

Eskan Bank B.S.C. (c)
Basel III, Pillar III Disclosures
30 June 2021

Eskan Bank B.S.C. (c)

Basel III, Pillar III Disclosures

As at 30 June 2021

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SCOPE OF APPLICATION

The name of the Bank in the group, to which these regulations apply is Eskan Bank B.S.C. (c) ("the Bank") which is a closed joint stock company registered and incorporated by Amiri Decree No. 4 of 1979, together with its subsidiaries ("the Group"). The Bank operates under a Restricted Banking License issued by the CBB. The Bank is wholly owned by the Government of the Kingdom of Bahrain.

Table 1: CAPITAL STRUCTURE

The following table summarizes the eligible capital after deductions for Capital Adequacy Ratio (CAR) calculation as of 30 June 2021.

	<u>CET1</u>	<u>AT1</u>	<u>T2</u>
Components of capital			
Tier 1 Capital			
Common Equity Tier 1 (CET1)			
Issued and fully paid ordinary shares	108,300	-	-
General reserves	22,450	-	-
Statutory reserves	54,462	-	-
Retained earnings	140,618	-	-
Current interim profits	13,551	-	-
Cumulative fair value changes on FVOCI investments (Equities)	(650)	-	-
Total CET 1 Capital prior to the regulatory adjustments	338,731	-	-
Less: Regulatory adjustments			
Intangibles other than mortgage servicing rights	548		
Total CET 1 Capital after the regulatory adjustments	338,183	-	-
Other Capital (AT1 & T2)			
Expected Credit Losses (ECL) Stages 1 & 2 (1.25% of credit risk weighted assets)	-	-	1,718
Net available Capital	338,183	-	1,718
Total Capital			339,901

There are no impediments on the transfer of funds or regulatory capital within the Group other than restrictions over transfers to ensure minimum regulatory capital requirements are met for subsidiary companies.

Table 2: CAPITAL ADEQUACY RATIOS

The CBB Capital Adequacy Rules provides guidance on the risk measurements for the calculation of capital requirements. Conventional bank licenses are required to meet the following minimum CAR requirements:

Components of consolidated CARs				
	Optional	Minimum Ratio Required	Capital conservation buffer (CCB)	CAR including CCB
Common Equity Tier 1 (CET1)		6.5%	2.5 % comprising of CET1	9.0%
Additional Tier 1 (AT1)	1.5%	8.0%		10.5%
Tier 1 (T1)				
Tier 2 (T2)	2%			
Total Capital		10.0%		12.5%

Following are Capital Adequacy Ratios for total capital and Tier 1 capital as of 30 June 2021 :

CET1 Capital Adequacy Ratio	172%
T1 Capital Adequacy Ratio	172%
Total Capital Adequacy Ratio	173%

Table 3: RISK WEIGHTED EXPOSURES

Following are the total risk weighted exposures for each category of risk the Bank is exposed to as of 30 June 2021 :

Credit Risk Weighted Exposures- Standardized Approach	137,468
Operational Risk Weighted Exposures- Basic indicator approach	59,238
Market Risk Weighted Exposures- Standardized Approach*	-
Total Risk Weighted Exposures	196,706

*The Bank follows the standardised approach for the calculation of capital requirements for market risk. The Bank however does not have any market risk exposure as of and during the six months ended 30 June 2021.

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Table 4: GROSS AND AVERAGE EXPOSURES - FUNDED AND UNFUNDED (PD 1.3.23 (a))

The following table summarises the amount of gross funded and unfunded exposure (as reported under IFRS) and average gross funded and unfunded exposures as of 30 June 2021:

	Gross Exposures**	* Average Exposures
Funded Exposure		
Cash and bank balances	39,382	37,975
Investments	4,796	4,983
Loans	742,857	741,874
Investment in associates	4,208	4,251
Investment properties	50,047	50,015
Development properties	14,268	15,424
Other assets	15,234	13,440
	870,791	867,962
Unfunded Exposure		
Loan related	17,723	14,949
Capital Commitments	3,421	3,237
	21,144	18,186

* Average balances are computed based on quarter end balances.

