

Al Baraka Islamic Bank B.S.C.(c)
CBB - Composition of Capital Disclosure Requirements
As at 31 March 2021

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CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 31 March 2021

Common Disclosure Template		PIRI	Reference
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	136,458	E
2	Retained earnings	(11,256)	G
3	Accumulated other comprehensive income (and other reserves)	(798)	H-L
4	<i>Not applicable</i>	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	15,146	N
6	Common Equity Tier 1 capital before regulatory adjustments	139,550	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments		
8	Goodwill (net of related tax liability)	31,783	B
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	6,029	A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	10,929	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)	168	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	48,909	
29	Common Equity Tier 1 capital (CET1)	90,641	

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Common Disclosure Template		PIRI	Reference
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	111,000	F
31	of which: classified as equity under applicable accounting standards	111,000	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-	
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)	132	O
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 capital before regulatory adjustments	111,132	
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)	111,132	
45	Hair Cut due to shortage in CET-1 Capital	-	
46	Net Available Capital after regulatory adjustments and haircut	111,132	
47	Tier 1 capital (T1 = CET1 + AT1)	201,773	
Tier 2 capital: instruments and provisions			
48	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
49	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-	
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)	5,179	D
51	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
52	<i>Assets revaluation reserve - property, plant, and equipment</i>	-	P
53	Provisions	12,869	Q
54	Tier 2 capital before regulatory adjustments	18,048	

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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)	18,048	
62	Total capital (TC = T1 + T2)	219,821	
63	Total risk weighted assets	921,238	
Capital ratios and buffers			
64	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.84%	
65	Tier 1 (as a percentage of risk weighted assets)	21.90%	
66	Total capital (as a percentage of risk weighted assets)	23.86%	
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)	3.3%	
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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As at 31 March 2021

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)	9,081	
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)	12,869	Q
80	Cap on inclusion of provisions in Tier 2 under standardised approach	7,707	
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)	-	

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Statement of Financial Position

Appendix PD-2

Step-1

	As per published financial statements	As per Consolidated PIRI Return
	31 December 2020	31 December 2020
	US \$ '000	US \$ '000
Assets		
Cash and balances with banks and financial institutions	187,979	193,474
Receivables	609,348	619,621
Ijara Muntahia Bittamleek & Ijara receivables	356,024	356,850
Musharaka	409,804	414,899
Investments	1,036,336	995,883
Investments in real estate	9,613	12,044
Investment in joint venture & associates	14,578	14,586
Premises and equipment	59,446	47,518
Goodwill	14,701	31,783
Other assets	60,614	61,703
Total Assets	2,758,443	2,748,361
Liabilities		
Current accounts	326,635	302,574
Murabaha and other payables	289,647	289,647
Other liabilities	122,136	139,569
Total liabilities	738,418	731,790
Equity of Investment Account Holders	1,733,881	1,733,881
Subordinated debt	11,134	11,048
Shareholders' Equity		
CET 1		
Share capital	136,458	136,458
Perpetual Tier1 capital	111,000	111,000
Retained earnings	(366)	(26,808)
Reserves	(275)	20,702
Total Shareholders' Equity	246,817	241,352
Non controlling interest	28,193	30,290
Total Liabilities, URIA and shareholders' equity	2,758,443	2,748,361

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CBB - Composition of Capital Disclosure Requirements

Statement of Financial Position

Appendix PD-2

Step-2

	As per published	As per Consolidated	
	financial statements	PRI Return	
	31 December 2020	31 December 2020	
	US \$ '000	US \$ '000	
Assets			
Cash and balances with banks and financial institutions	187,979	193,474	
Receivables	609,348	619,621	
Ijara Muntahia Bittamleek & Ijara income receivable	356,024	356,850	
Musharaka	409,804	414,899	
Investments carried at fair value through profit & loss	398	13,276	
Investments carried at amortized cost	941,623	942,634	
Investments carried at fair value through equity	94,315	39,973	
Investments in real estate	9,613	12,044	
Investment in joint venture & associates	14,578	14,586	
Premises and equipment	59,446	47,518	
of which intangibles	6,029	6,029	A
Goodwill	14,701	31,783	B
Other assets	60,614	61,535	
of which deferred tax subject to direct deduction		10,929	C1
of which deferred tax subject to threshold deduction		168	C2
Total Assets	2,758,443	2,748,361	
Liabilities			
Current accounts	326,635	302,574	
Murabaha and other payables	289,647	289,647	
Other liabilities	122,136	132,648	
Total liabilities	738,418	724,869	
Equity of Investment Account Holders	1,733,881	1,733,881	
Subordinated debt	11,134	11,048	
of which allowed as T2		5,179	D
Shareholders' Equity			
CET 1			
Share capital	136,458	136,458	E
Perpetual AT1 Capital	111,000	111,000	F
Accumulated losses	(275)	(11,256)	G
Statutory reserve	23,831	23,831	H
General reserves	8,687	8,687	I
Foreign exchange reserve	(33,505)	(33,502)	J
Revaluation reserve on investments	722	283	K
Other reserves	(101)	(97)	L
Non controlling interest	28,193	30,290	M
NCI CET1		15,146	N
NCI AT1		132	O
Tier 2			
Expected credit losses for stage1 and stage2	-	12,869	Q
Total Shareholders' Equity	275,010	278,563	
Total Liabilities, URIA and shareholders' equity	2,758,443	2,748,361	

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

Name	Activities	Total Assets	Total Equity
Itqan Capital Company	Fund management and investment advisory	22,852	12,393

AI 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	AI Baraka Islamic Bank	AI Baraka Islamic Bank	AI Baraka Islamic Bank	AI Baraka Bank (Pakistan) Limited	AI 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
	<i>Regulatory treatment</i>					
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)	136,458	81,000	30,000	1,315	9,819
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
	<i>Coupons / dividends</i>					
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-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
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