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

CBB - Composition of Capital Disclosure Requirements

As at 30 September 2018

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
	30 September 2018	**30 September 2018**
	US $ '000	**US $ '000**
Assets		
Cash and balances with banks and financial institutions	187,587	188,111
Receivables	742,176	749,229
Ijara Muntahia Bittamleek &I jara income receivable	287,473	288,148
Musharaka	304,125	307,002
Investments	603,966	568,912
Investments in real estate	5,974	8,477
Investment in joint venture & associates	14,680	14,688
Premises and equipment	59,226	60,291
Goodwill	18,074	35,156
Other assets	99,268	101,811
Total Assets	**2,322,549**	**2,321,825**
Liabilities		
Due to banks and financial institutions	34,345	34,345
Current accounts	297,873	297,873
Medium Term Financing	96,279	96,279
Other liabilities	143,044	143,542
Total liabilities	**571,541**	**572,039**
Equity of Investment Account Holders	**1,459,610**	**1,459,610**
Subordinated debt	**19,097**	**18,971**
Shareholders' Equity		
CET 1		
Share capital	**122,458**	122,458
Perpetual Tier1 capital	**110,000**	110,000
Retained earnings	**(3,771)**	(20,649)
Reserves	**11,789**	23,504
Total Shareholders' Equity	**240,476**	**235,313**
Non controlling interest	**31,825**	35,892
Total Liabilities, URIA and shareholders' equity	**2,322,549**	**2,321,825**

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	
	30 September 2018	**30 September 2018**	
	US $ '000	**US $ '000**	
Assets			
Cash and balances with banks and financial institutions	187,587	188,111	
Receivables	742,176	749,229	
Ijara Muntahia Bittamleek & Ijara income receivable	287,473	288,148	
Musharaka	304,125	307,002	
Investments carried at fair value through profit & loss	470	18,014	
Investments carried at amortized cost	524,576	525,253	
Investments carried at fair value through equity	78,920	25,645	
Investments in real estate	5,974	8,477	
Investment in joint venture & associates	14,680	14,688	
Premises and equipment	59,226	60,291	
of which intangibles	5,914	5,914	A
Goodwill	18,074	35,156	B
Other assets	99,268	101,811	
of which deferred tax	29,152	29,152	C
Total Assets	**2,322,549**	**2,321,825**	
Liabilities			
Due to banks and financial institutions	34,345	34,345	
Current accounts	297,873	297,873	
Medium Term Financing	96,279	96,279	
Other liabilities	143,044	143,542	
Total liabilities	**571,541**	**572,039**	
Equity of Investment Account Holders	**1,459,610**	**1,459,610**	
Subordinated debt	**19,097**	**18,971**	
of which subordinated debt-Tier -2 issued by subsidiary	18,971	18,971	D
Shareholders' Equity			
CET 1			
Share capital	122,458	122,458	E
Perpetual AT1 Capital	110,000	110,000	F
Retained earnings	(3,771)	(20,649)	G
Statutory reserve	22,699	22,699	H
General reserves	8,687	8,687	I
Foreign Exchange Reserve	(21,614)	(21,613)	J
Revaluation reserve on investments	929	491	K
Other reserves	(105)	(105)	L
Non controlling interest	31,825	35,892	M
Tier 2			
Revaluation reserve on premises and equipment	1,193	1,193	N
Expected credit losses for stage1 and stage2	-	12,152	O
Total Shareholders' Equity	**272,301**	**271,205**	
Total Liabilities, URIA and shareholders' equity	**2,322,549**	**2,321,825**	

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	25,253	24,008

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 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
3	Governing law(s) of the instrument	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	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	GROUP	GROUP
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	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)	122,458	110,000	5,386	13,585
9	Par value of instrument	100	Not Applicable	NA	NA
10	Accounting classification	Equity	Equity	Liability - amortized cost	Bullet Payment after 7 Years
11	Original date of issuance	Various	2018	2014	2017
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated
13	Original maturity date	Not Applicable	Perpetual	2021	2024
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
	Coupons / dividends				
17	Fixed or floating dividend/coupon	As decided by shareholder	Fixed	Floating	Floating
18	Coupon rate and any related index	Not Applicable	Various	KIBOR	6 Month Kibor + 0.75%
19	Existence of a dividend stopper	Not Applicable	Yes	No	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully 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-cummulative	Non-cummulative	Non-cummulative
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	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.	Not Applicable	Not Applicable
32	If write-down, full or partial	Not Applicable	Full	Not Applicable	Not Applicable
33	If write-down, permanent or temporary	Not Applicable	Permanent	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	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
37	If yes, specify non-compliant features	Not Applicable	Not Applicable	Not Applicable	Not Applicable

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CBB - Composition of Capital Disclosure Requirements

Appendix PD-4

	Common disclosure template to be used during the transition of regulatory adjustments (i.e. from 31stDecember 2016 to 31 December 2018)		AMOUNTS SUBJECT TO PRE-2015 TREATMENT	
	Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	122,458		E
2	Retained earnings	(20,649)		G
3	Accumulated other comprehensive income (and other reserves)	17,754		H-L
4	*Not Applicable*			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	18,061	13,373	M
6	**Common Equity Tier 1 capital before regulatory adjustments**	137,624		
	Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-		
8	Goodwill (net of related tax liability)	35,157	-	B
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	4,731	1,183	A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	20,038	-	C
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	**Total regulatory adjustments to Common equity Tier 1**	59,926		
29	**Common Equity Tier 1 capital (CET1)**	77,698		
	Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	110,000		F
31	of which: classified as equity under applicable accounting standards	-		
32	of which: classified as liabilities under applicable accounting standards	110,000		
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)	1,814		
35	*of which: instruments issued by subsidiaries subject to phase out*			
36	**Additional Tier 1 capital before regulatory adjustments**	111,814		
	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	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	**Total regulatory adjustments to Additional Tier 1 capital**	-		
44	**Additional Tier 1 capital (AT1)**	111,814		

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CBB - Composition of Capital Disclosure Requirements

Appendix PD-4

45	**Tier 1capital (T1 = CET1 + AT1)**	189,512	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
47	*Directly issued capital instruments subject to phase out from Tier 2*		
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)	11,823	D
49	*of which: instruments issued by subsidiaries subject to phase out*		
50	Provisions & Assets revaluation reserve - property, plant, and equipment	5,233	N-O
51	**Tier 2 capital before regulatory adjustments**	17,056	
	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	**Total regulatory adjustments to Tier 2 capital**	-	
58	**Tier 2 capital (T2)**	17,056	
59	**Total capital (TC = T1 + T2)**	206,568	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT		
	OF WHICH: [INSERT NAME OF ADJUSTMENT]		
	OF WHICH: …		
60	**Total risk weighted assets**	860,165	
	Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	9.03%	
62	Tier 1 (as a percentage of risk weighted assets)	22.03%	
63	Total capital (as a percentage of risk weighted assets)	24.01%	
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	*of which: capital conservation buffer requirement*		
66	*of which: bank specific countercyclical buffer requirement (N/A)*		
67	*of which: D-SIB buffer requirement (N/A)*		
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/ ECLs eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	4,040	O
77	Cap on inclusion of provisions in Tier 2 under standardised approach	8,169	
78	N/A		
79	N/A		
	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)*		