

**Eskan Bank B.S.C. (c)**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 September 2023 (reviewed)**

# Eskan Bank B.S.C. (c)

## Interim Condensed Consolidated Financial Statements

For the nine months ended 30 September 2023

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## **REPORT ON REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ESKAN B.S.C. (C)**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of Eskan Bank B.S.C. (c) (the "Bank") and its subsidiaries (collectively, the "Group") as at 30 September 2023, comprising the interim consolidated statement of financial position as at 30 September 2023 and the related interim consolidated statements of profit or loss and other comprehensive income for the three and nine month periods then ended, the interim consolidated statements of changes in equity and cash flows for the nine-month period then ended and explanatory notes. The Bank's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### *Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

### *Other matters*

The consolidated financial statements of the Group for the year ended 31 December 2022 and the interim condensed consolidated financial statements for the nine month period ended 30 September 2022 were audited and reviewed respectively by another auditor who expressed an unmodified audit and review opinion dated 26 February 2023 and 10 November 2022 respectively.



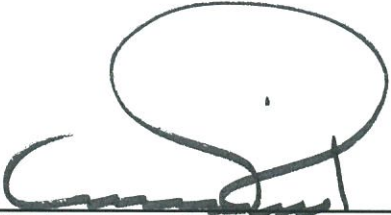
13 November 2023  
Manama, Kingdom of Bahrain

Eskan Bank B.S.C. (c)


INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Note	30 September 2023 (reviewed) BD	31 December 2022 (audited) BD
<b>Assets</b>			
Cash and bank balances	22	76,757,230	87,819,613
Investments		3,500,385	4,492,867
Loans	8	866,558,996	808,805,479
Investment in associates		4,110,685	4,120,148
Investment properties	9	64,809,786	61,523,172
Development properties	10	31,260,961	39,093,708
Other assets	11	2,632,087	2,703,258
<b>Total assets</b>		<b>1,049,630,130</b>	<b>1,008,558,245</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Interbank borrowings		10,000,000	10,000,000
Customer current accounts		8,581,615	9,267,243
Government accounts	12	510,471,078	505,202,068
Term loans	13	75,000,000	75,000,000
Other liabilities	14	11,792,699	7,305,023
<b>Total liabilities</b>		<b>615,845,392</b>	<b>606,774,334</b>
<b>Equity</b>			
Share capital	15	250,000,000	108,300,000
Contribution by shareholder		42,043,051	36,914,617
Statutory reserve		54,461,896	54,461,896
Fair value reserve		(108,135)	(108,135)
Retained earnings		87,387,926	202,215,533
<b>Total equity</b>		<b>433,784,738</b>	<b>401,783,911</b>
<b>Total liabilities and equity</b>		<b>1,049,630,130</b>	<b>1,008,558,245</b>

  
H.E. Mrs. Amna Bint Ahmed Al Romaihi  
Housing & Urban Planning Minister  
Chairperson of Eskan Bank

  
Isa Abdulla Zainal  
Director

  
Dr. Khalid Abdulla  
General Manager

The accompanying notes 1 to 24 form integral part of these interim condensed consolidated interim financial statements.




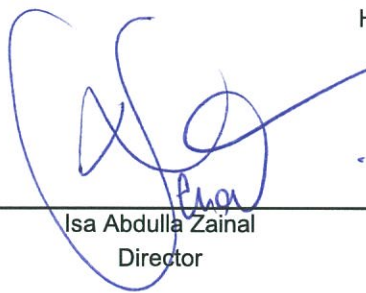
Eskan Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the nine months ended 30 September 2023

	Note	Nine months ended 30 September		Three months ended 30 September	
		2023	2022	2023	2022
		(reviewed) BD	(reviewed) BD	(reviewed) BD	(reviewed) BD
Interest income	16	28,594,951	28,130,584	9,544,542	9,771,958
Interest expense	18	(179,276)	(82,814)	(52,798)	(35,981)
<b>Net interest income</b>		<b>28,415,675</b>	<b>28,047,770</b>	<b>9,491,744</b>	<b>9,735,977</b>
Income from properties	17	4,132,404	1,628,940	1,546,735	646,838
Share of profit from investment in associate		206,728	22,490	78,458	37,664
Other income		694,982	635,618	207,512	236,100
<b>Total operating income</b>		<b>33,449,789</b>	<b>30,334,818</b>	<b>11,324,449</b>	<b>10,656,579</b>
Staff costs		(4,390,451)	(3,916,286)	(1,423,534)	(1,303,564)
Other expenses	19	(2,311,236)	(1,718,901)	(862,970)	(582,710)
<b>Total operating expenses</b>		<b>(6,701,687)</b>	<b>(5,635,187)</b>	<b>(2,286,504)</b>	<b>(1,886,274)</b>
<b>Profit before release of provision for impairment loss, net</b>		<b>26,748,102</b>	<b>24,699,631</b>	<b>9,037,945</b>	<b>8,770,305</b>
Release of provision for impairment loss, net	23	124,291	28,484	75,848	62,809
<b>Profit and total comprehensive income for the period</b>		<b>26,872,393</b>	<b>24,728,115</b>	<b>9,113,793</b>	<b>8,833,114</b>
<b>Profit and total comprehensive income attributable to:</b>					
Equity shareholder of the parent		26,872,393	24,106,504	9,113,793	8,600,990
Non-controlling interest		-	621,611	-	232,124
		<b>26,872,393</b>	<b>24,728,115</b>	<b>9,113,793</b>	<b>8,833,114</b>

  
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The accompanying notes 1 to 24 form integral part of these interim condensed consolidated interim financial statements.

