

Basel III Regulatory Capital Disclosures

For the Nine month period ended 30 September 2025

1 Statement of Financial Position under the Regulatory Scope of Consolidation

The table below shows the link between the consolidated statement of financial position in the published financial statements (accounting consolidated 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
Assets			
Cash and balances with central banks	601.1	601.1	
Treasury bills	335.9	335.9	
Deposits and amounts due from banks and other financial institutions	263.7	263.7	
Loans and advances to customers	2,017.2	2,017.2	
of which Expected Credit Loss (1.25% of Credit risk weighted assets)	25.7	25.7	a
of which net loans and advances (gross of Expected Credit Loss)	1,991.5	1,991.5	
Investment securities	1,176.6	1,176.6	
of which investments in financial entities under CET1	43.9	43.9	b
of which related to other investments	1,132.7	1,132.7	
Interest receivable, derivative and other assets	121.0	120.4	
of which deferred tax assets due to temporary differences	0.6	0.6	c
of which intangibles	8.7	8.7	d
of which interest receivable, derivative and other assets	111.7	111.7	
Investments in associates and joint ventures	44.7	47.2	
of which Investment in own shares	0.3	0.3	e
of which equity investments in financial entities	30.8	30.8	f
of which other investments	13.6	16.1	
Premises and equipment	36.7	36.5	
Total assets	4,596.9	4,598.6	
Liabilities and equity			
Liabilities			
Deposits and amounts due to banks and other financial institutions	503.9	503.9	
Borrowings under repurchase agreement	386.3	386.3	
Term borrowings	405.4	405.4	
Customers' deposits	2,534.1	2,537.5	
Interest payable, derivative and other liabilities	132.6	131.2	
Total liabilities	3,962.3	3,964.3	
Equity			
Share capital	181.7	181.7	g
Treasury stock	(5.2)	(5.2)	h
Share premium	105.6	105.6	i
Statutory reserve	90.8	90.8	j
General reserve	64.2	64.2	k
Cumulative changes in fair values	45.0	45.0	
of which cumulative changes in fair values on bonds and equities	45.0	45.0	l
of which fair value changes in cash flow hedges	0.0	0.0	m
Foreign currency translation reserve	(16.7)	(16.7)	
of which related to unconsolidated subsidiary	-	-	n
of which related to Parent	(16.7)	(16.7)	o
Retained earnings	166.5	166.2	
of which employee stock options	3.1	3.1	p
of which related to unamortized modification loss	(1.6)	(1.6)	q
of which retained earnings	165.0	164.6	r
Attributable to the owners of the Bank	631.9	631.6	
Non-controlling interests	2.7	2.7	
Total equity	634.6	634.3	
Total liabilities and equity	4,596.9	4,598.6	

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

Name	Principle activities	Total Assets	Total Equity
Invita Company W.L.L.	Business processing and outsourcing services	5.2	3.8

Capital ratios - consolidated and subsidiaries above 5% of group capital

	Total capital ratio	Tier 1 capital ratio
Bank of Bahrain and Kuwait - Consolidated	22.7%	21.8%
CrediMax B.S.C. (c)	63.6%	63.6%

2 Regulatory Capital Components - Consolidated

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.

All figures in BD millions

	Component of regulatory capital	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	282.1	g+h+i
Retained earnings	164.6	n+r
Accumulated other comprehensive income and losses (and other reserves)	183.3	j+k+l+m+o
Common Equity Tier 1 capital before regulatory adjustments	630.0	
Common Equity Tier 1 capital: regulatory adjustments		
Other intangibles other than mortgage servicing rights (net of related tax liabilities)	8.7	d
Cash flow hedge reserve	-	m
Investments in own shares	0.3	e
Total regulatory adjustments to Common equity Tier 1	9.0	
Common Equity Tier 1 capital (CET1)	621.1	
Tier 1 capital (T1 = CET1 + AT1)	621.1	
Tier 2 capital: instruments and provisions		
Provisions	25.7	a
Tier 2 capital before regulatory adjustments	25.7	
Tier 2 capital: regulatory adjustments		
Total regulatory adjustments to Tier 2 capital	-	
Tier 2 capital (T2)	25.7	
Total capital (TC = T1 + T2)	646.8	
Total risk weighted assets	2,854.3	
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of risk weighted assets)	21.8%	
Tier 1 (as a percentage of risk weighted assets)	21.8%	
Total capital (as a percentage of risk weighted assets)	22.7%	
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)	10.5%	
of which: capital conservation buffer requirement	2.5%	
of which: bank specific countercyclical buffer requirement	N/A	
of which: D-SIB buffer requirement	1.5%	
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	21.8%	
National minima (where different from Basel III)		
CBB Common Equity Tier 1 minimum ratio	10.5%	
CBB Tier 1 minimum ratio	12.0%	
CBB total capital minimum ratio	14.0%	
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	43.9	b
Significant investments in the common stock of financials	30.8	f
Deferred tax assets arising from temporary differences (net of related tax liability)	0.6	c
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)	25.7	
Cap on inclusion of provisions in Tier 2 under standardised approach	25.7	a

3 . Leverage Ratio

The leverage ratio is a simple ratio that serves as a supplementary measure to the risk-based capital requirements. It aims to constrain the build-up of leverage in banking sector, reinforce the risk-based requirements with a simple non-risk based “backstop” measure, and serve as a broad measure of both the on and off-balance sheet sources of bank leverage.

The leverage ratio is measured as Tier 1 Capital divided by Total Exposures. Total Exposures consist of on-balance sheet, off-balance sheet, derivatives and securities financing transactions exposures. As per CBB regulations, Bahraini banks must meet a 3% leverage ratio minimum requirement at all times, except for Domestic Systemically Important Banks (DSIBs), where the minimum ratio is higher at 3.75%. Accordingly, as a DSIB bank, the minimum ratio applicable for BBK is 3.75%. As of 30 September 2025, the leverage ratio for BBK stood at a healthy position of 12.49%.