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PRIVATE AND CONFIDENTIAL

28 April 2021

Mr. Sanjeev Paul
Chief Executive Officer
Bahrain Development Bank B.S.C. (c)
P. O. Box 20501
Manama
Kingdom of Bahrain

Bahrain Development Bank B.S.C. (c) (the "Bank") and together with its subsidiaries (the "Group")
Agreed-upon procedures relating to compliance with Public Disclosure Module issued by the Central Bank of Bahrain for the year ended 31 December 2020

Dear Sir

We have performed the procedures agreed with you and enumerated in the attached Appendix A relating to the disclosures made by the Group as required by the Public Disclosure Module ("Module PD") issued by the Central Bank of Bahrain (the "CBB"). Our engagement was undertaken in accordance with the International Standard on Related Services 4400 applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating whether the disclosures for the year ended 31 December 2020 comply with the requirements of Module PD. The preparation of these disclosures is the responsibility of the management of the Group.

Because the procedures listed in Appendix A do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the disclosures made for the year ended 31 December 2020.

Had we performed additional procedures or had we performed an audit or review of the consolidated financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for the information of the Group and the CBB and is not to be used for any other purpose or to be distributed to any other parties. This report relates only to the disclosures made for the year ended 31 December 2020 and does not extend to any consolidated financial statements of the Group, taken as a whole.

Yours faithfully

Ernst + Young

Manama, Kingdom of Bahrain

Attachment: Appendix A – Pillar III disclosures – Basel III, stamped for identification purposes

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	General requirements (PD–A.2)		
1	We have checked whether the Group has a formal disclosure policy as part of the management's overall communications strategy approved by the Board of Directors (and supported by documented procedures) that addresses the disclosures made by the Group and the internal controls over the disclosure process. We have also noted the date of approval by the Board. (PD-A.2.1)	Annual and semi-annual	Management has represented to us that the Group has a formal disclosure policy as part of the management's overall communications strategy approved by the Board of Directors in October 2018 (and supported by documented procedures), which addresses the disclosures made by the Group and the internal controls over the disclosure process, as required by PD-A.2.1.
2	We have enquired whether the Group carries out a regular review of the validity of its disclosures (in terms of scope and accuracy) as outlined in Module BR-5.2 and AU-3.2. (PD-A.2.1)	Annual and semi-annual	Management has represented to us that the Group performs a regular review of the validity of its disclosures (in terms of scope and accuracy) as outlined in Module BR-5.2 and AU-3.2.
3	We have checked whether the Group has published their annual audited and reviewed quarterly consolidated financial statements as per the rules set out in the PD Module and CBB Law, Bahrain Commercial Companies Law (as amended), the Rulebook of the licensed exchange and Volume 6 (Capital Markets), where applicable. We have also checked whether such financials were prepared in accordance with International Financial Reporting Standards (PD-A.2.2).	Annual and semi-annual	The Group has published their annual audited and reviewed quarterly consolidated financial statements as per the rules set out in the PD module and CBB Law, Bahrain Commercial Companies Law (as amended) and the Bahrain Bourse regulations (PD-A.2.2). Such financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), as modified by the CBB.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
4	We have enquired whether the Group has maintained an up-to-date checklist of all applicable IFRS and also the disclosure requirements set out in PD module for full compliance purposes and whether such checklists are part of the Group's public disclosure procedures (PD-A.2.3).	Annual and semi-annual	No exceptions were noted.
5	We have checked whether the Group has made the disclosures specified in the PD Module, which are in addition to those required by applicable accounting standards, on which the Group's external auditors are required to issue an agreed upon procedures report (unless IFRS require that the concerned disclosures are audited). (PD-A.2.4) We have also checked whether the disclosures required by the PD Module are presented as an accompanying document or appendices to the Annual Report or in the notes to the financial statements at the discretion of the Group. We have also checked whether these disclosures have been placed on the Group's website as required by the PD Module. (PD-A.2.4A)	Annual and semi-annual Annual	The Group has made the disclosures specified in the PD Module in the public disclosures document and the reviewed consolidated financial statements for the year ended 31 December 2020, and our observations are noted in this report against the respective procedures. Management has represented to us that the disclosures required by the PD Module will be presented as an accompanying document to the Annual Report for the year ended 31 December 2020.
6	We checked whether statements forming part of the Annual Report such as the Chairman's report are consistent with the audited financial statements and the disclosures required by the PD Module. We have also checked whether all qualitative or descriptive disclosures in the Annual Report are based upon and reflective of facts and actual practice by the Group. (PD-A.2.5)	Annual	No exceptions were noted.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
7	In case of situations where disclosures required in the PD Module are in conflict with those required under IFRS and/or Bahrain Bourse listing requirements, we have checked whether the Group has followed the CBB's requirements in Volume 6 (Capital Markets). Further, in such situations, we have also checked whether the Group has explained any material differences between the accounting or other disclosures and the disclosure required in the PD Module. Note: As per PD Module, this explanation does not have to take the form of a line by line reconciliation, but should provide stakeholders with sufficient detail to make an objective assessment of the Group's financial and operational health. Moreover, a formal notification to the Central Bank of Bahrain is required in such a situation. (PD-A.2.6)	Annual and semi-annual	Management has represented to us that there were no instances of conflict between disclosures required in the PD Module with those required under IFRS. Hence, this procedure is not applicable. Further, the licensed exchange listing requirements do not apply to the Group since it is not listed.
8	We have checked whether the disclosures referred to in the PD Module have been made at the top consolidated level of a banking group (i.e. at the level of the parent bank in Bahrain). We have enquired whether, disclosures related to individual banks within a banking group have been made where listing requirements or differing accounting requirements would make separate disclosure necessary. (PD-A.2.9)	Annual and semi-annual	Management has represented to us that no separate disclosures are required with respect to individual subsidiaries within the Group in terms of clause PD-A.2.9 of the PD Module, thus the disclosures referred to in the PD Module have been made at the top consolidated level of the BDB Group (i.e. at the level of the parent Bank in Bahrain) and our observations are as noted in this report from procedures 1 through 78. Furthermore, management has represented to us that there are no financial subsidiaries of the Group to be consolidated for regulatory capital purposes and therefore there is no disclosure required.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
9	We have checked whether the Group has followed a 3-step approach to provide a full reconciliation of all regulatory capital elements back to the published financial statements. (PD-A.2.10)	Annual and semi-annual	No exceptions were noted.
10	We have checked whether the Group has used a common template (Appendix PD-3) to provide a description of the main features of regulatory capital instruments issued (PD-A.2.11) and disclosed the full terms and conditions of all outstanding capital instruments on the Group's website. (PD-A.2.12)	Annual and semi-annual	No exceptions were noted.
11	We have checked whether the Group used a modified version of the post 1 January 2019 template as mentioned in PD-A.2.15. This template is established to disclose the components of capital that are benefiting from the traditional arrangements. (PD-A.2.13).	Annual and semi-annual	The Group has used the template as per Appendix PD-4 in relation to disclosures of components of capital that are benefitting from the transitional adjustments. *In the opinion of management of the Group, Appendix PD-1 is not applicable for the year ended 31 December 2020 as the scope of regulatory consolidation and accounting consolidation is identical.*
12	We have checked whether the Group has submitted its annual audited financial statements to the Central Bank of Bahrain within 3 months of the end of the Group's financial year (as required by Article 62 of the CBB Law). (PD-1.2.1). We have also checked whether the Group's annual audited financial statements are audited by their external auditors. (PD-1.2.1)	Annual	The Group has submitted its annual audited consolidated financial statements to the CBB within 3 months of the end of the Group's financial year. No exceptions were noted.
13	We have checked whether the Group has placed the annual audited financial statements on their website (see also PD-1.3.8(h)) within one week of submission to the CBB. (PD-1.2.2)	Annual	Management has represented to us that the Group placed extracts from their annual audited financial statements on their website within one week of submission to the CBB.
14	We have checked whether the Group has published extracts from their annual audited financial statements in one Arabic and one English daily newspaper within 2 months of the end of the financial year. We have also checked whether the newspaper disclosures were placed on the Group's website within 1 week of publication. (PD-1.2.3)	Annual	The Group has published extracts from their annual audited financial statements in one Arabic and one English daily newspaper within 2 months of the end of the financial year. Management has represented to us that the newspaper extracts of the annual audited consolidated financial statements were placed on the Group's website within the prescribed timeframe.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
15	We have checked whether the newspaper disclosures included a reference to the fact that the published figures "have been extracted from financial statements audited by Ernst & Young auditors, who expressed an unqualified opinion on (dated report)". *Note: Bank must disclose in full any audit qualifications or matter of emphasis paragraphs contained within the auditor's opinion. The auditor's opinion must be made in accordance with International Standards on Auditing as established by the International Federation of Accountants (as appropriate).* (PD-1.2.4)	Annual	No exceptions were noted.
16	We have checked that the Group has submitted a newspaper copy of the published annual audited financial statements to the CBB within two business days of publication in the concerned newspaper. *Noted: The copy must be accompanied by a letter clearly showing on which date and in which publications the statements were published.* (PD-1.2.5)	Annual	The Group has submitted a newspaper copy of the published annual audited financial statements to the CBB within two business days of publication in the concerned newspaper.
17	We have checked that the Group has submitted a soft copy (electronic) of their Annual Report to the CBB, including the full disclosures and appendices prescribed in this Chapter within 4 months of the end of the Group's financial year (PD-1.2.6).	Annual	Management has represented to us that they will submit a soft copy (electronic) of their Annual Report to the CBB, including the full disclosures and appendices prescribed in this Chapter within 4 months of the end of the Group's financial year.
18	We have checked that the Group has placed the Annual Report with full disclosures and appendices on their website within one week of submission to the CBB (PD-1.2.7).	Annual	Management has represented to us that they will place the Annual Report with full disclosures and appendices on their website within one week of submission to the CBB.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Scope of Application – Qualitative Disclosures (PD-1.3.4)		
19	We have checked whether the Group has disclosed: a) The full legal name of the top corporate entity in the group to which the disclosure requirements apply. b) Restrictions on the transfer of funds or regulatory capital within the group (e.g. large exposure or exchange control regulations or covenants over the repayment of capital or the payment of dividends).	Annual / Semi-annual	a) No exceptions were noted. b) No exceptions were noted.
20	We have agreed to the Form PIR ("Consolidated Prudential Information Return"), the aggregate amounts (current book value) of the Group's total interests in insurance entities, which are risk-weighted rather than deducted from capital and also checked their name, their country of incorporation or residence and the proportion of voting power in these entities. In addition, we have also checked whether the Group has disclosed the quantitative impact on regulatory capital of using this method versus the deduction method. (PD-1.3.5).	Annual and semi-annual	Management has represented to us that the Group does not hold any interests in insurance entities, which are risk-weighted rather than deducted from capital.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Financial performance and position		
21	We have checked whether the Group has made the following disclosures: (PD–1.3.7) a) Discussion of the main factors that influenced the Group's financial performance for the year, explaining any differences in performance between the current year and previous year and the reasons for such differences, and discussing factors that will have a significant influence on the Group's future financial performance; and b) Basic quantitative indicators of financial performance (e.g. ROAE, ROAA, NIM, cost-to-income ratios) for the past 5 years.	Annual / Semi-annual (optional)	No exceptions were noted.
22	We have checked whether the Group has made the following disclosures: a) Impact of acquisitions of new businesses and discontinued business and unusual items (PD-1.3.7(c)); and b) A discussion of any changes in the capital structure and their possible impact on earnings and dividends (PD-1.3.7(d)).	Annual	a) Management has represented to us that they did not acquire or discontinue any new business or have any unusual items during the year. Therefore, this disclosure is not applicable. b) Management has represented to us that there has been no change in the Group's capital structure during the year. Therefore, this disclosure is not applicable.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Corporate governance and transparency (PD-1.3.8)		
23	We have checked whether the Group has made the following disclosures: a) Information about the Board structure (e.g. the size of the Board, Board committees, function of committees and membership showing executive, non-executive and independent members, number and names of independent board members), and the basic organisational structure (lines of business structure and legal entity structure); (PD-1.3.8(a)) b) Information about the profession, business title, and experience in years of each Board member and the qualifications and experience in years of senior managers; (PD-1.3.8(b)) c) Descriptive information on the managerial structure, including: (PD-1.3.8(c)) i. Committees (refer PD-1.3.8(w)) for detailed disclosure requirements relating to various types of committees); ii. Segregation of duties; iii. Reporting lines, and iv. Responsibilities. d) Descriptive information on the performance-linked incentive structure for approved persons (including but not limited to remuneration policies, executive compensation and stock options, etc.); (PD-1.3.8(d))	Annual / Semi-annual (optional)	No exceptions were noted.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	e) Nature and extent of transactions with related parties (as defined by IFRS); (PD-1.3.8(e)) f) Approval process for related party transactions; g) Information about any changes in the structures (as stated in paragraph PD-1.3.8 (a) to (c)), from prior periods; h) The communications strategy approved by the Board (including the use of the Group's website) which should undertake to perform at least the following: i. The disclosure of all relevant information to stakeholders on a timely basis in a timely manner; and ii. The provision of at least the last five years of financial data on the Group's website. i) Distribution of ownership of shares by nationality; j) Directors' and senior managers' trading of the bank's shares during the year, on an individual basis; k) Distribution of ownership of shares by directors and senior managers, on an individual basis; l) Distribution of ownership of shares by size of shareholders;		As noted above. j) Not applicable, as the Group is not listed. k) Not applicable, as there are no shares owned by directors and senior managers.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	m) Ownership of shares by government; n) The Board's functions – rather than a general statement (which could be disclosed simply as the Board's legal obligations under various laws) the 'mandate' of the Board should be set out; o) The types of material transactions that require Board approval; q) Board terms and start date for each term for each director; r) What the board does to induct, educate, orient new directors; s) Election system of directors and any termination arrangements; v) Whether the board has adopted a written code of ethical business conduct, and if so the text of that code and statement of how the board monitors compliance;		As noted above.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	w) Minimum number of Board committee meetings compared with the actual dates and number of board and committee meetings, individual attendance of each director and the work of committees and any significant issues arising during the period; x) Reference to Module HC and any amendments subsequently made by the CBB including explanation and nature of any non-compliance with Module HC in accordance with Paragraph HC-A.1.8; y) Review of internal control processes and procedures; z) Directors responsibility with regard to the preparation of financial statements; aa) Board of Directors – whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution; bb) Bahraini conventional bank licensees must maintain a website; cc) Aggregate remuneration paid to Board members; dd) Key features and objectives of the remuneration policy of the Group for approved persons and material risk takers as well as the frequency of review of the remuneration structure and the extent to which the policy is applicable to foreign subsidiaries and branches; and ee) Aggregate remuneration paid to senior management.		As noted above.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Additional Disclosure Requirements pertaining to Remuneration (PD-1.3.8B)		
24	We have checked whether the Group has disclosed the following qualitative and quantitative information pertaining to remuneration practices and policies in the annual report: (a) The name, composition and mandate of the main body overseeing remuneration (PD 1.3.8B (a)); (b) Whether external consultants' advice has been sought and by whom in the bank and in what areas of the remuneration process the consultants have been involved (PD 1.3.8B (b)); (c) The independence of remuneration for staff in risk management, internal audit, operations, financial controls, AML, internal Shari'a review/audit and compliance functions (PD 1.3.8B (c)); (d) The risk adjustment methodologies (PD 1.3.8B (d)); (e) The link between remuneration and performance (PD 1.3.8B (e)); (f) The long-term performance measures (deferral, malus, clawback) (PD 1.3.8B (f)); (g) The types of remuneration (cash/equity, fixed/variable) (PD 1.3.8B (g)); (h) Whether the remuneration committee reviewed the bank's remuneration policy during the past year, and if so, an overview of any changes that were made (PD 1.3.8B (h));	Annual / Semi-annual (optional)	No exceptions were noted.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	(i) A discussion of how the bank ensures that approved persons engaged in risk management, internal audit, operations, financial controls, AML, internal shari'a review/audit and compliance functions are remunerated independently of the business units they oversee (PD 1.3.8B (i)); (j) Description of the ways in which the current and future risks are taken into account in the remuneration processes. Disclosures must include (1.3.8B (j)): (i) An overview of the key risks that the bank takes into account when implementing remuneration measures ; (ii) An overview of the nature and type of the key measures used to take account of these risks, including risks difficult to measure; (iii) A discussion on the ways in which these measures affect remuneration; and (iv) A discussion of how the nature and type of these measures have changed over the past year and reasons for the change, as well as the impact of changes on remuneration; (k) Description of the ways in which the bank seeks to link performance during a performance measurement period with levels of remuneration (PD 1.3.8B (k)); Disclosures must include: (i) An overview of main performance metrics for bank, top-level business lines and individuals; (ii) A discussion of how amounts of individual remuneration are linked to bank-wide and individual performance ; and (iii) A discussion of the measures the bank will in general implement to adjust remuneration in the event that performance metrics are weak;		As noted above.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	(l) Description of the ways in which the bank seeks to adjust remuneration to take account of longer term performance. (PD 1.3.8B (l)); Disclosures must include: (i) A discussion of the bank's policy on deferral and vesting of variable remuneration and, if the fraction of variable remuneration that is deferred differs across employees or groups of employees, a description of the factors that determine the fraction and their relative importance ; and (ii) A discussion of the bank's policy and criteria for adjusting deferred remuneration before vesting and after vesting through clawback arrangements; (m) Description of the different forms of variable remuneration that the bank utilises and the rationale for using these different forms) (PD 1.3.8B (m))). Disclosures must include: (i) An overview of the forms of variable remuneration offered (i.e. cash, shares and share-linked instruments and other forms; and (ii) A discussion of the use of the different forms of variable remuneration and, if the mix of different forms of variable remuneration differs across employees or group of employees, a description of the factors that determine the mix and their relative importance;		As noted above.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	(n) Number of meetings held by the main body overseeing remuneration during the financial year and aggregate remuneration paid to its members (PD 1.3.8B (n)); (o) Number and total amount of remuneration for approved persons and material risk takers for the financial year split into fixed and variable remuneration (PD 1.3.8B (o)); (p) Number and total amount of variable remuneration awarded during the financial year, split into cash, shares and share-linked instruments and other (PD 1.3.8B (p)); (q) Number and total amount of guaranteed bonuses awarded during the financial year (PD 1.3.8B (q)); (r) Number and total amount of sign-on awards made during the financial year (PD 1.3.8B (r)); (s) Number and total amount of severance payments made during the financial year, and highest such award to a single person (PD 1.3.8B (s)); (t) Total amount of outstanding deferred remuneration, split into cash, shares and share-linked instruments and other forms (PD 1.3.8B (t)); and (u) Total amount of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments. (PD 1.3.8B (u)) We have checked that the disclosure requirements under sub-paragraph PD 1.3.8B (n) to (u) are provided for the current as well as previous financial year. (PD 1.3.8B).		As noted above.

