

Eskan Bank B.S.C. (c)
Basel III, Pillar III Disclosures
30 June 2018

Eskan Bank B.S.C. (c)

Basel III, Pillar III Disclosures

As at 30 June 2018

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Table 1: CAPITAL STRUCTURE

The following table summarizes the eligible capital after deductions for Capital Adequacy Ratio (CAR) calculation as of 30 June 2018.

	<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	23,946		
Statutory reserves	54,462	-	-
Retained earnings	68,999	-	-
Current interim profits	12,195	-	-
Total CET 1 Capital prior to the regulatory adjustments	267,902	-	-
Less: Regulatory adjustments			
Intangibles other than mortgage servicing rights	520		
Total CET 1 Capital after the regulatory adjustments	267,382	-	-
Other Capital (AT1 & T2)			
Expected Credit Losses (ECL) Stages 1 & 2 (1.25% of credit risk weighted assets)	-	-	1,868
Net available Capital	267,382	-	1,868
Total Capital			269,250

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%		10.5%
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 2018 :

CET1 Capital Adequacy Ratio	139%
T1 Capital Adequacy Ratio	139%
Total Capital Adequacy Ratio	140%

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 2018 :

Credit Risk Weighted Exposures- Standardized Approach	149,450
Operational Risk Weighted Exposures- Basic indicator approach	43,138
Market Risk Weighted Exposures- Standardized Approach	-
Total Risk Weighted Exposures	192,588

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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 and average gross funded and unfunded exposures as of 30 June 2018 :

	Gross Exposures	* Average Exposures
Funded Exposure		
Cash and bank balances	92,552	65,639
Investments	15,014	14,238
Loans	608,515	607,127
Investment in associates	5,615	5,623
Investment properties	53,443	53,459
Development properties	19,754	18,897
Other assets	3,910	3,570
	798,803	768,553
Unfunded Exposure		
Loan related	9,837	9,246
Lease commitments	416	442
Capital Commitments	13,953	14,681
	24,206	24,369

* Average balances are computed based on quarter end balances.

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

The following table summarises the regulatory capital requirements for risk by type of standard portfolios that are subject to standardised approach as of 30 June 2018:

Standard Portfolio	* Gross Exposures	Risk Weighted Exposures	** Capital Charge
Cash items	137	-	-
Claims on sovereign	698,482	-	-
Claims on Banks	9,212	1,842	230
Claims on investment firms	365	183	23
Mortgage	8,511	6,383	798
Past due exposure	1,529	1,529	191
Equity investments	1,402	2,103	263
All other holdings of real estate *	76,578	135,296	16,912
Other assets	2,114	2,114	264
	798,330	149,450	18,681

*Other claims (amounting to BD 11,907 thousand) which are credit risk weighted at 50% and have capital charge of BD 744 thousand is included in all other holdings of real estate.

** Capital charge is calculated at 12.5%.

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 2018.

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

The following table summarises the geographic distribution of exposures, broken down into significant areas by major types of exposure as of 30 June 2018 :

	<i>Kingdom of Bahrain</i>	<i>Total</i>
<u>Funded Exposures</u>		
Cash and bank balances	92,552	92,552
Investments	15,014	15,014
Loans	608,515	608,515
Investment in associates	5,615	5,615
Investment properties	53,443	53,443
Development properties	19,754	19,754
Other assets	3,910	3,910
	798,803	798,803
<u>Unfunded Exposures</u>		
Loan related	9,837	9,837
Lease commitments	416	416
Capital Commitment	13,953	13,953
	24,206	24,206

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 by industry type as of 30 June 2018:

	<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>							
Cash and bank balances	82,957	9,595	-	-	-	-	92,552
Investments	10,357	-	3,273	-	1,116	268	15,014
Loans	-	-	-	608,515	-	-	608,515
Investment in associates	-	-	5,615	-	-	-	5,615
Investment properties	-	-	53,443	-	-	-	53,443
Development properties	-	-	19,754	-	-	-	19,754
Other assets	-	475	893	473	-	2,069	3,910
	93,314	10,070	82,978	608,988	1,116	2,337	798,803
<u>Unfunded Exposures</u>							
Loan related	-	-	-	9,837	-	-	9,837
Lease commitments	-	-	-	-	-	416	416
Capital Commitment	-	-	13,953	-	-	-	13,953
	-	-	13,953	9,837	-	416	24,206

The above includes exposures (BD 93 Million) to one counterparty, which are in excess of 15 percent of the Bank's capital base and are exempt exposures under the CM module of the Rule book issued by the Central Bank of Bahrain.

