

**Al Baraka Islamic Bank B.S.C.(c)**  
**CBB - Composition of Capital Disclosure Requirements**  
**As at 30 September 2023**

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

CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 30 September 2023

| Common Disclosure Template                                    |   | PIRI           | Reference |
|---|---|----------------|-----------|
| <b>Common Equity Tier 1 capital: instruments and reserves</b> |   |                |           |
| 1   | Directly issued qualifying common share capital plus related stock surplus  | 151,458        | E         |
| 2   | Retained earnings   | (593)          | G         |
| 3   | Accumulated other comprehensive income (and other reserves)   | (24,587)       | H-M       |
| 4   | <i>Not applicable</i>   | -              |           |
| 5   | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)  | 9,521          | O         |
| 6   | <b>Common Equity Tier 1 capital before regulatory adjustments</b>   | <b>135,799</b> |           |
| <b>Common Equity Tier 1 capital: regulatory adjustments</b>   |   |                |           |
| 7   | Prudential valuation adjustments  |                |           |
| 8   | Goodwill (net of related tax liability)   | 7,805          | B         |
| 9   | Other intangibles other than mortgage-servicing rights (net of related tax liability)   | 4,917          | A         |
| 10  | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)   | -              | 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)   | 1,266          | 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  | <b>Total regulatory adjustments to Common equity Tier 1</b>   | <b>13,988</b>  |           |
| 29  | <b>Common Equity Tier 1 capital (CET1)</b>  | <b>121,811</b> |           |

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As at 30 September 2023

| Common Disclosure Template                               |  | PIRI           | Reference |
|--|--|----------------|-----------|
| <b>Additional Tier 1 capital: instruments</b>            |  |                |           |
| 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   | <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)  | -              | P         |
| 35   | <i>of which: instruments issued by subsidiaries subject to phase out</i>   | -              |           |
| 36   | <b>Additional Tier 1 capital before regulatory adjustments</b>   | <b>96,000</b>  |           |
| <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   | CBB specific regulatory adjustments  | -              |           |
| 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>   | <b>96,000</b>  |           |
| 45   | Hair Cut due to shortage in CET-1 Capital  | -              |           |
| 46   | <b>Net Available Capital after regulatory adjustments and haircut</b>  | <b>96,000</b>  |           |
| 47   | <b>Tier 1 capital (T1 = CET1 + AT1)</b>  | <b>217,811</b> |           |
| <b>Tier 2 capital: instruments and provisions</b>        |  |                |           |
| 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)   | 3,328          | D         |
| 51   | <i>of which: instruments issued by subsidiaries subject to phase out</i>   | -              |           |
| 52   | <i>Assets revaluation reserve - property, plant, and equipment</i>   | 343            | Q         |
| 53   | Provisions   | 7,477          | S         |
| 54   | <b>Tier 2 capital before regulatory adjustments</b>  | <b>11,148</b>  |           |

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CBB - Composition of Capital Disclosure Requirements

PD-1 Regulatory Capital Reconciliation

As at 30 September 2023

| Common Disclosure Template  |  | PIRI           | Reference |
|---|--|----------------|-----------|
| <b>Tier 2 capital: regulatory adjustments</b>                         |  |                |           |
| 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  | <b>Total regulatory adjustments to Tier 2 capital</b>  | -              |           |
| 61  | <b>Tier 2 capital (T2)</b>   | <b>11,148</b>  |           |
| 62  | <b>Total capital (TC = T1 + T2)</b>  | <b>228,959</b> |           |
| 63  | <b>Total risk weighted assets</b>  | <b>879,013</b> |           |
| <b>Capital ratios and buffers</b>                                     |  |                |           |
| 64  | Common Equity Tier 1 (as a percentage of risk weighted assets)   | 13.86%         |           |
| 65  | Tier 1 (as a percentage of risk weighted assets)   | 24.78%         |           |
| 66  | Total capital (as a percentage of risk weighted assets)  | 26.05%         |           |
| 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)   | 7.4%           |           |
| <b>National minima including CCB (where different from Basel III)</b> |  |                |           |
| 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%          |           |

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

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PD-1 Regulatory Capital Reconciliation

As at 30 September 2023

| Common Disclosure Template   |  | PIRI   | Reference |
|--|--|--------|-----------|
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>  |  |        |           |
| 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)  | 12,308 |           |
| <b>Applicable caps on the inclusion of provisions in Tier 2</b>  |  |        |           |
| 79   | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | 19,350 | R         |
| 80   | Cap on inclusion of provisions in Tier 2 under standardised approach   | 7,477  |           |
| 81   | N/A  |        |           |
| 82   | N/A  |        |           |
| <b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</b> |  |        |           |
| 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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**CBB - Composition of Capital Disclosure Requirements**  
**Statement of Financial Position**  
**Appendix PD-2**  
**Step-1**

