic Development Bank.

This led to an international meeting of relevant organizations to discuss the idea, resulting in the approval of the Islamic International Rating Agency (IIRA). Its first general assembly was held in 2002, with Bahrain Islamic Bank being a founding member.

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(46) General Council for Islamic Banks and Financial Institutions (CIBAFI) is an international organization established in 2001 under a royal decree issued by the late Sheikh Isa bin Salman Al Khalifa, the Emir of the Kingdom of Bahrain. Headquartered in Bahrain, CIBAFI is affiliated with the Organization of Islamic Cooperation (OIC) and serves as the official umbrella for the Islamic financial industry globally.

CIBAFI aims to support, develop, and protect the Islamic financial services industry while fostering collaboration among its members and other financial institutions with shared goals. It represents more than 130 financial institutions from over 34 countries, including key players in the Islamic financial market, international multilateral organizations, and professional associations.

Recognized as one of the cornerstone institutions in the Islamic finance infrastructure, CIBAFI's mission is to advance the industry to fulfill real economic needs and achieve the objectives of Shariah. It represents and defends the interests of its members regarding regulatory, financial, and economic policies. CIBAFI's initiatives are aligned with the following strategic objectives: 1.Enhancing the value-added role of Islamic banking and its regulatory frameworks. 2. Promoting research and innovation in the industry. 3. Fostering professional training and empowerment.

(47) The Islamic International Rating Agency (IIRA) specializes in rating Islamic banks and financial institutions, assessing their reliance on conventional international financial systems. Its role complements the activities of Islamic finance by evaluating the operations and products of Islamic financial institutions. This ensures adherence to Islamic principles while supporting the development of the industry.

Islamic Financial Services Board (IFSB), Liquidity Management Centre (LMC), and International Islamic Financial Market (IIFM)

In 2002, three key institutions supporting Islamic finance were established:

a. **IFSB (Malaysia): Bahrain Islamic Bank is an observer member.**
b. **LMC[48] (Bahrain): The bank is a founding and contributing member.**
c. **IIFM[49] (Bahrain): The bank is also a contributing member.**

(48) Liquidity Management Centre (LMC) LMC is a wholesale Islamic bank established in July 2002 and regulated by the Central Bank of Bahrain. It aims to provide optimal Islamic financing and investment solutions that contribute to the growth of the Islamic capital market. LMC is committed to playing a key role in creating a geographically expanding and active Islamic interbank market to assist Islamic financial institutions in managing their short-term liquidity needs. Additionally, LMC attracts assets from governments, financial institutions, and corporations across the private and public sectors in its target markets. These assets are securitized into easily tradable securities or structured into other innovative investment instruments. LMC's vision is to enable Islamic financial institutions to address liquidity mismatches through structured short and medium term liquid investments in compliance with Shariah principles.

(49) The International Islamic Financial Market (IIFM) was established under Royal Decree No. (23) of 2002 in the Kingdom of Bahrain as a neutral, non-profit organization for infrastructure development. It is hosted by the Central Bank of Bahrain in Manama. Its vision is to create an active and well-regulated environment for cross-border capital flows through a comprehensive range of financial instruments compliant with the principles and rules of Islamic Shariah on an international level. The market aims to develop standardized financial documentation, adopt Shariah-compliant products, and create operational guidance notes for published documents and products to serve the Islamic financial industry. It also seeks to focus on providing high-value, specific services to the Islamic financial industry by publishing practical, globally usable financial documents compliant with Shariah principles. Additionally, it publishes operational guidance notes related to documents and product information, along with Shariah board approvals and legal opinions relevant to jurisdictions. The IIFM further aims to raise awareness of the Islamic financial industry and exchange technical knowledge on IIFM standards through organizing seminars, technical workshops, and consultative meetings on specific topics in the Islamic financial industry. It also publishes an annual Sukuk report and concept papers periodically on specific topics.

International Islamic Centre for Reconciliation and Arbitration (IICRA)

The International Islamic Centre for Reconciliation and Arbitration (IICRA[50]) was established in 2005 in the UAE. Bahrain Islamic Bank is a founding member.

(50) The International Islamic Centre for Reconciliation and Arbitration (IICRA) is an independent, non-profit international institution serving the Islamic financial industry. The center specializes in resolving all financial and commercial disputes arising between financial or commercial institutions and their clients, or with third parties, that choose to apply Islamic Shariah in resolving their disputes through arbitration.