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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 2018 :

	<i>Eskan Bank</i>	<i>RMBS Co</i>	<i>Eskan Property Co.</i>	<i>Dannat Al Luzi</i>	<i>Total</i>
Assets					
Balances with Banks	-	47	331	-	378
Inter Bank Deposits	-	-	820	-	820
Development Properties	72	-	-	144	216
Investment properties	0.34	-	-	-	0.34
Investments in subsidiaries	8,652	-	-	-	8,652
Other Assets	2,681	12,458	189	-	15,328
	11,405	12,505	1,340	144	25,394
Liabilities and Equity					
Non-Bank Deposits	820	-	-	-	820
Current Accounts	378	-	-	-	378
Other Liabilities	12,601	2,344	319	60	15,324
Share Capital & Reserves	65	1	354	8,452	8,872
	13,864	2,345	673	8,512	25,394

Table 9: RELATED PARTY TRANSACTIONS

The following table summarises related party exposure as of 30 June 2018 :

	Associates	Directors	Key management	Subsidiaries
Assets				
Loans	-	91	40	-
Development Properties	-	-	-	72
Investment Properties	-	-	-	0.34
Investments in Associates	5,615	-	-	-
Investments in subsidiaries	-	-	-	8,652
Other Assets	150	-	49	2,681
Liabilities				
Non-Bank Deposits	-	-	-	820
Current Accounts	1,068	0	0	378
Other Liabilities	-	82	122	12,601
Income / (expenses)				
Net share of profit of associates	152	-	-	-
Fees and commission	8	-	-	36
Staff cost	-	-	453	-
sitting fees	-	50	-	-

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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 2018 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 2018 :

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	33,854	23,175	17,443	14,199	88,671
Retail mortgage commercial loans	1,677	580	935	1,013	4,205
Other assets	6	280	168	69	523
	35,537	24,035	18,546	15,281	93,399

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

	Total amount	ECL stage 1 & 2 (collective provisions)	ECL stage 3 (Specific provisions)
Retail mortgage social loans	88,671	2,280	6,553
Retail mortgage commercial loans	4,205	124	1,229
Other assets	523	-	-
	93,399	2,404	7,782

Impaired loans:

	Loan amount	ECL stage 3
Retail mortgage social loans	70,087	7,924
Retail mortgage commercial loans	3,355	1,356
	73,442	9,280

Table 11: Expected credit loss movement

	Stage 1 & 2 (collective provisions)	Stage 3 (Specific provisions)	Total
Expected credit loss as 1 January 2018	3,336	9,170	12,506
Net transfer between stages	(844)	844	-
Write off during the period	(31)	(14)	(45)
Charge/(release) for the period - Social Loans	622	(411)	211
Charge/(release) for the period- Commercial Loans	110	(309)	(199)
Expected credit loss as 30 June 2018	3,193	9,280	12,473

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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

Social loans	16
Commercial loans	-

There is no significant impact of the restructured commercial mortgage loans on the provisions as well as present and future earnings. In addition, the magnitude of the restructuring activities related to the commercial mortgage loans is immaterial.

The social loans are restructured based on the instructions of the Ministry of Housing. The total expected credit loss of such facilities is BD 1,460, which is borne by Government of Bahrain as per the Memorandum of Understanding 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 2018 :

	BHD 000's		
Year	2015	2016	2017
Gross income	18,310	21,512	29,198
Average Gross income			23,007
Multiplier			12.5
			287,583
Eligible portion for purpose of the calculation			15%
Total operation risk weighted exposures			43,138
Minimum capital requirement (12.5%)			5,392

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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 2018, 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	79,565	12,987			-	-	-	-	-	-	92,552
Investments	1,091	2,347	5,867	597	-	478	4,635	-	-	-	15,015
Loans	50	871	4,046	6,142	12,481	50,141	54,456	141,788	245,735	92,805	608,515
Investment in associates	-	-	442	-	-	-	5,173	-	-	-	5,615
Investment property	-	-	-	-	-	-	-	-	53,443	-	53,443
Development property	-	-	150	-	-	19,604	-	-	-	-	19,754
Other assets	1,391	65	706	98	42	712	895	-	-	-	3,909
TOTAL ASSETS	82,097	16,270	11,211	6,837	12,523	70,935	65,159	141,788	299,178	92,805	798,803
Deposits from financial and other institutions	13,000	7,000	-	-	-	-	-	-	-	-	20,000
Customer current accounts	3,564	-	-	-	-	-	-	-	-	-	3,564
Government accounts	52,970	-	-	10,000	-	-	-	-	-	352,606	415,576
Term loans	-	-	-	-	10,000	70,000	-	-	-	-	80,000
Other liabilities	77	1,099	591	402	918	2,116	-	-	-	-	5,203
TOTAL LIABILITIES	69,611	8,099	591	10,402	10,918	72,116	-	-	-	352,606	524,343
MISMATCH	12,486	8,171	10,620	(3,565)	1,605	(1,181)	65,159	141,788	299,178	(259,801)	274,460
CUMULATIVE MISMATCH	12,486	20,657	31,277	27,712	29,317	28,136	93,295	235,083	534,261	274,460	274,460

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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 2018:

	Gross Exposures	Privately Held	Quoted	Capital Charge
FVTOCI	4,657	4,657	-	1,078
Investments in associates	5,615	442	5,173	1,404
Investments in unconsolidated subsidiaries	8,401	8,401	-	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:

LIABILITIES	1-7 Days	7 Days - 1 Month	1-3 Months	3-6 Months	6-12 Months	1-3 years	Total
Deposits from financial and other institutions	13,000	7,000	-	-	-	-	20,000
Term Loans	-	-	-	-	10,000	70,000	80,000
Rate sensitive Liabilities	13,000	7,000	-	-	10,000	70,000	100,000
ASSETS							
Balances and placements with financial institutions	78,958	12,987	-	-	-	-	91,945
Investment in Debt Securities	1,091	2,347	5,867	597	-	478	10,380
Rate sensitive Assets	80,049	15,334	5,867	597	-	478	102,325
Mismatch	67,049	8,334	5,867	597	(10,000)	(69,522)	2,325
	4	19	60	135	270	1,440	
Change in Basis Points (+/- 200)	15	8	19	4	(148)	(5,486)	(5,587)

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Table 17: Reconciliation of published financial balance sheet to regulatory reporting as at 30 June 2018

Particulars	FS	PIR	Ref
ASSETS			
Cash and balances at central banks	83,094	83,094	
Placements with banks and similar financial institutions	9,471	9,212	
of which Expected Credit Loss (stage 1 & 2)	(13)	-	a
Loans and advances to banks and non-banks	611,708	611,708	
of which Expected Credit Loss (stage 1 & 2)	(3,193)	-	a
Investment at fair value through other comprehensive income	4,657	4,657	
Investments at Amortized Cost	10,357	10,357	
Investment properties	53,443	53,443	
Interest in unconsolidated subsidiaries and associated companies - Note 1	5,615	14,016	
Interest receivable	583	583	
Property, plant, and equipment (PPE)	260	260	
Other Assets	22,820	7,736	
of which: intangible assets deducted from regulatory capital	-	520	b
Total Assets (3.1 to 3.10 inclusive)	798,803	795,066	
NON-CAPITAL LIABILITIES			
Deposits from banks	20,000	20,006	
Deposits from non-banks	3,564	3,558	
Certificates of deposits issued	-	-	
Debt securities in issue	-	-	
Financial liabilities at fair value through profit and loss	-	-	
Term borrowings	80,000	80,000	
Securities sold under repos	-	-	
Dividend payable	-	-	
Interest payable	178	178	
Other liabilities	420,600	420,216	
Total non-capital items (2.1 to 2.10 inclusive)	524,342	523,958	
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	23,946	23,946	e
Retained earnings/(losses) brought forward	68,914	68,999	f
Net (loss) for the current period	-	-	
Net profit for the current period	12,175	12,195	g
Innovative capital instruments	-	-	
Minority interest in subsidiaries' share capital	6,664	-	
Fx translation adjustment	-	-	
Fixed assets revaluation reserves	-	-	
Expected credit losses (Stages 1 & 2)	-	3,206	
of which eligible for T2	-	1,868	a
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)	274,461	271,108	
Total capital and non-capital items (1.18 + 2.11)	798,803	795,066	

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 2018 (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	15,547	15,103

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Table 18: Composition of Capital Common Template (transition) as at 30 June 2018.

		Component of regulatory capital reported by bank	Amounts subject to pre 2015 treatment	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				
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	108,300		c
2	Retained earnings	68,999		f
3	Accumulated other comprehensive income (and other reserves)	90,603		d+e+g
4	Not Applicable			
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)			
6	Common Equity Tier 1 capital before regulatory adjustments	267,902		
Common Equity Tier 1 capital: regulatory adjustments				
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)			
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	520	b
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)			
11	Cash-flow hedge reserve			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)			
14	Not applicable.			
15	Defined-benefit pension fund net assets			
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)			
17	Reciprocal cross-holdings in common equity			
18	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)			
19	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)			
20	Mortgage servicing rights (amount above 10% threshold)			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)			
22	Amount exceeding the 15% threshold			
23	of which: significant investments in the common stock of financials			
24	of which: mortgage servicing rights			
25	of which: deferred tax assets arising from temporary differences			
26	National specific regulatory adjustments			
	REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT	520		b
	OF WHICH: [INSERT NAME OF ADJUSTMENT]			
	OF WHICH: ...			
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions			
28	Total regulatory adjustments to Common equity Tier 1	520	520	
29	Common Equity Tier 1 capital (CET1)	267,382		
Additional Tier 1 capital: instruments				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus			
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards			
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	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)			
35	of which: instruments issued by subsidiaries subject to phase out			
36	Additional Tier 1 capital before regulatory adjustments	-		
Additional Tier 1 capital: regulatory adjustments				
37	Investments in own Additional Tier 1 instruments			
38	Reciprocal cross-holdings in Additional Tier 1 instruments			
39	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)			
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)			
41	National specific regulatory adjustments			

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Table 18: Composition of Capital Common Template (transition) as at 30 June 2018 (continued).

		Component of regulatory capital reported by bank	Amounts subject to pre 2015 treatment	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				
	REGULATORY ADJUSTMENTS APPLIED TO ADDITIONAL TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
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)	267,382		
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	3,206		a
51	Tier 2 capital before regulatory adjustments	3,206		
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			
	REGULATORY ADJUSTMENTS APPLIED TO TIER 2 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
	Of which: Expected Credit Losses (ECL) Stages 1 & 2 (1.25% of credit risk weighted assets)	1,868		a
57	Total regulatory adjustments to Tier 2 capital	1,868		a
58	Tier 2 capital (T2)	1,868		
59	Total capital (TC = T1 + T2)	269,250		
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT			
60	Total risk weighted assets	192,588		
Capital ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	139.0%		
62	Tier 1 (as a percentage of risk weighted assets)	139.0%		
63	Total capital (as a percentage of risk weighted assets)	140.0%		
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)	139%		
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)	3,206		a
77	Cap on inclusion of provisions in Tier 2 under standardised approach	1,868		
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 2018

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 and Tier 2
5	Post-transitional CBB rules	Not applicable
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