Eskan Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2023

		<i>Equity attributable to Bank's shareholder</i>						<i>Non-</i>	<i>Total</i>
<b>2023 (reviewed)</b>	<i>Note</i>	<i>Share capital BD</i>	<i>Contribution by shareholder BD</i>	<i>Statutory reserve BD</i>	<i>Fair value reserve BD</i>	<i>Retained earnings BD</i>	<i>Total BD</i>	<i>controlling interest BD</i>	<i>equity BD</i>
As at 1 January 2023		108,300,000	36,914,617	54,461,896	(108,135)	202,215,533	401,783,911	-	<b>401,783,911</b>
Transfer from retained earnings	15	141,700,000	-	-	-	(141,700,000)	-	-	-
Total comprehensive income for the period		-	-	-	-	26,872,393	26,872,393	-	<b>26,872,393</b>
Transfer of land	9	-	5,128,434	-	-	-	5,128,434	-	<b>5,128,434</b>
<b>As at 30 September 2023</b>		<b>250,000,000</b>	<b>42,043,051</b>	<b>54,461,896</b>	<b>(108,135)</b>	<b>87,387,926</b>	<b>433,784,738</b>	<b>-</b>	<b>433,784,738</b>
2022 (reviewed)									
As at 1 January 2022		108,300,000	22,449,597	54,461,896	(572,167)	171,021,678	355,661,004	9,274,488	364,935,492
Total comprehensive income for the period		-	-	-	-	24,106,504	24,106,504	621,611	24,728,115
Transfer of land		-	11,000	-	-	-	11,000	-	11,000
As at 30 September 2022		108,300,000	22,460,597	54,461,896	(572,167)	195,128,182	379,778,508	9,896,099	389,674,607

The accompanying notes 1 to 26 form integral part of these interim condensed consolidated financial statements.

Eskan Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2023

	Note	30 September 2023 (reviewed) BD	30 September 2022 (reviewed) BD
<b>Operating activities</b>			
Profit for the period		26,872,393	24,728,115
Adjustments for:			
Share of profit from investment in associate		(206,728)	(22,490)
Release of provision for impairment loss, net	23	(124,291)	(28,484)
Gain on sale of development properties	17	(3,648,654)	(977,124)
Depreciation and amortization	19	451,116	440,579
Operating profit before working capital changes		<b>23,343,836</b>	24,140,596
(Disbursement of) / collection from loans, net		(46,276,387)	16,862,281
Decrease / (increase) in development properties		13,122,236	(11,170,328)
Decrease / (increase) in other assets		183,140	(385,035)
(Decrease) / increase in customer current account		(685,628)	866,145
(Increase) / decrease in restricted bank balance		(1,028,000)	322,876
Increase / (decrease) in other liabilities		4,466,066	(335,482)
Net movement in government account		(144,838)	(2,450,941)
<b>Net cash (used in) / generated from operating activities</b>		<b>(7,019,575)</b>	27,850,112
<b>Investing activities</b>			
Maturity of placement with financial institution with original maturity of more than 90 days		10,000,000	5,058,778
Purchase of equipment		(137,662)	(88,230)
Maturity of debt securities		1,614,452	3,592,567
Investment in debt securities		(621,970)	(3,288,232)
Additional investment in associate		(54,446)	(9,364)
Dividend received on investment in associate		128,675	187,971
<b>Net cash generated from investing activities</b>		<b>10,929,049</b>	5,453,490
<b>Financing activity</b>			
Payment to and on behalf of government, net	12 (m,n)	(6,003,735)	(4,438,324)
<b>Cash used in financing activity</b>		<b>(6,003,735)</b>	(4,438,324)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2,094,261)</b>	28,865,278
Cash and cash equivalents at 1 January		77,797,991	80,076,041
<b>Cash and cash equivalents at 30 September</b>	22	<b>75,703,730</b>	108,941,319

The accompanying notes 1 to 26 form integral part of these interim condensed consolidated financial statements.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 30 September 2023

**1 REPORTING ENTITY****Incorporation**

Eskan Bank B.S.C. (c) (the "Bank") is a closed joint stock company registered and incorporated by Amiri Decree No. 4 of 1979. The Bank operates under a restricted commercial banking license issued by the Central Bank of Bahrain (the "CBB"). The shares are fully owned by the Government of Bahrain in accordance with the Articles of Association.

**Activities**

The Bank's principal activities include granting housing loans to Bahrain nationals as directed by the Ministry of Housing and Urban Planning ("MOHUP"), developing / construction projects within the Kingdom of Bahrain. Further, the Bank also acts as an administrator for the MOHUP in respect of housing facilities and certain property related activities. As an administrator, it enters into various transactions in the ordinary course of business related to housing loans, rents and mortgage repayments and property administration. The Bank receives funds from the Ministry of Finance and National Economy ("MOFNE") based on annual budgetary allocations for housing loans. The Bank also records certain transactions based on instructions from the MOHUP and the MOFNE and decisions taken by the Government of the Kingdom of Bahrain.

The interim condensed consolidated financial statements include results of the Bank and its subsidiaries (together the "Group") and these were approved by the Board of Directors on 13 November 2023.

The following are the principal subsidiaries of the Group that are consolidated:

<b>Subsidiaries</b>	<b>Ownership*</b>	<b>Year of incorporation</b>	<b>Country of incorporation</b>
Eskan Properties Company B.S.C.(c) ('EPC') The principal activity of the Company is to develop and manage projects for development of properties on behalf of Eskan Bank B.S.C (c) (the "Parent"), MOHUP and third parties, and facility management for MOHUP.	100%	2007	Kingdom of Bahrain
Dannat Al Luzi B.S.C Closed Development and sale of private property in Danat Al Luzi.	100%	2014	Kingdom of Bahrain

\* The ownership percentage as at 31 December 2022 is the same as shown above.

**2 BASIS OF PREPARATION**

The interim condensed consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB).

The interim condensed consolidated financial statements are reviewed, and not audited. The interim condensed consolidated financial statements of the Group have been presented in condensed form in accordance with the guidance provided by International Accounting Standard 34 – 'Interim Financial Reporting'. Therefore, these interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2022. In addition, results for the nine-month period ended 30 September 2023 are not necessarily indicative of the results that may be expected for the financial year ending on 31 December 2023.



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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022 and the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2023, but do not have any impact on the interim condensed consolidated financial statements of the Group.

##### 3.2.1 IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not applicable to the Group.

##### 3.2.2 Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's interim condensed consolidated financial statements.

##### 3.2.3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

##### 3.2.4 Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Group's interim condensed consolidated financial statements.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 30 September 2023

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****3.3 New standards, interpretations and amendments issued but not yet effective**

There were no new standards, interpretations and amendments that are issued as of 1 January 2023, which were applicable to the Group and not yet effective up to the date of issuance of the Group's interim condensed consolidated financial statements.

**4 FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements as at and for the year ended 31 December 2022.

**5 JUDGEMENTS AND ESTIMATES**

Preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 31 December 2022.

**6 COMPARATIVES**

The comparatives for the interim consolidated statement of financial position have been extracted from the Group's audited consolidated financial statements for the year ended 31 December 2022 and comparatives for the interim consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows have been extracted from the Group's reviewed interim condensed consolidated financial statements for the nine months ended 30 September 2022. Certain comparative figures have been regrouped, where necessary, in order to conform to the current period's presentation. Such regrouping did not affect the previously reported profit, comprehensive income for the period or total equity.

**7 SEASONALITY**

The Group does not have significant income of a seasonal nature.

**8 LOANS**

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
<b>(i) Social loans</b>		
Gross Loans	1,190,516,133	1,135,457,650
Less: subsidy and waiver (note 12 (h))	<b>(267,224,480)</b>	(262,108,218)
	<b>923,291,653</b>	873,349,432
Less: expected credit loss (note 12 (i))	<b>(60,376,497)</b>	(68,496,607)
	<b>862,915,156</b>	804,852,825
<b>(ii) Commercial loans</b>		
Gross loans	4,215,564	4,583,925
Less: expected credit loss	<b>(571,724)</b>	(631,271)
	<b>3,643,840</b>	3,952,654
<b>Total loans</b>	<b>866,558,996</b>	808,805,479

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

**8 LOANS (continued)**

(iii) Following table shows the stage wise exposures to social and commercial loans and movement in ECL:

**30 September 2023 (reviewed):****(a) Social loans:**

	<i>Stage 1 BD</i>	<i>Stage 2 BD</i>	<i>Stage 3 BD</i>	<i>Total BD</i>
Exposure subject to ECL (net of subsidy and waivers)	861,697,228	8,392,327	53,202,098	<b>923,291,653</b>
<b>Expected credit loss</b>				
At 1 January	8,077,825	24,498,174	35,920,608	<b>68,496,607</b>
Net transfer between stages	27,853,288	(20,827,995)	(7,025,293)	-
Write off during the period (Release) / charge for the period (note 22)	(11,151)	(101,796)	(1,306,018)	<b>(1,418,965)</b>
	(24,512,892)	131,906	17,679,841	<b>(6,701,145)</b>
<b>At 30 September</b>	<b>11,407,070</b>	<b>3,700,289</b>	<b>45,269,138</b>	<b>60,376,497</b>
<b>Net carrying value</b>	<b>850,290,158</b>	<b>4,692,038</b>	<b>7,932,960</b>	<b>862,915,156</b>

**(b) Commercial loans:**

	<i>Stage 1 BD</i>	<i>Stage 2 BD</i>	<i>Stage 3 BD</i>	<i>Total BD</i>
Exposure subject to ECL	3,529,309	83,351	602,904	<b>4,215,564</b>
<b>Expected credit loss</b>				
At 1 January	43,726	69,803	517,742	<b>631,271</b>
Net transfer between stages	81,512	(36,409)	(45,103)	-
Write off during the period (Release) / charge for the period (note 22)	-	-	(12,669)	<b>(12,669)</b>
	(80,921)	22	34,021	<b>(46,878)</b>
<b>At 30 September</b>	<b>44,317</b>	<b>33,416</b>	<b>493,991</b>	<b>571,724</b>
<b>Net carrying value</b>	<b>3,484,992</b>	<b>49,935</b>	<b>108,913</b>	<b>3,643,840</b>
<b>Total net carrying value</b>	<b>853,775,150</b>	<b>4,741,973</b>	<b>8,041,873</b>	<b>866,558,996</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

**8 LOANS (continued)**

31 December 2022 (audited):

(a) Social loans:

	<i>Stage 1</i> <i>BD</i>	<i>Stage 2</i> <i>BD</i>	<i>Stage 3</i> <i>BD</i>	<i>Total</i> <i>BD</i>
Exposure subject to ECL (net of subsidy and waivers)	738,732,850	76,508,648	58,107,934	873,349,432
Expected credit loss				
At 1 January	9,775,331	20,429,371	52,883,072	83,087,774
Net transfer between stages	31,975,943	(2,025,581)	(29,950,362)	-
Write off during the year	(20,935)	(83,577)	(890,032)	(994,543)
(Release) / charge for the year	(33,652,514)	6,177,961	13,877,930	(13,596,624)
At 31 December	8,077,825	24,498,174	35,920,608	68,496,607
Net carrying value	730,655,025	52,010,474	22,187,326	804,852,825

(b) Commercial loans:

	<i>Stage 1</i> <i>BD</i>	<i>Stage 2</i> <i>BD</i>	<i>Stage 3</i> <i>BD</i>	<i>Total</i> <i>BD</i>
Exposure subject to ECL	3,700,918	197,841	685,166	4,583,925
Expected credit loss				
At 1 January	43,572	86,708	2,606,610	2,736,890
Net transfer between	146,634	(16,920)	(129,714)	-
Write off during the year	-	-	(1,834,154)	(1,834,154)
(Release) / charge for the year	(146,480)	15	(125,000)	(271,465)
At 31 December	43,726	69,803	517,742	631,271
Net carrying value	3,657,192	128,038	167,424	3,952,654
Total net carrying value	734,312,217	52,138,512	22,354,750	808,805,479

**9 INVESTMENT PROPERTIES**

	<b>30 September</b> <b>2023</b> <b>(reviewed)</b> <b>BD</b>	<b>31 December</b> <b>2022</b> <b>(audited)</b> <b>BD</b>
Balance at 1 January	61,523,172	59,474,310
Transferred from development properties (note 10)	109,094	1,297,743
Transferred to development properties* (note 10)	(1,789,925)	-
Transfer of land from the shareholder	5,128,434	1,478,300
Sale of lands	-	(687,000)
Impairment loss on land	(38,966)	(651,512)
Additions during the period/ year	33,424	809,480
Depreciation charge for the period / year	(155,447)	(198,149)
Balance at end of period / year	64,809,786	61,523,172

\* net of impairment loss of BD 243,251.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 10 DEVELOPMENT PROPERTIES

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
Balance at 1 January	39,093,708	13,779,453
Additions during the period / year	2,710,820	18,913,158
Transfer of land from the shareholder	-	12,986,720
Properties sold during the period / year	(12,217,826)	(5,287,880)
Impairment loss	(6,572)	-
Transferred to investment properties (note 9)	(109,094)	(1,297,743)
Transferred from investment properties* (note 9)	1,789,925	-
Balance at end of the period / year	<b>31,260,961</b>	<b>39,093,708</b>

\* net of impairment loss of BD 243,251.

Development properties comprise the following:

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
Projects for lease	2,506,772	585,474
Projects for sale	28,754,189	38,508,234
	<b>31,260,961</b>	<b>39,093,708</b>

### 11 OTHER ASSETS

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
Interest receivable	695,545	728,431
Equipment and intangibles (net book value)	659,919	671,271
Staff loans	391,404	310,102
Right-of-use assets	256,431	381,475
Balance with investment manager	168,346	162,706
Prepayments and advances	135,730	164,302
Advance for acquisition of development properties (note 11 (a))	67,500	67,500
Receivable from Ministry of Housing and Urban Planning	13,300	-
Other receivables	243,912	217,471
	<b>2,632,087</b>	<b>2,703,258</b>

#### Note 11 (a)

Represents advance to purchase development properties. The transaction will be classified as part of development properties upon handover of the properties and transfer of title deed.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 12 GOVERNMENT ACCOUNT

The Group's transactions with the MOHUP and MOFNE are recorded in a single account "Government Account" and are non-interest bearing.

	<i>Note</i>	<b>30 September 2023 (reviewed) BD</b>	<i>31 December 2022 (audited) BD</i>
<b>Opening Balance</b>		<b>505,202,068</b>	469,184,838
<b>Movement during the period / year:</b>			
Waiver reimbursements	(a)	<b>4,000,000</b>	4,000,000
Collection from MOHUP rental flats	(b)	<b>261,331</b>	556,658
Reduction and write off decrees	(c & d)	<b>(10,257,729)</b>	(14,475,213)
Mazaya and Tas'heel subsidy – net impact	(e)	<b>35,697,839</b>	2,299,564
Payment to Government	(f)	-	(10,000,000)
MOHUP houses and flats	(g)	<b>8,413,735</b>	43,863,466
Waivers and subsidy	(h)	<b>(22,672,942)</b>	(23,540,949)
Release of expected credit loss for social loans	(i)	<b>6,701,145</b>	13,596,624
Charge-off, net – social loans	(j)	<b>2,713,414</b>	24,501,443
(Repayment of) / advance from proceeds on sale of Deerat Al Oyouun units	(k)	<b>(3,709,048)</b>	2,821,967
Payment to Sharaka for Housing Projects	(l)	<b>(9,875,000)</b>	-
Finance cost relating to syndicated term loan	(m)	<b>(5,247,790)</b>	(4,831,412)
Others	(n)	<b>(755,945)</b>	(2,774,918)
<b>Ending balance</b>		<b>510,471,078</b>	505,202,068

