

Esterad Bank B.S.C (c)

COMPONENTS OF CAPITAL

30th June 2025

Composition of Capital common template as at 30 June 2025

| | Composition of Capital and mapping to regulatory reports | Component of regulatory capital | Reference numbers of balance sheet under the regulatory scope of consolidation |
|----|--|---------------------------------|--|
| | 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 | 1,005 | A |
| | Statutory reserve | 249 | B |
| 2 | Retained earnings | (22,766) | |
| 3 | Accumulated other comprehensive income (and other reserves) | (2,569) | |
| 4 | Unrealized gains or losses on available for sale financial instruments | - | |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | - | |
| 6 | Common Equity Tier 1 capital before regulatory adjustments | (24,081) | |
| | 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) | 2,844 | |
| 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 OF WHICH: [INSERT NAME OF ADJUSTMENT] | - | |
| | OF WHICH: ... | - | |
| 27 | Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions | - | |
| 28 | Total regulatory adjustments to Common equity Tier 1 | 2,844 | |
| 29 | Common Equity Tier 1 capital (CET1) | (26,925) | |
| | 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 | 26,521 | C |
| 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 | 26,521 | |
| | Additional Tier 1 capital: regulatory adjustments | - | |
| 37 | Instruments issued by parent company | - | |
| 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 | CBB specific regulatory adjustments | - | |
| 42 | Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions | (23,894) | |
| 43 | Total regulatory adjustments to Additional Tier 1 capital | 2,627 | |
| 44 | Additional Tier 1 capital (AT1) | 2,627 | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | (24,298) | |
| | Tier 2 capital: instruments and provisions | | |

Composition of Capital common template as at 30 June 2025 (continued)

| | Composition of Capital and mapping to regulatory reports | Component of regulatory capital | Reference numbers of balance sheet under the regulatory scope of consolidation |
|----|--|---------------------------------|--|
| 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 | 160 | D |
| 51 | Tier 2 capital before regulatory adjustments | 160 | |
| | 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 | CBB specific regulatory adjustments | - | |
| 57 | Total regulatory adjustments to Tier 2 capital | | |
| 58 | Tier 2 capital (T2) | 160 | |
| 59 | Total capital (TC = T1 + T2) | 24,138 | |
| | RISK WEIGHTED ASSETS IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT | - | |
| | OF WHICH: Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible | - | |
| 60 | Total risk weighted assets | 175,126 | |
| | Capital ratios | | |
| 61 | Common Equity Tier 1 (as a percentage of risk weighted assets) | (15.37)% | |
| 62 | Tier 1 (as a percentage of risk weighted assets) | (13.87)% | |
| 63 | Total capital (as a percentage of risk weighted assets) | (13.78)% | |
| 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) | NA | |
| 67 | of which: D-SIB buffer requirement (N/A) | NA | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) | 0.00% | |
| | 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 | 10.50% | |
| 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 | - | |
| 73 | Significant investments in the common stock of financials | - | |
| 74 | Mortgage servicing rights (net of related tax liability) | - | |
| 75 | Deferred tax assets arising from temporary differences (net of related tax liability) | - | |
| | Applicable caps on the inclusion of provisions in Tier 2 | | |
| 76 | Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap) | 160 | |
| 77 | Cap on inclusion of provisions in Tier 2 under standardised approach (1.25% of Credit Risk weighted Assets) | 2,012 | |
| 78 | NA | - | |
| 79 | NA | - | |
| | Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024) | | |
| 78 | Current cap on CET1 instruments subject to phase out arrangements | - | |
| 79 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | - | |
| 80 | Current cap on AT1 instruments subject to phase out arrangements | - | |
| 81 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | - | |
| 82 | Current cap on T2 instruments subject to phase out arrangements | - | |
| 83 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | - | |

Reconciliation of Published Financial Balance Sheet to Regulatory Reporting as at 30 June 2025

| | Balance sheet as in published financial statements | Consolidated PIR data | Reference |
|---|--|--------------------------|-----------|
| | USD'000s | USD'000s | |
| ASSETS | | | |
| Cash and balances with Central Banks | 829 | 1 | |
| Placements with financial institutions | 2,249 | 2,250 | |
| Equity-type Investments at fair value through income | 3,145 | 3,145 | |
| Equity-type Investments at fair value through equity - net | - | - | |
| Funding to project companies | 949 | 1,054 | |
| Other assets | 1,843 | 2,897 | |
| Right-of-use assets | 3,096 | 3,096 | |
| Property and equipment - net | 3,818 | 3,818 | |
| TOTAL ASSETS | 15,929 | 16,261 | |
| LIABILITIES AND EQUITY | | | |
| Liabilities | | | |
| Employee accruals | 240 | 240 | |
| Ijarah liability | 3,471 | 3,471 | |
| Accounts payable | 5,310 | 5,310 | |
| Provisions and accruals | 679 | 679 | |
| Deferred income | 137 | 137 | |
| Provision against guarantees | 4,171 | 4,171 | |
| Settlement with a related party | 247 | 247 | |
| Other | 3 | 3 | |
| Total liabilities | 14,258 | 14,258 | |
| Shareholder's Equity | | | |
| Share capital | 1,005 | 1,005 | A |
| Statutory reserve | 249 | 249 | B |
| Investment fair value reserve | - | - | |
| Accumulated losses | (26,104) | (26,104) | |
| Subordinated Mudharaba (AT1) | 26,521 | 26,521 | C |
| Expected credit losses (Stages 1 & 2) eligible for T2 | - | 160 | D |
| Expected credit losses (Stages 1 & 2) not eligible for regulatory capital | - | 172 | |
| Total Equity | 1,671 | 2,003 | |
| TOTAL LIABILITIES AND EQUITY | 15,929 | 16,261 | |

Disclosure template for main features of regulatory capital

| | | |
|-----------------------------|--|---|
| 1 | Issuer | Esterad Bank B.S.C (c) |
| 2 | Unique identifier | Not applicable |
| 3 | Governing law(s) 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 (specified by jurisdiction) | Common Equity shares |
| 8 | Amount recognised in regulatory capital (USD mm, as of most recent reporting date) | USD 1.005 |
| 9 | Par value of instrument | USD 1 |
| 10 | Accounting classification | Shareholders equity |
| 11 | Original date of issuance | Various |
| 12 | Perpetual or dated | Perpetual |
| 13 | Original maturity date | No maturity |
| 14 | Issuer call subject to prior supervisory approval | No |
| 15 | Optional call date, contingent call dates and redemption amount | Not applicable |
| 16 | Subsequent call dates, if applicable | Not applicable |
| Coupons / dividends | | |
| 17 | Fixed or floating dividend/coupon | Shareholders resolution |
| 18 | Coupon rate and any related index | Not applicable |
| 19 | Existence of a dividend stopper | Not applicable |
| 20 | Fully discretionary, partially discretionary or mandatory | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | No |
| 22 | Noncumulative or cumulative | 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 | No |
| 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 | Not applicable |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | Not applicable |