

Composition of capital disclosure requirements
As at 31 March 2020



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## Step 1: Balance sheet under the regulatory scope of consolidation

This step in not applicable to the Bank since the scope of regulatory consolidation and accounting consolidation is identical.

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Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 31 March 2020

	Balance sheet as in	Consolidated
	published financial	PIR data
BD 000's	statements	
Assets		
Cash and balances at central banks	1,673	1,673
Placements with banks and other financial institutions	17,828	17,848
Investment securities	46,846	46,846
Investments in associates	374	374
As at 31 March 2020	47,220	47,220
of which:		
Significant investments in capital of financials institutions exceeds the 10% of CET1		
Amount in excess of 10% of CET1 to be deducted		
Amount in excess of 10% of CET1 to be deducted in year 1		
Investment property	11,409	11,409
Loans and advances	80,872	81,996
of which: General loan loss provision which qualify as capital	1,124	-
Prepayments, accrued income and other assets	2,622	2,640
Property, plant and equipment	1,923	1,923
Total assets	163,547	164,709
Liabilities		
Deposits from banks and other financial institutions	3,771	3,771
Customer accounts	47,414	47,414
Term Loans	42,041	42,041
Repurchase agreements and other similar secured borrowing		
Derivative financial instruments		
Accruals, deferred income and other liabilities	4,559	4,237
Total liabilities	97,785	97,463
Shareholders' Equity		
Paid-in share capital	65,000	65,000
Shares under employee share incentive scheme		
Total share capital	65,000	65,000
of which amount eligible for CET1	-	65,000
of which amount eligible for AT1	-	-
Retained earnings	(3,438)	(3,438)
Statutory reserve	1,186	1,186
Other Reserve	4,048	4,048
General reserve		
Share premium		
Donations and charity reserve		
General loan loss provision which qualify as capital		1,484
Available for sale revaluation reserve	(1,034)	(1,034)
Share of Available for sale revaluation reserve relating to associates not considered for regulatory capita		(1,301)
Minority interest in subsidiaries' share capital	-	-
Total shareholders' equity	65,762	67,246
Total liabilities & Shareholders' Equity	163,547	164,709

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Step 3: Composition of Capital Common Template (transition) as at 31 March 2020

Directly issued qualifying common share capital ford equivalent for non-pint stock companies) plus idealed attock surplus (a. 339) [1,339] [1,		Composition of Capital and mapping to regulatory reports	Component of regulatory capital	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
Retained stock surplus  Retained samings  Retain		Common Equity Tier 1 capital: instruments and reserves		
Accumulated other comprehensive income (and other reserves)	1		65,000	
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Additional Tier 1 capital: regulatory adjustments -  37 Investments in own Additional Tier 1 instruments -  38 Reciprocal cross-holdings in Additional Tier 1 instruments -  10 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)  39 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)  40 National specific regulatory adjustments  REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT  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)		of which: instruments issued by subsidiaries subject to phase out		
37 Investments in own Additional Tier 1 instruments  38 Reciprocal cross-holdings in Additional Tier 1 instruments  Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)  40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)  41 National specific regulatory adjustments  REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT  42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions  - Total regulatory adjustments to Additional Tier 1 capital  44 Additional Tier 1 capital (AT1)	30		-	
38 Reciprocal cross-holdings in Additional Tier 1 instruments  Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)  39 initiation investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)  40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory adjustments  41 National specific regulatory adjustments  42 REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS  53 SUBJECT TO PRE-2015 TREATMENT  44 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions  45 Total regulatory adjustments to Additional Tier 1 capital  46 Additional Tier 1 capital (AT1)	37		-	
39 regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)  40 Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)  41 National specific regulatory adjustments  REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT  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)			-	
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)  41 National specific regulatory adjustments  REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT  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)	39	regulatory consolidation, net of eligible short positions, where the bank does not own more than 10%	-	
41 National specific regulatory adjustments - REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT - SUBJECT TO PRE-2015 TREATMENT - SUBJECT TO PRE-2015 TREATMENT - SUBJECT TO PRE-2016 TREATMENT - SUBJEC	40	Significant investments in the capital of banking, financial and insurance entities that are outside the	-	
SUBJECT TO PRE-2015 TREATMENT  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)  -	41	National specific regulatory adjustments	-	
SUBJECT TO PRE-2015 TREATMENT  42 Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions  - 3 Total regulatory adjustments to Additional Tier 1 capital  - 44 Additional Tier 1 capital (AT1)  - 5		REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS	_	
43 Total regulatory adjustments to Additional Tier 1 capital - 44 Additional Tier 1 capital (AT1) -	40			
44 Additional Tier 1 capital (AT1)	42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions  Total regulatory adjustments to Additional Tier 1 capital	-	
			-	

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## Step 3: Composition of Capital Common Template (transition) as at 31 March 2020

	Composition of Capital and mapping to regulatory reports	Component of regulatory capital	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
	Tier 2 capital: instruments and provisions		
	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
	Directly issued capital instruments subject to phase out from Tier 2	-	
481	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	-	
	Provisions	1,257	
As at	Tier 2 capital before regulatory adjustments	1,257	
7 10 0	Tier 2 capital: regulatory adjustments	.,	
52	Investments in own Tier 2 instruments	_	
-	Reciprocal cross-holdings in Tier 2 instruments		
	Investments in the capital of banking, financial and insurance entities that are outside the scope of	-	
54	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)	-	
	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	-	
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO		
	PRE-2015 TREATMENT	-	
	OF WHICH: [INSERT NAME OF ADJUSTMENT]	-	
	OF WHICH:	-	
	Total regulatory adjustments to Tier 2 capital	_	
	Tier 2 capital (T2)	1,257	
	Total capital (TC = T1 + T2)	67,019	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	01,010	
60	Total risk weighted assets	119,691	
	Capital ratios	110,001	
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	54.94%	
	Tier 1 (as a percentage of risk weighted assets)	54.94%	
-	Total capital (as a percentage of risk weighted assets)	55.99%	
	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer	33.3370	
	plus countercyclical buffer requirements plus D-SIB buffer requirement expressed as a percentage of	9.00%	
	risk weighted assets)		
65	of which: capital conservation buffer requirement	2.50%	
	of which: bank specific countercyclical buffer requirement (N/A)	0.00%	
	of which: D-SIB buffer requirement (N/A)	0.00%	
	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	54.94%	
H	National minima including CCB (if different from Basel 3)	70	
69	CBB Common Equity Tier 1 minimum ratio	9.00%	
-	CBB Tier 1 minimum ratio	11.00%	
-	CBB total capital minimum ratio	12.50%	
H	Amounts below the thresholds for deduction (before risk weighting)	.2.5370	
72	Non-significant investments in the capital of other financials	1,416	
	Significant investments in the common stock of financials	374	
	Mortgage servicing rights (net of related tax liability)	-	
	Deferred tax assets arising from temporary differences (net of related tax liability)	_	
<del> </del>	Applicable caps on the inclusion of provisions in Tier 2		
$\vdash$	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach		
76	(prior to application of cap)	1,484	
77	Cap on inclusion of provisions in Tier 2 under standardised approach (1.25% of Credit Risk weighted	4 057	
77	Assets)	1,257	
78	NA	-	
79	NA NA	-	
	Capital instruments subject to phase-out arrangements		

	(only applicable between 1 Jan 2020 and 1 Jan 2024)		
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	-	

## Disclosure template for main feature of regulatory capital instruments

1	Issuer	Bahrain Development Bank BSC
2	Unique identifier (Bahrain Bourse ticker)	BDB
3	Governing law of the instrument	All applicable laws and regulations of the Kingdom of Bahrain
	Regulatory treatment	
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
7	Instrument Type	Common Equity shares
8	Amount recognized in regulatory capital (currency in Millions, as of most recent reporting date)	65,000.00
9	As at 31 December 2019	BD1.00
	Accounting classification	Shareholders' Equity
	Original date of issuance	Not Applicable
	Perpetual or dated	Not Applicable
13	Original maturity date	Not Applicable
14	Issuer call subject to prior supervisory approval	Not Applicable
	Optional call date, contingent call dates and redemption amount	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable
	Coupons / dividends	Not Applicable
17	Fixed or floating dividend/coupon	Not Applicable
18	Coupon rate and any related index	Not Applicable
	Existence of a dividend stopper	Not Applicable
	Fully discretionary, partially discretionary or mandatory	Not Applicable
	Existence of step up or other incentive to redeem	Not Applicable
	Noncumulative or cumulative	Not Applicable
23	Convertible or non-convertible	Not Applicable
	If convertible, conversion trigger (s)	Not Applicable
	If convertible, fully or partially	Not Applicable
	If convertible, conversion rate	Not Applicable
	If convertible, mandatory or optional conversion	Not Applicable
	. ,	Not Applicable
	If convertible, specify issuer of instrument it converts into	Not Applicable
	Write-down feature	Not Applicable
	If write-down, write-down trigger(s)	Not Applicable
	If write-down, full or partial	Not Applicable
	If write-down, permanent or temporary	Not Applicable
	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
	Non-compliant transitioned features	Not Applicable
	If yes, specify non-compliant features	Not Applicable