

Liquidity Management Centre B.S.C. (c)
CBB - Composition of Capital Disclosure Requirements
Statement of Financial Position
Appendix PD-2
Step-1

Step 1: Disclose the reported Balance sheet under the regulatory scope of consolidation

| | Balance sheet as in published financial statements | Consolidated PIRI data |
|---|--|------------------------|
| | 31-Dec-2019 | 31-Dec-2019 |
| | US\$ 000 | US\$ 000 |
| Assets | | |
| Cash and balances with central banks | 2,233 | 2,233 |
| Murabaha Receivables | - | - |
| Due from banks and other financial institutions | 1,000 | 1,000 |
| Mudaraba Receivables | - | - |
| Financing Receivables | 560 | 560 |
| Investment in equities and funds | 4,691 | 4,691 |
| Investment in sukuk | 16,560 | 16,570 |
| Other assets | 388 | 388 |
| Investment properties | 25,866 | 25,866 |
| Property and equipment | 135 | 134 |
| Total assets | 51,433 | 51,443 |
| Liabilities | | |
| Due to banks and other financial institutions | - | - |
| Deposits from Customers | - | - |
| Term borrowings | - | - |
| Subordinated debt | - | - |
| Other liabilities | 1,890 | 1,890 |
| Liabilities of disposal group classified as held for sale | - | - |
| Total liabilities | 1,890 | 1,890 |
| Equity | | |
| Share capital | 59,039 | 59,039 |
| Treasury shares | - | - |
| Share premium | - | - |
| Statutory reserve | 3,881 | 3,881 |
| General reserve | 2,226 | 2,226 |
| Treasury shares reserve | - | - |
| Cumulative changes in fair values | 2,175 | 2,175 |
| Foreign currency translation adjustments | - | - |
| Retained earnings | (17,778) | (17,778) |
| Expected Credit Loss (Stage 1 & 2) | - | 10 |
| Subordinated debts | - | - |
| Attributable to the owners of the Bank | 49,543 | 49,553 |
| Non-controlling interests | - | - |
| Total equity | 49,543 | 49,553 |
| Total Liabilities and equities | 51,433 | 51,443 |

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Step 2: Expand the lines of the regulatory Balance sheet to display all of the components used in the definition of capital disclosure template

| | Balance sheet as in published financial statements | Consolidated PIRI data | Ref. |
|---|---|---------------------------|------|
| | 31-Dec-2019 | 31-Dec-2019 | |
| | US\$ 000 | US\$ 000 | |
| Assets | | | |
| Cash and balances with central banks | 2,233 | 2,233 | |
| Murabaha Receivables | - | - | |
| Due from banks and other financial institutions | 1,000 | 1,000 | |
| of which Mudaraba Receivables | - | - | |
| Mudaraba Receivables | - | - | |
| Financing Receivables | 560 | 560 | |
| Investments in equities and funds | 4,691 | 4,691 | |
| Investments in sukuk | 16,560 | 16,570 | |
| of which collective provisions | - | - | f |
| of which over 1.25% of credit risk weighted exposures | | | |
| Interest receivable and other assets | 388 | 388 | |
| Investment properties | 25,866 | 25,866 | |
| Property and equipment | 135 | 134 | |
| Total assets | 51,433 | 51,443 | |
| | | | |
| Liabilities | | | |
| Due to banks and other financial institutions | - | - | |
| Interest payable and other liabilities | 1,890 | 1,890 | |
| Total liabilities | 1,890 | 1,890 | |
| | | | |
| Equity | | | |
| Share capital (net of Treasury shares) | 59,039 | 59,039 | a |
| of which amount eligible for CET 1 | 59,039 | 59,039 | |
| Share premium | - | - | |
| Statutory reserve | 3,881 | 3,881 | c |
| General reserve | 2,226 | 2,226 | d |
| Cumulative changes in fair values | 2,175 | 2,175 | e |
| of which Cumulative changes in fair values | - | - | |
| of which gains and losses on available for sale investments | - | - | |
| of which foreign currency translation adjustments | - | - | |
| Retained earnings | (17,778) | (17,778) | b |
| of which net profit/(loss) | - | (2,597) | |
| of which Retained earnings | (17,778) | (15,174) | |
| Expected Credit Loss (Stage 1 & 2) | - | 10 | |
| Attributable to the owners of the Bank | 49,543 | 49,553 | |
| Non-controlling interests | - | - | |
| Total equity | 49,543 | 49,553 | |
| Total Liabilities and equities | 51,433 | 51,443 | |

Main features template

| Disclosure of template for main features of regulatory capital instruments | | |
|--|--|--|
| 1 | Issuer | Liquidity Management Centre |
| 2 | Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private) | Not applicable |
| 3 | Governing law(s) of the instrument | Laws and regulations of 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) | Common shares |
| 8 | Amount recognised in regulatory capital (Currency in mil, as of most recent) | 49,543 |
| 9 | Par value of instrument | 1.00 |
| 10 | Accounting classification | Shareholders' Equity |
| 11 | Original date of issuance | July -2002 |
| 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 | Floating dividends |
| 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 | Noncumulative |
| 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) | Not applicable |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | Not applicable |