- a) Annual reimbursement received for 2006 waiver decree.
- b) Collection of rental installments from beneficiaries of MOHUP rental flats.
- c) Installment reduction decrees issued by the MOHUP from time to time.
- d) Write offs and waivers approved by MOHUP on a case by case basis.
- e) Reimbursement net of monthly Mazaya subsidy paid to beneficiaries based on MOHUP approved list.
- f) Represents payments to Ministry of Finance vide Board of Directors of the Bank approval dated 9 December 2021.
- g) In line with the agreement signed with MOHUP dated 23 December 2017, receivables from MOHUP housing units (houses and flats) allocated to beneficiaries have been booked on-balance sheet with corresponding impact to government account with effect from 1 April 2017.
- h) In line with the agreement with MOHUP signed on 23 December 2017, the impact of wavier 2006 decree and wavier 2011 decree and 1977 military subsidy on principal portion of the installment have been charged against loans and corresponding amount is reduced from the government account with effect from 31 December 2017 and related interest portion of the installment is charged to government account on each installment date.
- i) In line with the agreement signed with MOHUP on 23 December 2017, the expected credit loss on social loans portfolio is borne by the Government with effect from 1 January 2018. Reduction in provision on social loans under IFRS 9, if any is charged back to the government account.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 12 GOVERNMENT ACCOUNT (continued)

- j) This is a specific charge off related to troubled social loans with minimal chances of recovery. The movement in the account represents the new social loans charged off, net of recoveries and write backs (if any) during the period / year. This charge-off does not entail closure of beneficiary account and all the applicable remedial procedures will continue to be apply.
- k) Advance from customers from sale of Deerat Al Oyouun units net of expenses incurred for the sale of units and repayments.
- l) During 2023 the Group made payment of BD 9.9 million on behalf of MOHUP towards their commitment to Sharaka for acquisition of a housing project by MOHUP consisting of 155 social housing units located in Madinat Salman.
- m) In line with agreement signed with MOHUP on 23 December 2017, all finance cost (i.e. interest expense / profit and other finance fees on the syndicated bank term loan) relating to social housing project shall be borned and charged to the government account (refer note 18 and 13).
- n) Includes other payments, reimbursements on expenses / transactions undertaken by the Bank on behalf of MOFNE / MOHUP.

### 13 TERM LOANS

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
Non - current portion of term loan	<b>75,000,000</b>	75,000,000
	<b>75,000,000</b>	75,000,000

In May 2020, the Group signed a syndicated Murabaha Facility for financing the social loans and housing projects. It comprises of BD 75 million term Murabaha Facility and BD 75 million revolving Murabaha facility, out of which term Murabaha Facility of BD 75 million was utilized as of 30 September 2023 (31 December 2022: BD 75 million). Both the term and revolving Murabaha Facilities are repayable as a bullet repayment on 17 May 2027. These facilities bear profit payable at BHIBOR plus a margin of 2.75% for the first 60 months then after that at 3% till the final maturity date. Profit on syndicated term loan is borne by the Government as per agreement signed with Ministry of Housing dated 23 December 2017 and charged to government account (refer note 12 m).

### 14 OTHER LIABILITIES

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
Advances from customers	<b>2,108,236</b>	1,107,873
Contractor retentions	<b>38,214</b>	98,184
Employee savings scheme	<b>1,685,336</b>	1,586,168
Accrued expenses	<b>1,023,210</b>	1,510,233
Lease liabilities (note 14.1)	<b>295,660</b>	430,753
Accounts payable	<b>63,887</b>	145,956
Staff related accruals	<b>617,898</b>	572,056
Accrued interest payable	<b>3,291,060</b>	1,352,936
Others (note 14.2)	<b>2,669,198</b>	500,864
	<b>11,792,699</b>	7,305,023

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

**14 OTHER LIABILITIES (continued)****14.1 LEASE LIABILITIES**

	<b>30 September 2023 (reviewed) BD</b>	<b>31 December 2022 (audited) BD</b>
<b>Maturity analysis – contractual undiscounted cash flow</b>		
Less than one year	244,173	226,347
More than one year	62,529	226,347
<b>Total undiscounted lease liabilities</b>	<b>306,702</b>	452,694
<b>Total discounted lease liabilities</b>	<b>295,660</b>	430,753

**14.2** Includes proceeds from sale of one project on behalf of third party of BD 1,053,500 (31 Dec 2022: 25,500).

**15 SHARE CAPITAL**

	<b>Number of shares</b>	<b>30 September 2023 (reviewed) BD</b>
Authorized ordinary share capital of BD 100 each	<b>4,000,000</b>	<b>400,000,000</b>
Issued and fully paid up ordinary share capital of BD 100 each		
Opening	1,083,000	108,300,000
Issued during the period	1,417,000	141,700,000
	<b>2,500,000</b>	<b>250,000,000</b>
	<i>Number of shares</i>	<i>31 December 2022 (audited) BD</i>
Authorized ordinary share capital of BD 100 each	4,000,000	400,000,000
Issued and fully paid up ordinary share capital of BD 100 each	1,083,000	108,300,000

During the period, the Bank, based on resolution of Board of Directors passed in a meeting on 8 June 2022 and approval from the Ministry of Cabinet Affairs on 14 August 2023, has issued additional ordinary shares of BD 100 each amounting to BD 141.7 million by a transfer from retained earnings.



## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 16 INTEREST INCOME

	<i>Nine months ended</i>	
	<b>30 September 2023 (reviewed) BD</b>	<b>30 September 2022 (reviewed) BD</b>
Interest income on social loans	<b>25,304,708</b>	26,070,459
Interest income on commercial loans	<b>331,324</b>	397,081
Interest income on placements with financial institutions	<b>2,935,097</b>	1,538,926
Interest income on debt securities	<b>23,822</b>	124,118
	<b>28,594,951</b>	28,130,584

### 17 INCOME FROM PROPERTIES

	<i>Nine months ended</i>	
	<b>30 September 2023 (reviewed) BD</b>	<b>30 September 2022 (reviewed) BD</b>
Revenue from sale of development properties	<b>15,866,480</b>	3,958,000
Cost of development properties sold	<b>(12,217,826)</b>	(2,980,876)
Gain on sale of development properties (note 16.1)	<b>3,648,654</b>	977,124
Gain on sale of land	-	229,000
Rental income	<b>483,750</b>	422,816
	<b>4,132,404</b>	1,628,940

#### Note 17.1

During the period, the Group has recorded gain on sale of development properties upon satisfaction of the performance obligations i.e. complete construction and hand over of the properties to the customers.

### 18 INTEREST EXPENSE

	<i>Nine months ended</i>	
	<b>30 September 2023 (reviewed) BD</b>	<b>30 September 2022 (reviewed) BD</b>
Interest expense on term loans	<b>5,247,790</b>	3,166,651
Interest expense on interbank borrowing	<b>94,803</b>	26,185
Interest expense on agreements	<b>13,557</b>	20,816
Other interest and similar expense	<b>70,916</b>	35,813
	<b>5,427,066</b>	3,249,465
Reimbursement from Government (note 12 (m))	<b>(5,247,790)</b>	(3,166,651)
	<b>179,276</b>	82,814

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 19 OTHER EXPENSES

	<i>Nine months ended</i>	
	<b>30 September 2023 (reviewed) BD</b>	<i>30 September 2022 (reviewed) BD</i>
Depreciation and amortization	451,116	440,579
Legal and professional	238,868	216,301
Information technology	338,892	263,176
Marketing cost	261,217	136,667
Property management	199,104	172,554
Investment management cost	141,961	100,208
Transportation and communication	67,568	72,499
Premises	77,945	76,167
Directors' and Shari'ah board remuneration	65,720	47,910
Electricity	38,883	35,479
Insurance	18,668	11,652
Others	411,294	145,709
	<b>2,311,236</b>	1,718,901

### 20 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent shareholder, directors and key management personnel of the Bank, and entities controlled, jointly controlled or significantly influenced by the Bank and such parties. Pricing policies and terms of the transactions relating to these related parties are approved by board of directors. The amounts due to and from related parties are settled in the normal course of business.

The Group's transactions with related parties comprise transactions with the shareholder represented by (the MOFNE and the MOHUP) and transactions with subsidiaries, associates, key management personnel and board of directors, in the ordinary course of business. Balances and transactions with Government and investments in associates are disclosed on the face of the interim consolidated statement of financial position and interim consolidated statement profit or loss and other comprehensive income and the notes therein.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel of the Bank comprise the General Manager, Chief Business Officer, Head of Finance, Head of Risk and executive management of the Group.

The significant related party transactions and balances included in this interim condensed consolidated financial statements are as follows:

	<i>As at 30 September 2023 (reviewed)</i>			
	<i>Shareholder</i> BD	<i>Associate</i> BD	<i>Directors</i> BD	<i>Key management</i> BD
<b>Assets</b>				
Loans	-	-	20,412	22,840
Investments in associate	-	4,110,685	-	-
Other assets	13,300	4,125	-	45,600
<b>Liabilities</b>				
Current accounts	-	-	95	2,174
Government account*	510,471,078	-	-	-
Other liabilities	-	-	14,284	385,131

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

### 20 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

\*Include modification loss arising from social loan portfolio charged in 2020 of BD 15.1 million and a release of expected credit loss on social loan portfolio for the period of BD 6.7 million (2022: BD 13.6 million) (refer note 12 (i)).

<i>Nine months ended 30 September 2023 (reviewed)</i>				
<i>Shareholder</i>	<i>Associate</i>	<i>Directors</i>	<i>Key management</i>	
<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	
Net share of profit from investment in associate	-	206,728	-	-
Fees and commission	234,250	11,250	-	-
Staff cost	-	-	-	797,679
Other expense	-	141,961	-	-
Directors' and Shari'ah board remuneration and sitting fees	-	-	65,720	-
<i>As at 31 December 2022 (audited)</i>				
<i>Shareholder</i>	<i>Associate</i>	<i>Directors</i>	<i>Key management</i>	
<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	
Assets				
Loans	-	-	21,647	25,272
Investments in associate	-	4,120,148	-	-
Other assets	-	5,500	-	49,200
Liabilities				
Current accounts	-	-	95	3,031
Government account	505,202,068	-	-	-
Other liabilities	-	-	42,784	336,951
<i>Nine months ended 30 September 2022 (reviewed)</i>				
<i>Shareholder</i>	<i>Associate</i>	<i>Directors</i>	<i>Key management</i>	
<i>BD</i>	<i>BD</i>	<i>BD</i>	<i>BD</i>	
Net share of profit from investment in associate	-	22,490	-	-
Fees and commission	247,770	11,250	-	-
Staff cost	-	-	-	813,258
Other expense	-	100,208	-	-
Directors' and Shari'ah board remuneration and sitting fees	-	-	47,910	-

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 30 September 2023

**21 COMMITMENTS**

	<b>30 September 2023 (reviewed) BD</b>	<i>31 December 2022 (audited) BD</i>
Social loan commitments approved by MOHUP (note 20.1)	<b>43,100,791</b>	47,066,411
Commitments - development properties	<b>10,265,124</b>	11,976,261
	<b>53,365,915</b>	59,042,672

**Note 20.1**

Each year, MOHUP issues social loan decrees for the approved beneficiaries in coordination with the Bank. Social loans that remain undisbursed at the end of the year are disclosed as a commitment.

**22 CASH AND BANK BALANCES**

	<b>30 September 2023 (reviewed) BD</b>	<i>31 December 2022 (audited) BD</i>
Cash in hand	<b>128,632</b>	144,736
Balances with banks	<b>699,912</b>	1,209,194
Balances with the CBB	<b>1,928,686</b>	1,469,561
Placements with banks and other institutions	-	10,000,000
Placements with the CBB (with an original maturity of 90 days or less)	<b>74,000,000</b>	75,000,000
	<b>76,757,230</b>	87,823,491
Less: impairment loss - ECL	-	(3,878)
<b>Total cash and bank balances</b>	<b>76,757,230</b>	87,819,613
Less: Restricted bank balance (note 14.2)	<b>(1,053,500)</b>	(25,500)
Less: Placements (with an original maturity of more than 90 days)	-	(9,996,122)
<b>Total cash and cash equivalents</b>	<b>75,703,730</b>	77,797,991

The Group's consolidated net stable funding ratio (NSFR) as of 30 September 2023 is 144% (31 December 2022: 142%), while the average LCR for the third quarter of the year stood at 428% (refer note 26 for more details on NSFR). The Group continues to meet minimum required regulatory liquidity ratios. The Group's capital adequacy ratio ("CAR") stood at 176% as of 30 September 2023 (31 December 2022: 168%), which is above minimum required CAR of 12.5%.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

**23 RELEASE OF PROVISION FOR IMPAIRMENT LOSS, NET**

	<i>Nine months ended</i>	
	<b>30 September 2023 (reviewed) BD</b>	<i>30 September 2022 (reviewed) BD</i>
Release for the period - Social loans	6,701,145	5,160,313
Release for the period - Commercial loans	46,878	164,695
Recoveries from written off balances	141,216	-
Charge for the period - Investments properties	(38,966)	(193,917)
Charge for the period - Development properties	(6,572)	-
(Charge) / release for the period - Other assets	(22,143)	43,432
Release for the period - Bank balances	3,878	14,274
	<hr/> <b>6,825,436</b>	<hr/> 5,188,797
Release back to government for ECL on social loans (Note 12 (i))	<b>(6,701,145)</b>	(5,160,313)
	<hr/> <b>124,291</b> <hr/>	<hr/> 28,484 <hr/>

**24 FINANCIAL INSTRUMENTS*****Fair value of financial instruments***

Fair value is the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (i.e. an exit price at the measurement date from the perspective of a market participant that holds the asset or owes the liability).

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

**Level 1** Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

**Level 2** Inputs other than quoted prices included within level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** Inputs which have a significant effect on the recorded fair value that are based on unobservable market data.

The FVOCI investments comprise of investments in unquoted equity shares which do not have a quoted market price in an active market, and whose fair value was derived based on market approach using unobservable market data and therefore considered level 3 fair value. The investments are located in the Kingdom of Bahrain.

The Group determines the fair values of unquoted investments by using valuation methods and techniques generally recognized as standard within the industry. The inputs into these models are primarily market multiples (Price / Book, Price / sale, Enterprise value / sales). Models use observable data, to the extent practicable. However, areas such as use of market comparable, forecasted cash flows, credit risks, liquidity risks and model risks require management to make estimates.

Fair value estimates are made at a specific point in time, based on market conditions and information about the investee companies. These estimates involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. There is no certainty about future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments.

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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine months ended 30 September 2023

**24 FINANCIAL INSTRUMENTS (continued)*****Fair value of financial instruments (continued)***

The following sensitivity analysis has been done by calculating the impact of change in key variables used for valuation (relevant market multiple) as applicable. However, these do not necessarily indicate an absolute impact on valuation as the final outcome would be determined by selecting a point estimate within the range of possible outcomes.

<i>Valuation technique</i>	<i>Key variable</i>	<i>Sensitivity</i>	<i>Impact on FV 2022 BD</i>	<i>Impact on FV 2021 BD</i>
Market multiple	Price / Sale	25%	<b>70,904</b>	80,960
Market multiple	Enterprise value / Sale	25%	<b>83,813</b>	95,303
Market multiple	Price / Book	25%	<b>157,092</b>	339,552

**25 SUBSEQUENT EVENT**

Subsequent to the period end, the Bank has initiated the liquidation process of Dannat Al Luzi B.S.C (c) (the "Subsidiary"). Accordingly, all assets and liabilities will be transferred to the Bank, with its operations as a going concern and the separate legal entity will cease to exist. The liquidation will have no material impact on the financial statements of the Group.

**26 NET STABLE FUNDING RATIO**

The CBB's Net Stable Funding Ratio (NSFR) regulations became effective on 31st December 2019. The objective of the NSFR is to promote the resilience of banks' liquidity risk profile and to incentivise a more resilient banking sector over a longer time horizon. The NSFR requires banks to maintain a stable funding profile in relation to assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood of disruptions to a bank's regular sources of funding that will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability. The NSFR is calculated in accordance with the Liquidity Risk Management module guidelines issued by CBB. The minimum NSFR ratio is 100%.

The below table provides information on the bank's consolidated NSFR as of 30 September 2023:

<b>Available Stable Funding (ASF)</b>	<b>Unweighted Values (before applying factors)</b>				<b>Total Weighted Value</b>
	<b>No Specified maturity</b>	<b>Less than 6 months</b>	<b>More than 6 months and less than one year</b>	<b>Over one year</b>	
	<b>BD</b>	<b>BD</b>	<b>BD</b>	<b>BD</b>	
<b>Capital:</b>					
Common equity tier 1	429,172,563	-	-	-	429,172,563
Additional tier 1 capital	-	-	-	-	-
Tier 2 Capital	-	-	-	2,210,460	2,210,460
<b>Stable Deposits</b>	-	-	-	-	-
<b>Less stable deposits:</b>					
Demand deposits provided by retail customers	-	8,398,085	-	-	7,558,276
Demand deposits provided by small business customers	-	660,931	-	-	594,837
<b>Other deposits and funding from:</b>					
Financial Institutions	-	10,000,000	-	75,000,000	75,000,000
<b>Other liabilities (not included in the categories above):</b>					
Other liabilities and equity not included in the above categories	-	39,831,168	-	487,094,681	487,094,681
<b>Total ASF</b>	<b>429,172,563</b>	<b>73,622,333</b>	<b>-</b>	<b>564,305,141</b>	<b>1,001,630,817</b>
<b>Required Stable Funding (RSF)</b>					
Coins and banknotes	128,633	-	-	-	-
All claims on central banks	-	75,928,686	-	-	-
<b>Marketable securities:</b>					
Central Bank of Bahrain	621,970	-	-	-	31,099
<b>Loans:</b>					
Unencumbered Loans to retail and small business customers, and loans to sovereigns and PSEs	-	18,300,736	18,863,073	-	18,581,904
Unencumbered residential mortgages with a risk weight of less than or equal to 35%	-	-	-	835,872,841	543,317,347
Other unencumbered loans and deposits with a risk weight of less than or equal to 35%	-	-	-	-	-
Other unencumbered performing loans and not included in the above categories, excluding loans to financial institutions, with a risk weight of than or equal to 35%	-	-	-	3,298,062	2,803,353
Unencumbered loans to and deposits with financial institutions	-	202,902	-	-	30,435
<b>Unlisted investments not included in the above categories</b>					
Investment in Subsidiaries	18,868,503	-	-	-	18,868,503
Investment in Associates	4,110,685	-	-	-	4,110,685
Other unlisted investments	2,878,415	-	-	-	2,878,415
Non-performing loans	5,409,373	-	-	-	5,409,373
<b>All other assets including fixed assets, items deducted from regulatory capital, insurance assets and defaulted securities.</b>					
	95,499,844	-	-	-	95,499,844
<b>All other off-balance sheet exposures not included above</b>					
	53,365,914	-	-	-	2,668,296
<b>Total RSF</b>	<b>180,883,337</b>	<b>94,432,324</b>	<b>18,863,073</b>	<b>839,170,903</b>	<b>694,199,254</b>
<b>NSFR (%) as at 30 September 2023</b>					<b>144%</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2023

## 26 NET STABLE FUNDING RATIO (continued)

The below table provides information on the bank's consolidated NSFR as of 31 December 2022:

	Unweighted Values (before applying factors)				Total Weighted Value
	No Specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
	BD	BD	BD	BD	
<u>Available Stable Funding (ASF)</u>					
Capital:					
Common equity tier 1	398,059,968	-	-	-	398,059,968
Additional tier 1 capital	-	-	-	-	-
Tier 2 Capital	-	-	-	2,132,210	2,132,210
Stable Deposits	-	-	-	-	-
Less stable deposits:					
Demand deposits provided by retail customers	-	9,101,486	-	-	8,191,338
Demand deposits provided by small business customers	-	552,040	-	-	496,836
Other deposits and funding from:					
Financial Institutions	-	10,000,000	-	75,000,000	75,000,000
Other liabilities (not included in the categories above):					
Other liabilities and equity not included in the above categories	-	18,584,069	20,000,000	478,487,529	478,487,529
<b>Total ASF</b>	<b>398,059,968</b>	<b>40,537,595</b>	<b>20,000,000</b>	<b>555,619,739</b>	<b>962,367,881</b>
<u>Required Stable Funding (RSF)</u>					
Coins and banknotes	144,736	-	-	-	-
All claims on central banks	-	76,469,561	-	-	-
Marketable securities:					
Central Bank of Bahrain	1,614,452	-	-	-	80,723
Loans:					
Unencumbered Loans to retail and small business customers, and loans to sovereigns and PSEs	-	17,274,808	17,645,936	-	17,460,372
Unencumbered residential mortgages with a risk weight of less than or equal to 35%	-	-	-	787,478,488	511,861,017
Other unencumbered performing loans and not included in the above categories, excluding loans to financial institutions, with a risk weight of than or equal to 35%	-	-	-	3,566,187	3,031,259
Unencumbered loans to and deposits with financial institutions	-	111,936	-	-	16,790
Investment in Subsidiaries	18,868,503	-	-	-	18,868,503
Investment in Associates	4,120,147	-	-	-	4,120,147
Other unlisted investments	2,878,415	-	-	-	2,878,415
Listed investments not included in the above categories					
Non-performing loans	15,529,584	-	-	-	15,529,584
All other assets including fixed assets, items deducted from regulatory capital, insurance assets and defaulted securities.	99,071,869	-	-	-	99,071,869
All other off-balance sheet exposures not included above	58,857,817	-	-	-	2,942,891
<b>Total RSF</b>	<b>201,085,523</b>	<b>93,856,305</b>	<b>17,645,936</b>	<b>791,044,675</b>	<b>675,861,570</b>
NSFR (%) as at 31 December 2022					142%