ITHMAAR BANK B.S.C. (c)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2026

ITHMAAR BANK B.S.C. (c)
Condensed consolidated interim financial information
for the nine months period ended 30 September 2026

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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors of
Ithmaar Bank B.S.C. (c)
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 September 2026 condensed consolidated interim financial information of Ithmaar Bank B.S.C. (c) (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 September 2026;
- the condensed consolidated statement of income for the three-month and nine-month periods ended 30 September 2026;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2026;
- the condensed consolidated statement of income and attribution related to quasi-equity for the three-month and nine-month periods ended 30 September 2026;
- the condensed consolidated statement of changes in owners' equity for the nine-month period ended 30 September 2026;
- the condensed consolidated statement of cash flows for the nine-months period ended 30 September 2026;
- the condensed consolidated statement of changes in off-balance-sheet assets under management for the nine-month period ended 30 September 2026; *and*
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with FAS 41, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2026 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

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Emphasis of Matter – Basis of preparation

We draw attention to Note 1.1 to the condensed consolidated interim financial information, which describes significant judgments and assumptions relating to the Board of Directors assessment of the appropriateness of the going concern assumption for preparation of the condensed consolidated interim financial information. Our conclusion is not modified in respect of this matter.



11 November 2026

Ithmaar Bank B.S.C. (c)

Condensed consolidated statement of financial position

as at 30 September 2026

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Note	At 30 September 2026	At 31 December 2025
		(Reviewed)	(Audited)
ASSETS			
Cash and balances with banks and central banks		191,774	165,904
Commodity placements with banks and other financial institutions		73,751	71,543
Financing contracts	3	1,415,194	1,519,815
Investment securities	4	1,143,532	914,890
Investment in associates		4,955	4,348
Other assets	5	73,137	70,768
Investment in real estate		378	1,243
Development properties		54,173	53,995
Property and equipment		100,293	93,857
Intangible assets		6,260	5,212
Total assets		**3,063,447**	2,901,575
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
Customers' current accounts		1,226,889	929,376
Due to banks, financial and other institutions		203,581	417,617
Other liabilities		103,681	125,599
Total liabilities		**1,534,151**	1,472,592
Quasi-equity	7	**1,414,500**	1,318,362
OWNERS' EQUITY			
Share capital	8	100,000	100,000
Reserves	9	(51,531)	(51,531)
Retained earnings		10,009	6,471
Total equity attributable to shareholders of the Bank		**58,478**	54,940
Non-controlling interest		56,318	55,681
Total owners' equity		**114,796**	110,621
Total liabilities, quasi-equity and owners' equity		**3,063,447**	2,901,575

This condensed consolidated interim financial information was approved by the Board of Directors on 11 November 2026 and signed on its behalf by:

HRH Prince Amr Mohammed Al-Faisal
Chairman

Elham Hasan
Director

Maysan Al Maskati
CEO

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

Ithmaar Bank B.S.C. (c)

Condensed consolidated statement of income

for the nine months period ended 30 September 2026

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Note	Nine months ended		Three months ended	
		30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
		(Reviewed)	(Reviewed)	**(Reviewed)**	(Reviewed)
INCOME					
Income from financing contracts		102,858	88,751	35,985	29,999
Income from investments		90,980	102,227	31,977	34,534
Other income - net		23,146	19,968	7,629	6,859
Finance expense on placements from financial and non-financial institutions		(4,457)	(5,448)	(1,543)	(1,821)
Net income		**212,527**	205,498	**74,048**	69,571
Share of profit from equity accounted investees		322	264	109	68
Total income		**212,849**	205,762	**74,157**	69,639
EXPENSES					
Operating expenses		63,460	57,809	22,221	20,581
Depreciation and amortization		7,741	7,549	2,203	2,619
Total expenses		**71,201**	65,358	**24,424**	23,200
Profit before impairment allowances, income attribution to quasi-equity and tax		**141,648**	140,404	**49,733**	46,439
Allowances for impairment and expected credit losses, net	6	485	2,809	617	(1,582)
Profit before income attribution to quasi-equity and tax		**142,133**	143,213	**50,350**	44,857
Less: Net profit attributable to quasi-equity		(108,360)	(105,297)	(38,136)	(33,084)
Profit before overseas taxation		**33,773**	37,916	**12,214**	11,773
Tax expense		(23,706)	(27,067)	(8,573)	(8,021)
PROFIT FOR THE PERIOD		**10,067**	10,849	**3,641**	3,752
Attributable to:					
Shareholders of the Bank		3,538	3,954	1,318	1,150
Non-controlling interest		6,529	6,895	2,323	2,602
		10,067	10,849	**3,641**	3,752

HRH Prince Amr Mohammed Al-Faisal
Chairman

Elham Hasan
Director

Maysan Al Maskati
CEO

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

Ithmaar Bank B.S.C. (c)

Condensed consolidated statement of comprehensive income

for the nine months period ended 30 September 2026

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Reviewed)	(Reviewed)	**(Reviewed)**	(Reviewed)
Profit for the period	**10,067**	10,849	**3,641**	3,752
Other comprehensive income				
Items that will not be classified to statement of income				
Changes in fair value of land and building	37	496	44	809
Attributable to quasi-equity	(25)	(330)	(30)	(537)
Items that are or may subsequently be classified to income statement				
Exchange difference arising on translation of foreign operations	2,692	(168)	748	954
Changes in fair value of investments in real estate	-	(793)	-	(775)
Changes in fair value of investments carried at fair value through OCI	(7,782)	(5,997)	(2,033)	(1,228)
Attributable to quasi-equity	3,510	4,622	861	695
Total other comprehensive income for the period	(1,568)	(2,170)	(410)	(82)
Total comprehensive income	**8,499**	8,679	**3,231**	3,670
Attributable to:				
Shareholders of the Bank	3,538	3,954	1,318	1,150
Non-controlling interest	4,961	4,725	1,913	2,520
	8,499	8,679	**3,231**	3,670

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

Ithmaar Bank B.S.C. (c)

Condensed consolidated statement of income and attribution related to quasi-equity

for the nine months period ended 30 September 2026

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2026	30 September 2025	**30 September 2026**	30 September 2025
	(Reviewed)	(Reviewed)	**(Reviewed)**	(Reviewed)
Profit before impairment allowances, income attribution to quasi-equity and tax	**141,648**	140,404	**49,733**	46,439
Adjusted for:				
Less: loss not attributable to quasi-equity	(9,804)	(9,112)	(3,050)	(3,663)
Add: expenses not attributable to quasi-equity	71,201	65,358	24,424	23,200
Less: finance expense on placements from financial and non-financial institutions	4,457	5,448	1,543	1,821
Less: allowance for impairment allowances attributable to quasi-equity	468	3,186	617	(1,582)
Total income available for quasi-equity holders	**207,970**	205,284	**73,267**	66,215
Less: Mudarib's share	(99,610)	(99,987)	(35,131)	(33,131)
Profit attributable to quasi-equity	**108,360**	105,297	**38,136**	33,084
Other comprehensive income that may subsequently be classified to income statement – attributable to quasi-equity	(3,485)	(4,292)	(831)	(158)
Total comprehensive income – attributable to quasi-equity	**104,875**	101,005	**37,305**	32,926
Less: Other comprehensive income not subject to immediate distribution	3,485	4,292	831	158
Total comprehensive income subject to immediate distribution	**108,360**	105,297	**38,136**	33,084

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

Ithmaar Bank B.S.C. (c)

Condensed consolidated statement of changes in owners' equity

for the nine months period ended 30 September 2026

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

At 30 September 2026 (reviewed)	**Share capital**	**Reserves**	**Retained earnings**	**Total equity attributable to shareholders of the Bank**	**Non-controlling interests**	**Total owners' equity**
At 1 January 2026	**100,000**	**(51,531)**	**6,471**	**54,940**	**55,681**	**110,621**
Profit for the period	-	-	3,538	**3,538**	6,529	**10,067**
Other comprehensive income for the period	-	-	-	**-**	(1,568)	**(1,568)**
Total comprehensive income for the period	**-**	**-**	**3,538**	**3,538**	**4,961**	**8,499**
Movement from dividend distribution by subsidiaries	-	-	-	**-**	(3,435)	**(3,435)**
Change in shareholding of a subsidiary	-	-	-	**-**	(889)	**(889)**
At 30 September 2026	**100,000**	**(51,531)**	**10,009**	**58,478**	**56,318**	**114,796**

At 30 September 2025 (reviewed)	Share capital	Reserves	Retained earnings	Total equity attributable to shareholders of the Bank	Non-controlling interests	Total owners' equity
At 1 January 2025	100,000	(51,971)	2,508	50,537	55,631	106,168
Profit for the period	-	-	3,954	3,954	6,895	10,849
Other comprehensive income for the period	-	-	-	-	(2,170)	(2,170)
Total comprehensive income for the period	-	-	3,954	3,954	4,725	8,679
Movement from dividend distribution by subsidiaries	-	-	-	-	(3,743)	(3,743)
Change in shareholding of a subsidiary	-	-	-	-	(1,607)	(1,607)
At 30 September 2025	100,000	(51,971)	6,462	54,491	55,006	109,497

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

Ithmaar Bank B.S.C. (c)
Condensed consolidated statement of cash flows
for the nine months period ended 30 September 2026
(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended	
	30 September 2026	30 September 2025
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Profit before taxation	**33,773**	37,916
Adjustments for:		
Depreciation and amortization	7,741	7,549
Reversal of impairment - net	(485)	(2,809)
Income from investment securities	(90,980)	(102,227)
Finance cost on net Ijarah liability	2,417	2,084
Share of profit from equity accounted investees	(322)	(264)
Gain on sale of property and equipment	(630)	(37)
Operating loss before changes in operating assets and liabilities	**(48,486)**	(57,788)
Net changes in operating assets and liabilities:		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	2,204	(917)
Financing contracts	117,424	(97,161)
Other assets	(5,631)	(14,158)
Customers' current accounts	287,848	145,133
Due to banks, financial and other institutions	(225,661)	(121,564)
Other liabilities	(4,390)	(31,321)
Quasi-equity	83,229	173,453
Taxes paid	(35,987)	(36,443)
Net cash generated from / (used in) operating activities	**170,550**	(40,766)
INVESTING ACTIVITIES		
Investment securities	(126,811)	57,677
Property and equipment	(10,219)	(14,099)
Net cash (used in) / generated from investing activities	**(137,030)**	43,578
FINANCING ACTIVITIES		
Repayment of net Ijarah liability	(4,010)	(3,615)
Net cash used in financing activity	**(4,010)**	(3,615)
Foreign currency translation adjustments	772	(801)
Net increase / (decrease) in cash and cash equivalents	**30,282**	(1,604)
Cash and cash equivalents at beginning of the period	**220,030**	189,001
Cash and cash equivalents at end of the period	**250,312**	187,397
Cash and cash equivalents comprise:		
Cash and balances with banks and central banks	191,774	148,090
Commodity placements with banks and other financial institutions	73,751	56,436
Less: Placements with original maturing after 90 days and balances with central banks relating to minimum reserve requirement	(15,213)	(17,129)
	250,312	187,397

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

Ithmaar Bank B.S.C. (c)

Condensed consolidated statement of changes in off-balance-sheet assets under management

for the nine months period ended 30 September 2026

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

30 September 2026 (reviewed)	**Shamil Bosphorus Modaraba***	**European Real Estate Placements***	**US Real Estate Placements***	**Total**
Balance at 1 January 2026	2,356	4,224	1,775	8,355
Additions	-	-	-	-
Foreign exchange movements	-	(150)	-	(150)
Recoveries/ disposals/ maturities	-	-	-	-
Net decrease	-	(150)	-	(150)
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Bank's management share	-	-	-	-
Distributions/ withdrawals	-	-	-	-
Balance at 30 September 2026	**2,356**	**4,074**	**1,775**	**8,205**

At 30 September 2025 (reviewed)	Shamil Bosphorus Modaraba*	European Real Estate Placements*	US Real Estate Placements*	Total
Balance at 1 January 2025	2,356	3,723	1,775	7,854
Additions	-	-	-	-
Foreign exchange movements	-	496	-	496
Recoveries/ disposals/ maturities	-	-	-	-
Net increase	-	496	-	496
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Bank's management share	-	-	-	-
Distributions/ withdrawals	-	-	-	-
Balance at 30 September 2025	2,356	4,219	1,775	8,350

* Income/(loss) will be recognised and distributed at the time of disposal of the underlying investments.

The accompanying notes 1 to 15 form an integral part of the condensed consolidated interim financial information.

1 REPORTING ENTITY

Ithmaar Bank B.S.C. (c) (the “Bank” or the "Company") was incorporated in the Kingdom of Bahrain on 12 May 2016 as a Closed Joint Stock entity and registered with the Ministry of Industry and Commerce (MOIC) under commercial registration number 99336-1 and is licensed as an Islamic retail bank by the Central Bank of Bahrain (the “CBB”) on 14 August 2016.

The Company's registered office is at Building 2080, Road 2825, Block 428, Al Seef, Kingdom of Bahrain.

Ithmaar Holding B.S.C., a Volume 4, Category 1 investment firm licensed and regulated by the CBB, owns 100% of the share capital of the Bank, is the Parent company of the Bank ["Ithmaar" or "Parent"]. Dar Al-Maal Al-Islami Trust (“DMIT”or "Ultimate Parent"), a Trust incorporated in the commonwealth of Bahamas is the ultimate parent company of the Bank.

The condensed consolidated interim financial information includes the results of the Bank and its subsidiaries (the "Group").

The principal activities of the Bank and its subsidiaries include a wide range of financial services, including retail, commercial and private banking services.

The Bank's activities are regulated by the CBB and are subject to the supervision of Shari’a Supervisory Board.

The Group’s activities also include acting as a Mudarib (manager, on a trustee basis), of funds deposited for investment in accordance with Islamic laws and principles particularly with regard to the prohibition of receiving or paying interest. These funds are included in the condensed consolidated interim financial information as quasi equity and off-balance-sheet assets under management. In respect of quasi-equity, the investment accountholders authorise the Group to commingle and invest the accountholders’ funds in a manner which the Group deems appropriate without laying down any restrictions as to where, how and for what purpose the funds should be invested. In respect of off-balance-sheet assets under management, the investment accountholders impose certain restrictions as to where, how and for what purpose the funds are to be invested. Further, the Group may be restricted from commingling its own funds with the funds of off-balance-sheet assets under management.

The Group carries out its business activities through the Bank’s head office, 2 commercial branches in Bahrain and its following principal subsidiaries:

	% owned			
	30 September 2026	31 December 2025	**Country of Incorporation**	**Principal business activities**
Faysal Bank Limited (FBL) (Note 1)	67	67	Pakistan	Banking
Dilmunia Development Fund I L.P.	94	92	Cayman Islands	Real estate
Sakana Holistic Housing Solutions B.S.C. (c) (Sakana) [under Voluntary Liquidation]	50	50	Kingdom of Bahrain	Mortgage finance

Note 1: The Group owns 67% stake in FBL, through a direct legal ownership of 57% and 10% of indirect ownership by DMIT, held for the beneficial interest of the Bank.

1.1 Going Concern

As of 30 September 2026, the total equity attributable to shareholders of the Bank stood at BD58.5 million (31 December 2025: BD54.9 million), which is below the minimum regulatory shareholder equity of BD100 million required by the CBB as per LR module of Volume 2 of the CBB Rule Book.

The Board of Directors of the Group's immediate parent, Ithmaar Holding, is working on various initiatives to strengthen the Group's consolidated equity, meet the minimum regulatory capital requirement of its licensed group entities and liquidity profile in the next twelve months from reporting date of this condensed consolidated interim financial information ('Equity Strengthening Plans'). These initiatives include, amongst others, the following:

- Cancellation of accumulated losses against share capital;
- Issuance of additional share capital by way of Rights issue of up to $100 million to existing shareholders. The majority shareholder – DMIT, has committed to support the Group and has expressed its intention to subscribe to its pro-rata share in the rights issue which is approximately $50 million. Both the above measures (capital reduction and increase) have been approved by the shareholders during an Extraordinary General Meeting (EGM) held on 8 March 2026. The Group is currently in the process of completion of all necessary legal and regulatory formalities;
- Continuing regulatory support on matters related to capital and liquidity requirements on licensed group entities;
- Focusing on recovery of financing exposures by way of sale / realization of underlying collateral;
- Development of a restructuring plan with the assistance of external consultants to further enhance the Group's financial position and support long term value creation.

The Group's management has also assessed liquidity and equity projections of the banking and other businesses for the next twelve months from reporting date of this condensed consolidated interim financial information. Management's assessment includes the following significant assumptions:

- Positive progress in key aspects of the Equity Strengthening Plans;
- Stressing the expected behavioral outflows of the liabilities and expected behavioral inflows from assets;
- Putting in place the necessary liquidity lines in the form of medium-term interbank liquidity support facilities;
- Ability to maintain core deposits through increased focus on corporate customers as part of the new business model (evidenced by actual cash flows till the reporting date);
- Use of ALCO approved rollover/ renewal related behavioral patterns of liabilities; and
- No change in status of sanctioned liabilities and accordingly no repayments.

These represent the key assumptions underlying management's going concern assessment. In concluding that the going concern-basis remains appropriate, the management and the Board have exercised significant judgment, particularly in evaluating the feasibility and expected timing of the capital plan, the recoverability of financing exposures, and the reasonableness of projected liquidity flows.

The Board of Directors has reviewed the above assumptions and events, along with mitigating factors and concluded that there are no material uncertainties related that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, the Board of Directors believe that the Group will be able to continue its business without any significant curtailment of operations and will be able to meet its obligations for the next twelve months from the date of reporting of this condensed consolidated interim financial information. Accordingly, the condensed consolidated interim financial information has been prepared on a going concern basis.

2 BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated interim financial information of the Group has been presented in accordance with Financial Accounting Standard FAS 41, Interim Financial Reporting ("FAS 41") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI").

The condensed consolidated interim financial information of the Group does not contain all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2025. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2025. Further, results for the interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The condensed consolidated interim financial information are presented in Bahraini Dinars (BD), being the presentation currency of the Bank. All values are rounded to the nearest thousand [BD '000] unless otherwise indicated. The functional currency of the Bank is Bahraini Dinars and that of one subsidiary is Pakistani Rupees. Items included in the financial statements of each entity are measured using respective functional currency.

Comparatives
The condensed consolidated interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2025 and comparatives for the condensed consolidated income statement, statement of comprehensive income, statement of income and attribution to quasi-equity, changes in owners' equity, cash flows and changes in off-balance-sheet assets under management have been extracted from the reviewed condensed consolidated interim financial information for the nine months period ended 30 September 2025.

2.1 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2025, except for the following changes which became effective on 1 January 2026. The adoption of these standards did not have significant impact on the condensed consolidated interim financial information.

(i) FAS 45: Quasi-Equity (Including Investment Accounts)
(ii) FAS 46: Off-Balance-Sheet Assets Under Management
(iii) FAS 47: Transfer of Assets Between Investment Pools
(iv) FAS 48: Promotional Gifts and Prizes
(v) FAS 49: Financial Reporting for Institutions Operating in Hyperinflationary Economies

2.1 SIGNIFICANT ACCOUNTING POLICIES (continued)

A. New standards, amendments, and interpretations issued but not yet effective

The following new standards and amendments to the standards are effective for annual periods beginning after 1 January 2027 and earlier application is permitted. The Group is currently evaluating the impact of these standards and amendments.

(i) FAS 50: Financial reporting for Islamic Investment institutions (including investment funds)

This standard replaces FAS 14 – Investment Funds and updates the financial reporting framework for Islamic investment institutions.

Key enhancements include alignment with revised FAS 1 and the AAOIFI Conceptual Framework, removal of the separate statement of portfolio investments (now included in the notes), elimination of the cash-equivalent-value concept, and introduction of quasi-equity accounting principles.

The standard also provides guidance for Islamic investment institutions (IIIs) with multiple virtual entities or sub-funds, introduces requirements on NAV differential, removes earlier governance and stakeholder reporting requirements, and grants exemptions from consolidation or equity-accounting based on the unique business model and investment intent of the III.

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

(ii) FAS 51: Participatory Ventures

FAS 51 replaces FAS 3 (Mudaraba Financing) and FAS 4 (Musharaka Financing), it provides guidance for accounting in the books of the working partner and the venture. The scope of this standard is expanded to include additional venture types, for example, Running Musharaka, Diminishing Musharaka and restricted Mudaraba.

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

(iii) FAS 52: Deferred Delivery Sales: Salam and Istisna

This standard replaces FAS 7 “Salam and Parallel Salam” and FAS 10 “Istisna’a and Parallel Istisna’a”. This standard introduces guidance for accounting in the book of buyers and sellers including the treatment of parallel Salam and Istisna. This standard is aligned with the requirements of FAS 30 “Impairment, credit losses and onerous commitments”.

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

(iv) Withdrawal of FAS 26 – Investment in Real Estate and Related Transitional Provisions

AAOIFI issued a guidance relating to withdrawal of FAS 26 – Investment in Real Estate and related transitional provisions (“Guidance”). Following the withdrawal, investment in real estate shall be accounted for in accordance with IAS 40 – Investment property.

This guidance is effective for the periods beginning on or after 1 January 2027 and with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

2.2 ESTIMATES AND JUDGEMENTS

Impact of current geopolitical developments

The geopolitical situation in the Middle East has continued to evolve during the period, resulting in a heightened level of uncertainty in the economic environment across the region, including the Kingdom of Bahrain. The Group continues to closely monitor developments and maintains appropriate business continuity and risk management measures to mitigate the potential impact of any disruption on its operations, customers and financial performance. The Group also continues to assess the potential business and credit implications arising from these conditions, together with the effect of any support or relief measures introduced by regional governments and central banks.

Impact on expected credit losses (ECL)

The measurement of expected credit losses ("ECL") requires the application of significant judgement and the use of assumptions and estimates, in particular in relation to the assessment of significant increases in credit risk, the incorporation of forward-looking information, and the selection and weighting of forward-looking macroeconomic scenarios.

In September 2026, the Group updated the forward-looking macroeconomic factors, economic forecasts and assumptions incorporated within its ECL models to reflect the latest available economic information and prevailing market conditions. The Group considered a range of plausible economic outcomes and incorporated the impact of increased volatility in forward-looking macroeconomic factors when assessing the probability weighting, severity and likelihood of the economic scenarios applied within the impairment models.

The scenario weightings applied by the Group were as follows:

Scenario	30 September 2026	31 December 2025	30 September 2025
Best	5%	10%	10%
Base	45%	65%	65%
Worst	50%	25%	25%

Management also evaluated whether the modelled outcomes appropriately reflected prevailing and emerging credit risks across the Group's portfolios. The macroeconomic variables reassessed as part of this update included Bahrain and GCC gross domestic product growth, crude oil price assumptions, benchmark profit rate expectations, inflation forecasts and real estate market indicators, together with other economic factors considered relevant to the credit performance of the Group's financing and investment portfolios. In addition to the assumptions outlined above, the Group has given specific consideration to the relevant impact of these disruptions on the qualitative and quantitative factors when determining the significant increase in credit risk and assessing the indicators of impairment for the exposures in potentially affected sectors. This has resulted in recognition of relevant ECLs and impairment allowances.

2.2 ESTIMATES AND JUDGEMENTS

Impact on expected credit losses (ECL) (continued)

The Group also considered management overlays to address model limitations and portfolio-specific risk characteristics that were not fully captured within the underlying modelled outcomes. The reported ECL allowance represents management's best estimate at the reporting date, based on reasonable and supportable information available as at 30 September 2026. The economic environment remains subject to uncertainty, and the Group will continue to monitor developments and reassess the impact of changing macroeconomic conditions, portfolio performance and emerging risks on its ECL estimates in future reporting periods.

Assessment of the carrying values of assets

As of 30 September 2026, management performed an assessment of the carrying values of the Group's financial and non-financial assets, including financing contracts, investments, real estate portfolio, goodwill and other intangible assets, for any indicators of impairment or the need for valuation adjustments arising from the current geopolitical environment. Based on the information available at the reporting date, management concluded that the carrying values of these assets remain appropriate and no additional adjustments were required in this condensed consolidated interim financial information.

The Group continues to closely monitor regional and global developments and will revise its assumptions, judgments and estimates, where necessary, as the situation evolves.

CBB measures

On 14 April 2026, the Central Bank of Bahrain introduced a number of support measures for the economy and the banking sector, including liquidity lines to retail banks against eligible securities, repayment deferrals of up to three months for eligible borrowers, extension of repurchase operation maturities, a reduction in the required cash reserve ratio, and a lowering of the minimum LCR and NSFR thresholds applicable to banks.

The Group continues to monitor these developments and is assessing the extent to which these measures may have an impact on its condensed consolidated interim financial information.

3 FINANCING CONTRACTS

	30 September 2026	31 December 2025
Murabaha and tawarruq financings	918,651	931,027
Musharaka financing	480,138	526,051
Istisna financings	95,536	143,542
	1,494,325	1,600,620
Less: Allowance for impairment	(79,131)	(80,805)
	1,415,194	1,519,815

The movement on allowance for impairment is as follows:

	30 September 2026	31 December 2025
At beginning of the period	80,805	80,925
(Write back) / charge for the period	(466)	1,983
Utilised during the period	(1,492)	(1,937)
Exchange differences	284	(166)
At end of the period	**79,131**	80,805

4 INVESTMENT SECURITIES

	30 September 2026	31 December 2025
Investment securities at fair value through income statement		
Debt-type instruments – unlisted	2,255	1,426
Equity-type securities – listed	1,651	30
	3,906	1,456
Investment securities at fair value through other comprehensive income		
Debt-type instruments – unlisted	1,008,264	846,821
Equity-type securities – listed	11,104	12,616
Equity-type securities – unlisted	7,737	5,404
	1,027,105	864,841
Less: Allowance for impairment	(2,863)	(2,958)
	1,024,242	861,883
Investment securities carried at amortised cost		
Debt-type instruments – listed	43,900	44,093
Debt-type instruments – unlisted	71,506	7,458
	115,406	51,551
Less: Allowance for impairment	(22)	-
	115,384	51,551
	1,143,532	914,890

4 INVESTMENT SECURITIES (continued)

A hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the investments that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

Investments measured at fair value

	Level 1	**Level 2**	**Level 3**	**Total**
At 30 September 2026				
Investment securities at fair value through income statement				
Debt-type instruments	-	2,255	-	2,255
Equity-type securities	1,651	-	-	1,651
Investment securities at fair value through other comprehensive income				
Debt-type instruments	-	1,007,118	-	1,007,118
Equity-type securities	10,999	-	6,125	17,124
	12,650	**1,009,373**	**6,125**	**1,028,148**
Investments not measured at fair value				
Investment securities carried at amortised cost*				
Debt-type instruments - fair value	**110,964**	**-**	**-**	**110,964**

	Level 1	Level 2	Level 3	Total
At 31 December 2025				
Investment securities at fair value through income statement				
Debt-type instruments	-	1,426	-	1,426
Equity-type securities	30	-	-	30
Investment securities at fair value through other comprehensive income				
Debt-type instruments	-	845,482	-	845,482
Equity securities	12,591	-	3,810	16,401
	12,621	846,908	3,810	863,339
Investments not measured at fair value				
Investment securities carried at amortised cost*				
Debt-type instruments - fair value	42,671	7,481	-	50,152

*This pertains to the fair value of investment securities measured at amortised cost.

5 OTHER ASSETS

	30 September 2026	31 December 2025
Accounts receivable	66,868	68,106
Due from related parties (note 10)	6,866	6,849
Taxes – deferred	8,494	3,142
Taxes – current (advance tax)	4,013	5,701
Assets acquired against claims	1,191	1,439
	87,432	85,237
Less: Allowance for impairment	(14,295)	(14,469)
	73,137	70,768

6 IMPAIRMENT ALLOWANCE

The following table sets out information about the credit quality of financings and receivables. Unless specifically indicated, for financial assets, the amounts in the table represent gross carrying amounts.

30 September 2026 (reviewed)

	Stage 1	Stage 2	Stage 3	Total
Commodity placements with banks and other financial institutions				
Gross exposure	73,778	-	-	**73,778**
Less: expected credit loss	(27)	-	-	**(27)**
Net exposure	**73,751**	**-**	**-**	**73,751**
Financing contracts				
Gross exposure	1,384,588	34,043	75,694	**1,494,325**
Less: expected credit loss	(27,985)	(1,728)	(49,418)	**(79,131)**
Net exposure	**1,356,603**	**32,315**	**26,276**	**1,415,194**
Other assets				
Gross exposure	56,686	17,353	13,393	**87,432**
Less: expected credit loss	(893)	(9)	(13,393)	**(14,295)**
Net exposure	**55,793**	**17,344**	**-**	**73,137**
Total gross exposure	**1,515,052**	**51,396**	**89,087**	**1,655,535**
Less: Total expected credit loss	**(28,905)**	**(1,737)**	**(62,811)**	**(93,453)**
Total Net exposure	**1,486,147**	**49,659**	**26,276**	**1,562,082**

6 IMPAIRMENT ALLOWANCE (continued)

31 December 2025 (audited)

	Stage 1	Stage 2	Stage 3	Total
Commodity placements with banks and other financial institutions				
Gross exposure	71,570	-	-	71,570
Less: expected credit loss	(27)	-	-	(27)
Net exposure	71,543	-	-	71,543
Financing contracts				
Gross exposure	1,353,319	171,172	76,129	1,600,620
Less: expected credit loss	(27,725)	(2,238)	(50,842)	(80,805)
Net exposure	1,325,594	168,934	25,287	1,519,815
Other assets				
Gross exposure	68,955	2,643	13,639	85,237
Less: expected credit loss	(828)	(2)	(13,639)	(14,469)
Net exposure	68,127	2,641	-	70,768
Total gross exposure	1,493,844	173,815	89,768	1,757,427
Less: Total expected credit loss	(28,580)	(2,240)	(64,481)	(95,301)
Total Net exposure	1,465,264	171,575	25,287	1,662,126

	30 September 2026	30 September 2025
At beginning of the period	130,934	133,895
Charge/(write back) for the period	(485)	(2,809)
Utilised during the period	(1,492)	(914)
Exchange differences	56	(473)
At end of the period	**129,013**	129,699

Cash and balances with banks and central banks do not have significant ECL allowance.

7 QUASI-EQUITY

Quasi-equity comprise:

	30 September 2026	31 December 2025
Modaraba accounts - corporates	702,888	727,085
Modaraba accounts - financial institutions	415,557	290,524
Modaraba accounts - individuals	296,445	297,657
Wakala from financial institutions	10,296	10,297
Fair value & foreign exchange translation movement from investments attributable to quasi-equity (i)	(10,686)	(7,201)
	1,414,500	1,318,362

The Group utilizes the above funds to invest in the following assets:

	30 September 2026	31 December 2025
Cash and balances with banks and central banks	176,042	146,293
Financing contracts	1,132,623	1,069,094
Investments in equity (i)	105,835	102,975
	1,414,500	1,318,362

(i) Effective 1 January 2023, the unrestricted Modaraba pool of the parent includes an allocation to its investment in subsidiaries as they form part of the income generating pool of assets that support the Modaraba investment accounts. In line with the requirements of Financial Accounting Standards, at the time of preparation of the condensed consolidated interim financial information, foreign exchange translation & fair value reserves arising from consolidation of a foreign subsidiary is attributed to the equity of the investment accountholders. While this attribution is at a consolidated level, the URIA pool considers the net asset value of the investment in subsidiary for the purpose of allocation of assets to Modaraba pools. Any subsequent changes in the value of the net investments is recognised respectively in statement of income and equity of the investment accountholders.

The Quasi-equity assets of the parent bank also include investments in its banking subsidiary (refer i above), hence the distribution of assets by ownership has been disclosed accordingly.

Distribution of income by ownership

	Period ended					
	30 September 2026			30 September 2025		
	Self-financed	**Quasi-equity financed**	**Total**	Self-financed	Quasi-equity financed	Total
INCOME						
Income from financing contracts	3,901	98,957	**102,858**	3,906	84,845	88,751
Income from investments	1,422	89,558	**90,980**	1,508	100,719	102,227
Other income - net	4,481	18,665	**23,146**	3,698	16,270	19,968
Finance expense on placements from financial and non-financial institutions	(4,457)	-	**(4,457)**	(5,448)	-	(5,448)
Net income	**5,347**	**207,180**	**212,527**	3,664	201,834	205,498
Share of profit from equity accounted investees	-	322	**322**	-	264	264
Total income	**5,347**	**207,502**	**212,849**	3,664	202,098	205,762
Operating expenses	63,460	-	**63,460**	57,809	-	57,809
Depreciation and amortization	7,741	-	**7,741**	7,549	-	7,549
Total expenses	**71,201**	**-**	**71,201**	65,358	-	65,358
Profit before impairment allowances, income attribution to quasi-equity and tax	**(65,854)**	**207,502**	**141,648**	(61,694)	202,098	140,404
Allowances for impairment and expected credit losses, net	17	468	**485**	(377)	3,186	2,809
Group's share as mudarib and wakil	99,610	(99,610)	**-**	99,987	(99,987)	-
Profit before income attribution to quasi-equity and tax	**33,773**	**108,360**	**142,133**	37,916	105,297	143,213

7 QUASI-EQUITY (continued)

The movement in reserves attributable to quasi-equity as follows:

					30 September 2026
30 September 2026 (reviewed)	**Investments fair value reserve**	**Fixed assets fair value reserve**	**Investment in real estate fair value reserve**	**Foreign currency translation reserve**	**Total**
At 1 January 2026	6,232	(830)	(754)	(11,849)	**(7,201)**
Movement in fair value of investment securities	(5,197)	-	-	-	**(5,197)**
Movement in fair value of land and building	-	(78)	-	-	**(78)**
Foreign currency translation adjustments	17	103	-	1,670	**1,790**
At 30 September 2026	**1,052**	**(805)**	**(754)**	**(10,179)**	**(10,686)**

					31 December 2025
31 December 2025 (audited)	Investments fair value reserve	Fixed assets fair value reserve	Investment in real estate fair value reserve	Foreign currency translation reserve	Total
At 1 January 2025	13,130	(381)	(55)	(12,741)	(47)
Movement in fair value of investment securities	(6,822)	-	-	-	(6,822)
Movement in fair value of land and building	-	(1,099)	-	-	(1,099)
Transfer during the year	-	693	(693)	-	-
Foreign currency translation adjustments	(76)	(43)	(6)	892	767
At 31 December 2025	6,232	(830)	(754)	(11,849)	(7,201)

8 SHARE CAPITAL

	30 September 2026	31 December 2025
Authorised (7.54 billion shares @BD 0.100 each)	754,000	754,000
Issued and fully paid (1 billion shares @BD 0.100 each)	100,000	100,000

9 RESERVES

	30 September 2026	31 December 2025
Statutory reserve	2,458	2,458
Investments fair value reserve	1,787	1,787
Fixed assets fair value reserve	9,981	9,981
Investment in real estate fair value reserve	951	951
Foreign currency translation reserve	(66,708)	(66,708)
	(51,531)	(51,531)

10 RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence or joint control over the other party in making financial and operating decisions.

(a) Directors and companies in which they have an ownership interest.

(b) Major shareholders of the Bank, Parent Company, Ultimate Parent and companies in which Ultimate Parent has ownership interest and subsidiaries of such companies (affiliates).

(c) Associated companies of the Bank.

(d) Senior management.

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Significant balances with related parties comprise:

					30 September 2026
	Shareholders & affiliates	Associated companies and other investments	Directors and related entities	Senior management	Total
Assets					
Financing contracts*	328,724	-	-	-	**328,724**
Investment in associates	-	4,955	-	-	**4,955**
Other assets	6,806	-	-	60	**6,866**
Liabilities					
Customers' current accounts	9,493	159	-	-	**9,652**
Due to banks, financial and other institutions	649	1,820	-	-	**2,469**
Other liabilities	3,371	-	-	-	**3,371**
Quasi-equity	18,122	426	-	-	**18,548**

*Financing contracts are gross of ECL general provisions of BD25 million

Income:					
Net profit attributable to quasi-equity	(206)	-	-	-	**(206)**
Income from financing contracts	3,936	-	-	-	**3,936**
Finance expense on placements from financial and non-financial institutions	(32)	(75)	-	-	**(107)**
Expenses:					
General and administrative expenses	(57)	-	(65)	-	**(122)**

10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

					31 December 2025
	Shareholders & affiliates	Associated companies and other investments	Directors and related entities	Senior management	Total
Assets:					
Financing contracts*	324,788	-	-	-	324,788
Investment in associates	-	4,348	-	-	4,348
Other assets	6,806	-	-	43	6,849
Liabilities:					
Customers' current accounts	7,982	18	-	-	8,000
Due to banks, financial and other institutions	1,092	914	-	-	2,006
Other liabilities	3,058	-	-	-	3,058
Quasi-equity	23,511	2,306	-	-	25,817

*Financing contracts are gross of ECL general provisions of BD25 million

					30 September 2025
Income:					
Net profit attributable to quasi-equity	(254)	-	-	-	(254)
Income from financing contracts	3,936	-	-	-	3,936
Finance expense on placements from financial and non-financial institutions	(262)	-	-	-	(262)
Other income - Management fees	(239)	-	-	-	(239)
Expenses:					
General and administrative expenses	(57)	-	(63)	-	(120)

11 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	30 September 2026	31 December 2025
Acceptances and endorsements	48,251	36,255
Guarantees and letters of credit	407,350	349,033
Customer and other claims	15,342	14,825
	470,943	400,113

Commitments

	30 September 2026	31 December 2025
Undrawn facilities, financing lines and other commitments to finance	**997,108**	773,302

12 SEGMENT REPORTING

The Group constitutes of two main business segments, namely;

(i) Retail/ Commercial banking business, in which the Group receives customer funds and deposits and extends financing to its retail and corporate clients.
(ii) Asset Management/Investment Banking, in which the Group directly participates in investment opportunities.

	30 September 2026			30 September 2025		
	Retail & Corporate Banking	**Asset Management / Investment Banking**	**Total**	Retail & Corporate Banking	Asset Management / Investment Banking	Total
Total income	209,860	2,989	**212,849**	202,723	3,039	205,762
Total expenses	66,924	4,277	**71,201**	61,346	4,012	65,358
Profit before impairment allowances, income attribution to quasi-equity and tax	**142,936**	**(1,288)**	**141,648**	141,377	(973)	140,404
Provision and overseas taxation	(22,832)	(389)	**(23,221)**	(23,787)	(471)	(24,258)
Less: Net income attributable to quasi-equity	(108,360)	-	**(108,360)**	(105,297)	-	(105,297)
PROFIT FOR THE PERIOD	**11,744**	**(1,677)**	**10,067**	12,293	(1,444)	10,849
Attributable to:						
Equity holders of the Bank	4,821	(1,283)	**3,538**	5,047	(1,093)	3,954
Non-controlling interests	6,923	(394)	**6,529**	7,246	(351)	6,895
	11,744	**(1,677)**	**10,067**	12,293	(1,444)	10,849
						31 December 2025
Total assets	**2,994,251**	**69,196**	**3,063,447**	2,831,615	69,960	2,901,575
Total liabilities and quasi-equity	**2,937,005**	**11,646**	**2,948,651**	2,779,670	11,284	2,790,954

12 SEGMENT REPORTING (continued)

The Group constitutes of two geographical segments which are Middle East & Asia.

	30 September 2026			30 September 2025		
	Middle East	**Asia**	**Total**	Middle East	Asia	Total
Total income	7,109	205,740	**212,849**	6,946	198,816	205,762
Total expenses	7,977	63,224	**71,201**	7,107	58,251	65,358
Profit before impairment allowances, income attribution to quasi-equity and tax	**(868)**	**142,516**	**141,648**	(161)	140,565	140,404
Provision and overseas taxation	(1,762)	(21,459)	**(23,221)**	(3,840)	(20,418)	(24,258)
Less: Net income attributable to quasi-equity	(8,358)	(100,002)	**(108,360)**	(7,610)	(97,687)	(105,297)
PROFIT FOR THE PERIOD	**(10,988)**	**21,055**	**10,067**	(11,611)	22,460	10,849
Attributable to:						
Equity holders of the Bank	(10,470)	14,008	**3,538**	(10,995)	14,949	3,954
Non-controlling interests	(518)	7,047	**6,529**	(616)	7,511	6,895
	(10,988)	**21,055**	**10,067**	(11,611)	22,460	10,849
						31 December 2025
Total assets	548,835	2,514,612	**3,063,447**	548,652	2,352,923	2,901,575
Total liabilities and quasi-equity	591,121	2,357,530	**2,948,651**	590,248	2,200,706	2,790,954

13 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements for the year ended 31 December 2025.

14 REGULATORY RATIOS

14.1 Liquidity Coverage Ratio (LCR)

LCR is computed as a ratio of Stock of HQLA over the net cash outflows. The average consolidated LCR for nine months calculated as per the requirements of the CBB rulebook and guidelines applicable for the Bank, as of 30 September 2026 and 31 December 2025, is as follows:

	30 September 2026	31 December 2025
Stock of HQLA	824,549	746,010
Net cashflows	751,336	685,653
LCR %	**110%**	109%
Minimum required by CBB	**100%**	100%

14.2 Capital Adequacy Ratio

The table below summarises the composition of regulatory capital and the ratios of the Group for the period ended. The capital adequacy ratio has been calculated in accordance with CBB guidelines & CBB directives applicable for the Bank, incorporating credit risk, operational risk and market risk. The banking subsidiaries comply with the directives of the respective local regulators for their capital management and their capital and risk-weighted assets are aggregated for the purpose of reporting the Group's CAR.

	30 September 2026	31 December 2025
Tier 1	144,383	143,000
Tier 2	10,090	9,361
Total Capital Base	**154,473**	152,361
Total Risk-Weighted Exposures	1,150,754	1,098,396
Capital Adequacy Ratio (CAR)	**13.42%**	13.87%

14 REGULATORY RATIOS (continued)

14.3 Net Stable Funding Ratio (NSFR)

The consolidated NSFR is calculated in accordance with applicable Liquidity Risk Management Module guidelines agreed with the CBB. The minimum NSFR ratio as per CBB is 100% . The NSFR as at 30 September 2026 is calculated as follows:

No.	Item	Unweighted Values (i.e. before applying relevant factors)				Total weighted value
		No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
Available Stable Funding (ASF):						
1	**Capital:**	**144,383**	**-**	**-**	**10,089**	**154,472**
2	Regulatory Capital	144,383	-	-	-	144,383
3	Other Capital Instruments	-	-	-	10,089	10,089
4	**Retail deposits and deposits from small business customers:**	**-**	**129,864**	**31,402**	**839,510**	**985,032**
5	Stable deposits	-	6,846	799	64,710	71,973
6	Less stable deposits	-	123,018	30,603	774,800	913,059
7	**Wholesale funding:**	**-**	**405,789**	**908,837**	**314,111**	**1,011,257**
8	Operational deposits	-	-	-	-	43,088
9	Other wholesale funding	-	405,789	908,837	314,111	968,169
10	**Other liabilities:**	**-**	**218,581**	**-**	**6,195**	**6,195**
11	NSFR Shari'a-compliant hedging contract liabilities	-	789	-	-	-
12	All other liabilities not included in the above categories	-	217,792	-	6,195	6,195
13	**Total ASF**					**2,156,956**
Required Stable Funding (ASF):						
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	41,796
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	**Performing loans and securities:**	**-**	**469,332**	**85,670**	**893,816**	**976,198**
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	19,094	5,444	7,955	13,541
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	450,238	80,226	606,103	780,420
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	259,433	168,632
21	Performing residential mortgages, of which:					
22	- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	19,199	12,479
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,126	1,126
24	**Other assets:**	**-**	**337,065**	**-**	**-**	**337,065**
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	458	-	-	458
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	158	-	-	158
29	All other assets not included in the above categories	-	336,449	-	-	336,449
30	OBS items	-	1,173,532	-	-	58,677
31	**Total RSF**	-	-	-	-	**1,413,736**
32	**NSFR (%)**	-	-	-	-	**153%**

14 REGULATORY RATIOS (continued)

14.3 Net Stable Funding Ratio (NSFR) (continued)

The consolidated NSFR is calculated in accordance with applicable Liquidity Risk Management Module guidelines agreed with the CBB. The minimum NSFR ratio as per CBB is 100% . The NSFR as at 31 December 2025 is calculated as follows:

		Unweighted Values (i.e. before applying relevant factors)				
No.	Item	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF):						
1	Capital:	143,000	-	-	9,367	152,367
2	Regulatory Capital	143,000	-	-	-	143,000
3	Other Capital Instruments	-	-	-	9,367	9,367
4	Retail deposits and deposits from small business customers:	-	852,759	34,648	4,126	805,971
5	Stable deposits	-	62,767	812	31	60,431
6	Less stable deposits	-	789,992	33,836	4,095	745,540
7	Wholesale funding:	-	422,189	790,493	325,939	957,330
8	Operational deposits	-	-	-	-	34,336
9	Other wholesale funding	-	422,189	790,493	325,939	922,994
10	Other liabilities::	-	266,487	-	12,553	12,553
11	NSFR Shari'a-compliant hedging contract liabilities	-	2,088	-	-	-
12	All other liabilities not included in the above categories	-	264,399	-	12,553	12,553
13	Total ASF					1,928,221
Required Stable Funding (ASF):						
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	42,036
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:	-	643,778	105,348	800,307	998,023
17	Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	19,800	6,054	8,928	14,925
19	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	623,978	99,294	533,403	815,028
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	222,738	144,779
21	Performing residential mortgages, of which:					
22	- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	34,133	22,186
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,105	1,105
24	Other assets:	-	298,980	-	-	298,980
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	372	-	-	372
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	418	-	-	418
29	All other assets not included in the above categories	-	298,190	-		298,190
30	OBS items	-	1,136,974	-	-	56,849
31	Total RSF	-	-	-	-	1,395,888
32	NSFR (%)	-	-	-	-	138%

15 TAXATION

The Global Anti-Base Erosion Pillar Two Model Rules ("GloBE rules") established by the Organization for Economic Cooperation and Development ("OECD" apply to multinational enterprise ("MNE") groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ("Bahrain DMTT law") on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities within the Group for fiscal years beginning on or after 1 January 2025.

As per the Group's assessment of applicability of the Bahrain DMTT law and global anti-base erosion model (GloBE) rules, it has assessed and concluded that it is not in scope for fiscal year 2026 as it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, the Group does not expect to be subject to the Bahrain DMTT law and GloBE rules for the current fiscal year.