

**Al Baraka Islamic Bank B.S.C.(c)**  
**CBB - Composition of Capital Disclosure Requirements**  
**As at 31 March 2017**

# 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 March 2017 US \$ '000	31 March 2017 US \$ '000
<b>Assets</b>		
Cash and balances with banks and financial institutions	132,729	133,259
Receivables	793,176	797,201
Ijara Muntahia Bittamleek	279,254	279,254
Musharaka	311,813	311,813
Investments	587,098	557,572
Investments in real estate	5,974	6,793
Ijara income receivable	34,937	34,937
Investment in joint venture & associates	14,586	14,665
Premises and equipment	32,927	35,776
Goodwill	28,115	45,197
Other assets	110,497	112,793
<b>Total Assets</b>	<b>2,331,106</b>	<b>2,329,260</b>
<b>Liabilities</b>		
Due to banks and financial institutions	87,794	87,794
Current accounts	266,654	266,654
Borrowings	105,065	105,080
Other liabilities	112,686	114,619
<b>Total liabilities</b>	<b>572,199</b>	<b>574,147</b>
<b>Equity of Investment Account Holders</b>	<b>1,509,599</b>	<b>1,509,599</b>
<b>Subordinated debt</b>	<b>43,448</b>	<b>43,263</b>
<b>Shareholders' Equity</b>		
<b>CET 1</b>		
Share capital	122,458	122,458
Retained earnings	24,443	3,465
Reserves	15,813	28,165
<b>Total Shareholders' Equity</b>	<b>162,714</b>	<b>154,088</b>
Non controlling interest	43,146	48,163
<b>Total Liabilities, URIA and shareholders' equity</b>	<b>2,331,106</b>	<b>2,329,260</b>

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**Statement of Financial Position**  
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**Step-2**

	As per published financial statements	As per Consolidated PIRI Return	
	31 March 2017 US \$ '000	31 March 2017 US \$ '000	
<b>Assets</b>			
Cash and balances with banks and financial institutions	132,729	133,259	
Receivables	793,176	797,201	
Ijara Muntahia Bittamleek	279,254	279,254	
Musharaka	311,813	311,813	
Investments carried at fair value through profit & loss	-	6,297	
Investments carried at amortized cost	495,304	495,303	
Investments carried at fair value through equity	91,794	55,972	
Investments in real estate	5,974	6,793	
Ijara income receivable	34,937	34,937	
Investment in joint venture & associates	14,586	14,665	
Premises and equipment	32,927	35,776	
of which intangibles	1,831	1,831	A
Goodwill	28,115	45,197	B
Other assets	110,497	112,793	
of which deferred tax	27,878	27,878	C
<b>Total Assets</b>	<b>2,331,106</b>	<b>2,329,260</b>	
<b>Liabilities</b>			
Due to banks and financial institutions	87,794	87,794	
Current accounts	266,654	266,654	
Borrowings	105,065	105,080	
Other liabilities	112,686	114,619	
<b>Total liabilities</b>	<b>572,199</b>	<b>574,147</b>	
<b>Equity of Investment Account Holders</b>	<b>1,509,599</b>	<b>1,509,599</b>	
<b>Subordinated debt</b>	<b>43,448</b>	<b>43,263</b>	
of which subordinated debt additional Tier1	6,014	25,000	D
of which subordinated debt-Tier -2 issued by parent	25,156	6,000	E
of which subordinated debt-Tier -2 issued by subsidiary	12,278	12,263	F
<b>Shareholders' Equity</b>			
<b>CET 1</b>			
Share capital	122,458	122,458	G
Retained earnings	15,813	3,465	H
Statutory reserve	22,699	22,699	I
General reserves	8,687	8,687	J
Foreign Exchange Reserve	(9,492)	(9,491)	K
Revaluation reserve on investments	1,447	1,143	L
Other reserves	(91)	(91)	M
Non controlling interest	43,146	48,163	N
<b>Tier 2</b>			
Revaluation reserve on premises and equipment	1,193	1,193	O
Collective Impairment Provision	-	4,025	P
<b>Total Shareholders' Equity</b>	<b>205,860</b>	<b>202,251</b>	
<b>Total Liabilities, URIA and shareholders' equity</b>	<b>2,331,106</b>	<b>2,329,260</b>	

Legal entities included within the regulatory scope of consolidation but excluded from the accounting scope of consolidation:

Name	Activities	Total Assets	Total Equity
	Fund management and investment advisory	31,390	29,625
Itqan Capital Company			

## 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
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	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
	<i>Regulatory treatment</i>				
4	Transitional CBB rules	CET 1	AT1	Tier 2	Tier 2
5	Post-transitional CBB rules	CET 1	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
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Subordinated debt	Subordinated debt	Unrestricted Mudaraba Sukuk
8	Amount recognised in regulatory capital (Currency in USD K, as of most recent reporting date)	122,458	25,000	6,000	12,263
9	Par value of instrument	100	Not Applicable	Not Applicable	NA
10	Accounting classification	Equity	Liability - amortized cost	Liability - amortized cost	Liability - amortized cost
11	Original date of issuance	Various	2016	2015	2014
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	Not Applicable	Perpetual	2022	2021
14	Issuer call subject to prior supervisory approval	Not Applicable	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not Applicable	Not Applicable	Not Applicable	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	<i>Coupons / dividends</i>				
17	Fixed or floating dividend/coupon	As decided by shareholder	Fixed	Fixed	Floating
18	Coupon rate and any related index	Not Applicable	7%	3%	KIBOR
19	Existence of a dividend stopper	Not Applicable	No	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Partially discretionary	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	Not Applicable	No	Not Applicable	Not Applicable
22	Noncumulative or cumulative	Not Applicable	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Not Applicable	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
25	If convertible, fully or partially	Not Applicable	Not Applicable	Not Applicable	Not Applicable
26	If convertible, conversion rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable
27	If convertible, mandatory or optional conversion	Not Applicable	Not Applicable	Not Applicable	Not Applicable
28	If convertible, specify instrument type convertible into	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
30	Write-down feature	Not Applicable	No	No	No
31	If write-down, write-down trigger(s)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
32	If write-down, full or partial	Not Applicable	Not Applicable	Not Applicable	Not Applicable
33	If write-down, permanent or temporary	Not Applicable	Not Applicable	Not Applicable	Not Applicable
34	If temporary write-down, description of write-up mechanism	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	Subordinate to all liabilities	Subordinate to all liabilities	Subordinate to all liabilities
36	Non-compliant transitioned features	Not Applicable	No	No	No
37	If yes, specify non-compliant features	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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

## CBB - Composition of Capital Disclosure Requirements

### Appendix PD-4

Common disclosure template to be used during the transition of regulatory adjustments (i.e. from 31st December 2016 to 31 December 2018)			AMOUNTS SUBJECT TO PRE- 2015 TREATMENT
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	122,458	
2	Retained earnings	3,465	G
3	Accumulated other comprehensive income (and other reserves)	22,947	H
4	Not Applicable		I-M
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	29,429	18,734
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	178,299	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	45,197	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	1,177	654
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	21,130	
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 (if not already netted off paid-in capital on reported balance sheet)	-	
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)	-	
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	National specific regulatory adjustments	-	
REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
OF WHICH: [INSERT NAME OF ADJUSTMENT]			
OF WHICH: ...			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	67,503	
29	<b>Common Equity Tier 1 capital (CET1)</b>	110,796	
<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	25,000	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	25,000	
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)	1,694	
35	of which: instruments issued by subsidiaries subject to phase out		
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	26,694	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
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	National specific regulatory adjustments	-	
REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
OF WHICH: [INSERT NAME OF ADJUSTMENT]			
OF WHICH: ...			
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	-	
44	<b>Additional Tier 1 capital (AT1)</b>	26,694	
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	137,490	

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

## CBB - Composition of Capital Disclosure Requirements

### Appendix PD-4

Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	6,000	E
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>		
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)	9,855	F
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>		
50	Provisions & Assets revaluation reserve - property, plant, and equipment	5,218	O-P
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>21,073</b>	
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		
REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
OF WHICH: [INSERT NAME OF ADJUSTMENT]			
OF WHICH: ...			
57	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
58	<b>Tier 2 capital (T2)</b>	<b>21,073</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>158,563</b>	
RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
OF WHICH: [INSERT NAME OF ADJUSTMENT]			
OF WHICH: ...			
60	<b>Total risk weighted assets</b>	<b>1,050,756</b>	
Capital ratios			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.54%	
62	Tier 1 (as a percentage of risk weighted assets)	13.08%	
63	Total capital (as a percentage of risk weighted assets)	15.09%	
64	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)		
65	<i>of which: capital conservation buffer requirement</i>		
66	<i>of which: bank specific countercyclical buffer requirement (N/A)</i>		
67	<i>of which: D-SIB buffer requirement (N/A)</i>		
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)		
National minima including CCB (if different from Basel 3)			
69	CBB Common Equity Tier 1 minimum ratio	9.0%	
70	CBB Tier 1 minimum ratio	10.5%	
71	CBB total capital minimum ratio	12.5%	
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)	-	
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)	4,025	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	9,616	P
78	N/A		
79	N/A		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>		
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>		
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>		
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>		
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>		
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)</i>		