**The exposures reported are gross of any credit risk mitigant (refer note below on credit risk mitigation).

Table 5: REGULATORY CAPITAL REQUIREMENTS - CREDIT RISK EXPOSURE STANDARD PORTFOLIO (PD 1.3.15)

The following table summarises the regulatory capital requirements for credit risk by type of standard portfolios that are subject to standardised approach as of 30 June 2021:

	*** Gross Exposures	Risk Weighted Exposures	** Capital Charge
Standard Portfolio			
Cash items	124	-	-
Claims on sovereign	783,905	-	-
Claims on Banks	159	32	4
Claims on investment firms	161	81	10
Mortgage	5,123	3,842	480
Past due exposure	1,172	1,172	147
Equity investments	969	1,454	182
All other holdings of real estate *	82,208	128,525	16,066
Other assets	2,362	2,362	295
	876,183	137,468	17,183

* Includes real estate exposure relating to social housing projects amounting BD 23,928 thousand which are credit risk weighted at 50% as per CBB concessions and have capital charge of BD 1,496 thousand.

** Capital charge is calculated at 12.5%.

***The exposures reported are gross of any credit risk mitigant (refer note below on credit risk mitigation).

Credit risk mitigation:

The Bank did not consider any credit risk mitigation for the purpose of capital adequacy calculation and as a result the Bank did not make use of on and off balance sheet netting arrangements as of 30 June 2021.

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Table 6: GEORAPHICAL DISTRIBUTION OF EXPOSURE (PD 1.3.23 (b))

The following table summarises the geographic distribution of exposures (as reported under IFRS), broken down into significant areas by major types of exposure as of 30 June 2021:

	<i>Kingdom of Bahrain</i>	<i>Total</i>
Funded Exposures		
Cash and bank balances	39,382	39,382
Investments	4,796	4,796
Loans	742,857	742,857
Investment in associates	4,208	4,208
Investment properties	50,047	50,047
Development properties	14,268	14,268
Other assets	15,234	15,234
	870,791	870,791
Unfunded Exposures		
Loan related	17,723	17,723
Capital Commitment	3,421	3,421
	21,144	21,144

The Group considers the above geographical disclosure to be the most appropriate as the Group's activities are conducted in the Kingdom of Bahrain.

Table 7: INDUSTRY ANALYSIS (PD 1.3.23 (c))

The following table summarises the distribution of funded and unfunded exposure (as reported under IFRS) by industry type as of 30 June 2021:

	<i>Government</i>	<i>Banks and financial institutions</i>	<i>Real estate and construction</i>	<i>Residential mortgage</i>	<i>Tourism</i>	<i>Other</i>	<i>Total</i>
Funded Exposures							
Cash and bank balances	31,525	7,857	-	-	-	-	39,382
Investments	1,244	-	2,583	-	671	298	4,796
Loans	-	-	-	742,857	-	-	742,857
Investment in associates	-	-	4,208	-	-	-	4,208
Investment properties	-	-	50,047	-	-	-	50,047
Development properties	-	-	14,268	-	-	-	14,268
Other assets	21	23	11,975	970	-	2,245	15,234
	32,790	7,880	83,082	743,827	671	2,543	870,792
Unfunded Exposures							
Loan related	-	-	-	17,723	-	-	17,723
Capital Commitment	-	-	3,421	-	-	-	3,421
	-	-	3,421	17,723	-	-	21,144

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Table 8: INTRA-GROUP TRANSACTIONS (PD 1.3.23 (d))

The Bank disclosed its intra-group transactions* with its subsidiaries on stand alone basis. The following table summarises intra-group transactions as of 30 June 2021 :

	<i>Eskan Bank</i>	<i>Eskan Property Co.</i>	<i>Dannat Al Luzi</i>	<i>Total</i>
Assets				
Balances with Banks	-	1,685	-	1,685
Development Properties	124	-	158	282
Investment properties	3	-	-	3
Investments in subsidiaries	8,651	-	-	8,651
Other Assets	177	287	3,379	3,844
	8,955	1,972	3,537	14,465
Liabilities and Equity				
Current Accounts	1,685	-	-	1,685
Other Liabilities	3,666	168	10	3,844
Share Capital & Reserves	(1,267)	(48)	10,250	8,935
	4,084	120	10,260	14,465

*All intra-group transactions are conducted on arm's length basis.

Table 9: RELATED PARTY TRANSACTIONS

The following table summarises related party exposure as of 30 June 2021 :

	<i>Shareholder</i>	<i>Associates</i>	<i>Directors</i>	<i>Key management</i>
Assets				
Loans	-	-	26	30
Investments in Associates	-	4,208	-	-
Other Assets	-	87	-	59
Liabilities				
Current Accounts	-	-	2	2
Government account	456,444	-	-	-
Other Liabilities	-	-	36	280
Income / (expenses)				
Net share of profit of associates	-	149	-	-
Fees and commission	126	8	-	-
Staff cost	-	-	-	(546)
Operating expense	-	(100)	-	-
Impairment Provision	-	(197)	-	-
Directors' and Shari'ah board remuneration and sitting fees	-	-	(45)	-

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Table 10: PAST DUE LOANS AND OTHER ASSETS (PD 1.3.23 (h) & (i))

The Group's entire past due and provision balances as at 30 June 2021 relates to its operations in the Kingdom of Bahrain. The following table summarises the total past due loans including other assets and provisions disclosed by industry as of 30 June 2021 :

Past due loans and other assets - Aging analysis:

	<i>Below 3 months</i>	<i>3 months up to 1 year</i>	<i>1 up to 3 years</i>	<i>Over 3 years</i>	<i>Total</i>
Retail mortgage social loans	64,218	61,379	9,587	1,630	136,814
Retail mortgage commercial loans	970	402	635	1,606	3,613
Other assets	1,180	241	85	142	1,648
	66,368	62,022	10,307	3,378	142,075

Past due loans and other assets breakdown by type and expected credit loss (ECL):

	Total amount	ECL stage 1 & 2	ECL stage 3
Retail mortgage social loans	136,814	5,563	45,857
Retail mortgage commercial loans	3,613	24	1,623
Other assets	1,648	-	286
	142,075	5,587	47,765

Impaired loans:

	Loan amount	ECL stage 3
Retail mortgage social loans	111,966	58,368
Retail mortgage commercial loans	3,079	1,740
	115,045	60,108

Table 11: Expected credit loss movement

	Stage 1 & 2	Stage 3	Total
Loans:			
Expected credit loss as 1 January 2021	13,346	34,657	48,003
Net transfer between stages	(3,707)	3,707	-
Write off during the period - social loan	(29)	(1,685)	(1,714)
Charge for the period - Social Loans	423	23,464	23,887
Charge for the period- Commercial Loans	(118)	(34)	(152)
Expected credit loss as 30 June 2021	9,915	60,108	70,023
		Stage 3	Total
Other assets:			
Expected credit loss as 1 January 2021		205	205
Charge for the period		81	81
Expected credit loss as 30 June 2021		286	286

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Table 12: RESTRUCTURED FACILITY (PD 1.3.23 (j))

The following table summarises the total loans that have been restructured during the period ended 30 June 2021 :

Social loans	29,514
Commercial loans	23

There is no significant impact of the restructured commercial mortgage loans on the provisions as well as present and future earnings

The Group renegotiates loans to customers in financial difficulties (referred to as 'forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, loan forbearance is granted on a selective basis if the customer is currently in default on its loan or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms. The revised terms usually include extending the maturity. The total expected credit loss of such facilities is BD 7.5 million, which is borne by Government of Bahrain as per the agreement with the Ministry of Housing.

Table 13: OPERATIONAL RISK (PD 1.3.18), (PD 1.3.32) and (PD 1.3.33)

The following table summarises the amount of exposures subject to basic indicator approach of operational risk and related capital requirements as of 30 June 2021 :

Year	BHD 000's		
	2018	2019	2020
Gross income	29,955	31,712	33,107
Average Gross income			31,591
Multiplier			12.5
			394,888
Eligible portion for purpose of the calculation			15%
Total operation risk weighted exposures			59,238
Minimum capital requirement (12.5%)			7,405

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Table 14: RESIDUAL CONTRACTUAL MATURITY BREAKDOWN (PD 1.3.23 (g))

The following table summarises the residual contractual maturity breakdown of the whole credit portfolio as of 30 June 2021, broken down by major types of credit exposure.

For items that do not have a contractual maturity, expected maturity has been used for the purpose of this disclosure:

	1-7 Days	7 Days - 1 Month	1-3 Months	3-6 Months	6-12 Months	1-3 Years	3-5 Years	5-10 Years	10-20 Years	Above 20 Years	Total
Cash and bank balances	13,829	18,500	300	6,753	-	-	-	-	-	-	39,382
Investments	40	-	299	309	-	3,798	350	-	-	-	4,796
Loans	-	2,482	5,003	7,568	15,370	5,181	5,206	102,363	333,090	266,594	742,857
Investment in associates	-	-	-	-	-	-	-	-	-	4,208	4,208
Investment properties	-	-	-	-	-	-	-	-	50,047	-	50,047
Development properties	-	-	-	-	9,550	4,717	-	-	-	-	14,268
Other assets	7	643	730	3,246	9,191	953	305	159	-	-	15,234
TOTAL ASSETS	13,876	21,625	6,332	17,876	34,111	14,650	5,861	102,522	383,138	270,802	870,791
Interbank borrowings	6,500	-	3,500	-	-	-	-	-	-	-	10,000
Customer current accounts	2,810	-	-	-	-	-	-	-	-	-	2,810
Government accounts	-	7,780	-	10,000	-	10,000	-	-	-	428,665	456,444
Term loans	-	-	-	-	-	-	-	45,000	-	-	45,000
Other liabilities	12	509	237	238	2,436	1,860	1,300	18	-	-	6,609
TOTAL LIABILITIES	9,323	8,288	3,737	10,238	2,436	11,860	1,300	45,018	-	428,665	520,864
MISMATCH	4,553	13,336	2,595	7,638	31,675	2,790	4,561	57,504	383,138	(157,863)	349,928
CUMULATIVE MISMATCH	4,553	17,890	20,485	28,124	59,799	62,589	67,149	124,653	507,790	349,928	349,928

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Table 15: EQUITY POSITION RISK IN THE BANKING BOOKS

The following table summarises the total gross exposure of equity based investments as of 30 June 2021 :

	<u>Gross Exposures</u>	<u>Privately Held</u>	<u>Quoted</u>	<u>Risk weighted</u>	<u>Capital charge</u>
FVTOCI	3,552	3,552	-	6,620	827
Investments in associates	4,208	-	4,208	8,416	1,052
Investments in unconsolidated subsidiaries	8,401	8,401	-	4,200	525

Capital Charge is calculated @ 12.5%.

Table 16: SENSITIVITY ANALYSIS - INTEREST RATE RISK (PD 1.3.35)

Analysis of the Group's sensitivity to an increase or decrease in a 200 bps parallel market interest rates (assuming no asymmetrical movement in yield curves and a constant balance sheet position) on the Group's net profit and equity:

	<u>30 June 2021</u> <u>2020</u>	<u>Changes in</u> <u>basis points</u> <u>(+/-)</u>	<u>Effect on</u> <u>net profit</u> <u>(+/-)</u>
ASSETS			
Placements with financial institutions	36,938	200	739
Loans - social loans	736,664	200	14,733
Loans - commercial loans	6,193	200	124
Investment in Debt Securities	1,244	200	25
Rate sensitive Assets	781,039		15,621
LIABILITIES			
Deposits from financial and other	10,000	200	200
Term Loans	45,000	200	900
Rate sensitive Liabilities	55,000	200	1,100
Total			14,521

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Table 17: Reconciliation of published financial balance sheet to regulatory reporting as at 30 June 2021

Particulars	FS	PIR	Ref
ASSETS			
Cash and balances at central banks	31,648	31,648	
Placements with banks and similar financial institutions	7,748	159	
of which Expected Credit Loss (stage 1 & 2)	- 15	-	
Loans and advances to banks and non-banks	752,772	752,772	
of which Expected Credit Loss (stage 1 & 2)	(9,915)	-	a
Investment at fair value through other comprehensive income	3,552	3,552	
Investments at Amortized Cost	1,244	1,244	
Investment properties	50,047	50,047	
Interest in unconsolidated subsidiaries and associated companies - Note 1	4,208	12,609	
Interest receivable	1,013	991	
Property, plant, and equipment (PPE)	160	160	
Other Assets	28,329	18,624	
of which: intangible assets deducted from regulatory capital	548	548	b
Total Assets (3.1 to 3.10 inclusive)	870,791	871,806	
NON-CAPITAL LIABILITIES			
Deposits from banks	10,000	10,000	
Deposits from non-banks	2,810	2,810	
Certificates of deposits issued	-	-	
Debt securities in issue	-	-	
Financial liabilities at fair value through profit and loss	-	-	
Term borrowings	45,000	45,000	
Securities sold under repos	-	-	
Dividend payable	-	-	
Interest payable	387	387	
Other liabilities	462,666	464,963	
Total non-capital items (2.1 to 2.10 inclusive)	520,863	523,160	
Particulars	FS	PIR	Ref
CAPITAL LIABILITIES			
Paid up share capital (net of treasury shares)	108,300	108,300	c
Share premium	-	-	
Legal reserve	54,462	54,462	d
General (disclosed) reserves	22,450	22,450	e
Retained earnings/(losses) brought forward	142,312	140,618	f
Net (loss) for the period	-	-	
Net profit for the period	14,338	13,551	g
Innovative capital instruments	-	-	
Minority interest in subsidiaries' share capital	8,717	-	
Fx translation adjustment	-	-	
Fixed assets revaluation reserves	-	-	
Cumulative fair value changes on FVOCI investments	(650)	(650)	h
Expected credit losses (Stages 1 & 2)	-	9,915	a
of which eligible for T2	-	1,718	i
Hybrid (debt/equity) capital instruments	-	-	
Subordinated debts	-	-	
Fair value changes on available-for-sale investments	-	-	
Fair value changes of cash flow hedges	-	-	
Short-term subordinated debts	-	-	
Total capital items (1.1 to 1.17 inclusive)	349,928	348,646	
Total capital and non-capital items (1.18 + 2.11)	870,791	871,806	

Note 1: Unconsolidated legal entities for regulatory purposes

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

Legal Entity name	Principal activities	Entity classification as per CBB Rules & Guidelines	Treatment by the Bank for regulatory purposes	Extracts of financials as at 30 June 2021 (Amount in BD 000's)	
				Total assets	Total equity
Danat Al Luzi B.S.C (c)	The principal activities of the Company include management and development of private property, buying and selling of properties on behalf of the Bank and property development, leasing, management and maintenance.	Commercial entity	Risk weighted	20,848	19,756

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Table 18: Composition of Capital Common Disclosure Template as at 30 June 2021