The Bank›s Role in Contributing to Development Projects and Companies

From its inception, the bank's board of directors sought to revitalize the Islamic financial industry by establishing numerous companies. In October 1980, during one of its meetings, the board decided to establish an Islamic investment company in Bahrain with a capital of BHD 5 million, contributed by Islamic banks in the Arabian Gulf. At the time, Bahrain only had one investment company, so the Bahrain Islamic Investment Company was established, and its capital was fully subscribed in a short period. The board was chaired by Sheikh Isa bin Mohammed Al Khalifa, with Abdul Latif Janahi as his deputy. Among the attendees of this historic meeting were Sheikh Ahmed Bazia Al-Yaseen, Chairman of Kuwait Finance House, Hajj Saeed Lootah, Chairman of Dubai Islamic Bank, Mr. Mohammed Al-Roumi, representing Kuwait Finance House, and Mr. Abdullah Al-Hamlan, Director of Administrative and Financial Affairs at the Kuwaiti Ministry of Finance. The meeting lasted from 5:00 PM to 11:00 PM. The company's activities focused on investing the bank's excess liquidity, primarily through Murabaha operations in vehicles.

In the same year, the bank announced several projects it intended to pursue, including purchasing land in Gudaibiya for a branch, establishing an Islamic insurance company, and founding a fish farming company.

The bank's management, in cooperation with its Shariah Supervisory Committee, also attempted to establish an Islamic bank in Oman, as it was the only Gulf country without Islamic banks. However, these efforts were unsuccessful.

In 1989, the Exempt Islamic Trading Company was established, primarily due to Bahrain Islamic Bank's initiative. Its goal was to alleviate the burden of hard currency for developing countries through barter trade. Founding members included Kuwait Finance House, Dubai Islamic Bank, the Islamic Development Bank, the General Organization for Social Insurance, and Dar Al-Maal Al-Islami Group. The company's board was chaired by Mr. Saleh Abdullah Kamel, with Abdul Latif Janahi as his deputy.

In January 2007, during the real estate boom, the bank's CEO, Mr. Saleh Khalaf, announced the bank's new plans to establish a real estate company (Abaad Real Estate) with a capital of BHD 10 million. The aim was

to invest in real estate, manage projects, purchase undeveloped land, subdivide it, and sell parcels. The bank also announced its intention to expand geographically and increase its capital.

Projects and Companies Established or Invested in by the Bank:

1. **Bahrain Islamic Investment Company (Bahrain): Later closed.**
2. **Al Baraka Islamic Investment Bank (Bahrain): The bank was a partner but later exited. The company remains active, represented by Al Baraka Sports Shops.**
3. **Islamic Insurance and Reinsurance Company (Bahrain): Founded in 1985 for Islamic insurance and reinsurance. It was Bahrain's first attempt at establishing Islamic insurance but later closed.**
4. **Arab International Agricultural Consulting Company (Bahrain): Later closed.**
5. **Islamic Solidarity Bank (Sudan): Established in 1981 in Khartoum. The bank held shares but later exited. The bank remains operational.**
6. **Islamic Bank of Western Sudan (Sudan): Established in 1982 in Khartoum. The bank held shares but later exited. The bank remains operational.**
7. **Islami Bank Bangladesh Limited (Bangladesh): Co-founded on March 13, 1983, with the Islamic Development Bank, Dubai Islamic Bank, and Kuwait Finance House. The bank later exited.**
8. **Dyeing and Varnish Company (Egypt): The bank contributed to its establishment but later exited. The company subsequently closed.**
9. **Al Baraka Turkish Finance House (Turkey): Established in 1984 by Al Baraka Banking Group. The bank held limited shares but later exited.**
10. **Takaful Insurance Company (Bahrain): Bahrain›s first Islamic insurance company, established as «Bahrain Islamic Insurance Company» and renamed «Takaful International» in 1998. The bank made a significant contribution.**
11. **Abaad Real Estate Company (Bahrain): Fully owned by the bank, established in 2007 as its real estate investment arm with a paid-up capital of BHD 25 million.**



Bank Buildings and Branches

Main Branch Building

The bank's board initially decided to lease a headquarters, choosing a building on Government Avenue in the Manama Souq. The property was owned by Sheikh Rashid bin Isa Al Khalifa and consisted of the ground floor, which housed the banking hall with tellers and sales counters, as well as the mezzanine and first floors, where financial, procurement, and customer service departments were located. The second floor accommodated the general manager and department heads, while the third floor was designated for board meetings.

