

Basel III Regulatory Capital Disclosures

*(For the three months period
ended 31 March 2017)*

BBK B.S.C.
Basel III Pillar III Disclosure

(For the three months period ended 31 March 2017)

1. Statement of financial position under the Regulatory Scope of Consolidation

The table below shows the link between the statement of financial position in the published financial statements (accounting statement of financial position) and the regulatory statement of financial position.

	Statement of financial position as in published financial statements	Statement of financial position as per Regulatory Reporting	Reference
	<i>BD '000</i>	<i>BD '000</i>	
Assets			
Cash and balances with central banks	314,175	314,175	
Treasury bills	353,836	353,836	
Deposits and amounts due from banks and other financial institutions	202,402	202,402	
Loans and advances to customers	1,770,013	1,770,013	
Of which collective impairment provisions	(30,546)	(30,546)	a
Of Which net loans and advances (gross of collective impairment provisions)	1,800,559	1,800,559	
Non-trading investment securities	791,191	791,191	
Of which related to equity investments in financial entities		36,553	
Of which investments in financial entities under CET1		28,794	b
Of which investments in financial entities under Tier 2		7,759	c
Of which related to other investments		754,638	
Investments in associated companies and joint ventures	45,464	47,935	
Of which Investment in own shares	242	242	d
Of which equity investments in financial entities	31,675	31,675	e
Of which other investments	13,547	16,018	
Interest receivable and other assets	61,235	59,965	
Of which deferred tax assets due to temporary differences	2,273	2,273	f
Of which Interest receivable and other assets	58,962	57,692	
Premises and equipment	23,965	23,777	
Total assets	3,562,281	3,563,294	
Liabilities and Equities			
Liabilities			
Deposits and amounts due to banks and other financial institutions	341,986	341,986	
Borrowings under repurchase agreement	184,082	184,082	
Term borrowings	206,448	206,448	
Customers' current, savings and other deposits	2,254,857	2,256,788	
Interest payable and other liabilities	104,956	104,415	
Total liabilities	3,092,329	3,093,719	
Equity			
Share capital	108,165	108,165	g
Treasury stock	(1,232)	(1,232)	h
Perpetual Tier 1 Convertible Capital Securities	86,098	86,098	i
Share premium	39,919	39,919	j
Statutory reserve	54,082	54,082	k
General reserve	54,082	54,082	l
Cumulative changes in fair values	(1,524)	(1,524)	
Of which cumulative changes in fair values on bonds and equities	(2,004)	(2,004)	m
Of which Fair value changes in cash flow hedges	480	480	n
Foreign currency translation adjustments	(10,331)	(10,331)	
Of which related to unconsolidated subsidiary		(80)	o
Of which related to Parent		(10,251)	p
Retained earnings	138,766	138,766	
Of which employee stock options	2,513	2,513	
Of which Retained earnings	136,253	136,253	q
<i>Attributable to the Owners of the Bank</i>	468,025	468,025	
Non-controlling interest	1,927	1,550	
Total equity	469,952	469,575	
Total Liabilities and equities	3,562,281	3,563,294	

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

Name	Principle activities	Total Assets	Total Equities
Invita B.S.C. (c)	Business process outsourcing services	3,389	2,848

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2 Regulatory Capital Components

The table below provides a detailed breakdown of the bank's regulatory capital components, including all regulatory adjustments. The table also provides reference to the comparison displayed in the previous table between accounting and regulatory statement of financial positions.

	Component of regulatory capital	Amounts subject to pre-2015 treatment	Source based on reference letters of the statement of financial positions under the regulatory scope of consolidation
Common Equity Tier 1: Instruments and reserves			
Directly issued qualifying common share capital plus related stock surplus	146,852		g+h+j
Retained earnings	125,922		o+q
Accumulated other comprehensive income and losses (and other reserves)	106,640		k+l+m+n+p
Not applicable			
Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	-		
Common Equity Tier 1 capital before regulatory adjustments	379,414	-	
Common Equity Tier 1 capital :regulatory adjustments			
Cash flow hedge reserve	480		n
Investments in own shares	242		d
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)	-	28,794	b
Total regulatory adjustments to Common equity Tier 1	722	28,794	
Common Equity Tier 1 capital (CET1)	378,692		
Additional Tier 1 capital: instruments			
Additional Tier 1 capital before regulatory adjustments	86,098.00	-	
Additional Tier 1 capital: regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	-	-	
Additional Tier 1 capital (AT1)	86,098.00	-	
Tier capital (T1 = CET1 + AT1)	464,790	0	
Tier 2 capital: instruments and provisions			
Provisions	30,546		
Tier 2 capital before regulatory adjustments	30,546		
Tier 2 capital: regulatory adjustments			
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)	-	7,759	c
Total regulatory adjustments to Tier 2 capital	-	7,759	
Tier 2 capital (T2)	30,546		
Total capital (TC = T1 + T2)	495,336		
Total risk weighted assets	2,695,112		
Common Equity Tier 1 (as a percentage of risk weighted assets)	14.05%		
Tier 1 (as a percentage of risk weighted assets)	17.25%		
Total capital (as a percentage of risk weighted assets)	18.38%		
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)	9.00%		
of which: capital conservation buffer requirement	2.50%		
of which: bank specific countercyclical buffer requirement	N/A		
of which: G-SIB buffer requirement	N/A		
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	14.05%		
National minima (where different from Basel III)			
CBB Common Equity Tier 1 minimum ratio	6.50%		
CBB Tier 1 minimum ratio	8.00%		
CBB total capital minimum ratio	10.00%		
Amounts below the thresholds for deduction (before risk weighting)			
Non-significant investments in the capital of other financials	36,553		
Significant investments in the common stock of financials	31,675		e
Deferred tax assets arising from temporary differences (net of related tax liability)	2,273		f
Applicable caps on the inclusion of provisions in Tier 2			
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	56,111		a
Cap on inclusion of provisions in Tier 2 under standardised approach	30,546		