

Eskan Bank B.S.C. (c)
Basel III, Pillar III Disclosures
30 June 2023

Eskan Bank B.S.C. (c)

Basel III, Pillar III Disclosures

As at 30 June 2023

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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 2023.

Components of capital	CET1	AT1	T2
Tier 1 Capital			
Common Equity Tier 1 (CET1)			
Issued and fully paid ordinary shares	108,300	-	-
General reserves	41,484	-	-
Statutory reserves	54,462	-	-
Retained earnings	198,492	-	-
Current interim profits	17,153	-	-
Cumulative fair value changes on FVOCI investments (Equities)	(108)	-	-
Total CET 1 Capital prior to the regulatory adjustments	419,783	-	-
Less: Regulatory adjustments			
Intangibles other than mortgage servicing rights	508		
Total CET 1 Capital after the regulatory adjustments	419,275	-	-
Other Capital (AT1 & T2)			
Expected Credit Losses (ECL) Stages 1 & 2 (1.25% of credit risk weighted assets)	-	-	2,208
Net available Capital	419,275	-	2,208
Total Capital			421,483

There has been no changes in the capital structure nor acquisition of new business or discontinued operation during the period ended 30 June 2023.

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%			
Tier 1 (T1)		8.0%		
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 2023 :

CET1 Capital Adequacy Ratio	171.59%
T1 Capital Adequacy Ratio	171.59%
Total Capital Adequacy Ratio	172.49%

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 2023 :

Credit Risk Weighted Exposures- Standardized Approach	176,662
Operational Risk Weighted Exposures- Basic indicator approach	67,688
Market Risk Weighted Exposures- Standardized Approach*	-
Total Risk Weighted Exposures	244,350

*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 period ended 30 June 2023.

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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 2023:

	<i>Gross Exposures**</i>	<i>* Average Exposures</i>
Funded Exposure		
Bank balances	53,232	65,972
Investments	3,438	3,463
Loans	860,110	842,853
Investment in associates	4,020	3,974
Investment properties	64,303	63,326
Development properties	33,807	35,687
Other assets	2,683	2,763
	1,021,593	1,018,037
Unfunded Exposure		
Loan related	46,361	46,093
Capital Commitments	12,487	12,214
	58,848	58,307

* 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 2023:

	<i>*** Gross Exposures</i>	<i>Risk Weighted Exposures</i>	<i>** Capital Charge</i>
Standard Portfolio			
Cash items	214	-	-
Claims on sovereign	937,661	-	-
Claims on Banks	350	70	9
Claims on investment firms	242	121	15
Mortgage	3,723	2,792	349
Past due exposure	120	120	15
Equity investments	315	473	59
All other holdings of real estate *	122,871	171,803	21,475
Other assets	1,283	1,283	160
	1,066,779	176,662	22,083

* Includes real estate exposure relating to social housing projects amounting BD 49,293 thousand which are credit risk weighted at 50% as per CBB concessions and have capital charge of BD 24,647 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 2023.

Securitisation exposure:

The Bank does not have securitisation exposures as of and during the period ended 30 June 2023.

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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 2023:

	<i>Kingdom of Bahrain</i>	<i>Total</i>
<u>Funded Exposures</u>		
Bank balances	53,232	53,232
Investments	3,438	3,438
Loans	860,110	860,110
Investment in associates	4,020	4,020
Investment properties	64,303	64,303
Development properties	33,807	33,807
Other assets	2,683	2,683
	1,021,593	1,021,593
<u>Unfunded Exposures</u>		
Loan related	46,361	46,361
Capital Commitment	12,487	12,487
	58,848	58,848

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 2023:

	<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	52,567	451	-	-	-	214	53,232
Investments	560	-	2,563	-	-	315	3,438
Loans	-	-	-	860,110	-	-	860,110
Investment in associates	-	-	4,020	-	-	-	4,020
Investment properties	-	-	64,303	-	-	-	64,303
Development properties	-	-	33,807	-	-	-	33,807
Other assets	192	242	76	380	-	1,792	2,683
	53,319	694	104,769	860,490	-	2,321	1,021,593
<u>Unfunded Exposures</u>							
Loan related	-	-	-	46,361	-	-	46,361
Capital Commitment	-	-	12,487	-	-	-	12,487
	-	-	12,487	46,361	-	-	58,848

The Bank has no exposures to highly leveraged or other high risk counterparties as at and for the period ended 30 June 2023. 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 period ended 30 June 2023.

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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 2023 :

	<i>Eskan Bank</i>	<i>Eskan Property Co.</i>	<i>Dannat Al Luzi</i>	<i>Total</i>
Assets				
Balances with Banks	-	454	386	840
Inter Bank Deposits	-	1,251	14,470	15,721
Development Properties	157	-	161	318
Investment properties	88	-	-	88
Investments in subsidiaries	19,119	-	-	19,119
Other Assets	142	143	5,041	5,326
	19,506	1,848	20,058	41,412
Liabilities and Equity				
Non-Bank Deposits	15,721	-	-	15,721
Current Accounts	840	-	-	840
Other Liabilities	5,179	133	14	5,326
Share Capital & Reserves	582	74	18,869	19,525
	22,322	207	18,883	41,412

*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 2023 :

	Shareholder	Associates	Directors	Key management
Assets				
Loans	-	-	21	24
Investments in Associates	-	4,020	-	-
Other Assets	-	-	-	51
Liabilities				
Current Accounts	-	-	0.1	2
Government account	493,304	-	-	-
Other Liabilities	-	-	14	423
Income / (expenses)				
Net share of profit of associates	-	145	-	-
Fees and commission	188	8	-	-
Staff cost	-	-	-	593
Operating expense	-	142	-	-
Impairment Provision	-	17	-	-
Directors' and Shari'ah board remuneration and sitting fees	-	-	41	-

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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 2023 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 2023 :

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	41,626	27,341	13,957	10.16	82,934
Retail mortgage commercial loans	425	241	239	-	905
Other assets	758	80	46	201	1,085
	42,809	27,661	14,242	211	84,924

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	82,934	9,069	26,522
Retail mortgage commercial loans	905	89	386
Other assets	1,085	-	255
	84,924	9,157	27,164

Impaired loans:

	Loan amount	ECL stage 3
Retail mortgage social loans	51,000	30,618
Retail mortgage commercial loans	629	472
	51,629	31,090

Table 11: Expected credit loss movement

	Stage 1 & 2	Stage 3	Total
Loans:			
Expected credit loss as 1 January 2023	32,690	36,439	69,128
Net transfer between stages	6,438	(6,438)	-
Write off during the period - social loan	(96)	(1,543)	(1,639)
Write off during the period - Commercial Loans	-	(13)	(13)
(Release) / Charge for the period - Social Loans	(20,564)	2,622	(17,942)
Release for the period- Commercial Loans	(46)	23	(23)
Expected credit loss as 30 June 2023	18,422	31,090	49,512
Other assets:			
Expected credit loss as 1 January 2022		251	251
Charge for the period		4	4
Expected credit loss as 30 June 2023		255	255

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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 2023 :

Social loans	348
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 132 Thousands, 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 2023 :

Year	BHD 000's		
	2020	2021	2022
Gross income	33,107	35,589	39,613
Average Gross income			36,103
Multiplier			12.5
			451,288
Eligible portion for purpose of the calculation			15%
Total operation risk weighted exposures			67,688
Minimum capital requirement (12.5%)			8,461

There are no material legal contingencies nor any pending legal actions against the Bank as of and for the year ended 30 June 2023.

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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 2023, 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	36,232	17,000	-	-	-	-	-	-	-	-	53,232
Investments	-	-	69	-	141	3,228	-	-	-	-	3,438
Loans	-	2,941	5,944	9,083	18,519	56,463	77,659	195,527	364,903	129,069	860,110
Investment in associates	-	-	-	-	-	-	-	-	-	4,020	4,020
Investment properties	-	-	-	-	-	-	12,861	12,861	38,582	-	64,303
Development properties	-	-	-	-	9,389	24,418	-	-	-	-	33,807
Other assets	158	300	567	231	335	763	217	112	-	-	2,683
TOTAL ASSETS	36,390	20,241	6,580	9,314	28,384	84,872	90,737	208,499	403,484	133,089	1,021,593
Interbank borrowings	5,000	5,000	-	-	-	-	-	-	-	-	10,000
Customer current accounts	8,885	-	-	-	-	-	-	-	-	-	8,885
Government accounts	-	3,723	-	20,000	-	20,000	-	-	-	449,582	493,304
Term loans	-	-	-	-	-	-	-	75,000	-	-	75,000
Other liabilities	10	654	4,823	1,703	353	1,423	1,325	3	-	-	10,291
TOTAL LIABILITIES	13,895	9,376	4,823	21,703	353	21,423	1,325	75,003	-	449,582	597,481
MISMATCH	22,495	10,865	1,758	(12,388)	28,031	63,450	89,413	133,496	403,484	(316,492)	424,112
CUMULATIVE MISMATCH	22,495	33,360	35,118	22,730	50,761	114,211	203,623	337,120	740,604	424,112	424,112

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 2023 :

	<u>Gross Exposures</u>	<u>Privately Held</u>	<u>Quoted</u>	<u>Risk weighted</u>	<u>Capital charge</u>
FVTOCI	2,878	2,878	-	5,599	700
Investments in associates	4,020	-	4,020	8,040	1,005
Investments in unconsolidated subsidiaries	18,869	18,869	-	9,434	1,179

Capital Charge is calculated @ 12.5%.

The Bank sold one FVOCI equity investment at net book value i.e. no realized gains (or losses) have been recognized as a result of the sale transaction. 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 2023</u>	<u>Changes in basis points</u>	<u>Effect on net profit</u>
		<u>(+/-)</u>	<u>(+/-)</u>
ASSETS			
Placements with financial institutions	49,000	200	980
Loans - social loans	1,170,417	200	23,408
Loans - commercial loans	4,305	200	86
Investment in Debt Securities	560	200	11
Rate sensitive Assets	<u>1,224,281</u>		<u>24,486</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>22,786</u>

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Table 17: Reconciliation of published financial balance sheet to regulatory reporting as at 30 June 2023

Particulars	FS	PIR	Ref
ASSETS			
Cash and balances at central banks	52,781	52,781	
Placements with banks and similar financial institutions	451	350	
of which Expected Credit Loss (stage 1 & 2)	0	-	
Loans and advances to banks and non-banks	909,622	878,532	
of which Expected Credit Loss (stage 1 & 2)	-49,512	-	a
Investment at fair value through other comprehensive income	2,878	2,878	
Investments at Amortized Cost	560	560	
Investment properties	64,303	64,303	
Interest in unconsolidated subsidiaries and associated companies - Note 1	4,020	22,888	
Interest receivable	573	573	
Property, plant, and equipment (PPE)	691	183	
Other Assets	35,226	32,348	
of which: intangible assets deducted from regulatory capital	0	508	b
Total Assets (3.1 to 3.10 inclusive)	1,021,593	1,055,396	
NON-CAPITAL LIABILITIES			
Deposits from banks	10,000	10,000	
Deposits from non-banks	8,885	23,742	
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	1,542	1,615	
Other liabilities	502,054	506,834	
Total non-capital items (2.1 to 2.10 inclusive)	597,481	617,191	
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	41,484	41,484	e
Retained earnings/(losses) brought forward*	202,216	198,492	f
Net (loss) for the period	-	-	
Net profit for the period	17,759	17,153	g
Innovative capital instruments	-	-	
Minority interest in subsidiaries' share capital	-	-	
Fx translation adjustment	-	-	
Fixed assets revaluation reserves	-	-	
Cumulative fair value changes on FVOCI investments	(108)	(108)	h
Expected credit losses (Stages 1 & 2)	-	18,422	a
of which eligible for T2	-	2,208	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)	424,112	438,205	
Total capital and non-capital items (1.18 + 2.11)	1,021,593	1,055,396	

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 2023 (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	23,559	23,359

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Table 18: Composition of Capital Common Disclosure Template as at 30 June 2023

	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	198,492	f
3	Accumulated other comprehensive income (and other reserves)	113,099	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)	(108)	h
7	Common Equity Tier 1 capital before regulatory adjustments	419,783	
	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)	508	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	508	
30	Common Equity Tier 1 capital (CET1)	419,275	
	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 2023 (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)	419,275	
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	2,208	i
51	Tier 2 capital before regulatory adjustments	2,208	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)	2,208	i
59	Total capital (TC = T1 + T2)	421,483	
60	Total risk weighted assets	244,350	
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)	172%	
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)	18,422	a
77	Cap on inclusion of provisions in Tier 2 under standardised approach	2,208	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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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