|   | As per published<br>financial statements | As per Consolidated<br>PIRI Return |
|---|--|------------------------------------|
|   | 30 September 2023                        | 30 September 2023                  |
|   | US \$ '000                               | US \$ '000                         |
| <b>Assets</b>   |  |                                    |
| Cash and balances with banks and financial institutions | 179,224                                  | 271,158                            |
| Receivables   | 485,614                                  | 404,367                            |
| Ijara Muntahia Bittamleek & I jara receivables          | 651,255                                  | 652,920                            |
| Musharaka   | 159,929                                  | 165,865                            |
| Investments   | 1,055,511                                | 1,056,394                          |
| Investments in real estate                              | 8,836                                    | 8,836                              |
| Investment in joint venture & associates                | 16,337                                   | 16,337                             |
| Premises and equipment                                  | 90,961                                   | 90,961                             |
| Goodwill  | 7,805                                    | 7,805                              |
| Other assets  | 48,137                                   | 48,137                             |
| <b>Total Assets</b>                                     | <b>2,703,609</b>                         | <b>2,722,780</b>                   |
| <b>Liabilities</b>                                      |  |                                    |
| Current accounts  | 239,788                                  | 239,788                            |
| Murabaha and other payables                             | 462,364                                  | 462,364                            |
| Other liabilities                                       | 98,719                                   | 100,016                            |
| <b>Total liabilities</b>                                | <b>800,871</b>                           | <b>802,168</b>                     |
| <b>Equity of Investment Account Holders</b>             | <b>1,653,599</b>                         | <b>1,653,599</b>                   |
| <b>Subordinated debt</b>                                | <b>12,502</b>                            | <b>11,026</b>                      |
| <b>Shareholders' Equity</b>                             |  |                                    |
| <b>CET 1</b>  |  |                                    |
| Share capital   | 151,458                                  | 151,458                            |
| Perpetual Tier1 capital                                 | 96,000                                   | 96,000                             |
| Retained earnings                                       | (593)                                    | (593)                              |
| Reserves  | (27,128)                                 | (27,128)                           |
| Expected credit losses                                  | -  | 19,350                             |
| <b>Total Shareholders' Equity</b>                       | <b>219,737</b>                           | <b>239,087</b>                     |
| Non controlling interest                                | 16,900                                   | 16,900                             |
| <b>Total Liabilities, URIA and shareholders' equity</b> | <b>2,703,609</b>                         | <b>2,722,780</b>                   |

# 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     | As per Consolidated |    |
|---|----------------------|---------------------|----|
|   | financial statements | PIRI Return         |    |
|   | 30 September 2023    | 30 September 2023   |    |
|   | US \$ '000           | US \$ '000          |    |
| <b>Assets</b>   |                      |                     |    |
| Cash and balances with banks and financial institutions | 179,224              | 271,158             |    |
| Receivables   | 485,614              | 404,367             |    |
| Ijara Muntahia Bittamleek & Ijara income receivable     | 651,255              | 652,920             |    |
| Musharaka   | 159,929              | 165,865             |    |
| Investments carried at fair value through profit & loss | -                    | -                   |    |
| Investments carried at amortized cost                   | 547,573              | 547,573             |    |
| Investments carried at fair value through equity        | 507,938              | 508,821             |    |
| Investments in real estate                              | 8,836                | 8,836               |    |
| Investment in joint venture & associates                | 16,337               | 16,337              |    |
| Premises and equipment                                  | 90,961               | 90,961              |    |
| of which intangibles                                    | 4,917                | 4,917               | A  |
| Goodwill  | 7,805                | 7,805               | B  |
| Other assets  | 48,137               | 46,871              |    |
| of which deferred tax subject to direct deduction       | -                    | -                   | C1 |
| of which deferred tax subject to threshold deduction    | -                    | 1,266               | C2 |
| <b>Total Assets</b>                                     | <b>2,703,609</b>     | <b>2,722,780</b>    |    |
| <b>Liabilities</b>                                      |                      |                     |    |
| Current accounts  | 239,788              | 239,788             |    |
| Murabaha and other payables                             | 462,364              | 462,364             |    |
| Other liabilities                                       | 98,719               | 100,016             |    |
| <b>Total liabilities</b>                                | <b>800,871</b>       | <b>802,168</b>      |    |
| <b>Equity of Investment Account Holders</b>             | <b>1,653,599</b>     | <b>1,653,599</b>    |    |
| <b>Subordinated debt</b>                                | <b>12,502</b>        | <b>11,026</b>       |    |
| of which allowed as T2                                  | -                    | 3,328               | D  |
| <b>Shareholders' Equity</b>                             |                      |                     |    |
| <b>CET 1</b>  |                      |                     |    |
| Share capital   | 151,458              | 151,458             | E  |
| Perpetual AT1 Capital                                   | 96,000               | 96,000              | F  |
| Retained Earnings                                       | (593)                | (593)               | G  |
| Statutory reserve                                       | 26,119               | 26,119              | H  |
| General reserves  | 8,687                | 8,687               | I  |
| Foreign exchange reserve                                | (66,811)             | (66,811)            | J  |
| Revaluation reserve on investments                      | 4,662                | 4,662               | K  |
| Other reserves  | (128)                | (128)               | L  |
| Add back of modification losses                         | -                    | 2,884               | M  |
| Non controlling interest                                | 16,900               | 16,900              | N  |
| NCI CET1  | -                    | 9,521               | O  |
| NCI AT1   | -                    | -                   | P  |
| <b>Tier 2</b>   |                      |                     |    |
| Revaluation reserve on premises and equipment           | 343                  | 343                 | Q  |
| Expected credit losses for stage1 and stage2            | -                    | 19,350              | R  |
| of which allowed as T2                                  | -                    | 7,477               | S  |
| <b>Total Shareholders' Equity</b>                       | <b>236,637</b>       | <b>255,987</b>      |    |
| <b>Total Liabilities, URIA and shareholders' equity</b> | <b>2,703,609</b>     | <b>2,722,780</b>    |    |

## 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 |
|    | <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)                 | 151,458                        | 81,000  | 15,000  | 1,259   | 11,243  |
| 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  |