In 1980, the bank planned to build a central headquarters on the same street (Government Street). The proposed structure included a fully integrated tower and a two-story commercial market covering 10,000 square feet. The bank purchased a 40,000 square foot plot for the project but later decided to sell the land due to an attractive offer.

The bank remained at its original headquarters until 1995, when it decided to construct a new tower in the Diplomatic Area. The 17-story building, reaching a height of 78 meters, was completed in 1998 and named Al Salam Tower. At the time, it was the tallest building in the Diplomatic Area. The tower was renovated and its facade updated in 2013, and it remains the bank's main building to this day.

During the opening ceremony, Sheikh Abdulrahman bin Mohammed expressed his gratitude to Sheikh Rashid bin Saeed Al Maktoum, Vice President of the UAE, Prime Minister, and Ruler of Dubai, for his support of the bank. Sheikh Abdulrahman noted that the tower's design reflects Islamic values, symbolizing the bank's vision and methodology.

The bank used approximately three floors of the tower for its employees, leasing the remaining floors to various companies and banks. It is worth noting that one floor was rented to a conventional bank. Upon learning of this, the Sharia Supervisory Board requested that the lease not be renewed, citing its prohibition, and its rental income was allocated to charitable causes.



Bank Branches

Muharraq Branch

The bank's first branch outside the capital was established in Muharraq in 1981 and remains operational.

Gudaibiya Branch

The bank purchased a 10,000 square foot plot on Old Palace Street in Gudaibiya, signing a construction agreement on January 4, 1982. The building consisted of two floors, with the ground and first floors designated for commercial use, and the second floor divided into offices and apartments. The branch occupied part of the ground floor. The building, which cost BHD 800,000, included 23 commercial shops and 12 apartments. Sheikh Abdullah bin Khalid Al Khalifa inaugurated the branch and its commercial complex on May 12, 1983.



Signing of an agreement to open a new branch



نتائج قياسية لبنك البحرين الإسلامي خلال النصف الأول من هذا العام

وسع في عدد الفروع العاملة وطرح ٩ منتجات مصرفية إسلامية

محمد عبدالله الزامل عدنان أحمد يوسف

Akhbar Al Khaleej Newspaper – 2002



يدشن أول فرع نسائي بالكامل يوم الثلاثاء

ك البحرين الإسلامي يفتتح الفرع الحادي عشر بمدينة حمد

ركيب الشبكة الأحدث تقنيا في المملكة بجميع فروع البنك قريبا

Akhbar Al Khaleej Newspaper – 2004



افتتاح الفرع ١٢ لبنك البحرين الإسلامي

البنك يستكمل خطة التوسع الجغرافي

البدء في التوسع التقني بميزانية قدرها ٣ ملايين دولار

Akhbar Al Khaleej Newspaper – 2005

Arabian Gulf University Branch

In 1983, the bank opened a branch in one of the buildings at Arabian Gulf University to serve students and faculty in the remote area of Sakhir. The branch employed one male and one female staff member to cater to both genders. Despite calls to close the branch, the bank insisted on keeping it until its closure in 1997.

Riffa Branch

The bank expanded further by opening its fourth branch in Riffa Market in 1990

Jidhafs Branch

The bank opened its fifth branch in Jidhafs in 1994.

The bank continued to expand by opening branches in various locations across Bahrain, including Al Hidd, Budaiya, Isa Town, and Hamad Town. In 2004 alone, the bank opened three branches, with its eleventh branch in Hamad Town, its twelfth branch exclusively for women (Al Danah) in Umm Al Hassam, and its thirteenth branch in Budaiya. In 2008, the bank opened a branch in City Centre Mall and another in the Financial Harbour.

Financial Malls

In 2013, the bank adopted a new approach of establishing main buildings that replicate the headquarters' functions. This strategy aimed to modernize operations, close smaller branches, and replace them with main buildings in different governorates to enhance decision-making and decentralize operations.
As a result, the bank constructed model buildings in Arad, Budaiya, Riffa, and Hamad Town, replacing branches in Manama, Qudaibiya, City Centre, the Financial Harbour, Riffa, Budaiya, Al Danah Women's Branch, Isa Town, Al Hidd, and Hamad Town.