Regulatory Capital Components

Step 3: Map each of the components that are disclosed in Step 2 to the composition of capital disclosure templates

| | | Component of regulatory capital | Source based on reference letters of the balance sheet under the regulatory scope of consolidation |
|---|--|---------------------------------|--|
| Common Equity Tier 1: Instruments and reserves | | | |
| 1 | Directly issued qualifying common share capital plus related stock surplus | 59,039 | a |
| 2 | Retained earnings | (17,778) | b |
| 3 | Accumulated other comprehensive income and losses (and other reserves) | 8,282 | c+d+e |
| 4 | Not applicable | - | |
| 5 | Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1) | - | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 49,543 | |
| Common Equity Tier 1 capital :regulatory adjustments | | | |
| 7 | Prudential valuation adjustment | - | |
| 8 | Goodwill (net of related tax liabilities) | - | |
| 9 | Other intangibles other than mortgage servicing rights (net of related tax liabilities) | - | |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities) | - | |
| 11 | | - | |
| 12 | Shortfall of provisions to expected losses | - | |
| 13 | Securitization gain on sale (as set out in paragraph 562 of Basel II framework) | - | |
| 14 | Not applicable | - | |
| 15 | Defined benefit pension fund net assets | - | |
| 16 | Investments in own shares | - | |
| 17 | Reciprocal cross holdings in Common equity | - | |
| 18 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold) | - | |
| 19 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) | - | |
| 20 | Mortgage servicing rights (amount above 10% of CET1c) | - | |
| 21 | liability) | - | |
| 22 | Amount exceeding the 15% threshold | - | |
| 23 | of which: significant investments in the common stock | - | |
| 24 | of which: mortgage servicing rights | - | |
| 25 | of which: deferred tax assets arising from temporary differences | - | |
| 26 | CBB specific regulatory adjustments | - | |
| | Regulatory Adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-2015 treatments | - | |
| | of which: Positive or negative adjustments due to aggregation of CET1 | - | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | - | |
| 28 | Total regulatory adjustments to Common equity Tier 1 | - | |
| 29 | Common Equity Tier 1 capital (CET1) | 49,543 | |
| Additional Tier 1 capital: instruments | | | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | - | |
| 31 | of which: classified as equity under applicable accounting standards | - | |
| 32 | of which: classified as liabilities under applicable accounting standards | - | |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | - | |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | - | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 36 | Additional Tier 1 capital before regulatory adjustments | - | |
| Additional Tier 1 capital: regulatory adjustments | | | |
| 37 | Investments in own Additional Tier 1 instruments | - | |
| 38 | Reciprocal cross-holdings in Additional Tier 1 instruments | - | |
| 39 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | - | |
| 40 | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | |
| 41 | CBB specific regulatory adjustments | - | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | - | |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | - | |
| 44 | Additional Tier 1 capital (AT1) | - | |
| 45 | Tier capital (T1 = CET1 + AT1) | 49,543 | |
| Tier 2 capital: instruments and provisions | | | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | - | |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | - | |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | - | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | - | |
| 50 | Provisions | - | f |

| | | | |
|--|--|--|---|
| 51 | Tier 2 capital before regulatory adjustments | - | |
| | | Component of regulatory capital | Source based on reference letters of the balance sheet under the regulatory scope of consolidation |
| Tier 2 capital: regulatory adjustments | | | |
| 52 | Investments in own Tier 2 instruments | - | |
| 53 | Reciprocal cross-holdings in Tier 2 instruments | - | |
| 54 | Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) | - | |
| 55 | Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | - | |
| 56 | National specific regulatory adjustments | - | |
| 57 | Total regulatory adjustments to Tier 2 capital | - | |
| 58 | Tier 2 capital (T2) | 10 | |
| 59 | Total capital (TC = T1 + T2) | 49,553 | |
| 60 | Total risk weighted assets | 72,972 | |
| Capital ratios and buffers | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | 67.89% | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | 67.89% | |
| 63 | Total capital (as a percentage of risk weighted assets) | 67.91% | |
| 64 | Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets) | 9.00% | |
| 65 | of which: capital conservation buffer requirement | 2.50% | |
| 66 | of which: bank specific countercyclical buffer requirement | N/A | |
| 67 | of which: G-SIB buffer requirement | N/A | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) | 67.89% | |
| National minima (where different from Basel III) | | | |
| 69 | CBB Common Equity Tier 1 minimum ratio | 6.50% | |
| 70 | CBB Tier 1 minimum ratio | 8.00% | |
| 71 | CBB total capital minimum ratio | 10.00% | |
| Amounts below the thresholds for deduction (before risk weighting) | | | |
| 72 | Non-significant investments in the capital of other financials | - | |
| 73 | Significant investments in the common stock of financials | - | |
| 74 | Mortgage servicing rights (net of related tax liability) | - | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | - | |
| | | Component of regulatory capital | Source based on reference letters of the balance sheet under the regulatory scope of consolidation |
| Applicable caps on the inclusion of provisions in Tier 2 | | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach | | |
| 78 | N/A | | |
| 79 | N/A | | |
| Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023) | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | |