

Basel III Regulatory Capital Disclosures

*(For the nine month period
ended 30 September 2017)*

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

(For the nine month period ended 30 September 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
	BD '000	BD '000	
Assets			
Cash and balances with central banks	282,503	282,503	
Treasury bills	422,391	422,391	
Deposits and amounts due from banks and other financial institutions	499,651	499,651	
Loans and advances to customers	1,697,356	1,697,356	
Of which collective impairment provisions	(30,742)	(30,742)	a
Of Which net loans and advances (gross of collective impairment provisions)	1,728,098	1,728,098	
Non-trading investment securities	730,902	730,902	
Of which related to equity investments in financial entities		30,611	
Of which investments in financial entities under CET1		28,245	b
Of which investments in financial entities under Tier 2		2,366	c
Of which related to other investments		700,291	
Investments in associated companies and joint ventures	45,323	48,002	
Of which Investment in own shares	374	374	d
Of which equity investments in financial entities	31,466	31,466	e
Of which other investments	13,483	16,162	
Interest receivable and other assets	64,567	62,945	
Of which deferred tax assets due to temporary differences	1,752	1,752	f
Of which Interest receivable and other assets	62,815	61,193	
Premises and equipment	26,292	26,129	
Total assets	3,768,985	3,769,879	
Liabilities and Equities			
Liabilities			
Deposits and amounts due to banks and other financial institutions	358,111	358,111	
Borrowings under repurchase agreement	184,082	184,082	
Term borrowings	198,653	198,653	
Customers' current, savings and other deposits	2,456,088	2,457,883	
Interest payable and other liabilities	81,255	80,727	
Total liabilities	3,278,189	3,279,456	
Equity			
Share capital	108,165	108,165	g
Treasury stock	(883)	(883)	h
Perpetual Tier 1 Convertible Capital Securities	86,098	86,098	i
Share premium	41,016	41,016	j
Statutory reserve	54,082	54,082	k
General reserve	54,082	54,082	l
Cumulative changes in fair values	(7,405)	(7,405)	
Of which cumulative changes in fair values on bonds and equities	(7,615)	(7,615)	m
Of which Fair value changes in cash flow hedges	210	210	n
Foreign currency translation adjustments	(9,921)	(9,921)	
Of which related to unconsolidated subsidiary		(73)	o
Of which related to Parent		(9,848)	p
Retained earnings	163,517	163,517	
Of which employee stock options	2,906	2,906	
Of which Retained earnings	160,611	160,611	q
Appropriations	-	-	r
<i>Attributable to the Owners of the Bank</i>	488,751	488,751	
Non-controlling interest	2,045	1,672	
Total equity	490,796	490,423	
Total Liabilities and equities	3,768,985	3,769,879	

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	3,580	3,052

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(For the nine month period ended 30 September 2017)

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		148,298	g+h+j
Retained earnings		160,538	o+q+r
Accumulated other comprehensive income and losses (and other reserves)		90,911	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		399,747	
Common Equity Tier 1 capital :regulatory adjustments			
Cash flow hedge reserve		210	n
Investments in own shares		374	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)		-	28,245
			b
Total regulatory adjustments to Common equity Tier 1		584	28,245
Common Equity Tier 1 capital (CET1)		399,163	
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)		485,261	0
Tier 2 capital: instruments and provisions			
Provisions		30,742	
Tier 2 capital before regulatory adjustments		30,742	
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)		-	2,366
			c
Total regulatory adjustments to Tier 2 capital		-	2,366
Tier 2 capital (T2)		30,742	
Total capital (TC = T1 + T2)		516,003	
Total risk weighted assets		2,704,694	
Common Equity Tier 1 (as a percentage of risk weighted assets)		14.76%	

Tier 1 (as a percentage of risk weighted assets)	17.94%	
Total capital (as a percentage of risk weighted assets)	19.08%	
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)	14.76%	
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	30,611	
Significant investments in the common stock of financials	31,466	e
Deferred tax assets arising from temporary differences (net of related tax liability)	1,752	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)	35,961	a
Cap on inclusion of provisions in Tier 2 under standardised approach	30,742	