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Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
25	We have checked that the disclosure of remuneration practices covers approved persons and material risk-takers and are to broken down as follows: (a) Members of the board of directors (PD 1.3.8C (a)); (b) Approved persons in business lines (PD 1.3.8C (b)); (c) Approved persons in risk management, internal audit, operations, financial controls, internal Shari'a review/audit, AML and compliance functions (PD 1.3.8C (c)); and (d) Material risk-takers not falling under categories (a) to (c) (PD 1.3.8C (d))	Annual	No exceptions were noted.
	Capital Structure – Qualitative Disclosures		
26	We have checked whether the Group has disclosed summary information on the terms and conditions of the main features of all capital instruments including innovative, complex or hybrid capital instruments. Further we have checked whether the disclosures are made in accordance with Appendix PD-3 (PD–1.3.9). We have enquired whether there are any changes in the key terms and conditions of the capital instruments during the year ended 31 December 2020 and agreed such changes to the underlying supporting documentation.	Annual / Semi-annual	Management has represented to us that the Group does not have any innovative, complex or hybrid capital instruments. Management further represented to us that there are no changes in the key terms and conditions of the capital instruments during the year ended 31 December 2020.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
27	We have checked whether the Group has disclosed with separate disclosures of individual items as detailed in Appendix 4 the following items: (a) The amount of Tier One capital; (b) The amount of Tier Two capital; and (c) Required capital ratios and buffers (PD 1.3.10) For a sample of transactions, we have agreed the balances to the accounting system as at 31 December 2020.	Annual and semi-annual	Management has represented to us that the Group has met all capital disclosure requirements required under PD-A.2 and PD 1.3 of the PD Module. For the sample checked, no exceptions were noted.
28	We have checked whether the Group has disclosed a reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements as required under Appendix PD-2. (PD 1.3.12) We have agreed the amounts disclosed under the 'Balance sheet as in published financial statements' column to the consolidated financial statements for the year ended 31 December 2020 and amounts disclosed under 'Consolidated PIR data' to the calculations used in the preparation of Section-A: Balance Sheet of Form PIR. For a sample of transactions, from the computation provided by the Group, we have agreed the balances to the accounting records as at 31 December 2020.	Annual and semi-annual	No exceptions were noted.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Capital Adequacy		
29	We have checked whether the Group has made a summary discussion of its approach to assess the adequacy of capital to support current and future activities both on a risk-based capital basis (PD–1.3.14).	Annual / Semi-annual (optional)	No exceptions were noted.
30	We have agreed to the Form PIR, the disclosure made by the Group with regards to regulatory capital requirements for credit risk by the following categories: (PD–1.3.15) a) Standard portfolios subject to the standardised approach, disclosed separately for each standard portfolio (refer paragraph PD-1.3.20); and b) Securitisation exposures. For a sample of transactions, from the computation provided by the Group, we have agreed the balance to the accounting records as at 31 December 2020.	Annual and semi-annual	a) No exceptions were noted. b) Management has represented to us that the Group did not enter into any securitisation transactions. Hence, this procedure is not applicable. For the sample checked, no exceptions were noted.
31	We have agreed to the Form PIR, the disclosure made by the Group with regards to capital requirements for market risk under the following approaches: (PD–1.3.17) a) the standardised approach; or b) the internal models approach (trading book) as applicable For a sample of transactions, from the computation provided by the Group, we have agreed the balance to the accounting records as at 31 December 2020.	Annual and semi-annual	The Group has made disclosures with regards to capital requirements for market risk under standardised approach. Management has represented to us that the disclosures required by PD-1.3.17(b) are not applicable to the Group, as the Group follows the standardised approach for computation of capital requirements for market risk. For the sample checked, no exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
32	We have agreed to the Form PIR, the disclosure made by the Group with regards to capital requirements for operational risk under: (PD–1.3.18) a) the basic indicator approach; or b) the standardised approach (as applicable) For a sample of transactions, from the computation provided by the Group, we have agreed the balance to the accounting records as at 31 December 2020.	Annual and semi-annual	a) No exceptions were noted. b) Management has represented to us that the disclosures required by PD-1.3.18(b) are not applicable to the Group, as the Group follows the basic indicator approach for computation of capital requirements for operational risk. For the sample checked, no exceptions were noted.
33	We have checked whether the Group has disclosed its Total and Tier One Capital Ratios segregated on the following basis: (PD–1.3.19) a) for the top consolidated group in Bahrain; b) for all significant Group subsidiaries (i.e. whose regulatory capital amounts to over 5% of group consolidated regulatory capital whether on a stand-alone or sub-consolidated basis).	Annual and semi-annual	a) No exceptions were noted. b) Management has represented to us that there are no financial subsidiaries of the Group to be consolidated for regulatory capital purposes and therefore there is no disclosure required.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	General Qualitative Disclosure Requirements PD 1.3.21		
34	We have checked whether the Group has described its risk management objectives and policies for each separate risk area below and whether the strategies used by the Group have been effective throughout the reporting period. Further, we have also checked whether the Group has disclosed its strategies, processes and internal controls (including internal audit) must be described for each area below including the structure and organisation of the relevant risk management function, and the scope and nature of risk reporting systems and policies for hedging/mitigating risk and strategies for monitoring the continuing effectiveness of hedges/ mitigants. There are also certain specific disclosures for each of these areas in addition to the general qualitative disclosure required by this Paragraph (PD-1.3.21). a) Credit Risk (refer PD-1.3.22 – PD-1.3.27); b) Securitisations (refer PD-1.3.28 – PD-1.3.29); c) Market Risk (refer PD-1.3.30 – PD-1.3.31); d) Operational Risk (refer PD-1.3.32 – PD-1.3.33); e) Equity Risk in the Banking Book (refer PD-1.3.34); and f) Banking Book interest rate risk (refer PD-1.3.35).	Annual / Semi-annual (optional)	No exceptions were noted. Management has represented to us that the Group did not enter into securitisation transactions.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Credit Risk – Qualitative Disclosures (PD–1.3.22)		
35	We have checked whether the Group has made the following general qualitative disclosures: a) Definition of past due and impaired credit facilities (for accounting purposes); b) Description of the approaches for specific and collective impairment provisions and statistical methods used (where applicable); c) The names of External Credit Assessment Institutions (ECAIs) used for the purpose of assigning risk weights to assets; d) The types of exposure for which each ECAI is used; and e) The process used to transfer ECAI public issue ratings onto comparable (loan) assets in the banking book.	Annual / Semi-annual (optional)	No exceptions were noted.
	Credit risk – Quantitative disclosures (PD–1.3.23)		
36	For a sample of transactions, we have agreed the balance as per the accounting system as at 31 December 2020 to the working for total gross credit exposures (gross outstanding before any risk mitigation) plus average gross exposures over the period broken down by major types of credit exposure (as outlined under IFRS) into funded and unfunded exposures. Where the period end position is representative of the risk positions of the Group during the period, the average gross exposures are not disclosed and we will enquire about the reasons and check whether these reasons are appropriately disclosed.	Annual and semi-annual	Management has represented to us that the Group calculates average credit risk exposures based on average quarterly balances, which are the most frequent interval that an entity's system generates for management, regulatory or other reasons and the resulting averages are representative of the Group's operations. For the sample checked, no exceptions were noted.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
	Where average amounts are disclosed in accordance with an accounting standard or other requirement which specifies the calculation method to be used, we will inquire whether that method is followed. We will also inquire whether, the average exposures are calculated using the most frequent interval that an entity's systems generate for management, regulatory or other reasons, provided that the resulting averages are representative of the licensed Group's operations and we will check whether the basis used for calculating averages are stated. (PD–1.3.23(a))		As noted above.
37	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working for geographic distribution of exposures, broken down into significant areas by major types of credit exposure and also check whether the Group has disclosed the criteria used to allocate exposures to particular geographical area. (PD–1.3.23(b))	Annual and semi-annual	For the sample checked, no exceptions were noted.
38	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working for distribution of exposures by industry or counterparty type, broken down by major types of credit exposure and further broken down by funded and unfunded exposure. (PD–1.3.23(c))	Annual and semi-annual	For the sample checked, no exceptions were noted.
39	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working for intra-group transactions including exposures to related parties and inquire whether such transactions have been made on an arm's length basis and check whether this is appropriately stated. (PD–1.3.23(d))	Annual and semi-annual	Management has represented to us that all transactions with major shareholders, associates, directors, senior management and companies which are controlled, jointly controlled or significantly influenced by such parties in the ordinary course of business are entered at arm's length basis. For the sample checked, no exceptions were noted.

Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
40	We have enquired the basis on which the Group determines its customers/counterparties as highly leveraged or having high risk and whether it is in line with the definition given in PD-1.3.24) and for a sample of transactions agree the lending to these customers/counterparties as per the accounting system as at 31 December 2020 to the working provided by the Group. (PD–1.3.23(e))	Annual and semi-annual	Management has represented to us that the determination of customers / counterparties as highly leveraged or having high risk is in line with the definition given in PD-1.3.24. Management further represented to us that the Group does not have any such customers as at 31 December 2020. Hence, no disclosure was made regarding the same in the tables forming part of Pillar III Disclosures – Basel III for the year ended 31 December 2020.
41	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working for concentration of risk to individual counterparties where the exposure is in excess of the 15% individual obligor limit. (PD–1.3.23(f))	Annual and semi-annual	Management has represented to us that the Group does not have any exposures in excess of 15% individual obligor limits and hence, not disclosed in the tables forming part of Pillar III Disclosures – Basel III for the year ended 31 December 2020, except for sovereign exposures with the Central Bank of Bahrain, which is an exempt exposure.
42	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working for residual contractual maturity breakdown of the whole credit portfolio, broken down by major types of credit exposure. (PD–1.3.23(g)) Note: Group must follow the residual maturity groupings currently followed under IFRS 7 (Guidance application B11), but they must also extend the periods to include 5-10 years, 10-20 years, and 20 years and over (where the Group has exposures or liabilities of such maturity). (PD-1.3.24(a))	Annual and semi-annual	For the sample checked, no exceptions were noted.

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Sr. No.	Procedures	Frequency	Findings based on our inquiries and procedures performed
43	For a sample of transactions, we have agreed the balance as per the accounting system as at 31 December 2020 to the working for disclosure by major industry or counterparty type with respect to: (PD–1.3.23(h)) • the amount of impaired loans/facilities and past due loans/facilities; • specific and collective impairment provisions; • charges for specific impairment provisions and charge-offs (write-offs) during the period; and • reconciliation of changes in provisions for loan impairment. We have checked whether the Group's disclosure of ageing of past due loans is on the following basis: (PD–1.3.24(b)) • Ageing schedule (over 3 months, over 1 year and over 3 years) of past due loans and other assets; and • Breakdown by relevant counterparty type and geographic area. We have also checked whether the reconciliation of changes in provisions show specific and collective impairment provisions separately. (PD–1.3.24(d))	Annual and semi-annual	For the sample checked, no exceptions were noted. No exceptions were noted. No exceptions were noted.
44	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working for disclosure made by the Group for the amount of past due loans, separately broken down by significant geographic areas, including the amounts of specific and collective impairment provisions related to each geographical area (as defined under PD-1.3.23(b)). (PD–1.3.23(i)) We have also checked whether for specific, collective and other impairment provisions, the portion of collective impairment provisions not allocated to specific geographical areas are shown separately. (PD-1.3.24(c))	Annual and semi-annual	For the sample checked, no exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
45	Further, for a sample of transactions we have agreed the balances as per the accounting system as at 31 December 2020 to the working provided by the Group for all outstanding credit facilities at period end not included in PD-1.3.23(h) that have been restructured (according to the definition in the Prudential Information Return instructions) during the period as follows: (PD–1.3.23(j)) • The balance of any restructured credit facilities; • The magnitude of any restructuring activity; • The impact of restructured credit facilities on provisions and present and future earnings; and • The basic nature of concessions on all credit relationships that are restructured, including loans, derivatives and other on- and off-balance sheet activities. Note: If full repayment is expected, the restructured credit need not be disclosed in this section after satisfactory performance for a period of six months in accordance with the modified terms.	Annual and semi-annual	For the sample checked, no exceptions were noted. Management has represented to us that restructured credit facilities provided by the Group do not have a significant impact on present and future earnings.
46	For a sample of transactions, we have agreed the balances as per the accounting system as at 31 December 2020 to the working provided by the Group for quantitative information (including amount of assets sold and any unexpected losses) disclosed by the Group concerning the obligations with respect to recourse transactions, i.e. where the asset has been sold, but the Group retains responsibility for repayment if the original counterparty defaults or fails to fulfil their obligations. (PD-1.3.23(k))	Annual and semi-annual	Management has represented to us that the Group does not have any obligations with respect to recourse transactions as stated in PD-1.3.23(k). Hence, this procedure is not applicable.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Credit Risk Mitigation: Disclosure Requirements (PD–1.3.26(a))		
47	We have checked, whether the Group has made the following qualitative disclosures with respect to the credit risk mitigation: • Policies and processes for, and an indication of the extent to which, the Group makes use of on- and off-balance sheet netting; • Policies and processes for collateral valuation and management; • A description of the main types of collateral taken by the Group; • The main types of guarantor/credit derivative counterparty and their credit worthiness; and • Information about (market or credit) risk concentrations within the credit risk mitigation taken.	Annual / Semi-annual (optional)	No exceptions were noted. Further, management has represented to us that the Group does not make use of on and off-balance sheet netting.
48	We have agreed to the Form PIR, the disclosure made by the Group, for each standard portfolio described in PD-1.3.20 or PD-1.3.25(g), the total exposure (after on or off-balance sheet netting) that is covered by: • Eligible financial collateral; • Other eligible IRB collateral after the application of haircuts (PD-1.3.26(b)). For a sample of transactions, from the computation provided by the Group, we have agreed the balances to the accounting system as at 31 December 2020.	Annual and semi-annual	For the sample checked, no exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
49	We have agreed the disclosure made by the Group, with respect to the total exposure (after on or off-balance sheet netting where applicable) that is covered by eligible guarantees or credit derivatives (refer module CA-4) for each separately disclosed standard portfolio to the Form PIR. (PD–1.3.26(c))	Annual and semi-annual	Management represented to us that the Group does not make use of on and off-balance sheet netting. No exceptions were noted.
50	For exposures after risk mitigation subject to the standardised approach, we have agreed to the Form PIR, the disclosure made by the Group regarding the amount of exposure (rated and unrated) in each standard portfolio after risk mitigation, as well as any exposures which are deducted. (PD–1.3.26(d)).	Annual and semi-annual	No exceptions were noted.
	Disclosures related to counterparty credit risk (CCR)		
51	We have checked whether the Group has made the following disclosures with respect to counterparty credit risk:(PD–1.3.27(a)) a) General qualitative disclosures with respect to derivatives and CCR, including: • Discussion of methodology used to assign economic capital and credit limits for counterparty credit exposures; • Discussion of policies for securing collateral and establishing credit reserves; and • Discussion of the impact of the amount of collateral the Group would have to provide if given a credit rating downgrade.	Annual / Semi-annual (optional)	No exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
52	We have agreed to the Form PIR, the following disclosures made by the Group with regard to the counterparty credit risk: (PD–1.3.27(b) & PD–1.3.27(c))	Annual and semi-annual	
	a. Gross positive fair value of contracts, netting benefits, netted current credit exposures, collateral held (including type: e.g. cash, government securities, etc.), and net derivatives credit exposure. Also measures for exposure at default or exposure amount under the Standard Method or Current Exposure Method, whichever is applicable, and the notional value of credit derivative hedges, and the distribution of current credit exposure by type of credit exposure (e.g. interest rate contracts, FX contracts, equity contracts, commodity contracts, etc.).		Management represented to us that the Group does not make use of on and off-balance sheet netting.
	b. Credit derivative transactions which create exposures to CCR (notional value), segregated between use for the institution's own credit portfolio, as well as in its intermediation activities, including the distribution of the credit derivative products used, broken down further by protection bought and sold within each product group.		For the sample checked, no exceptions were noted.
	For a sample of transactions, from the computation provided by the Group, we have agreed the balances to the accounting system as at 31 December 2020.		

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Securitisation – Qualitative Disclosure Requirement (PD-1.3.28)		
53	We have checked whether the Group has made the following disclosures with respect to securitisation activities: a) The general qualitative disclosure requirement with respect to securitisation (including synthetics), including a discussion of: • The Group's objectives in relation to its securitisation activities, including the extent to which these activities transfer credit risk of the underlying securitised exposures away from the Group to other parties; • The nature of other risks (e.g. liquidity risk) inherent in securitised assets; • The roles played by the Group in the securitisation process (for example, is the Group the originator of the underlying risks, is it an investor, is it a servicer, is it a provider of credit enhancement, is it a sponsor of an asset-backed commercial paper facility, is it a liquidity provider, or is it a swap provider?) and an indication of the Group's involvement in each of them; • A description of the processes in place to monitor changes in the credit and the market risk of securitisation exposures (for example how the behaviour of the underlying assets impacts securitisation exposures) including how these processes differ for re-securitisation exposures; • A description of the bank's policy governing the use of credit risk mitigation to mitigate the risks retained through securitisation and re-securitisation exposures; and • The regulatory capital approaches (e.g. Ratings Based Approach, Internal Assessment Approach or Supervisory Formula Approach) that the Group follows in its securitisation activities.	Annual / Semi-annual (optional)	Management has represented to us that the Group did not enter into securitisation transactions, therefore this procedure is not applicable.

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Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	b) A list of: ▸ The types of SPVs that the bank, as a sponsor, uses to securitise third-party exposures. The bank must indicate whether it has exposure to these SPVs, either on or off-balance sheet; and ▸ Affiliated entities that the bank manages or advises and that invest in the securitisation exposures that the bank has securitised or in SPVs that the bank sponsors. c) A summary of the Group's accounting policies for securitisation activities, including: ▸ Whether transactions are treated as sales or financings; ▸ Recognition of gain on sale; ▸ Key assumptions for valuing retained interests, including any changes since the last report and the impact of such changes; and ▸ Treatment of synthetic securitisations if not covered by other accounting policies (e.g. derivatives); ▸ How exposures intended to be securitised (e.g. in subsidiary, associate or SPV or on balance sheet) are valued and whether they are recorded in the banking book or the trading book; and ▸ Policies for recognising liabilities on the balance sheet for arrangements that could require the bank to provide financial support for securitised assets; d) The names of ECAIs used for securitisations and the type of securitisation exposure for which each agency is used.		As noted above.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	e) Description of the IAA process should include: ▸ Structure of the internal assessment process and relation between internal assessment and external ratings, including information on ECAIs referenced in PD-1.3.28(d). ▸ Use of internal assessments other than for IAA capital purposes; ▸ Control mechanisms for the internal assessment process including discussion of independence, accountability and internal assessment process review; ▸ The exposure type (such as credit cards, home equity, auto and securitisation exposures detailed by underlying type and security type e.g. RMBS, CMBS, ABS, CDOs) to which the internal assessment process is applied; ▸ Stress factors used for determining credit enhancement levels, by exposure type. f) An explanation of significant changes to any of the quantitative information (e.g. amounts of assets intended to be securitised, movement of assets between banking book and trading book) since the last reporting date.		As noted above.

<table>
<tr><th>Sr. No.</th><th>Procedure</th><th>Frequency</th><th>Findings based on our inquiries and procedures performed</th></tr>
<tr><td></td><td>Securitisation – Quantitative Disclosure Requirements for Banking Book PD–1.3.29</td><td></td><td></td></tr>
<tr><td>54</td><td>For a sample of transactions, we will agree the balance as per the accounting system as at 30 June 2020 to the working provided by the Group for securitisation:
a) The total outstanding exposures securitised by the Group and subject to the securitisation framework (broken down into traditional and synthetic), by exposure type and categorised under bands such as credit cards, home equity, etc. Further, we will check whether the Group has separately disclosed any securitisation transactions for the year of inception where they do not retain any exposure and whether the Group has identified any securitisations, where they are acting purely as sponsors.

b) Securitisations broken down by exposure type showing:
‣ The amount of impaired or past due assets securitised; and
‣ Losses recognised by the Group during the current period.

c) The aggregate amount of securitisation exposures retained or purchased, broken down by exposure type.

d) The aggregate amount of securitisation exposures retained or purchased broken down into a meaningful number of risk weight bands along with the associated (standardised) capital charges (where applicable). We will also check whether the exposures that have been entirely deducted from capital are disclosed separately by the type of underlying asset.

e) Aggregate amount of:
‣ On- balance sheet securitisation exposures retained or purchased broken down by exposure type; and
‣ Off- balance sheet securitisation exposures broken down by exposure type.</td><td>Annual and semi-annual</td><td>Management has represented to us that the Group did not enter into securitisation transactions, therefore this procedure is not applicable.</td></tr>
</table>

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	f) Summary of current year's securitisation activity, including the amount of exposures securitised (by exposure type) and recognised gain or loss on sale by asset type. g) For securitisation subject to the early amortisation treatment, the following items should be disclosed by underlying asset type; ▸ The aggregate drawn exposures attributed to the seller's and investors' interests; ▸ The aggregate (IRB or standardized) capital charges incurred by the Group against its retained shares of the drawn balances and undrawn lines; ▸ The aggregate (IRB or standardized) capital charges incurred by the Group against the investors' shares of drawn balances and undrawn lines. h) Aggregate amount of re-securitisation exposures retained or purchased broken down according to: ▸ Exposures to which credit risk mitigation is applied and those not applied; and ▸ Exposures to guarantors broken down according to guarantor credit worthiness categories or guarantor name.		As noted above.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Securitisation – Quantitative Disclosure Requirements for Trading Book PD–1.3.29A		
55	For a sample of transactions, we will agree the balance as per the accounting system as at 31 December 2020 to the working provided by the Group for securitisation: a) The total amount of outstanding exposures securitised by the bank and defined under the securitisation framework (broken down into traditional/synthetic) by exposure type, separately for securitisations of third-party exposures for which the Group acts only as sponsor; b) The total amount of outstanding exposures intended to be securitised, broken down by exposure type; c) Summary of current period's securitisation activity, including the total amount of exposures securitised (by exposure type), and recognised gain or loss on sale by exposure type; d) Aggregate amount of exposures securitised by the Group for which the Group has retained some exposures and which is subject to the market risk approach (broken down into traditional/ synthetic), by exposure type; e) Aggregate amount of: • On-balance sheet securitisation exposures retained or purchased broken down by exposure type; and • Off-balance sheet securitisation exposures broken down by exposure type; f) Aggregate amount of securitisation exposures retained or purchased separately for: • Securitisation exposures retained or purchased subject to Comprehensive Risk Measure for specific risk; and • Securitisation exposures subject to the securitisation framework for specific risk broken down into a meaningful number of risk weight bands for each regulatory capital approach).	Annual and semi-annual	Management has represented to us that they did not enter into securitisation transactions, therefore this procedure is not applicable.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	g) Aggregate amount of: • The capital requirements for the securitisation exposures subject to Comprehensive Risk Measure, broken down into appropriate risk classifications (e.g. default risk, migration risk and correlation risk). • The capital requirements for the securitisation exposures (re-securitisation or securitisation), subject to the securitisation framework broken down into a meaningful number of risk weight bands for each regulatory capital approach (e.g. SA, RBA, SFA and concentration risk approach). • Securitisation exposures that are deducted entirely from Tier 1 capital, credit enhancing I/Os deducted from total capital, and other exposures deducted from total capital should be disclosed separately by exposure type. h) For securitisations subject to the early amortisation treatment, the following items by exposure type for securitised facilities: • The aggregate drawn exposures attributed to the seller's and investors' interests; • The aggregate capital charges incurred by the bank against its retained shares (i.e. the seller's) shares of drawn balances and undrawn lines; and • The aggregate capital charges incurred by the bank against the investors' shares of drawn balances and undrawn lines. i) Aggregate amount of re-securitisation exposures retained or purchased broken down according to: • Exposures to which credit risk mitigation is applied and those not applied; and • Exposure to guarantors broken down according to guarantor credit worthiness categories or guarantor name.		As noted above.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Market Risk Disclosures for Group's using the Standardised Approach (PD–1.3.30)		
56	In case the Group uses standardised approach, we have checked whether the Group has disclosed the general qualitative disclosures, with respect to market risk, identifying the portfolios covered by the standardised approach; (PD–1.3.30(a))	Annual / Semi-annual (optional)	No exceptions were noted.
57	In case where the Group uses standardised approach, we have agreed the disclosure of the following items to the Form PIR: (PD–1.3.30(b)) a) The capital requirements on an end period basis, as well as showing the maximum and minimum values during the period for each category of market risk as follows: • Interest rate risk; • Equity position risk; • Foreign exchange risk; • Commodity risk. b) For a sample of transactions, we have agreed the balance as per the accounting system as at 31 December 2020 matches to the working provided by the Group for detailed quantitative information about the nature and extent of interest-rate sensitive assets and liabilities and off-balance sheet exposures (e.g. breakdown of fixed and floating rate items and the net interest margin earned, and the duration and effective interest rate of assets and liabilities) have been made by the Group. We have also checked whether these disclosures are made for each portfolio identified in PD-1.3.30 (a), showing their related gains and losses and also their effect on the value of assets, liabilities and capital for a 200 basis points (bps) change in interest rates.	Annual and semi-annual	For the sample checked, no exceptions were noted. Management has represented to us that the Group is not exposed to any market risk in equity and commodity markets.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Market Risk Disclosures for banks using the Internal Models Approach (IMA) for trading portfolios		
58	In case the Group uses internal models for its trading portfolios, we have checked whether the Group has made the following disclosures: (PD–1.3.31) a) The general qualitative disclosures requirement for market risk identifying the portfolios covered by the IMA, the extent of, and methodologies for, compliance with the "Prudent valuation guidance" for positions held in the trading book. b) An explanation and articulation of the internal criteria on which the Group's internal capital adequacy assessment is based including a description of the methodologies used to achieve a capital adequacy assessment that is consistent with the soundness standard. c) Description of the models used for each portfolio covered by the IMA, including assumptions used in calculating (e.g. confidence level, holding period, etc.). - Description of stress testing applied to each IMA portfolio. - Description of the approach used for back-testing /validating the accuracy and consistency of the internal models and modelling processes. d) Disclosure of the scope of model acceptance by the supervisor. e) For the incremental risk capital charge and the comprehensive risk capital charge the methodologies used and the risks measured through the use of internal models. Included in the qualitative description should be: • The approach used by the bank to determine liquidity horizons; • The methodologies used to achieve a capital assessment that is consistent with the required soundness standard; and • The approaches used in the validation of the models;	Annual / Semi-annual (optional)	Management has represented to us that the Group does not use Internal Model Approach (IMA) to compute the capital requirements of market risk hence, this procedure is not applicable.