Head office Building of Bahrain Islamic Bank



The main Branch in Manama



First Digital Branch- Galleria Mall

The First Digital Branch

As part of its strategy to simplify transactions and digitize operations, the bank opened Bahrain's first digital branch in The Galleria Mall in Zinj on Sunday, March 10, 2019. This digital branch allowed customers to perform numerous transactions without staff assistance, such as cash withdrawals and deposits without a card. The branch also featured a self-service banking platform for printing checkbooks, instant issuance of debit cards, opening various accounts, applying for financing, updating customer information, and communicating with customer service representatives via video for assistance when needed.



Bank Building and Branch Opening and Closing Dates



Main Building

- Old Headquarters in Manama Souq (Government Street)
  From 1979 To 1998
- Al Salam Tower (Diplomatic Area)
  From 1998 To Present

Other Branches

- Muharraq Branch
  From 1981 To 2023
- Gudaibiya Branch
  From 1983 To 2016
- Manama Souq Branch
  From 1983 To 2012
- Arabian Gulf University (Sakhir)
  From 1985 To 1997
- Riffa Branch
  From 1990 To 2008
- Jidhafs Branch
  From 1994 To 2012
- Sitra Branch
  From 2002 To 2026
- Budaiya Branch
  From 2004 To 2012
- Business women's Branch (Juffair)
  From 2004 To 2004
- Al Danah Women's Branch
  From 2004 To 2012
- Isa Town Branch
  From 1999 To 2015
- Hamad Town Branch
  From 2004 To 2014
- Hidd Branch
  From 2002 To 2015
- Financial Harbour Branch
  From 2008 To 2013
- Zayed Town Branch
  From 2015 To Present
- City Centre Mall Branch
  From 2008 To 2015





Financial Malls Era

- Arad Financial Mall
  From 2015 To Present
- Riffa Financial Mall
  From 2013 To Present
- Hamad Town Financial Mall
  From 2014 To Present
- Budaiya Financial Mall
  From 2015 To Present



Digital Branch Era

- Galleria Branch
  From 2014 To 2023

Chairpersons, Sharia Supervisory Board Heads, and CEOs

Chairpersons of Bahrain Islamic Bank

Sheikh Abdulrahman bin Mohammed Al Khalifa

1979 → 2001





Mohammed Abdullah Al Zamil

2001 → 2005



Khalid Al Bassam

2005 → 2013



Abdul Razzaq Al Qassim

2013 → 2016



Dr. Essam Abdullah Fakhro

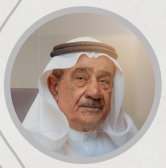
2016 → 2024



Zaid Khalid Abdulrahman

2024 → Present

CEOs of Bahrain Islamic Bank



Abdul Latif Janahi
1979 → 2002



Adnan Ahmed Abdul Malik
2002 → 2004



Yousif Saleh Khalaf
2004 → 2006



Mohammed Ibrahim Al Bastaki
2007 → 2013



Mohammed Ahmed Janahi (Acting)
2014 → 2015



Hassan Amin Jarrar
2015 → 2022



Yasser Abduljaleel Alsharifi
2022 → 2024



Fatema AlAlawi
2025 → Present

Heads of the Sharia Supervisory Board



Sheikh Mohammed Abdul Latif Al Saad
(May Allah have mercy on him)

1979 → 1998



Sheikh Dr. Abdul Latif Al Mahmoud

1999 → Present

Milestones in Bahrain's Islamic Banking and Financial Institutions

Milestones in Bahrain's Islamic Banking and Financial Institutions

1976

Licensing of Solidarity as an Islamic insurance company on August 17.

1978

Licensing of Bahrain Islamic Bank in October, followed by its establishment in March 1979.

1981

Establishment of Faisal Islamic Bank(51), Bahrain's second Islamic bank, initially serving corporate clients and later individuals in 1988.

1982

Licensing of Faisal Islamic Bank - Bahrain.

(51) Faisal Islamic Bank (Bahrain) was established on July 14, 1982, with a capital of USD 200 million, of which USD 100 million was paid-up. Its headquarters was relocated to Bahrain. On October 21, 2003, Shamil Bank acquired all assets and liabilities of Faisal Bahrain Investment Bank. Following this acquisition, Shamil Bank sold its entire stake in Faisal Bahrain Investment Bank to Dar Al-Maal Al-Islami Holding Group, and the bank was renamed Ithmaar Bank B.S.C. (Closed). In August 2006, Ithmaar Bank acquired a 60% stake in Shamil Bank of Bahrain, a commercial and investment Islamic bank. In 2007, Ithmaar Bank acquired the remaining 40% minority stake in Shamil Bank, making it a wholly-owned subsidiary. In February 2008, Ithmaar Bank announced the purchase of a 19.1% stake in the capital of Bank of Bahrain and Kuwait for BHD 123 million. By August 2008, Ithmaar Bank had increased its stake in Bank of Bahrain and Kuwait to 25.4%. In April 2010, Ithmaar Bank completed a comprehensive reorganization with its wholly-owned subsidiary, Shamil Bank, emerging as a leading Islamic retail bank licensed and supervised by the Central Bank of Bahrain. In 2016, Ithmaar Bank's Board of Directors proposed a restructuring plan to convert Ithmaar Bank B.S.C. into a holding company with two subsidiaries to separate core and non-core assets. On January 2, 2017, all core assets and liabilities previously owned by Ithmaar Bank were transferred to the bank, along with control over associate companies. The bank was established in Bahrain on May 12, 2016, as a closed joint-stock company, licensed as an Islamic retail bank by the Central Bank of Bahrain and subject to its supervision. Ithmaar Holding (formerly Ithmaar Bank B.S.C.) ["Ithmaar"] is the bank's immediate parent company. It is a Category 1 investment company licensed and supervised by the Central Bank of Bahrain. During an extraordinary general meeting held on March 17, 2022, the shareholders of Ithmaar Holding B.S.C. approved a deal to sell certain key assets in Bahrain to Al Salam Bank. These assets included the retail banking portfolio of Ithmaar Bank, as well as Ithmaar Holding's stake in both Bank of Bahrain and Kuwait and Solidarity Holding Group. Under this transaction, Ithmaar Bank remains a wholly-owned subsidiary of Ithmaar Holding, continuing to operate as an innovative Islamic bank licensed and supervised by the Central Bank of Bahrain, focusing exclusively on corporate banking services and related activities.

1983

Establishment of Al Baraka Bank on September 30 and the Al Baraka Banking Group[52], which remains licensed by the Bahrain Monetary Agency.

1984

Licensing of Ithmaar Bank.

1985

Establishment of the Islamic Insurance and Reinsurance Company.

1987

- Launch of the Bankers Training Centre, later known as the Bahrain Institute of Banking and Finance (BIBF).
- Establishment of the first Islamic investment bank in Bahrain, Arab Islamic Banking Corporation ABC[53], licensed on July 29, 1985.

(52) Al Baraka Banking Group operates across various countries and holds its first license from the Bahrain Monetary Agency (now the Central Bank of Bahrain). It owns banks including Jordan Islamic Bank, Al Baraka Bank Egypt, Al Baraka Tunisia, Al Baraka Sudan, Al Baraka Bahrain, Al Baraka Turkey, and others, managing approximately 600 branches worldwide.

(53) ABC is an Arab bank headquartered in Bahrain, established on January 17, 1980, with a capital of $1 billion, backed by the governments of Bahrain, Abu Dhabi, and Libya. It was created in Bahrain by an Emiri decree and was licensed by the Bahrain Monetary Agency to operate offshore banking services. It has nine branches, including in Bahrain, and began offering Islamic services in 1987.

1989

- Execution of the first Islamic syndicated financing.
- Establishment of the first Islamic insurance company (Bahrain Islamic Insurance Company), renamed Takaful International in 1998.
- Establishment of the first Islamic trading company (Islamic Trading Company).

1991

Establishment of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

1996

Licensing of Citi Islamic Investment Bank on March 17.

1997

Launch of Arcapita Bank.

1998

Licensing of Al Baraka Group on January 6.

1999

- Completion of the first structured project finance transaction.
- Issuance of the first Sukuk Al Ijara by the Bahrain Monetary Agency (Islamic Development Bonds).
- Establishment of Gulf Finance House (GFH)[54] on August 2 as an Islamic investment bank in Bahrain.



(54) GFH Financial Group, previously known as Gulf Finance House, is an Islamic investment bank headquartered in Bahrain Financial Harbour, Bahrain. It was established in 1999 and rebranded as GFH Financial Group in 2015. Its main office remains in Bahrain Financial Harbour, and its shares are listed on four GCC stock exchanges: Bahrain Bourse, Kuwait Stock Exchange, Dubai Financial Market, and Abu Dhabi Securities Exchange. Its assets are currently valued at $17 billion.



2000

- Approval for establishing the Islamic Financial Services Board (IFSB).
- Issuance of AAOIFI's first Sharia standard, focusing on currency trading.

2002

- Introduction of regulatory requirements for Islamic banks.
- Launch of Kuwait Finance House - Bahrain, licensed on December 9, 2001.
- Licensing of Kuveyt Türk Bank on February 13.
- Issuance of the world's first Islamic Treasury Sukuk and five-year Sukuk Al Ijara by the Bahrain Monetary Agency.
- Establishment of the General Council for Islamic Banks and Financial Institutions (CIBAFI).
- Establishment of Liquidity Management Centre (LMC) in Bahrain on June 11.
- Establishment of the International Islamic Financial Market (IIFM).

2004

- Establishment of Khaleeji Commercial Bank, later renamed "Khaliji Bank" in 2023, licensed in October 2003.
- Implementation of Islamic finance for Bahrain Housing Bank.

2005

- Establishment of the Islamic International Rating Agency (IIRA) in Bahrain.
- Licensing of Esterad Bank on May 3.
- Licensing of Investrade.

2006

- Introduction of bank license classifications for retail, wholesale, conventional, and Islamic services.
- Launch of Al Salam Bank[55], licensed by the Central Bank of Bahrain on May 3, 2005.
- Establishment of the Endowment Fund by the Central Bank of Bahrain.
- Establishment of Solidarity Takaful Insurance Company.
- Establishment of Hannover Re Takaful.

(55) Al Salam Bank was established in 2006, with its official launch on April 12, 2006, introducing a first-of-its-kind service in Bahrain: financing subscription requests for Islamic banks. The initial subscription request facilitated through Bahrain Islamic Bank was for Al Salam Bank, which began its operations in Bahrain. The bank expanded its operations within the Kingdom of Bahrain, announcing in 2014 its acquisition of BMI Bank (Bank Muscat International) in a "business merger" transaction. As part of this deal, Al Salam Bank issued new shares to the existing shareholders of BMI Bank to acquire 100% ownership. In 2022, the bank acquired Ithmaar Bank's retail banking sector in a deal valued at $2.2 billion. In 2023, it announced signing an agreement with Kuwait Finance House to fully acquire the group's stake in KFH Bahrain for a cash payment.

2008

- Establishment of ACR ReTakaful MEA.
- Licensing of Al Hilal Takaful on December 15.
- Establishment of First Energy Bank.
- Licensing of Fortune Investment.
- Licensing of Inovest.
- Licensing of T'azur Capital.
- Licensing of Tharawat Investment.
- Licensing of Fajr Investment.

2009

- Licensing of Itqan Islamic Financial Services.
- Licensing of Family Bank, the first Islamic microfinance bank.
- Al Salam Bank's acquisition of Bahrain Saudi Bank.
- Merger of Shamil Bank and Ithmaar Bank.

2011

Licensing of J Equity Partners.



2013

- Establishment of Ibdar Capital.
- Licensing of Arcapita Investment.

2014

- Central Bank of Bahrain mandated AAOIFI Sharia standards for Islamic banks.
- Al Salam Bank acquired Bank Muscat.

2015

Licensing of BOK-International Bank.

2016

- Formation of the first Central Sharia Supervisory Board by the Central Bank of Bahrain.
- Establishment of Ithmaar Bank.

2017

- Issuance of Sharia Governance Model (SG) by the Central Bank of Bahrain, its first Sharia governance framework.
- Licensing of Ithmaar Holding on January 12.
- Licensing of Seera Company.

2018

Licensing of Investcorp.

2019

Establishment of Ibdar Capital on August 1.

2020

- Completion of National Bank of Bahrain's acquisition of Bahrain Islamic Bank.
- Enactment of Law No. (14), subjecting Islamic financial transactions to AAOIFI standards approved by the Central Bank of Bahrain.

2021

- Launch of the first digital Islamic bank ("ila Bank") in 2019.
- Revocation of First Energy Bank's license.

2022

- Merger of Solidarity and Tazur Takaful companies.
- Al Salam Bank's acquisition of Ithmaar Bank.
- Establishment of «Tammam» for Islamic fintech.

2023

- Completion of Ahli United Bank's transformation into an Islamic bank following its acquisition by Kuwait Finance House.
- Establishment of «Amana» for Sharia auditing and consultancy services.

2024

Al Salam Bank's acquisition of Kuwait Finance House (Bahrain).




بسم الله الرحمن الرحيم
رجال لا تلهيهم تجارة ولا بيع عن ذكر الله
صدق الله العظيم

Conclusion

The establishment and evolution of Bahrain Islamic Bank is undoubtedly a pioneering experience worthy of reflection, remaining deeply rooted in Bahrain's modern history.

Despite numerous challenges and crises, the bank has remained steadfast, financially robust, and continued to grow annually. Its assets at inception were approximately 20 million BHD, while its current assets and holdings have reached 1.5 billion BHD.

This success is supported by a strong customer base established since its inception, experienced and skilled management teams, and expertise across various banking disciplines. Leading a financial institution successfully requires a solid bond between an exceptional management team and a supportive board of directors that sets the bank's strategy and steers it in the right direction. Bahrain Islamic Bank has exemplified this ideal.

The bank has consistently played an active role throughout its history, contributing significantly to the Islamic finance industry. It has founded numerous companies and institutions serving the industry, trained and graduated hundreds of distinguished employees and managers in various banking disciplines, and made substantial social contributions both within and outside Bahrain.

We hope that this experience and its documentation enrich Bahrain's banking history in particular and Islamic finance history in general, while also highlighting the figures and pioneers of Islamic economics.



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Golden List

of Prominent Figures in the formation and development of Islamic Banking in Bahrain and the establishment of Bahrain Islamic Bank

First: Bahraini Personalities

- Late Emir Sheikh Isa bin Salman Al Khalifa (May Allah have mercy on him).
- Late Prime Minister Sheikh Khalifa bin Salman Al Khalifa (May Allah have mercy on him).
- Late Sheikh Abdullah bin Khalid Al Khalifa (May Allah have mercy on him).
- Late Sheikh Isa bin Mohammed Al Khalifa (May Allah have mercy on him).
- Sheikh Abdulrahman bin Mohammed bin Rashid Al Khalifa.
- Mr. Abdul Latif Janahi.
- Late Judge Sheikh Yusuf Al Siddiqi (May Allah have mercy on him).
- Late Judge Sheikh Mohammed bin Abdul Latif Al Saad (May Allah have mercy on him).
- Sheikh Dr. Abdul Latif Al Mahmoud.
- Sheikh Abdul Hussain bin Khalaf Al Asfoor.
- Late Sheikh Abdul Amir Al Jamri (May Allah have mercy on him).
- Sheikh Dr. Nizam Mohammed Saleh Yaqoubi.
- Mr. Khalid Rashid Al Zayani.
- Mr. Mubarak Kanoo.
- Mr. Mohammed Jalal.
- Late Sheikh Ali Al Awadhi (May Allah have mercy on him).
- Late Mr. Othman Al Mahmoud (May Allah have mercy on him).
- Mr. Khalifa Al Manai.
- Mr. Ibrahim Mohammed Zainal.
- Mr. Jassim Al Saffar.
- Mr. Adnan Yousif Abdul Malik.
- Mr. Abdul Razzaq Abdul Khaleq.

Second: Non-Bahraini Personalities

- Dr. Issa Abdo (Egypt, May Allah have mercy on him).
- Mr. Saeed Ahmed Lootah (UAE, May Allah have mercy on him).
- Sheikh Abdullah Al Mutawa (Kuwait, May Allah have mercy on him).
- Dr. Abdulrahman Salem Al Otaibi (Kuwait).
- Late Prince Mohammed Al Faisal (Saudi Arabia, May Allah have mercy on him).
- Sheikh Saleh Kamel (Saudi Arabia, May Allah have mercy on him).
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- Ms. Najwa Abdul Latif Janahi.
- Mr. Abdul Razzaq Abdul Khaleq.
- Akhbar Al Khaleej Newspaper Archive Team

You may access the electronic copies of the Sharia Supervisory Board fatwas and publications by scanning the following QR code.


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Bahrain Islamic Bank B.S.C.