Al Baraka Islamic Bank B.S.C.(c)

CBB - Composition of Capital Disclosure Requirements

As at 31 December 2022

Al Baraka Islamic Bank B.S.C.(c)

CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 31 December 2022

	Common Disclosure Template	PIRI	Reference
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share capital plus related stock surplus	151,458	E
2	Retained earnings	16,153	G
3	Accumulated other comprehensive income (and other reserves)	(13,196)	H-M
4	*Not applicable*	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	10,573	O
6	**Common Equity Tier 1 capital before regulatory adjustments**	**164,988**	
	Common Equity Tier 1 capital: regulatory adjustments		
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	9,917	B
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	6,081	A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	1,412	C1
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation 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% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	C2
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financials	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	CBB specific regulatory adjustments	-	
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**	**17,410**	
29	**Common Equity Tier 1 capital (CET1)**	**147,578**	

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CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 31 December 2022

	Common Disclosure Template	PIRI	Reference
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	96,000	F
31	of which: classified as equity under applicable accounting standards	96,000	
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)	-	P
35	*of which: instruments issued by subsidiaries subject to phase out*	-	
36	**Additional Tier 1 capital before regulatory adjustments**	**96,000**	
	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 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	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)**	**96,000**	
45	Hair Cut due to shortage in CET-1 Capital	**-**	
46	**Net Available Capital after regulatory adjustments and haircut**	**96,000**	
47	**Tier 1 capital (T1 = CET1 + AT1)**	**243,578**	
	Tier 2 capital: instruments and provisions		
48	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
49	*Directly issued capital instruments subject to phase out from Tier 2*	-	
50	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)	4,923	D
51	*of which: instruments issued by subsidiaries subject to phase out*	-	
52	*Assets revaluation reserve - property, plant, and equipment*	343	Q
53	Provisions	-	S
54	**Tier 2 capital before regulatory adjustments**	**5,266**	

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CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 31 December 2022

	Common Disclosure Template	PIRI	Reference
	Tier 2 capital: regulatory adjustments		
55	Investments in own Tier 2 instruments	-	
56	Reciprocal cross-holdings in Tier 2 instruments	-	
57	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)	-	
58	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
59	National specific regulatory adjustments	-	
60	**Total regulatory adjustments to Tier 2 capital**	**-**	
61	**Tier 2 capital (T2)**	**5,266**	
62	**Total capital (TC = T1 + T2)**	**248,844**	
63	**Total risk weighted assets**	**875,362**	
	Capital ratios and buffers		
64	Common Equity Tier 1 (as a percentage of risk weighted assets)	16.86%	
65	Tier 1 (as a percentage of risk weighted assets)	27.83%	
66	Total capital (as a percentage of risk weighted assets)	28.43%	
67	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	12.5%	
68	of which: capital conservation buffer requirement	2.5%	
69	of which: bank specific countercyclical buffer requirement	N/A	
70	of which: D-SIB buffer requirement	N/A	
71	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	10.4%	
	National minima including CCB (where different from Basel III)		
72	CBB Common Equity Tier 1 minimum ratio	9%	
73	CBB Tier 1 minimum ratio	10.5%	
74	CBB total capital minimum ratio	12.5%	

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CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 31 December 2022

	Common Disclosure Template	PIRI	Reference
	Amounts below the thresholds for deduction (before risk weighting)		
75	Non-significant investments in the capital of other financials	-	
76	Significant investments in the common stock of financials	-	
77	Mortgage servicing rights (net of related tax liability)	-	
78	Deferred tax assets arising from temporary differences (net of related tax liability)	14,758	
	Applicable caps on the inclusion of provisions in Tier 2		
79	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	15,873	R
80	Cap on inclusion of provisions in Tier 2 under standardised approach	7,316	
81	N/A		
82	N/A		
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)		
83	*Current cap on CET1 instruments subject to phase out arrangements*	-	
84	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
85	*Current cap on AT1 instruments subject to phase out arrangements*	-	
86	*Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)*	-	
87	*Current cap on T2 instruments subject to phase out arrangements*	-	
88	*Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)*	-	

Al Baraka Islamic Bank B.S.C.(c)

CBB - Composition of Capital Disclosure Requirements
Statement of Financial Position
Appendix PD-2
Step-1

	As per published financial statements	As per Consolidated PIRI Return
	31 December 2022	31 December 2022
	US $ '000	US $ '000
Assets		
Cash and balances with banks and financial institutions	162,440	162,440
Receivables	448,846	459,564
Ijara Muntahia Bittamleek &I jara receivables	561,955	562,703
Musharaka	239,444	243,444
Investments	1,122,139	1,122,454
Investments in real estate	8,836	8,836
Investment in joint venture & associates	18,430	18,430
Premises and equipment	98,320	98,320
Goodwill	9,917	9,917
Other assets	52,274	52,274
Total Assets	**2,722,601**	**2,738,382**
Liabilities		
Current accounts	243,052	243,052
Murabaha and other payables	171,796	171,796
Other liabilities	113,185	114,569
Total liabilities	**528,033**	**529,417**
Equity of Investment Account Holders	**1,912,969**	**1,912,969**
Subordinated debt	**15,600**	**14,124**
Shareholders' Equity		
CET 1		
Share capital	151,458	151,458
Perpetual Tier1 capital	96,000	96,000
Retained earnings	16,153	16,153
Reserves	(17,467)	(17,467)
Expected credit losses	-	15,873
Total Shareholders' Equity	**246,144**	**262,017**
Non controlling interest	19,855	19,855
Total Liabilities, URIA and shareholders' equity	**2,722,601**	**2,738,382**

Al Baraka Islamic Bank B.S.C.(c)

