

Basel III Regulatory Capital Disclosures

*(For the nine months period
ended 30 September 2015)*

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

(For the nine months period ended 30 September 2015)

1. Balance sheet under the regulatory scope of consolidation

	Balance sheet as in published financial statements	Consolidated PIR data	Reference
	BD '000	BD '000	
Assets			
Cash and balances with central banks	371,228	371,228	
Treasury bills	377,536	377,536	
Deposits and amounts due from banks and other financial institutions	242,215	242,215	
Loans and advances to customers	1,795,062	1,795,062	
Of which general provisions	(36,823)	(36,823)	a
Of which net loans and advances (gross of general provisions)	1,831,885	1,831,885	
Non-trading investment securities	811,110	811,110	
Of which related to equity investments in financial entities	54,448	54,448	
Of which related to CET1	33,613	33,613	b
Of which related to Tier 1	1,958	1,958	c
Of which related to Tier 2	18,877	18,877	d
Of which related to other investments	756,662	756,662	
Investments in associated companies and joint ventures	34,696	37,074	
Of which equity investments in financial entities	26,425	26,425	e
Of which other investments	8,271	10,649	
Interest receivable and other assets	58,705	57,133	
Of which deferred tax assets due to temporary differences	2,962	2,962	f
Of which Interest receivable and other assets	55,743	54,171	
Premises and equipment	24,632	24,447	
Total assets	3,715,184	3,715,805	
Liabilities and Equities			
Liabilities			
Deposits and amounts due to banks and other financial institutions	270,048	270,048	
Borrowings under repurchase agreement	37,704	37,704	
Term borrowings	392,814	392,814	
Customers' current, savings and other deposits	2,565,693	2,567,203	
Interest payable and other liabilities	100,160	99,774	
Total liabilities	3,366,419	3,367,543	
Equity			
Share capital	108,165	108,165	g
Treasury stock	(4,728)	(4,728)	h
Share premium	39,919	39,919	i
Statutory reserve	51,507	51,507	j
General reserve	51,507	51,507	k
Cumulative changes in fair values	(11,370)	(11,370)	
of which cumulative changes in fair values on bonds and equities	(10,720)	(10,720)	l
of which Fair value changes in cash flow hedges	(650)	(650)	
Foreign currency translation adjustments	(10,169)	(10,067)	m
Retained earnings	122,363	122,261	
Of which employee stock options	1,914	1,914	
Of which Retained earnings	120,449	120,347	n
Appropriations	-	-	
ATTRIBUTABLE TO THE OWNERS			
OF THE BANK	347,194	347,194	
Non-controlling interest	1,571	1,068	
Total equity	348,765	348,262	
Total Liabilities and equities	3,715,184	3,715,805	

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	3,268	2,882

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(For the nine months period ended 30 September 2015)

2 Regulatory Capital Components

	Component of regulatory capital	Amounts subject to pre-2015 treatment	Reference
	BD '000	BD '000	
Common Equity Tier 1: Instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	143,356	g+h+i
2	Retained earnings	120,347	n
3	Accumulated other comprehensive income and losses (and other reserves)	81,577	j+k+l+m
4	<i>Not applicable</i>		
5	Common shares issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	345,280	-
Common Equity Tier 1 capital :regulatory adjustments			
7	Prudential valuation adjustment		
8	Goodwill (net of related tax liabilities)	-	
9	Other intangibles other than mortgage servicing rights (net of related tax liabilities)	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liabilities)	-	
11	Cash flow hedge reserve	(650)	
12	Shortfall of provisions to expected losses		
13	Securitization 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)	2,451	31,162 b
	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)	-	
19			
20	Mortgage servicing rights (amount above 10% of CET1c)	-	
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		
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	143	1,815 c
28	Total regulatory adjustments to Common equity Tier 1	1,944	32,977
29	Common Equity Tier 1 capital (CET1)	343,336	(32,977)
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 row 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 the 10% threshold)		
40	Significant investments in the capital 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)	-	-
45	Tier capital (T1 = CET1 + AT1)	343,336	(32,977)
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>		
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)		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions	30,047	
51	Tier 2 capital before regulatory adjustments	30,047	
Tier 2 capital: regulatory adjustments			

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2 Regulatory Capital Components

	Component of regulatory capital	Amounts subject to pre-2015 treatment	Reference
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
	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	1,377	d
54	common share capital of the entity (amount above the 10% threshold)		
	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
55	National specific regulatory adjustments		
56	Total regulatory adjustments to Tier 2 capital	1,377	17,500
57			
58	Tier 2 capital (T2)	28,670	(17,500)
59	Total capital (TC = T1 + T2)	372,006	(50,477)
60	Total risk weighted assets	2,624,108	-
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	13.08%	
62	Tier 1 (as a percentage of risk weighted assets)	13.08%	
63	Total capital (as a percentage of risk weighted assets)	14.18%	
	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%	
64			
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement	N/A	
67	of which: G-SIB buffer requirement	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	13.09%	
National minima (where different from Basel III)			
69	CBB Common Equity Tier 1 minimum ratio	6.50%	
70	CBB Tier 1 minimum ratio	8.00%	
71	CBB total capital minimum ratio	10.00%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financials	50,477	
73	Significant investments in the common stock of financials	26,425	e
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)	2,962	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)	36,823	a
76			
77	Cap on inclusion of provisions in Tier 2 under standardised approach	30,047	
78	N/A		
79	N/A		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)			
84	Current cap on CET1 instruments subject to phase out arrangements		
85	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
86	Current cap on AT1 instruments subject to phase out arrangements		
87	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
88	Current cap on T2 instruments subject to phase out arrangements		
89	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		