



**CBB Reporting
Appendix BR-3
Guidelines for Completion of
PIRF and PIRI for FC**



**FORM PIRF and PIRI for FC
CENTRAL BANK OF BAHRAIN
PRUDENTIAL INFORMATION REPORT (FINANCING COMPANIES)
CONVENTIONAL and ISLAMIC
GUIDANCE**

General:

1. Form “PIRF” and PIRI for FC are to be used by all financing companies, which are mainly engaged in providing credit, in Bahrain when preparing the supervisory return to the CBB based on the separate financial statements of the entity using accounting policies that are consistent with International Financial Reporting Standards (IFRS) or AAOIFI, as applicable.
2. All financing companies operating in Bahrain must complete the applicable Form PIRF or PIRI. This form is intended to be a financial report of the company as a separate legal entity and should be prepared on an unconsolidated basis. Financing companies should therefore include all assets and liabilities in relation to business undertaken in and from the Kingdom of Bahrain in addition to their assets, liabilities and results of operations in overseas branches, if any.
3. Financing companies should complete the form in Bahraini Dinars (BD). Amounts should be reported to the nearest one thousand.
4. A major purpose of the form is to assess the financing companies’ financial performance including asset quality, earnings, operational losses and liquidity in accordance with international best practice.
5. PIRFs and PIRI are required from all financing companies showing the financial position and related data as at the end of each calendar quarter. The completed return should be sent no later than 20 days after the relevant quarter end to:

Conventional Financing Companies:

Director of Retail Banking
Supervision Directorate

Central Bank of Bahrain
P.O. Box 27
Manama

Islamic Financing Companies

Director of Islamic Financial
Institutions Supervision Directorate



Section A (Statement of Financial Position)

1. Section A provides the CBB with information about the financing company's financial position. Figures provided should reconcile with the financial statements as of the end of each quarter. This section is intended for reporting purposes only.
2. The statement of financial position is presented in three sections as follows:-
 - a) Capital: Represents the shareholders' equity.
 - b) Liabilities: Represents all liabilities.
 - c) Assets: Represent all assets (monetary and non-monetary assets).

Section B (Statement of Income)

3. The statement of income represents the cumulative income and expenses of the financing company as of the respective quarter-end. Figures provided should be reconcilable with the financial statements.

Section C (Classification of Credit Facilities)

4. This section provides financial information about the financing company's credit facilities, past dues, non-performing credit facilities, rescheduled credit facilities as well as the market value of the collaterals held against such credit facilities (if any).
5. Past dues credit facilities are those on which the principal and/or interest are overdue. Non-performing credit facilities are those on which payment of principal and/or interest is 90 days or more past due. Rescheduled credit facilities are those on which the financing company has provided concessions and amended the terms of the original credit facility/facilities in order to accommodate the situation of the borrower.

Section D (Core Capital)

6. Core capital items should tally with Section A (line item 1.9). To arrive at core capital, goodwill and intangibles, reciprocal cross holdings of other licensees' capital and investments in subsidiaries and connected lending must be deducted.

Section E (Movement of Provisions)

7. Report in this sheet the movement of the provisions for credit facilities and investments during the quarter.



8. The specific provision is the amount that is required to write down the asset to its cash equivalent value, i.e. amount expected to be collected. On the other hand, collective impairment provisions are unencumbered provisions. They must not be ascribed to a particular asset or group of assets and must be freely available to meet any losses which are identified after the reporting date.

Section F (Liquidity)

I. Liquidity Profile

9. This section details the liquidity profile of the financing company. The sheet is classified into three main sections:
- (a) Liquid Assets
 - (b) Qualifying Liabilities
 - (c) Stable Funds
10. Liquid Assets include cash and all assets that can be easily converted into cash.
11. Qualifying Liabilities include all obligations to other parties involving cash transfer and/or rendering of other services within a one month window.
12. Stable Funds include shareholders equity, borrowings from bank as well as other borrowings with a remaining contractual maturity of two years or more and bonds, notes and other debt papers less fixed assets of the financing company.

II. Liquidity Maturity Mismatch

Assets

13. Assets should be inserted into the appropriate maturity band according to their maturities, i.e. in terms of the period remaining to contractual maturity date.
14. Where assets have been pledged as collateral and are therefore no longer available to the financing company to meet obligations, they should be excluded from the maturity ladder as they are no longer available to provide the financing company with liquidity.
15. Assets known to be of doubtful value (non-performing assets) should normally be excluded from the maturity ladder but it could be included on a case-by-case basis.



16. Contractual standby facilities made available to the financing company by financial institutions should be included in the “up to one month” band, and should also be reported as a note to the profile.
17. Items in the course of collection, if material, could be netted off (if applicable) for the purpose of this maturity profile. The balance should be reported under “up to one month” band.

Liabilities:

18. All types of liabilities should be reported in terms of the period remaining to the contractual maturity date. Set off, for the purpose of this maturity profile may be allowed if an appropriate agreement exists between the parties involved.
19. Known firm commitments to make funds available on a particular date should be included at their full value, and also reported separately as a note to the profile.
20. Commitments which are not due to be met on a particular date, e.g. undrawn overdraft amount, standby facilities etc. should be reported separately as a note to the profile.
21. Contingent liabilities should not be included in the maturity profile, unless they are likely to be fulfilled.

Section G (Twenty Five Largest Creditors and Exposures)

22. For purposes of Table 1, all liabilities to the same counterparty should be aggregated. Similarly, for Table 2, all exposures to the same counterparty should be aggregated.