CBB - Composition of Capital Disclosure Requirements
Statement of Financial Position
Appendix PD-2
Step-2

	As per published financial statements	As per Consolidated PIRI Return	
	31 December 2022	31 December 2022	
	US $ '000	US $ '000	
Assets			
Cash and balances with banks and financial institutions	162,440	162,440	
Receivables	448,846	459,564	
Ijara Muntahia Bittamleek & Ijara income receivable	561,955	562,703	
Musharaka	239,444	243,444	
Investments carried at fair value through profit & loss	-	-	
Investments carried at amortized cost	569,742	569,752	
Investments carried at fair value through equity	552,397	552,702	
Investments in real estate	8,836	8,836	
Investment in joint venture & associates	18,430	18,430	
Premises and equipment	98,320	98,320	
of which intangibles	6,081	6,081	A
Goodwill	9,917	9,917	B
Other assets	52,274	52,274	
of which deferred tax subject to direct deduction		1,412	C1
of which deferred tax subject to threshold deduction		-	C2
Total Assets	**2,722,601**	**2,738,382**	
Liabilities			
Current accounts	243,052	243,052	
Murabaha and other payables	171,796	171,796	
Other liabilities	113,185	114,569	
Total liabilities	**528,033**	**529,417**	
Equity of Investment Account Holders	**1,912,969**	**1,912,969**	
Subordinated debt	**15,600**	**14,124**	
of which allowed as T2		4,923	D
Shareholders' Equity			
CET 1			
Share capital	151,458	151,458	E
Perpetual AT1 Capital	96,000	96,000	F
Retained Earnings	16,153	16,153	G
Statutory reserve	26,119	26,119	H
General reserves	8,687	8,687	I
Foreign exchange reserve	(56,440)	(56,440)	J
Revaluation reserve on investments	3,964	3,964	K
Other reserves	(140)	(140)	L
Add back of modification losses	-	4,614	M
Non controlling interest	19,855	19,855	N
NCI CET1		10,573	O
NCI AT1		-	P
Tier 2			
Revaluation reserve on premises and equipment	343	343	Q
Expected credit losses for stage1 and stage2	-	15,873	R
of which allowed as T2		-	S
Total Shareholders' Equity	**265,999**	**281,872**	
Total Liabilities, URIA and shareholders' equity	**2,722,601**	**2,738,382**	

Al Baraka Islamic Bank B.S.C.(c)

CBB - Composition of Capital Disclosure Requirements

Disclosure template for main features of regulatory capital instruments

Appendix PD-3

1	Issuer	Al Baraka Islamic Bank	Al Baraka Islamic Bank	Al Baraka Islamic Bank	Al Baraka Bank (Pakistan) Limited	Al Baraka Bank (Pakistan) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NA	NA	NA	NA	NA
3	Governing law(s) of the instrument	Kingdom of Bahrain	Kingdom of Bahrain	Kingdom of Bahrain	All applicable laws and regulations of the Islamic Republic of Pakistan	All applicable laws and regulations of the Islamic Republic of Pakistan
	Regulatory treatment					
4	Transitional CBB rules	CET 1	AT1	AT1	Tier 2	Tier 2
5	Post-transitional CBB rules	CET 1	AT1	AT1	Tier 2	Tier 2
6	Eligible at solo/group/group&solo	Both solo and Group	Both solo and Group	Both solo and Group	GROUP	GROUP
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Subordinated Mudaraba debt	Subordinated Mudaraba debt	Unrestricted Mudaraba Sukuk	Unrestricted Mudaraba Sukuk
8	Amount recognised in regulatory capital (Currency in USD K, as of most recent reporting date)	151,458	81,000	15,000	7,938	7,662
9	Par value of instrument	100	Not Applicable	Not Applicable	NA	NA
10	Accounting classification	Equity	Equity	Equity	Liability - amortized cost	Bullet Payment after 7 Years
11	Original date of issuance	Various	2018	2019	2014	2017
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	Not Applicable	Perpetual	Perpetual	2021	2024
14	Issuer call subject to prior supervisory approval	Not Applicable	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	Coupons / dividends					
17	Fixed or floating dividend/coupon	As decided by shareholder	Fixed	Fixed	Floating	Floating
18	Coupon rate and any related index	Not Applicable	Various	Various	KIBOR	6 Month Kibor + 0.75%
19	Existence of a dividend stopper	Not Applicable	Yes	Yes	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Fully discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Not Applicable	No	No	Not Applicable	Not Applicable
22	Noncumulative or cumulative	Not Applicable	Non-cummulative	Non-cummulative	Non-cummulative	Non-cummulative
23	Convertible or non-convertible	Not Applicable	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
25	If convertible, fully or partially	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
26	If convertible, conversion rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
28	If convertible, specify instrument type convertible into	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
29	If convertible, specify issuer of instrument it converts into	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
30	Write-down feature	Not Applicable	Yes	Yes	No	No
31	If write-down, write-down trigger(s)	Not Applicable	If regulatory requires to meet the minimum capital requirements as per laws applicable in country of incorporation.	If regulatory requires to meet the minimum capital requirements as per laws applicable in country of incorporation.	Not Applicable	Not Applicable
32	If write-down, full or partial	Not Applicable	Full	Full	Not Applicable	Not Applicable
33	If write-down, permanent or temporary	Not Applicable	Permanent	Permanent	Not Applicable	Not Applicable
34	If temporary write-down, description of write-up mechanism	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinate to all liabilities	Senior to common equity and subordinate to all liabilities	Senior to common equity and subordinate to all liabilities	Subordinate to all liabilities	Subordinate to all liabilities
36	Non-compliant transitioned features	Not Applicable	No	No	No	No
37	If yes, specify non-compliant features	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable