

Bahrain Islamic Bank B.S.C.
Composition of Capital and Liquidity Disclosures
As at 30 September 2019

Reconciliation of Published Financial Balance Sheet to Regulatory Reporting as at 30 September 2019

	<i>Statement of Financial position as per in published financial statements</i>	<i>Statement of Financial position as per Regulatory Reporting</i>
	Q3 2019 BD'000	Q3 2019 BD'000
Assets		
Cash and balances with banks and Central Bank	66,521	66,521
Gross Placements with financial institutions	67,038	67,038
Less: Expected credit loss (stage 3)	-	-
Less: Expected credit loss (stage 1 and stage 2)	-	-
Net placements with financial institutions	67,038	67,038
Gross financing assets	605,718	605,718
Less: Expected credit loss (stage 3)	(28,161)	(28,161)
Less: Expected credit loss (stage 1 and stage 2)	(4,184)	-
Net financing assets	573,373	577,557
Gross investment securities	265,244	265,244
Less: Expected credit loss (stage 3)	(12,161)	(12,161)
Less: Expected credit loss (stage 1 and stage 2)	(34)	-
Net investment securities	253,049	253,083
Ijarah Muntahia Bittamleek	175,976	175,976
Gross ijarah rental receivables	46,357	46,357
Less: Expected credit loss (stage 3)	(11,829)	(11,829)
Less: Expected credit loss (stage 1 and stage 2)	(3,138)	-
Net ijarah rental receivables	31,390	34,528
Investment in associates	19,776	19,776
Investment in real estate	21,328	21,328
Property and equipment	13,473	13,473
Gross other assets	9,551	9,551
Less: Expected credit loss (stage 3)	(167)	(167)
Less: Expected credit loss (stage 1 and stage 2)	-	-
Net other assets	9,384	9,384
TOTAL ASSETS	1,231,308	1,238,664
Liabilities, Equity Of Investment Accountholders And Owners' Equity		
Liabilities		
Placements from financial institutions	179,486	179,486
Placements from non-financial institutions and individuals	178,832	178,832
Borrowings from financial institutions	29,585	29,585
Customers' current accounts	164,474	164,474
Other liabilities	19,237	19,176
of which: Expected credit loss - Off balance sheet exposures (stage 3)	-	-
of which: Expected credit loss - Off balance sheet exposures (stage 1 and stage 2)	61	-
of which: Other liabilities	19,176	19,176
Total Liabilities	571,614	571,553
Equity of Investment Accountholders	538,074	538,074
Owners' Equity		
Share capital	106,406	106,406
Treasury shares	(892)	(892)
Shares under employee share incentive scheme	(281)	(281)
Share premium	180	180
Statutory reserve	4,115	4,115
Real estate fair value reserve	3,915	3,915
Investment securities fair value reserve	718	718
Expected credit loss	-	7,417
of which: amount eligible for Tier 2 capital subject to a maximum of 1.25% of credit risk weighted assets	-	-
of which: amount ineligible for Tier 2 capital	-	7,417
Profit for the period	5,045	5,045
Retained earnings brought forward	2,414	2,414
Total Owners' Equity	121,620	129,037
TOTAL LIABILITIES, EQUITY OF INVESTMENT ACCOUNTHOLDERS AND OWNERS' EQUITY	1,231,308	1,238,664

Composition of Capital Common Disclosure Template as at 30 September 2019

	<i>CET 1</i>	<i>T2</i>
	<i>BD'000</i>	<i>BD'000</i>
Components of capital		
Issued and fully paid ordinary shares	106,406	-
General reserves	-	-
Legal / statutory reserves	4,115	-
Share premium	180	-
Retained earnings brought forward	2,414	-
Current period profits	5,045	-
Unrealized gains and losses on available for sale financial instruments	718	-
Less:		
Employee stock incentive program funded by the bank (outstanding)	281	-
Treasury Shares	892	-
Total Common Equity Tier 1 capital after the regulatory adjustments above (CET1 d)	117,705	-
Assets revaluation reserve - property, plant, and equipment		3,915
Expected Credit Losses (ECL) Stages 1 & 2		7,418
Total Available AT1 & T2 Capital		11,333
Total Capital		129,038

Disclosure template for main features of regulatory capital instruments		
1	Issuer	Bahrain Islamic Bank BSC
2	Unique identifier (Bahrain bourse ticker)	BISB
3	Governing law(s) of the instrument	All applicable laws and regulations in the Kingdom of Bahrain
	<i>Regulatory treatment</i>	
4	Transitional CBB rules	Common Equity Tier 1
5	Post-transitional CBB rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Group and solo
7	Instrument type (types to be specified by each jurisdiction)	Equity shares
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	BD 106.40 million
9	Par value of instrument	BD 0.100
10	Accounting classification	Shareholders' equity
11	Original date of issuance	Various
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Dividend as declared by shareholders
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Not applicable
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable

Consolidated Liquidity Coverage Ratio as of 30 September 2019

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

As per CBB Module LM, banks are required to meet the minimum LCR of at least 100% on a daily basis. Below is Bahrain Islamic Bank's LCR disclosure as of 30 September 2019:

BD 000

Consolidated LCR		Total Unweighted Value (average) ⁽¹⁾	Total Weighted Value (average) ⁽¹⁾
High Quality Liquid Assets			
1	Total HQLA		175,262,131
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	227,790,150	6,833,704
4	Less stable—retail deposits	185,085,173	18,508,517
5	Unsecured Wholesale Funding		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-
7	Non-operational deposits (all counterparties)	176,934,880	120,027,854
8	Unsecured Sukuk	-	-
9	Secured Wholesale Funding		
10	Additional requirements, of which:		
11	Outflows related to Shari'a-compliant hedging instruments exposures and other collateral requirements	-	-
12	Outflows related to loss of funding on financing products	-	-
13	Credit and liquidity facilities	75,861,740	5,183,530
14	Other contractual funding obligations		
15	Other contingent funding obligations	69,333,063	3,466,653
16	Total Cash Outflow		154,020,259
Cash Inflows			
17	Secured lending (e.g. reverse repos)	-	-
18	Inflows from fully performing exposures	94,263,153	83,939,551
19	Other cash inflows	9,096,920	9,096,920
20	Total Cash Inflow	103,360,073	93,036,472
		Total Adjusted Value	
21	Total HQLA		175,262,131
22	Total net cash outflows		60,983,787
23	Liquidity Coverage Ratio (%)		287.39%

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