

# **Basel III Regulatory Capital Disclosures**

*(For the three month period  
ended 31 March 2019)*

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

(For the nine month period ended 31 March 2019)

**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	
<b>Assets</b>			
<b>Cash and balances with central banks</b>	263,084	263,084	
<b>Treasury bills</b>	381,495	381,495	
<b>Deposits and amounts due from banks and other financial institutions</b>	236,804	236,777	
<b>Loans and advances to customers</b>	1,698,325	1,698,325	
Of which Expected Credit Loss (1.25% of Credit risk weighted assets)	29,872	29,872	a
Of which net loans and advances (gross of Expected Credit Loss)	1,668,453	1,668,453	
<b>Investment securities</b>	839,198	839,198	
Of which investments in financial entities under CET1		25,963	b
Of which investments in financial entities under Tier 2		2,308	c
Of which related to other investments		810,927	
<b>Investments in associated companies and joint ventures</b>	64,215	67,418	
Of which Investment in own shares	671	671	d
Of which equity investments in financial entities	39,828	39,828	e
Of which other investments	23,716	26,919	
<b>Interest receivable and other assets</b>	82,362	81,312	
Of which deferred tax assets due to temporary differences	1,115	1,115	f
Of which Intangibles	3,065	3,065	g
Of which Interest receivable and other assets	81,247	80,197	
<b>Premises and equipment</b>	33,032	32,790	
<b>Total assets</b>	<b>3,598,515</b>	<b>3,600,399</b>	
<b>Liabilities and Equities</b>			
<b>Liabilities</b>			
<b>Deposits and amounts due to banks and other financial institutions</b>	277,035	277,035	
<b>Borrowings under repurchase agreement</b>	198,997	198,997	
<b>Term borrowings</b>	144,542	144,542	
<b>Customers' current, savings and other deposits</b>	2,360,291	2,363,496	
<b>Interest payable and other liabilities</b>	129,737	128,918	
<b>Total liabilities</b>	<b>3,110,602</b>	<b>3,112,988</b>	
<b>Equity</b>			
<b>Share capital</b>	108,165	108,165	h
<b>Treasury stock</b>	(1,714)	(1,714)	i
<b>Perpetual Tier 1 Convertible Capital Securities</b>	86,098	86,098	j
<b>Share premium</b>	41,016	41,016	k
<b>Statutory reserve</b>	54,082	54,082	l
<b>General reserve</b>	54,082	54,082	m
<b>Cumulative changes in fair values</b>	(13,005)	(13,005)	
Of which cumulative changes in fair values on bonds and equities	(13,320)	(13,320)	n
Of which Fair value changes in cash flow hedges	315	315	o
<b>Foreign currency translation adjustments</b>	(11,781)	(11,781)	
Of which related to unconsolidated subsidiary		(79)	p
Of which related to Parent		(11,702)	q
<b>Retained earnings</b>	168,086	168,050	
Of which employee stock options	1,948	1,948	
Of which Retained earnings	166,138	166,102	r
<i>Attributable to the Owners of the Bank</i>	<b>485,029</b>	<b>484,993</b>	
Non-controlling interest	2,884	2,418	
<b>Total equity</b>	<b>487,913</b>	<b>487,411</b>	
<b>Total Liabilities and equities</b>	<b>3,598,515</b>	<b>3,600,399</b>	

**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	4,525	3,706

**BBK B.S.C.****Basel III Pillar III Disclosure****(For the nine month period ended 31 March 2019)****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	Source based on reference letters of the statement of financial positions under the regulatory scope of consolidation
<b>Common Equity Tier 1: Instruments and reserves</b>		
1	Directly issued qualifying common share capital plus related stock surplus	147,467
2	Retained earnings	166,024
3	Accumulated other comprehensive income (and other reserves)	83,457
4	Not applicable	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>396,948</b>
<b>Common Equity Tier 1 capital :regulatory adjustments</b>		
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	3,065
11	Cash-flow hedge reserve	315
16	Investments in own shares	671
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)	538
28	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>4,589</b>
29	<b>Common Equity Tier 1 capital (CET1)</b>	<b>392,359</b>
<b>Additional Tier 1 capital: instruments</b>		
36	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>86,098</b>
<b>Additional Tier 1 capital: regulatory adjustments</b>		
43	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>-</b>
44	<b>Additional Tier 1 capital (AT1)</b>	<b>86,098</b>
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>478,457</b>
<b>Tier 2 capital: instruments and provisions</b>		
50	Provisions	29,872
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>29,872</b>
<b>Tier 2 capital: regulatory adjustments</b>		
57	Total regulatory adjustments to Tier 2 capital	-
58	<b>Tier 2 capital (T2)</b>	<b>29,872</b>
59	<b>Total capital (TC = T1 + T2)</b>	<b>508,329</b>
60	<b>Total risk weighted assets</b>	<b>2,689,928</b>
<b>Capital ratios and buffers</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	14.59%
62	Tier 1 (as a percentage of risk weighted assets)	17.79%
63	<b>Total capital (as a percentage of risk weighted assets)</b>	<b>18.90%</b>
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	10.50%
65	of which: capital conservation buffer requirement	2.50%
66	of which: bank specific countercyclical buffer requirement	N/A
67	of which: D-SIB buffer requirement	1.50%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	14.59%
<b>National minima (where different from Basel III)</b>		
69	CBB Common Equity Tier 1 minimum ratio	10.50%
70	CBB Tier 1 minimum ratio	12.00%
71	CBB total capital minimum ratio	14.00%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
72	Non-significant investments in the capital of other financials	28,271
73	Significant investments in the common stock of financials	39,828
75	Deferred tax assets arising from temporary differences (net of related tax liability)	1,115
<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	43,327
77	Cap on inclusion of provisions in Tier 2 under standardised approach	29,872
78	N/A	a
79	N/A	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)</b>		
84	Current cap on CET1 instruments subject to phase out arrangements	N/A
85	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	N/A
86	Current cap on AT1 instruments subject to phase out arrangements	N/A
87	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	N/A
88	Current cap on T2 instruments subject to phase out arrangements	N/A
89	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	N/A