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Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
59	In case the Group uses internal models for its trading portfolios, we will select a sample of transactions and agree the balance as per the accounting system as at 30 June 2020 to the working provided by the Group for: (PD–1.3.31) a) Summarised quantitative information about price-related market risk to equity and commodity markets where the Group use the IMA. These disclosures will include the magnitude of the exposure on a weekly or monthly basis (during the reporting period). b) The high, mean and low VaR values over the reporting period and period end VaR amounts for each portfolio covered by the IMA, and a comparison of VaR estimates with actual gains/losses experienced by the Group, with analysis of significant "outliers" in back-testing results. c) A presentation of the overall daily profits or exposures for aggregate market risk over the reporting period at an absolute minimum, summarised aggregate quantitative information relating to monthly VaR, giving an overview of the extent of market risk-related activities; d) Information showing the actual performance of the VaR models for the period, giving the number of times actual losses exceeded VaR estimates; and e) Summarised quantitative information for significant concentrations of foreign exchange exposure by currency, broken down by hedged and un-hedged exposures.	Annual and semi-annual	Management has represented to us that the Group does not use Internal Model Approach (IMA) to compute the capital requirements of market risk hence, this procedure is not applicable.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Operational Risk Disclosures		
60	We have checked whether the Group has made general qualitative disclosures and the approach for operational risk the Group employs to control such risk, and disclosures of any issues considered to be individually significant. (PD–1.3.32) We have checked whether the Group has made the following operational risk qualitative disclosures with respect to operational risk (PD–1.3.33): a) Policies to incorporate operational risk measures into the management framework- for example budgeting, target-setting, and performance review and compliance; b) Policies and processes: (i) To help track loss events and potential exposures; (ii) To report to these losses, indicators and scenarios on a regular basis; and (iii) To review the reports jointly by risk and line managers; c) Policies on the loss mitigation process via contingency planning, business continuity planning, staff training and enhancement of internal controls, as well as business processes and infrastructures; and d) A statement of how banks manage and control operational risks arising from pending legal actions. Further, we have checked whether the Group has made the following operational risk qualitative disclosures with respect to operational risk (PD–1.3.33A):	Annual / semi-annual (optional)	No exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	a) The calculation of the capital charge or RWA equivalent for operational risk; b) Indicators of operational risk exposures, such as gross income; and c) Material legal contingencies including pending legal actions and a discussion and estimate of the potential liabilities.		
	Disclosure Requirements for Equity Positions in the Banking Book (PD–1.3.34)		
61	We have checked whether the Group has made the following general qualitative disclosures with respect to equity risk: • Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and • Discussion of important policies covering the valuation and accounting of equity holdings in the banking book. This will include the accounting policies and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.	Annual / Semi-annual (optional)	No exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
62	For a sample of transactions, we have agreed the balance as per the accounting system as at 31 December 2020 to the working provided by the Group for any equities held in the banking book: (PD-1.3.34(b) to (f)) a) The types and nature of investments, including the amount that can be classified as quoted on an active market or privately held. b) The cumulative realised gains (or losses) arising from sales or liquidations in the reporting period. c) Total unrealised gains and losses recognised in the balance sheet but not through the P&L and any unrealised gains and losses included in Tier One and Tier Two capital. d) Capital requirements broken down by appropriate equity groupings, consistent with the methodology, as well as the aggregate amounts and type of equity investments subject to any supervisory transition or grandfathering provisions regarding regulatory capital requirement.	Annual and semi-annual	For the sample checked, no exceptions were noted. Management has represented to us that none of the equity investments of the Group are subject to any supervisory or grandfathering provisions regarding regulatory capital requirement (PD-1.3.31 (f)). Thus, this procedure is not applicable.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Disclosures concerning interest rate risk in the Banking book (IRRBB) (PD–1.3.35)		
63	We have checked whether the Group has made disclosures concerning interest rate risk in the banking book: a) general qualitative disclosure requirement (PD-1.3.21), outlining the nature of IRRBB and key assumptions, including assumptions concerning loan prepayments and the behaviour of deposits without a fixed maturity, and the frequency of IRRBB measurement. b) the increase (or decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (where applicable). For a sample of transactions we have agreed the balance as per the accounting system as at 31 December 2020 to the working provided by the Group for disclosures concerning interest rate risk in the banking book: disclosure made in respect of increase (or decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring IRRBB, broken down by currency (where applicable).	 Annual / Semi-annual (optional) Annual and semi-annual	No exceptions were noted. For the sample checked, no exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
64	We have checked whether the Annual Report includes a declaration by the external auditor that it did not come across any violations of the requirements below during the course of its audit work that would have any material negative impact on the financial position of the bank (PD-1.3.36): (a) The Bahrain Commercial Companies Law (as amended); (b) The CBB Law where a violation might have had a material negative effect on the business of the bank or on its financial position; (c) The Regulations and Directives issued by the CBB; and (d) The Rulebook of the licensed exchange and associated Resolutions, Rules and Procedures.	Annual	No exceptions were noted.
65	We have checked whether the Annual Report discloses the amount of any penalties paid to the CBB during the period of the report together with a factual description of the reason(s) given by the CBB for the penalty (see Section EN-1.3). Failure to comply with this requirement will mean that the concerned bank will be required to make the disclosure in the annual report of the subsequent year and will be subject to an enforcement action for non-disclosure.	Annual	No exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
66	We have checked whether the Directors' Report Section of the annual report of the Group contain details of the interests of Approved Persons in the shares of such banks. Such details should include: (a) Total interests in the shares of such banks by individual persons mentioned above; and (b) Changes in such interests from the previous financial year to the current financial year. *Note: For the purpose of the disclosure required under Paragraph PD-1.4.3, any interests in the shares of a bank held by the spouse(s) or children of an Approved Person, or any other person the control of whose interests in such shares lies ultimately with the Approved Person, shall be deemed to be the interests of the relevant Approved Person. For a definition of, interest in the shares, see Paragraph PD-1.1.2(b).*	Annual	This procedure is not applicable as the Group is not listed.
67	We have checked where the Group chooses to issue a narrative press release in conjunction with or in relation to the publication of its audited annual financial statements as required under Paragraph PD-1.2.3, the press release must indicate the net income for the last quarter.	Annual	*In its press release published on the Group's website, dated 28th February 2021, the Group has not indicated the net income for the last quarter.*

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Publication of Reviewed (Unaudited) Quarterly Financial Statements (PD-3.1)		
68	We have checked whether the Group has prepared its reviewed (unaudited) quarterly financial statements in accordance with IFRS for the first three quarters of the financial year. (PD-3.1.2) We have checked whether the Group's unaudited quarterly financial statements were reviewed by the external auditor and whether the results of such review were made in accordance with the applicable International Standards on Review Engagements 2410. (PD-3.1.3)	Semi-annual	This procedure is not applicable for the annual public disclosure.
69	We have checked whether the Group has published extracts from the reviewed quarterly financial statements (including at least the statement of financial position (balance sheet), the statement of income, cash flows and changes in equity as required by IFRS) in one Arabic and one English daily newspaper widely available in Bahrain and on the Group's website within forty-five calendar days of the end of the quarter to which such statements relate. (PD-3.1.4)	Semi-annual	This procedure is not applicable for the annual public disclosure.
70	We have checked whether the Group has submitted a newspaper copy of the reviewed quarterly financial statements to the CBB within two days of publication in the concerned newspaper. Note: The copy must be accompanied by a letter clearly showing on which date and in which publications the statements were published. (PD-3.1.5)	Semi-annual	This procedure is not applicable for the annual public disclosure.
71	We have checked whether the Group has published the disclosure required by Appendices PD-1 to PD-4 (as mentioned in Section PD-A.2) on the Group's website in accordance within the deadline required by section PD- 3.1.4 (PD- 3.1.5A)	Annual and semi annual	We found that the Group has published the disclosures required by Appendices PD-2 to PD-4 (as mentioned in Section PD-A.2) on the Group's website within the deadline required by section PD- 3.1.4. *However, In the opinion of the management of the Group Appendix PD-1 is not applicable for the year ended 31 December 2020 as the scope of regulatory consolidation and accounting consolidation is identical.*

