

Basel III Regulatory Capital Disclosures

*(For the three month period
ended 31 March 2018)*

BBK B.S.C.
Basel III Pillar III Disclosure
(For the three month period ended 31 March 2018)
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	257,143	257,143	
Treasury bills	448,157	448,157	
Deposits and amounts due from banks and other financial institutions	188,108	186,360	
Loans and advances to customers	1,799,085	1,799,085	
Of which Expected Credit Loss (1.25% of Credit risk weighted assets)	(30,176)	(30,176)	a
Of which net loans and advances (gross of Expected Credit Loss)	1,829,261	1,829,261	
Non-trading investment securities	743,599	743,599	
Of which related to equity investments in financial entities		26,564	
Of which investments in financial entities under CET1		24,282	b
Of which investments in financial entities under Tier 2		2,282	c
Of which related to other investments		717,035	
Investments in associated companies and joint ventures	48,720	51,600	
Of which Investment in own shares	620	620	d
Of which equity investments in financial entities	34,120	34,120	e
Of which other investments	13,980	16,860	
Interest receivable and other assets	80,755	79,902	
Of which deferred tax assets due to temporary differences	1,441	1,441	f
Of which Interest receivable and other assets	79,314	78,461	
Premises and equipment	26,719	26,400	
Total assets	3,592,286	3,592,246	
Liabilities and Equities			
Liabilities			
Deposits and amounts due to banks and other financial institutions	253,377	253,377	
Borrowings under repurchase agreement	161,314	161,314	
Term borrowings	199,351	199,351	
Customers' current, savings and other deposits	2,393,367	2,395,240	
Interest payable and other liabilities	111,981	110,575	
Total liabilities	3,119,390	3,119,857	
Equity			
Share capital	108,165	108,165	g
Treasury stock	(1,157)	(1,157)	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	(12,195)	(12,195)	
Of which cumulative changes in fair values on bonds and equities	(12,529)	(12,529)	m
Of which Fair value changes in cash flow hedges	334	334	n
Foreign currency translation adjustments	(9,245)	(9,245)	
Of which related to unconsolidated subsidiary		(66)	o
Of which related to Parent		(9,179)	p
Retained earnings	149,563	149,563	
Of which employee stock options	2,597	2,597	
Of which Retained earnings	146,966	146,966	q
Appropriations	-	-	r
<i>Attributable to the Owners of the Bank</i>	470,409	470,409	
Non-controlling interest	2,487	1,980	
Total equity	472,896	472,389	
Total Liabilities and equities	3,592,286	3,592,246	

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	4,794	3,388

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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	148,024		g+h+j
Retained earnings	146,900		o+q+r
Accumulated other comprehensive income and losses (and other reserves)	86,790		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	381,714	-	
Common Equity Tier 1 capital :regulatory adjustments			
Other intangibles other than mortgage servicing rights (net of related tax liabilities)	1,755		
Cash flow hedge reserve	334		n
Investments in own shares	620		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)	-	24,282	b
Total regulatory adjustments to Common equity Tier 1	2,709	24,282	
Common Equity Tier 1 capital (CET1)	379,005		
Additional Tier 1 capital: instruments			
Additional Tier 1 capital before regulatory adjustments	86,098	-	
Additional Tier 1 capital: regulatory adjustments			
Total regulatory adjustments to Additional Tier 1 capital	-	-	
Additional Tier 1 capital (AT1)	86,098	-	
Tier capital (T1 = CET1 + AT1)	465,103	-	
Tier 2 capital: instruments and provisions			
Provisions	30,176		
Tier 2 capital before regulatory adjustments	30,176		
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)	-	2,282	c
Total regulatory adjustments to Tier 2 capital	-	2,282	
Tier 2 capital (T2)	30,176		
Total capital (TC = T1 + T2)	495,279		
Total risk weighted assets	2,682,659		
Common Equity Tier 1 (as a percentage of risk weighted assets)	14.13%		
Tier 1 (as a percentage of risk weighted assets)	17.34%		
Total capital (as a percentage of risk weighted assets)	18.46%		
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)	14.13%		
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	26,564		
Significant investments in the common stock of financials	34,120		e
Deferred tax assets arising from temporary differences (net of related tax liability)	1,441		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)	50,295		a
Cap on inclusion of provisions in Tier 2 under standardised approach	30,176		