

ALBARAKA BANK LIMITED
COMPOSITION OF CAPITAL DISCLOSURE TEMPLATE
SIX MONTHS ENDED 2017-12-31

Basel III common disclosure template to be used during the transition of regulatory adjustments (i.e. from 1 June 2013 to 1 January 2018)

Amounts subject to
pre-Base III
treatment
R'000

	R'000	R'000
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	404 599	-
2 Retained earnings	222 165	-
3 Accumulated other comprehensive income (and other reserves)	1 460	-
4 Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) Public sector capital injections grandfathered until January 2018	-	-
5 Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
6 Common Equity Tier 1 capital before regulatory adjustments	628 224	-
Common Equity Tier 1 capital: regulatory adjustments		
7 Prudential valuation adjustments	-	-
8 Goodwill (net of related tax liability)	-	-
9 Other intangibles other than mortgage-servicing rights (net of related tax liability)	-26 159	-
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
11 Cash-flow hedge reserve	-	-
12 Shortfall of provisions to expected losses	-	-
13 Securitisation gain on sale	-	-
14 Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
15 Defined-benefit pension fund net assets	-	-
16 Investments in own shares (if not already netted of 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-Base III treatment	-	-
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	-26 159	-
29 Common Equity Tier 1 capital (CET1)	602 065	-
Additional Tier 1 capital: instruments		
30 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	-
31 Of which: classified as equity under applicable accounting standards	-	-
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 line 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	-
35 of which: instruments issued by subsidiaries subject to phase out	-	-
36 Additional Tier 1 capital before regulatory adjustments	-	-
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 Common Equity Tier 1 in respect of amounts subject to pre-Base III treatment	-	-
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)	-	-
45 Tier 1 capital (T1 = CET1 + AT1)	602 065	-
Tier 2 capital 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	45 500	-
48 Tier 2 instruments (and AT1 instruments not included in lines 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	-
49 of which: instruments issued by subsidiaries subject to phase out	-	-
50 Provisions	20 763	-
51 Tier 2 capital before regulatory adjustments	66 263	-
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 Common Equity Tier 2 in respect of amounts subject to pre-Base III treatment	-	-
57 Total regulatory adjustments to Tier 2 capital	-	-
58 Tier 2 capital (T2)	66 263	-
59 Total capital (TC = T1 + T2)	668 328	-
60 Total risk weighted assets	4 558 580	-
Capital ratios		

61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.21%	-
62	Tier 1 (as a percentage of risk weighted assets)	13.21%	-
63	Total capital (as a percentage of risk weighted assets)	14.66%	-
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-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	-	-
67	of which: G-SIB buffer requirement	-	-
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	-
National Minima (if different from Basel 3)			
69	National Common Equity Tier 1 minimum ratio (if different from Basel 3 minimum)	7.50%	-
70	National Tier 1 minimum ratio	8.50%	-
71	National total capital minimum ratio	9.50%	-
Amounts, below the threshold for deductions (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 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)	66 263	-
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	-
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
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)	-	-

ALBARAKA BANK LIMITED
MAIN FEATURES OF CAPITAL INSTRUMENTS
As at 31 December 2017

Disclosure template for main features of regulatory capital instruments	Sukuk				
	Ordinary Shares	Tier 2 Certificates	Tier 2 Certificates	Tier 2 Certificates	Tier 2 Certificates
1 Issuer	Albaraka Bank Limited	Albaraka Bank Limited	Albaraka Bank Limited	Albaraka Bank Limited	Albaraka Bank Limited
2 Unique identifier (e.g. CUSP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A
3 Governing law(s) of the instrument	South African Law	South African Law	South African Law	South African Law	South African Law
4 Transitional Basel III rules	Common Equity Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5 Post-transitional Basel III rules	Common Equity Tier 1	Eligible	Eligible	Eligible	Eligible
6 Eligible at solo/group/group & solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7 Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Subordinated Debt	Subordinated Debt	Subordinated Debt	Subordinated Debt
8 Amount recognized in regulatory capital (Rands million)	404.7	30.3	9.5	5.1	0.6
9 Par value of instrument (Rands)	10	30 300 000	9 500 000	5 100 000	600 000
10 Accounting classification	Shareholders equity	Liability per IFRS	Liability per IFRS	Liability per IFRS	Liability per IFRS
11 Original date of issuance	June 1989	30 Sept 2016	1 April 2017	01 October 2017	01 December 2017
12 Perpetual or dated	Perpetual	Dated	Dated	Dated	Dated
13 Original maturity date	N/A	30 Sept 2026	1 April 2027	1 October 2027	01 December 2027
14 Issuer call subject to prior supervisory approval	N/A	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates and redemption amount	N/A	30 Sept 2021	1 April 2022	01 October 2022	01 December 2022
16 Subsequent call dates, if applicable	N/A	Any date subsequent to the 30 Sept 2021 subject to supervisory approval	Any date subsequent to the 1 April 2022 subject to supervisory approval	Any date subsequent to the 1 October 2022 subject to supervisory approval	Any date subsequent to the 1 December 2022 subject to supervisory approval
17 Fixed or floating dividend/coupon	Discretionary	Floating based on underlying profit earned by the Advances pool	Floating based on underlying profit earned by the Advances pool	Floating based on underlying profit earned by the Advances pool	Floating based on underlying profit earned by the Advances pool
18 Coupon rate and any related index	N/A	No	No	No	No
19 Existence of a dividend stopper	N/A	Yes	Yes	Yes	Yes
20 Fully discretionary, partially discretionary or mandatory	Full discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21 Existence of step up or other incentive to redeem	N/A	No	No	No	No
22 Noncumulative or cumulative	Non Cumulative	Cumulative profit	Cumulative profit	Cumulative profit	Cumulative profit
23 Convertible or non-convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible	Non Convertible
24 If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
25 If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
26 If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
27 If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
28 If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
29 If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
30 Write-down feature	N/A	Yes	Yes	Yes	Yes
31 If write-down, write-down trigger(s)	N/A	Discretion of the Regulator	Discretion of the Regulator	Discretion of the Regulator	Discretion of the Regulator
32 If write-down, full or partial	N/A	Both full or partial	Both full or partial	Both full or partial	Both full or partial
33 If write-down, permanent or temporary	N/A	Permanent	Permanent	Permanent	Permanent
34 If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	N/A	Subordinated to depositors and senior creditors	Subordinated to depositors and senior creditors	Subordinated to depositors and senior creditors	Subordinated to depositors and senior creditors
36 Non-compliant transitioned features	N/A	No	No	No	No
37 If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A