	Common Equity Tier 1 capital: instruments and reserves	Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	108,300	c
2	Retained earnings	140,618	f
3	Accumulated other comprehensive income (and other reserves)	90,463	d+e+g
4	Not Applicable		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)		
6	Cumulative fair value changes on FVOCI investments (Equities)	(650)	h
7	Common Equity Tier 1 capital before regulatory adjustments	338,731	
	Common Equity Tier 1 capital: instruments and reserves	Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
	Common Equity Tier 1 capital: regulatory adjustments		
8	Prudential valuation adjustments		
9	Goodwill (net of related tax liability)		
10	Other intangibles other than mortgage-servicing rights (net of related tax liability)	548	b
11	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)		
12	Cash-flow hedge reserve		
13	Shortfall of provisions to expected losses		
14	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)		
15	Not applicable.		
16	Defined-benefit pension fund net assets		
17	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)		
18	Reciprocal cross-holdings in common equity		
19	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)		
20	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)		
21	Mortgage servicing rights (amount above 10% threshold)		
22	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)		
23	Amount exceeding the 15% threshold		
24	of which: significant investments in the common stock of financials		
25	of which: mortgage servicing rights		
26	of which: deferred tax assets arising from temporary differences		
27	National specific regulatory adjustments		
28	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions		
29	Total regulatory adjustments to Common equity Tier 1	548	
30	Common Equity Tier 1 capital (CET1)	338,183	
	Additional Tier 1 capital: instruments		
31	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus		
32	of which: classified as equity under applicable accounting standards		
33	of which: classified as liabilities under applicable accounting standards		
34	Directly issued capital instruments subject to phase out from Additional Tier 1		
35	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)		
36	of which: instruments issued by subsidiaries subject to phase out		
37	Additional Tier 1 capital before regulatory adjustments	-	
	Additional Tier 1 capital: regulatory adjustments	-	
38	Investments in own Additional Tier 1 instruments		
39	Reciprocal cross-holdings in Additional Tier 1 instruments		
40	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 10% threshold)		
41	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
42	National specific regulatory adjustments		

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Table 18: Composition of Capital Common Disclosure Template as at 30 June 2021 (continued).

		Component of regulatory capital reported by bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
	Common Equity Tier 1 capital: instruments and reserves		
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions		
43	Total regulatory adjustments to Additional Tier 1 capital		
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1)	338,183	
	Tier 2 capital: instruments and provisions		
46	Directly issued qualifying Tier 2 instruments plus related stock surplus		
47	Directly issued capital instruments subject to phase out from Tier 2		
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Provisions	1,718	i
51	Tier 2 capital before regulatory adjustments	1,718	i
	Tier 2 capital: regulatory adjustments		
52	Investments in own Tier 2 instruments		
53	Reciprocal cross-holdings in Tier 2 instruments		
54	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) .		
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)		
56	National specific regulatory adjustments		
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	1,718	i
59	Total capital (TC = T1 + T2)	339,901	
60	Total risk weighted assets	196,706	
	Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	172%	
62	Tier 1 (as a percentage of risk weighted assets)	172%	
63	Total capital (as a percentage of risk weighted assets)	173%	
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)	9%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical buffer requirement (N/A)	NA	
67	of which: D-SIB buffer requirement (N/A)	NA	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	172%	
	National minima including CCB (if different from Basel 3)		
69	CBB Common Equity Tier 1 minimum ratio	9%	
70	CBB Tier 1 minimum ratio	10.5%	
71	CBB total capital minimum ratio	12.5%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financials		
73	Significant investments in the common stock of financials		
74	Mortgage servicing rights (net of related tax liability)		
75	Deferred tax assets arising from temporary differences (net of related tax liability)		
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	9,915	a
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,718	i
78	N/A		
79	N/A		
	Capital instruments subject to phase-out arrangements		
	(only applicable between 1 Jan 2020 and 1 Jan 2024)		
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after		

Eskan Bank B.S.C. (c)

Basel III, Pillar III Disclosures

As at 30 June 2021

Table 19: Main features of regulatory capital instruments

1	Issuer	Eskan Bank B.S.C (c)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable
3	Governing law(s) of the instrument	All applicable laws and regulations of the Kingdom of Bahrain
	<i>Regulatory treatment</i>	
4	Transitional CBB rules	Common equity Tier 1
5	Post-transitional CBB rules	Common equity Tier 1
6	Eligible at solo/group/group & solo	Solo & Group
7	Instrument type (types to be specified by each jurisdiction)	Equity Share
8	Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	BD 108,300
9	Par value of instrument	BD 100
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1979 , 2011
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	Dividends as decided by the shareholders.
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	Not applicable
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Not applicable
24	If convertible, conversion trigger (s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down feature	Not applicable
31	If write-down, write-down trigger(s)	No
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Not applicable
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable