



**Esterad bank B.S.C (c)**

# **COMPONENTS OF CAPITAL**

31<sup>st</sup> December 2024

## Esterad bank B.S.C (c)

### Reconciliation of Published Financial Balance Sheet to Regulatory Reporting as at 31 December 2024

	Balance sheet as in published financial statements	Consolidated PIR data	Reference
	<i>USD'000s</i>	<i>USD'000s</i>	
<b>ASSETS</b>			
Cash and balances with Central Banks	1,127	-	
Placements with financial institutions	650	650	
Equity-type Investments at fair value through income	17,127	17,127	
Equity-type Investments at fair value through equity - net	-	-	
Funding to project companies	1,939	2,154	
Other assets	2,163	3,820	
Right-of-use assets	3,175	3,175	
Property and equipment - net	3,874	3,874	
<b>TOTAL ASSETS</b>	<b>30,055</b>	<b>30,800</b>	
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Employee accruals	308	308	
Ijarah liability	3,519	3,519	
Accounts payable	4,763	4,763	
Provisions and accruals	751	742	
Deferred income	27	27	
Provision against guarantees	4,902	4,902	
Payable under settlement agreement	8,689	8,689	
Other	2,328	2,328	
<b>Total liabilities</b>	<b>25,287</b>	<b>25,278</b>	
<b>Shareholder's Equity</b>			
Share capital	1,005	1,005	A
Statutory reserve	249	249	B
Investment fair value reserve	-	-	
Accumulated losses	(22,742)	(22,742)	
Subordinated Mudharaba (AT1)	26,256	26,256	C
Expected credit losses (Stages 1 & 2) eligible for T2	-	327	D
Expected credit losses (Stages 1 & 2) not eligible for regulatory capital	-	427	
<b>Total Equity</b>	<b>4,768</b>	<b>5,522</b>	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>30,055</b>	<b>30,800</b>	

## Esterad bank B.S.C (c)

### Composition of Capital common template as at 31 December 2024

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
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	(24,550)	
3	Accumulated other comprehensive income (and other reserves)	2,488	
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)	-	
<b>6</b>	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>(20,808)</b>	
<b>Common Equity Tier 1 capital: regulatory adjustments</b>			
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)	2,198	
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	-	
	<b>REGULATORY ADJUSTMENTS APPLIED TO COMMON EQUITY TIER 1 IN RESPECT OF AMOUNTS SUBJECT TO PRE-2015 TREATMENT</b>	-	
	<b>OF WHICH: [INSERT NAME OF ADJUSTMENT]</b>	-	
	<b>OF WHICH: ...</b>	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
<b>28</b>	<b>Total regulatory adjustments to Common equity Tier 1</b>	<b>2,198</b>	
<b>29</b>	<b>Common Equity Tier 1 capital (CET1)</b>	<b>(23,006)</b>	
<b>Additional Tier 1 capital: instruments</b>			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31	of which: classified as equity under applicable accounting standards	26,256	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	26,256	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
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	(21,588)	
43	Total regulatory adjustments to Additional Tier 1 capital	4,668	
<b>44</b>	<b>Additional Tier 1 capital (AT1)</b>	<b>(18,338)</b>	
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>(18,338)</b>	
<b>Tier 2 capital: instruments and provisions</b>			

## Esterad bank B.S.C (c)

### Composition of Capital common template as at 31 December 2024 (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	327	D
51	<b>Tier 2 capital before regulatory adjustments</b>	<b>327</b>	
	<b>Tier 2 capital: regulatory adjustments</b>		
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	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	
58	<b>Tier 2 capital (T2)</b>	<b>327</b>	
59	<b>Total capital (TC = T1 + T2)</b>	<b>18,011</b>	
	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	<b>Total risk weighted assets</b>	<b>311,170</b>	
	<b>Capital ratios</b>		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	-7.39%	
62	Tier 1 (as a percentage of risk weighted assets)	-5.89%	
63	Total capital (as a percentage of risk weighted assets)	-5.79%	
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)	-7.39%	
	<b>National minima including CCB (if different from Basel 3)</b>		
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%	
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>		
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)	-	
	<b>Applicable caps on the inclusion of provisions in Tier 2</b>		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	327	
77	Cap on inclusion of provisions in Tier 2 under standardised approach (1.25% of Credit Risk weighted Assets)	3,684	
	<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2020 and 1 Jan 2024)</b>		
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)	-	

## Esterad bank B.S.C (c)

### 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
<b>Regulatory treatment</b>		
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
<b>Coupons / dividends</b>		
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