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
72	We have checked whether the Group considered all quantitative disclosures required by section PD-1.3 with the half yearly financial statements and posted on the Group's website within the deadline required by section PD- 3.1.6, but the qualitative disclosures of the paragraphs listed below may be dispensed at the option of the Group in their half yearly statements: (PD-3.1.6) (a) PD-1.3.7 (a) to (b); (b) PD-1.3.8 and PD-1.3.8A to PD-1.3.8G; (c) PD-1.3.14; (d) PD-1.3.21 – PD-1.3.22; (e) PD-1.3.26 (a); (f) PD-1.3.27 (a); (g) PD-1.3.28 (a) to (c); (h) PD-1.3.30 (a); (i) PD-1.3.31 (a) to (d); (j) PD-1.3.34 (a); and (k) PD-1.3.35 (a).	Semi-annual	This procedure is not applicable for the annual public disclosure.
73	We have checked whether the Group has retained the ongoing archive (minimum period of five years) of all applicable public disclosures required by Sections PD-1 and PD-3, including the required appendices on the Group's website. (PD 3.1.7).	Annual and Semi-annual	No exceptions were noted.
	Disclosure to Commercial Customers of Base Rate of Interest on Overdrafts and Short-Term Loans (PD 4.2)		
74	We have checked that the Group has displayed, by a conspicuous notice, their base rate of interest on BD overdrafts and short-term revolving facilities to commercial customers. (PD 4.2.2) We have checked that the Group has displayed a list of current charges including any standard charges and commissions that will be applied by the Group to individual services and transactions. See Section BC-4.3 for further details. (PD 4.2.4)	Annual / Semi annual	No exceptions were noted.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	Disclosure Relating to Deposit Protection Scheme (PD 4.3)		
75	We have checked if the Group is referring (directly or indirectly) to the protection of deposits in related marketing materials and in general notices featured within banking halls and in account documentation, including the annual report, to prominently disclose the following statement: *"Deposits held with the Group in the Kingdom are covered by the Regulation Protecting Deposits and Unrestricted Investment Accounts issued by the Central Bank of Bahrain in accordance with Resolution. (PD-4.3.2)"* We have checked that the Group must, in discussions and/or correspondence with new and prospective customers, bring the Deposit and Unrestricted Investment Accounts Protection Scheme and the protection afforded by it to the customer's notice. (PD 4.3.3)	Annual	No exceptions were noted.
	Press Releases Concerning Financial Statements (PD 4.4)		
76	We have checked whether the Group obtained the CBB's prior approval before issuing any press releases regarding interim or annual financial statements. Conventional bank licensees must not publish or cause to be published, any media statements until such times as CBB approval has been granted.	Annual / Semi annual	Management has represented to us that the Group has obtained CBB's approval before issuing any press releases regarding interim or annual financial statements. No exceptions were noted.
	Public disclosure via the internet		
77	*We have checked whether the Group has received approval from the CBB to disclose their quarterly financial statements by way of their website instead of by way of the local press. (PD 5.1.2)*	Semi Annual	This procedure is not applicable for the annual public disclosure.

Sr. No.	Procedure	Frequency	Findings based on our inquiries and procedures performed
	General Requirements (PD–6.1)		
78	We have checked whether in addition to the corporate governance disclosure required under PD-1.3.8, the Group has disclosed the following information to the shareholders: (a) Names of shareholders owning 5% or more and, if they act in concert, a description of the voting, shareholders' or other agreements among them relating to acting in concert, and of any other direct and indirect relationships among them or with the bank licensee or other shareholders; (b) Information on the directorships held by the directors on other boards; (c) Audit fees charged by the external auditor; (d) Non-audit services provided by the external auditor and fees; (e) Reasons for any switching of auditors and reappointing of auditors; and (f) Conflict of Interest – any issues arising must be reported, in addition describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	Annual	No exceptions were noted.

BAHRAIN DEVELOPMENT BANK B.S.C. (c)

Risk and Capital Management Disclosures

For the year ended 31 December 2020

These disclosures have been prepared in accordance with the Public Disclosure Module ("PD"), CBB Rule Book, Volume I for Conventional banks.

These disclosures have been reviewed by the Bank's external auditors Ernst & Young based upon agreed-upon procedures as required under Para PD-A.2.4 of the PD Module.

1 EXECUTIVE SUMMARY

This report has been prepared in accordance with Pillar 3 disclosure requirements prescribed by the Central Bank of Bahrain, herein referred to as "CBB". The report has been designed to provide BDB Group's stakeholders with detailed information on the Bank's approach in managing capital and risk, having due regard to the operating environment.

The Bank applies the Basel framework in the measurement of its capital adequacy, and in its capital management strategy and risk management framework. CBB's Basel III capital rules and guidelines became effective on 1st January 2015 as the common framework for the implementation of the Basel Committee on Banking Supervision's (Basel Committee) Basel III capital adequacy framework for banks incorporated in the Kingdom of Bahrain.

BDB has adopted the Standardized Approach for Credit Risk, Market Risk and the Basic Indicator Approach for Operational Risk to determine the capital requirement.

The disclosures in this report are in addition to the disclosures set out in the consolidated financial statements for the period ended 31st December 2020 presented in accordance with the International Financial Reporting Standards (IFRS).

2 INTRODUCTION TO THE BASEL III FRAMEWORK

The CBB's capital adequacy framework is based on three pillars consistent with the Basel III framework developed by the Basel Committee, as follows:-

- Pillar 1: calculation of the Risk Weighted Assets (RWAs) and capital requirement.
- Pillar 2: the supervisory review process, including the Internal Capital Adequacy Assessment Process (ICAAP).
- Pillar 3: rules for the disclosure of risk management and capital adequacy information.

CBB CAPITAL ADEQUACY RULES:
CBB minimum required total capital adequacy ratio (including CCB) increased from 12 percent to 12.5 percent, compared to 10.5 percent recommended by the Basel Committee. Moreover, the capital conservation buffer is newly introduced limits and minima by Basel III, such as minimum Common Equity Tier 1 Capital Ratio "CET1" of 9 percent (including CCB) and minimum T1 Capital Ratio of 10.5 percent (including CCB).

The table below summarizes the approaches available for calculating RWAs for each risk type in accordance with the CBB's capital adequacy framework:

Credit Risk	Market Risk	Operational Risk
Standardised Approach	Standardised Approach Internal Models Approach	Basic Indicator Approach Standardised Approach

For regulatory reporting purposes, BDB is using the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operational risk.

i) Credit Risk
Credit Risk represents the potential financial loss as a consequence of a customer's inability to honour the terms and conditions of a credit facility. Such risk is measured with respect to counterparties for both on-balance sheet assets and off-balance sheet items. The bank has a robust credit risk management architecture which is explained in greater detail in Note 2 of the consolidated financial statements.

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2 INTRODUCTION TO THE BASEL III FRAMEWORK (continued)

i) Credit Risk (continued)

The Bank does not use any external credit assessment institutions and the risk rating for the exposures are based on the internal credit framework and policy guidelines of the Bank.

For regulatory reporting purposes, BDB is using the Standardised Approach for credit risk.

ii) Market Risk

Market Risk is the risk of potential losses arising from movements in market prices of financial instruments as a result of changes in market rates (such as interest rates and foreign exchange rates).

For the regulatory market risk capital requirement, BDB is using the Standardised Approach for the calculation of regulatory market risk capital.

iii) Operational Risk

Operational Risk is the risk of monetary loss on account of human error, fraud, systems failures or the failure to record transactions. In order to manage and mitigate such risks, the Bank ensures that proper systems and resources (financial and personnel) are available to support the Bank's operations. Proper segregation of duties and other controls (including reconciliation, monitoring and reporting) are implemented to support the various operations and activities.

For the regulatory operational risk capital requirement, BDB is using the Basic Indicator Approach for the calculation of regulatory operational risk capital.

Regulatory Reforms

The Bank is operating as a retail bank with special waivers under a license issued by the Central Bank of Bahrain ("CBB"), with headquarters and branches in Bahrain. The Bank's capital adequacy requirements are computed on a consolidated basis.

3 GROUP STRUCTURE

The Group's financial statements are prepared and published on a full consolidation basis, with all subsidiaries being consolidated in accordance with IFRS. As at 31st December 2020, the Group consists of the Bank and its following subsidiaries:

Name	**Country of incorporation**
Bahrain Business Incubator Centre WLL	Kingdom of Bahrain
Bahrain Export Development Center WLL	Kingdom of Bahrain
Al-Waha Venture Capital Fund Company BSC	Kingdom of Bahrain
Middle East Corner Consultancy CO. WLL*	Kingdom of Bahrain

* The Bank is exposed, or has rights, to variable returns from its involvement with Middle East Corner Consultancy Co. WLL; and has the ability to affect those returns through its power over Middle East Corner Consultancy Co. WLL and thus is deemed as subsidiary of the Bank.

Restrictions on capital and transfer of funds within the Group

Since the Bank's subsidiaries are not regulated financial institutions, there is no regulatory impediment to the transfer of retained earnings to the Bank. However, as a separate legally incorporated entity, the transfer of paid in capital and mandatory reserves would require shareholder action. As the major shareholder (either direct or indirect) in the entity, the Bank has the power to undertake the legal processes for the transfer of such capital. The Bank's subsidiaries are registered and domiciled in Bahrain and there are no exchange controls or other restrictions on the transfer of funds.

(Expressed in Thousands Bahrain Dinars)

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4 CAPITAL STRUCTURE AND CAPITAL ADEQUACY

The Bank's regulatory capital base comprises of (a) CET 1 capital which includes share capital, reserves and retained earnings. (b) Tier 2 capital which consist of general loan loss provisions.

Capital structure, minimum capital and capital adequacy

The Bank's paid up capital consists only of ordinary shares and does not have any other type of capital instruments.

The bank's shareholders are Ministry of Finance (89.74%), SIO and Pension Fund (5.13% each)

The Bank's regulatory capital base is as detailed below:

	As at 31 December 2020
Common Equity Tier 1 (CET1)	
Issued and full paid ordinary shares	65,000
Legal / Statutory reserve	1,186
Accumulated losses	(306)
Other reserves	4,048
Current period Profit	563
Cumulative fair value changes on FVOCI investments (Debt)	1,146
Total Common Equity Tier 1 (CET1) (A)	71,637
Additional Tier 1 (AT1)	-
Total Tier 1 (T1)	71,637
Tier 2 Capital (T2)	
Expected Credit Losses (ECL)	1,194
Total Tier 2 (T2) (B)	1,194
Total Capital Base (Tier 1 + Tier 2) (C=A+B)	72,831

Capital Requirement for Risk Weighted Exposure	Credit Exposure before credit risk mitigant	Eligible financial collateral	Credit Exposure after risk mitigant	Risk weighted exposure	Capital Requirement at 12.5%
As at 31 December 2020					
Cash items	177	-	177	-	-
Sovereigns	91,797	-	91,797	-	-
Banks	622	-	622	409	51
Corporates	137,002	43,629	93,373	49,769	6,221
Past due exposures	14,731	7,641	7,090	7,678	960
Investment in securities	5,003	-	5,003	7,878	985
Holding of Real Estate	13,186	-	13,186	25,411	3,176
Others assets	4,386	-	4,386	4,386	548
Total Credit Risk Exposure	266,904	51,270	215,634	95,531	11,941
Market Risk				725	91
Operational Risk				17,833	2,229
Total Risk Weighted Assets (D)				114,089	14,261
Capital Adequacy Ratio (C)/(D)				63.84%	
CET1 Capital Adequacy Ratio (A)/(D)				62.79%	

5 CREDIT RISK – PILLAR 3 DISCLOSURES

This section describes BDB's exposure to credit risk, and provides detailed disclosures on credit risk in accordance with the CBB's Basel III framework, in relation to Pillar 3 disclosure requirements.

