

Eskan Bank B.S.C. (c)
Basel III, Pillar III Disclosures
30 June 2022

Eskan Bank B.S.C. (c)

Basel III, Pillar III Disclosures

As at 30 June 2022

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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 and has no banking or insurance subsidiaries.

Table 1: CAPITAL STRUCTURE

The following table summarizes the eligible capital after deductions for Capital Adequacy Ratio (CAR) calculation as of 30 June 2022.

	<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	22,461	-	-
Statutory reserves	54,462	-	-
Retained earnings	167,838	-	-
Current interim profits	15,013	-	-
Cumulative fair value changes on FVOCI investments (Equities)	(572)	-	-
Total CET 1 Capital prior to the regulatory adjustments	367,502	-	-
Less: Regulatory adjustments			
Intangibles other than mortgage servicing rights	499		
Total CET 1 Capital after the regulatory adjustments	367,003	-	-
Other Capital (AT1 & T2)			
Expected Credit Losses (ECL) Stages 1 & 2 (1.25% of credit risk weighted assets)	-	-	2,039
Net available Capital	367,003	-	2,039
Total Capital			369,042

There has been no changes in the capital structure nor acquisition of new business or discontinued operation during the six months ended 30 June 2022.

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%			10.5%
Tier 1 (T1)		8.0%		
Tier 2 (T2)	2%			12.5%
Total Capital		10.0%		

Following are Capital Adequacy Ratios for total capital and Tier 1 capital as of 30 June 2022 :

CET1 Capital Adequacy Ratio	162.50%
T1 Capital Adequacy Ratio	162.50%
Total Capital Adequacy Ratio	163.40%

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 2022 :

Credit Risk Weighted Exposures- Standardized Approach	163,099
Operational Risk Weighted Exposures- Basic indicator approach	62,750
Market Risk Weighted Exposures- Standardized Approach*	-
Total Risk Weighted Exposures	225,849

*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 2022.

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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 2022:

	<i>Gross Exposures**</i>	<i>* Average Exposures</i>
<u>Funded Exposure</u>		
Bank balances	94,121	92,437
Investments	13,804	11,274
Loans	773,906	773,315
Investment in associates	3,992	4,016
Investment properties	59,805	60,264
Development properties	29,729	29,054
Other assets	11,600	11,577
	986,957	981,937
<u>Unfunded Exposure</u>		
Loan related	21,998	21,039
Capital Commitments	12,475	14,181
	34,472	35,220

* 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 2022:

	<i>*** Gross Exposures</i>	<i>Risk Weighted Exposures</i>	<i>** Capital Charge</i>
<u>Standard Portfolio</u>			
Cash items	185	-	-
Claims on sovereign	889,390	-	-
Claims on Banks	9,612	1,922	240
Claims on investment firms	199	100	12
Mortgage	4,239	3,179	397
Past due exposure	227	227	28
Equity investments	1,015	1,523	190
All other holdings of real estate *	109,077	154,890	19,361
Other assets	1,258	1,258	157
	1,015,202	163,100	20,387

* Includes real estate exposure relating to social housing projects amounting BD 42,176 thousand which are credit risk weighted at 50% as per CBB concessions and have capital charge of BD 2,636 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 (i.e. it has no counterparty credit risk) as of 30 June 2022.

Securitisation exposure:

The Bank does not have securitisation exposures as of and during the six months ended 30 June 2022.

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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 2022:

	<i>Kingdom of Bahrain</i>	<i>Total</i>
<u>Funded Exposures</u>		
Bank balances	94,121	94,121
Investments	13,804	13,804
Loans	773,906	773,906
Investment in associates	3,992	3,992
Investment properties	59,805	59,805
Development properties	29,729	29,729
Other assets	11,600	11,600
	986,957	986,957
<u>Unfunded Exposures</u>		
Loan related	21,998	21,998
Capital Commitment	12,475	12,475
	34,472	34,472

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 2022:

	<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>
<u>Funded Exposures</u>							
Bank balances	75,120	19,001	-	-	-	-	94,121
Investments	10,173	-	2,615	-	643	372	13,803
Loans	-	-	-	773,906	-	-	773,906
Investment in associates	-	-	3,992	-	-	-	3,992
Investment properties	-	-	59,805	-	-	-	59,805
Development properties	-	-	29,729	-	-	-	29,729
Other assets	85	28	9,147	347	-	1,994	11,601
	85,378	19,029	105,288	774,253	643	2,366	986,957
<u>Unfunded Exposures</u>							
Loan related	-	-	-	21,998	-	-	21,998
Capital Commitment	-	-	12,475	-	-	-	12,475
	-	-	12,475	21,998	-	-	34,472

The Bank has no exposures to highly leveraged or other high risk counterparties as at and for the six months ended 30 June 2022. Further the Bank has no concentration of risk to individual counterparties where the exposure is in excess of the 15% individual obligor limit as of and for the six months ended 30 June 2022.

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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 2022 :

	<i>Eskan Bank</i>	<i>Eskan Property Co.</i>	<i>Dannat Al Luzi</i>	<i>Total</i>
Assets				
Balances with Banks	-	245	2,500	2,745
Inter Bank Deposits	-	1,518	-	1,518
Development Properties	140	-	160	300
Investment properties	87	-	-	87
Investments in subsidiaries	8,651	-	-	8,651
Other Assets	139	104	3,379	3,622
	9,017	1,867	6,039	16,923
Liabilities and Equity				
Non-Bank Deposits	1,518	-	-	1,518
Current Accounts	2,745	-	-	2,745
Other Liabilities	3,483	132	7	3,622
Share Capital & Reserves	(3,262)	555	11,745	9,038
	4,484	687	11,752	16,923

*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 2022 :

	Shareholder	Associates	Directors	Key management
Assets				
Loans	-	-	7	27
Investments in Associates	-	3,992	-	-
Other Assets	-	8	-	59
Liabilities				
Current Accounts	-	-	-	3
Government account	507,317	-	-	-
Other Liabilities	-	-	-	337
Income / (expenses)				
Net share of profit of associates	-	115	-	-
Fees and commission	104	8	-	-
Staff cost	-	-	-	549
Operating expense	-	100	-	-
Impairment Provision	-	131	-	-
Directors' and Shari'ah board remuneration and sitting fees	-	-	38	-

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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 2022 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 2022 :

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	35,028	26,313	31	-	61,372
Retail mortgage commercial loans	602	551	426	1,643	3,222
Other assets	722	51	79	193	1,046
	36,352	26,915	536	1,836	65,640

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	61,372	13,894	21,591
Retail mortgage commercial loans	3,222	38	2,468
Other assets	1,046	-	267
	65,640	13,932	24,326

Impaired loans:

	Loan amount	ECL stage 3
Retail mortgage social loans	83,900	50,138
Retail mortgage commercial loans	2,827	2,549
	86,727	52,687

Table 11: Expected credit loss movement

	Stage 1 & 2	Stage 3	Total
Loans:			
Expected credit loss as 1 January 2022	30,335	55,490	85,825
Net transfer between stages	1,742	(1,742)	-
Write off during the period - social loan	(68)	(2,786)	(2,854)
Release for the period - Social Loans	(2,071)	1,711	(360)
(Release) / Charge for the period- Commercial Loans	(113)	14	(99)
Expected credit loss as 30 June 2022	29,825	52,687	82,512
		Stage 3	Total
Other assets:			
Expected credit loss as 1 January 2022		315	315
Release for the period		(48)	(48)
Expected credit loss as 30 June 2022		267	267

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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 2022 :

Social loans	35,651
Commercial loans	-

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 9.5 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 2022 :

Year	BHD 000's		
	2019	2020	2021
Gross income	31,712	33,107	35,589
Average Gross income			33,469
Multiplier			12.5
			418,363
Eligible portion for purpose of the calculation			15%
Total operation risk weighted exposures			62,750
Minimum capital requirement (12.5%)			7,844

There are no material legal contingencies nor any pending legal actions against the Bank as of and for the six months ended 30 June 2022.

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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 2022, 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
Bank balance	39,139	54,982	-	-	-	-	-	-	-	-	94,121
Investments	2,124	321	4,589	2,316	976	3,478	-	-	-	-	13,804
Loans	-	2,617	5,277	8,012	16,250	153,129	70,420	173,879	299,725	44,597	773,906
Investment in associates	-	-	-	-	-	-	-	-	-	3,992	3,992
Investment properties	-	-	-	-	-	-	-	-	59,805	-	59,805
Development properties	-	-	-	3,578	3,578	22,573	-	-	-	-	29,729
Other assets	45	324	635	9,050	327	854	210	155	-	-	11,600
TOTAL ASSETS	41,308	58,244	10,501	22,956	21,131	180,034	70,630	174,034	359,530	48,589	986,957
Interbank borrowings	10,000	-	-	-	-	-	-	-	-	-	10,000
Customer current accounts	8,892	-	-	-	-	-	-	-	-	-	8,892
Government accounts	-	10,577	-	-	20,000	40,000	-	-	-	436,740	507,317
Term loans	-	-	-	-	-	-	-	75,000	-	-	75,000
Other liabilities	4	295	366	378	951	1,791	1,220	87	-	-	5,092
TOTAL LIABILITIES	18,896	10,872	366	378	20,951	41,791	1,220	75,087	-	436,740	606,301
MISMATCH	22,412	47,372	10,135	22,578	180	138,243	69,410	98,947	359,530	(388,151)	380,656
CUMULATIVE MISMATCH	22,412	69,784	79,919	102,498	102,678	240,921	310,330	409,277	768,807	380,656	380,656

There are no obligations with respect to recourse transactions (i.e. where the asset has been sold, but the Bank retains responsibility for repayment if the original counterparty defaults or fails to fulfil their obligations).

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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 2022 :

	<u>Gross Exposures</u>	<u>Privately Held</u>	<u>Quoted</u>	<u>Risk weighted</u>	<u>Capital charge</u>
FVTOCI	3,630	3,630	-	6,753	844
Investments in associates	3,992	-	3,992	7,983	998
Investments in unconsolidated subsidiaries	8,401	8,401	-	4,200	525

Capital Charge is calculated @ 12.5%.

There has been no sales or liquidations relating to equity position in the banking books as of and for the six months ended 30 June 2022. Further the Bank does not have any equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirement.

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 2022</u>	<u>Changes in</u>	<u>Effect on</u>
	<u>2020</u>	<u>basis points</u>	<u>net profit</u>
		<u>(+/-)</u>	<u>(+/-)</u>
ASSETS			
Placements with financial institutions	92,392	200	1,848
Loans - social loans	1,114,405	200	22,288
Loans - commercial loans	7,004	200	140
Investment in Debt Securities	10,173	200	203
Rate sensitive Assets	<u>1,223,974</u>		<u>24,479</u>
LIABILITIES			
Deposits from financial and other	10,000	200	200
Term Loans	75,000	200	1,500
Rate sensitive Liabilities	<u>85,000</u>	200	<u>1,700</u>
Total			<u>22,779</u>

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Table 17: Reconciliation of published financial balance sheet to regulatory reporting as at 30 June 2022

Particulars	FS	PIR	Ref
ASSETS			
Cash and balances at central banks	75,305	75,305	
Placements with banks and similar financial institutions	19,004	9,608	
of which Expected Credit Loss (stage 1 & 2)	-	2	
Loans and advances to banks and non-banks	773,906	803,731	
of which Expected Credit Loss (stage 1 & 2)	(29,825)	-	a
Investment at fair value through other comprehensive income	3,630	3,630	
Investments at Amortized Cost	10,173	10,173	
Investment properties	59,805	59,805	
Interest in unconsolidated subsidiaries and associated companies - Note 1	3,992	12,392	
Interest receivable	459	436	
Property, plant, and equipment (PPE)	194	194	
Other Assets	40,676	33,490	
of which: intangible assets deducted from regulatory capital	0	499	b
Total Assets (3.1 to 3.10 inclusive)	987,142	1,008,764	
NON-CAPITAL LIABILITIES			
Deposits from banks	10,000	10,000	
Deposits from non-banks	8,892	11,392	
Certificates of deposits issued	-	-	
Debt securities in issue	-	-	
Financial liabilities at fair value through profit and loss	-	-	
Term borrowings	75,000	75,000	
Securities sold under repos	-	-	
Dividend payable	-	-	
Interest payable	202	202	
Other liabilities	512,206	514,842	
Total non-capital items (2.1 to 2.10 inclusive)	606,300	611,436	
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	22,461	22,461	e
Retained earnings/(losses) brought forward	171,022	167,838	f
Net (loss) for the period	-	-	
Net profit for the period	15,505	15,013	g
Innovative capital instruments	-	-	
Minority interest in subsidiaries' share capital	9,664	-	
Fx translation adjustment	-	-	
Fixed assets revaluation reserves	-	-	
Cumulative fair value changes on FVOCI investments	(572)	(572)	h
Expected credit losses (Stages 1 & 2)	-	29,826	a
of which eligible for T2	-	2,039	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)	380,842	397,328	
Total capital and non-capital items (1.18 + 2.11)	987,142	1,008,764	

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 2022 (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	22,652	21,902

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Table 18: Composition of Capital Common Disclosure Template as at 30 June 2022

	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	167,838	f
3	Accumulated other comprehensive income (and other reserves)	91,936	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)	(572)	h
7	Common Equity Tier 1 capital before regulatory adjustments	367,502	
	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)	499	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	499	
30	Common Equity Tier 1 capital (CET1)	367,003	
	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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As at 30 June 2022

Table 18: Composition of Capital Common Disclosure Template as at 30 June 2022 (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)	367,003	
	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	2,039	i
51	Tier 2 capital before regulatory adjustments	2,039	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)	2,039	i
59	Total capital (TC = T1 + T2)	369,042	
60	Total risk weighted assets	225,849	
	Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	162%	
62	Tier 1 (as a percentage of risk weighted assets)	162%	
63	Total capital (as a percentage of risk weighted assets)	163%	
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)	162%	
	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)	29,826	a
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,039	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		

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All Amounts in BD '000

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