Definition of exposure classes
The Bank has a diversified funded and unfunded credit exposure. These exposures are classified as standard portfolio per CBB's capital adequacy requirements.

Brief description of applicable standard portfolio is as follows:

a. Claims on sovereigns:
These pertain to exposures to governments and their central banks. Claims on Bahrain and GCC sovereigns are risk weighted at 0%. Claims on all other sovereigns are given a risk weighting of 0% where such claims are denominated and funded in the relevant domestic currency of that sovereign. Claims on sovereigns, other than those mentioned above are risk weighted based on their credit ratings.

b. Investment in securities and sukuk:
Investments in listed equities are risk weighted at 100% while unlisted equities are risk weighted at 150%.

c. Claims on banks:
Claims on banks are risk weighted based on external rating agencies (S&P, Moody's, Fitch , and Capital intelligence) . Short-term claims on locally incorporated banks are assigned a risk weighting of 20% where such claims on the banks are of an original maturity of three months or less and the claims are denominated and funded in either Bahraini Dinars or US Dollar.

Preferential risk weighting that is one category more favourable than the standard risk weighting is assigned to claims on foreign banks licensed in Bahrain of an original maturity of three months or less denominated and funded in the relevant domestic currency. Such preferential risk weight for short-term claims on banks licensed in other jurisdictions are allowed only if the relevant supervisor also allows this preferential risk weighting to short-term claims on its banks.

No claim on an unrated bank would receive a risk weight lower than that applied to claims on its sovereign of incorporation.

d. Claims on corporates:
Claims on corporates are risk weighted based on credit ratings. Risk weighting for unrated (corporate) claims are assigned at 100%.

e. Impairment of assets:
The Bank assesses at each reporting date whether there is any objective evidence that a specific financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'impairment event') and that impairment event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the borrower is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that it will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

f. Restructured financing facilities:
Where possible, the Bank seeks to restructure facilities. This may involve extending the payment arrangements and the agreement of new financing facility conditions. Management continuously reviews renegotiated financing facilities to ensure that all criteria are met and that future payments are likely to occur. The financing facilities continue to be subject to impairment assessment, calculated using the facility's original effective interest rate.

(Expressed in Thousands Bahrain Dinars)

5 CREDIT RISK – PILLAR 3 DISCLOSURES (continued)

g. Past due exposures:
This includes claims, for which the repayment is overdue for more than 90 days. The risk weighting for such loans is either 100% or 150% is applied depending on the level of provisions maintained against the assets.

h. Equity Portfolio:
Investment in securities and financial entities are risk weighted at a minimum risk weight of 100% for listed entities or 150% for unlisted entities, unless such investments exceed 10% of the eligible capital of investee entity, in which case they are deducted from the Bank's capital.

i. Other assets:
These are risk weighted at 100%.

j. Holding of real estate:
All other holdings of real estate by banks (i.e. owned directly, subsidiaries or associate companies or other arrangements such as trusts, funds or REITs) are risk-weighted at 200%. Investment in listed real estate companies and investment in unlisted real estate companies are risk-weighted at 300% and 400% respectively. Premises occupied by the Group are weighted at 100%.

k. Related party transactions and balances:
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties include entities over which the Bank exercises significant influence, major shareholders, directors and executive management of the Bank. Such related parties in the ordinary course of business at commercial interest and commission rates (Refer note 16 of the interim condensed consolidated financial statements as at 31 December 2020).

Amounts due from related parties are unsecured.

l. Highly leveraged counterparties:
The Bank does not lend to highly leveraged and other high risk counterparties as defined in PD-1-3-24(e).

6 Funded and Unfunded Total Credit Exposure

	Total funded credit exposure	Total un-funded credit exposure	Average quarterly credit exposure
Sovereigns	56,072	35,148	92,180
Banks	622	-	2,377
Corporates	131,899	2,980	132,786
Past due exposures	14,731	-	15,321
Other assets and Cash items	3,550	-	3,181
Total credit risk	**206,874**	**38,128**	**245,845**

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7 CONCENTRATION OF CREDIT RISK BY INDUSTRY & REGION (EXPOSURES SUBJECT TO RISK WEIGHTING)

		2020		
	Country	Funded	Unfunded	Total
Government & public sector	Bahrain	56,072	35,148	91,220
Banks and financial institutions	Bahrain	622	-	622
Trading and Manufacturing	Bahrain	91,639	641	92,280
Educational Institutions & Healthcare	Bahrain	8,681	150	8,831
Hospitality, media and transportation	Bahrain	14,454	150	14,604
Fisheries, agriculture & dairy	Bahrain	5,390	-	5,390
Food processing	Bahrain	8,641	12	8,653
Others	Bahrain	21,375	2,027	23,402
TOTAL		206,874	38,128	245,002

8 CREDIT CONCENTRATION GREATER THAN 15% INDIVIDUAL OBLIGOR LIMIT

Total credit exposures in excess of 15% individual obligor limit	2020
Sovereigns	91,390

9 SEGMENT WISE BREAKDOWN OF NON PERFORMING LOANS AND IMPAIRMENT PROVISION

	Impaired loans (net of provision)	Stage 3: Lifetime ECL creditimpaired	Charge for the period	Write off
Project finance	13,566	13,974	260	7,554
Fisheries and Agriculture	1,165	-	-	-
	14,731	13,974	260	7,554

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10 RESIDUAL CONTRACTUAL MATURITY

Maturity analysis of assets

The table below summarises the residual contractual maturity profile of the Group's assets as at 31st December 2020

2020	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 3 years	3 to 5 years	5 to 10 years	10 to 20 years	Above 20 years	Total
Assets										
Cash and balances with Central Bank of Bahrain	2,391	-	-	-	-	-	-	-	-	2,391
Placements with banks and other financial institutions	3,722	-	-	-	-	-	-	-	-	3,722
Islamic financing and loans to customers	16,828	1,460	1,301	5,171	55,892	14,798	50,009	1,171	-	146,630
Investment securities	50,581	-	-	-	-	-	-	-	-	50,581
Other assets	-	-	3,550	-	-	-	-	-	-	3,550
Total funded credit exposures	73,522	1,460	4,851	5,171	55,892	14,798	50,009	1,171	-	206,874
Unfunded credit exposures	5,242	15,022	329	17,289	240	6	-	-	-	38,128
Total credit risk	78,764	16,482	5,180	22,460	56,132	14,804	50,009	1,171	-	245,002

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11 PAST DUE AND IMPAIRED LOANS (NET) - AGE ANALYSIS

i) By Geographical area

	2020			
	Three months to one year	**One to three years**	**Over three years**	**Total**
Bahrain	16,387	3,401	1,102	20,890
TOTAL	16,387	3,401	1,102	20,890

ii) By Segment wise

	Three months to one year	**One to three years**	**Over three years**	**Total**
Project finance	15,868	2,955	697	19,520
Fisheries and Agriculture	519	446	405	1,370
TOTAL	16,387	3,401	1,102	20,890

12 GEOGRAPHICAL DISTRIBUTION OF IMPAIRMENT PROVISIONS FOR LOANS AND ADVANCES TO CUSTOMERS

The Bank and its subsidiaries operate and grant loans/financing facilities locally to Bahrain entities and persons only.

	2020
Bahrain	
Specific impairment provision - Stage 3	13,974
TOTAL	13,974

13 RECONCILIATION OF CHANGES IN EXPECTED CREDIT LOSSES

	2020		
	Stage 3: Lifetime ECL credit impaired	**Stage 1: 12-month ECL and stage 2 : Lifetime ECL not credit-impaired**	**Total**
Balance at 1 January 2020	21,268	838	22,106
Amounts written off during the year	(7,554)	-	(7,554)
Charge for the year	1,851	1,215	3,066
Recoveries during the year	(1,591)	(662)	(2,253)
At 31 December 2020	13,974	1,391	15,365

Restructured Credit Facilities

The Bank has restructured credit facilities amounting to BD 4,013 thousands during the year ended 31 December 2020. Restructuring concessions mainly related to deferral of loan installments to assist customers overcome temporary cash crunch situations or to realign the repayment with the borrower's revised cash flow projections.

The above restructurings did not have a significant impact on the present or future earnings and were primarily extensions of the loan/financing tenor.

(Expressed in Thousands Bahrain Dinars)

14 CREDIT RISK MITIGATION

The reduction of the capital requirement attributable to credit risk mitigation is calculated in different ways, depending on the type of credit risk mitigation. The main collaterals taken for risk mitigation on credit exposures are deposits held by customers, residential / commercial property mortgage, investment securities, counter-guarantees from other banks, Tamkeen guarantees etc. However, for purposes of capital adequacy computation, only eligible collateral recognized under Basel III is taken into consideration.

15 ELIGIBLE FINANCIAL COLLATERAL AND GUARANTEES

Eligible financial collateral, and guarantees, presented by standard portfolio are as under:

As at 31 December 2020	Gross credit exposure	Financial collateral	Credit exposure after credit risk mitigant
Sovereigns	91,797	-	91,797
Banks	622	-	622
Corporates	137,002	43,629	93,373
Past due exposures	14,731	7,641	7,090
Investments in equities/funds	5,003	-	5,003
Holding of real estate	13,186	-	13,186
Other assets and cash items	4,563	-	4,563
	266,904	51,270	215,634

Tamkeen guarantees a percentage of the outstanding balance of Islamic financing in accordance with the agreement between the Bank and Tamkeen. Moreover, agriculture and fisheries loans are guaranteed by the Government of Bahrain.

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16 SENSITIVITY ANALYSIS - INTEREST RATE RISK (IRRBB)

Impact on net interest income for the year ended 31 December 2020

	2020
Bahraini Dinar	
Assets	249,529
Liabilities	221,691
(+) 200 basis points	**557**
(-) 200 basis points	**(557)**
US Dollar	
Assets	21,035
Liabilities	28,809
(+) 200 basis points	**(155)**
(-) 200 basis points	**155**
Kuwaiti Dinar	
Assets	8
Liabilities	-
(+) 200 basis points	**0**
(-) 200 basis points	**(0)**
Saudi Riyals	
Assets	6,855
Liabilities	7,583
(+) 200 basis points	**(15)**
(-) 200 basis points	**15**

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17 MARKET RISK, INTEREST RATE GAP

Market risk

Market risk is defined as potential adverse changes in the fair value or future cash flows of a trading position or portfolio of financial instruments resulting from the movement of market variables, such as interest rates, currency rates, equity prices and commodity prices, market indices as well as volatilities and correlations between markets. As its primary tool, the Bank measures its market risk exposure using the Standardised Approach under Basel III.

The Bank uses the Standardised Approach for calculating market risk capital charges for the following market risk components:

• Equity exposure risk
• Interest rate exposure risk
• Foreign currency exposure risk
• Commodity risk

The Bank's market risk capital charge is largely composed of foreign currency risk arising from the Bank's foreign exchange exposure on investments denominated mainly in Kuwaiti dinars, Saudi riyals and USD, and interest rate risk arising on the bond portfolio. The capital requirement for market risk using the Standardised Approach as at 31 December 2020 was as follows:

	Capital requirements			
	2020	Maximum	Minimum	Average
Risk Type				
Equity risk capital	-	-	-	-
Foreign exchange risk capital	58	64	58	60
Interest rate risk capital	-	-	-	-
Commodity risk capital	-	-	-	-

Interest rate risk

Interest rate risk arises from the possibility that changes in the interest rates will affect future profitability or the fair values of the financial instruments. The Bank is exposed to interest rate risks due to mismatches of interest rate repricing on maturity of assets and liabilities. Positions are monitored periodically to ensure that this is maintained within the established limits. The Bank's assets and liabilities reprice only on maturity.

The Bank's interest rate sensitivity position is based on the maturity dates, as follows

2020	Up to 1 month	1 to 3 months	3 to 6 months	6 months to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
Assets								
Cash and balances with Central Bank of Bahrain	-	-	-	-	-	-	2,391	2,391
Placements with banks and other financial institutions	3,722	-	-	-	-	-	-	3,722
Islamic financing and loans to customers	16,828	1,460	1,301	5,171	70,690	51,180	-	146,630
Other assets	50,581	-	-	-	-	-	3,550	54,131
Total assets	71,131	1,460	1,301	5,171	70,690	51,180	5,941	206,874
Liabilities								
Term loans	-	251	-	251	25,875	8,927	-	35,304
Deposits	15,233	2,540	1,315	752	43,095	55,095	-	118,030
Other liabilities	-	-	-	-	-	-	4,444	4,444
Total liabilities	15,233	2,791	1,315	1,003	68,970	64,022	4,444	157,778
Net liquidity gap	55,898	(1,331)	(14)	4,168	1,720	(12,842)	1,497	49,096

(Expressed in Thousands Bahrain Dinars)

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18 EQUITY POSITION IN THE BANKING BOOK

	2020	
	Net exposure	**Capital requirement**
Publicly traded	**1**	**0**
Privately held	**5,656**	**707**
TOTAL	**5,657**	**707**

19 GAINS ON EQUITY INVESTMENTS

	2020
(i) Realised Gains/ Losses in the statement of profit or loss	**-**
(ii) Realised Gains/ Losses in retained earnings	**-**
(iii) Unrealised Gains/ Losses in CET1 Capital	**(5)**

The Bank does not have any equity investments subject to supervisory transition or grandfathering provisions.

20 DERIVATIVES

	Foreign exchange contracts
Notional – Banking book	**35,148**

21 OPERATIONAL AND LEGAL RISKS

Operational risk is the risk of loss arising from errors that can be made in instructing payments or settling transactions, breakdown in technology and internal control systems. The Bank uses the Basic Indicator Approach under the capital adequacy framework for measuring and managing its operational risk. Currently, the Bank conducts its business from a single location. BDB is a retail bank with some restrictions and accordingly, the number of client relationships and volume of transactions at BDB are moderate on average.

BDB's operations are conducted according to well-defined procedures. These procedures include a comprehensive system of internal controls, including segregation of duties and other internal checks, which are designed to prevent either inadvertent staff errors or malfeasance prior to the release of a transaction. The Bank also engages in subsequent monitoring of accounting records, daily reconciliation of cash and securities accounts and other checks to enable it detect any erroneous or improper transactions which may have occurred. Specific limits are set up to mitigate and monitor the Bank's exposure.

Operational risk is managed by the Operational risk management unit in the Risk management department. The scope of the Internal Audit department encompasses audits and reviews of all business units, support services and branches. The internal audit process focuses primarily on assessing risks and controls and ensuring compliance with established policies, procedures and delegated authorities. Products and services are reviewed by the Internal Audit department and assessed for operational risks. The Internal Audit department is operationally independent and reports significant internal control deficiencies to the Audit Committee.

The Bank has a Business Continuity Plan (BCP) to ensure that the critical activities are supported in case of an emergency. The BCP is approved by the Board of Directors.

Bank's ICAAP limit of 16% has been fixed to absorb any unforeseen event as compared to regulatory capital requirement of 12.5%.

Legal risk is the risk arising from the potential that unenforceable contracts, lawsuits or adverse judgments can disrupt or otherwise negatively affect the operations of the group. The Group has developed controls and procedures to identify legal risks and believes that losses will not be material.

(Expressed in Thousands Bahrain Dinars)

22 FINES & PENALTY

	Amount in BHD Actual 2020
Penalty paid to Central Bank of Bahrain	**1**

23 Liquidity Coverage Ratio (LCR)

According to LM-11.1.2 under the "Liquidity Risk Management Module" in the CBB Rulebook, The Bank has calculated the Liquidity Coverage Ratio, which is at 491% as on 31st December 2020

24 Leverage Ratio (LR)

According to CA-15.5.1 under the "Leverage Ratio & Gearing Requirements" Module in the CBB Rulebook, The Bank has calculated the Leverage Ratio, which is at 27.1% as on 31st December 2020

25 Organizational Restructuring

The Board of Directors has employed the services of an external consultant for recommendations on the Organization Structure, Remuneration Packages and incentive structure.

بنك البحرين للتنمية ش.م.ب (م)
BAHRAIN DEVELOPMENT BANK B.S.C. (c)

Composition of capital disclosure requirements

As at 31 December 2020

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Step 1: Balance sheet under the regulatory scope of consolidation

This step in not applicable to the Bank since the scope of regulatory consolidation and accounting consolidation is identical.

BAHRAIN DEVELOPMENT BANK B.S.C.(c)

Step 2: Reconciliation of published financial balance sheet to regulatory reporting as at 31 December 2020

BD 000's	Balance sheet as in published financial statements	Consolidated PIR data
Assets		
Cash and balances at central banks	2,568	2,568
Placements with banks and other financial institutions	3,722	3,727
Investment securities	56,364	56,364
Investments in associates	374	374
As at 31 December 2020	**56,738**	**56,738**
of which:		
Significant investments in capital of financials institutions exceeds the 10% of CET1		
Amount in excess of 10% of CET1 to be deducted		
Amount in excess of 10% of CET1 to be deducted in year 1		
Investment property	11,071	11,071
Loans and advances	146,630	148,021
of which: General loan loss provision which qualify as capital	1,391	-
Prepayments, accrued income and other assets	3,828	3,848
Property, plant and equipment	1,926	1,926
Total assets	**226,483**	**227,899**
Liabilities		
Deposits from banks and other financial institutions	-	-
Customer accounts	118,030	118,030
Term Loans	35,304	35,304
Repurchase agreements and other similar secured borrowing		
Derivative financial instruments		
Accruals, deferred income and other liabilities	4,444	4,348
Total liabilities	**157,778**	**157,682**
Shareholders' Equity		
Paid-in share capital	65,000	65,000
Shares under employee share incentive scheme		
Total share capital	**65,000**	**65,000**
of which amount eligible for CET1	-	65,000
of which amount eligible for AT1	-	-
Accumulated losses	(2,656)	(2,656)
Statutory reserve	1,186	1,186
Other Reserve	4,048	4,048
General reserve		
Share premium		
Donations and charity reserve		
General loan loss provision which qualify as capital		1,512
Available for sale revaluation reserve	1,146	1,146
Share of Available for sale revaluation reserve relating to associates not considered for regulatory capital		
Minority interest in subsidiaries' share capital	(19)	(19)
Total shareholders' equity	**68,705**	**70,217**
Total liabilities & Shareholders' Equity	**226,483**	**227,899**

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Step 3: Composition of Capital Common Template (transition) as at 31 December 2020

	Composition of Capital and mapping to regulatory reports	Component of regulatory capital	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	65,000	
2	Retained earnings	257	
3	Accumulated other comprehensive income (and other reserves)	6,380	
4	Not Applicable	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
As a	**Common Equity Tier 1 capital before regulatory adjustments**	**71,637**	
	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)	-	
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	-	
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**	**-**	
29	**Common Equity Tier 1 capital (CET1)**	**71,637**	
	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	-	
	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)**	**71,637**	

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Step 3: Composition of Capital Common Template (transition) as at 31 December 2020

	Composition of Capital and mapping to regulatory reports	Component of regulatory capital	Source based on reference numbers / letters of the balance sheet under the regulatory scope of consolidation from step 2
	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	1,194	
As a	**Tier 2 capital before regulatory adjustments**	**1,194**	
	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: [INSERT NAME OF ADJUSTMENT]	-	
	OF WHICH: …	-	
57	**Total regulatory adjustments to Tier 2 capital**	**-**	
58	**Tier 2 capital (T2)**	**1,194**	
59	**Total capital (TC = T1 + T2)**	**72,831**	
	RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT		
60	**Total risk weighted assets**	**114,089**	
	Capital ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	62.79%	
62	Tier 1 (as a percentage of risk weighted assets)	62.79%	
63	Total capital (as a percentage of risk weighted assets)	63.84%	
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)	9.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: bank specific countercyclical buffer requirement (N/A)	0.00%	
67	of which: D-SIB buffer requirement (N/A)	0.00%	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	62.79%	
	National minima including CCB (if different from Basel 3)		
69	CBB Common Equity Tier 1 minimum ratio	9.00%	
70	CBB Tier 1 minimum ratio	11.00%	
71	CBB total capital minimum ratio	12.50%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financials	1,529	
73	Significant investments in the common stock of financials	374	
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)	1,512	
77	Cap on inclusion of provisions in Tier 2 under standardised approach (1.25% of Credit Risk weighted Assets)	1,194	
78	NA	-	
79	NA	-	
	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 redemptions and maturities	-	

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Disclosure template for main feature of regulatory capital instruments

1	Issuer	Bahrain Development Bank BSC
2	Unique identifier (Bahrain Bourse ticker)	BDB
3	Governing law of the instrument	All applicable laws and regulations of the Kingdom of Bahrain
	Regulatory treatment	
4	Transitional CBB rules	Common Equity Tier 1
5	Post-transitional CBB rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Group
7	Instrument Type	Common Equity shares
8	Amount recognized in regulatory capital (currency in Millions, as of most recent reporting date)	65,000.00
9	As at 31 December 2019	BD1.00
10	Accounting classification	Shareholders' Equity
11	Original date of issuance	Not Applicable
12	Perpetual or dated	Not Applicable
13	Original maturity date	Not Applicable
14	Issuer call subject to prior supervisory approval	Not Applicable
15	Optional call date, contingent call dates and redemption amount	Not Applicable
16	Subsequent call dates, if applicable	Not Applicable
	Coupons / dividends	Not Applicable
17	Fixed or floating dividend/coupon	Not Applicable
18	Coupon rate and any related index	Not Applicable
19	Existence of a dividend stopper	Not Applicable
20	Fully discretionary, partially discretionary or mandatory	Not Applicable
21	Existence of step up or other incentive to redeem	Not Applicable
22	Noncumulative or cumulative	Not Applicable
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)	Not Applicable
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	Not Applicable
37	If yes, specify non-compliant features	Not Applicable