

ITHMAAR BANK B.S.C. (c)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2026

ITHMAAR BANK B.S.C. (c)
Condensed consolidated interim financial information
for the three months period ended 31 March 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 31 March 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 31 March 2026;
- the condensed consolidated statement of income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of income and attribution related to quasi-equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in owners' equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in off-balance-sheet assets under management for the three-month period ended 31 March 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 31 March 2026 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".



Independent auditors' report (continued)
Ithmaar Bank B.S.C. (c)

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.

KPMG

13 May 2026

Ithmaar Bank B.S.C. (c)**Condensed consolidated statement of financial position****as at 31 March 2026**

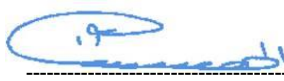
(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Note	At 31 March 2026 (Reviewed)	At 31 December 2025 (Audited)
ASSETS			
Cash and balances with banks and central banks		185,178	165,904
Commodity placements with banks and other financial institutions		53,709	71,543
Financing contracts	3	1,391,021	1,519,815
Investment securities	4	973,307	914,890
Investment in associates		4,068	4,348
Other assets	5	76,305	70,768
Investment in real estate		1,182	1,243
Development properties		54,189	53,995
Property and equipment		95,966	93,857
Intangible assets		6,426	5,212
Total assets		2,841,351	2,901,575
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
Customers' current accounts		1,022,492	929,376
Due to banks, financial and other institutions		502,733	417,617
Other liabilities		108,328	125,599
Total liabilities		1,633,553	1,472,592
Quasi-equity	7	1,097,037	1,318,362
OWNERS' EQUITY			
Share capital	8	100,000	100,000
Reserves	9	(51,531)	(51,531)
Retained earnings		7,893	6,471
Total equity attributable to shareholders of the Bank		56,362	54,940
Non-controlling interest		54,399	55,681
Total owners' equity		110,761	110,621
Total liabilities, quasi-equity and owners' equity		2,841,351	2,901,575

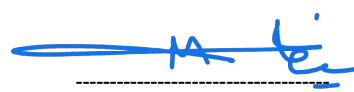
This condensed consolidated interim financial information was approved by the Board of Directors on 13 May 2026 and signed on its behalf by:



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 three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

Note	Three months ended	
	31 March 2026 (Reviewed)	31 March 2025 (Reviewed)
INCOME		
Income from financing contracts	31,281	28,138
Income from investments	30,405	35,931
Other income - net	7,442	6,429
Finance expense on placements from financial and non-financial institutions	(1,293)	(1,793)
Net income	67,835	68,705
Share of profit from equity accounted investees	95	5
Total income	67,930	68,710
EXPENSES		
Operating expenses	19,719	19,104
Depreciation and amortization	2,750	2,376
Total expenses	22,469	21,480
Profit before impairment allowances, income attribution to quasi-equity and tax	45,461	47,230
Allowances for impairment and expected credit losses, net	6 (281)	2,805
Profit before income attribution to quasi-equity and tax	45,180	50,035
Less: Net profit attributable to quasi-equity	(33,191)	(36,151)
Profit before overseas taxation	11,989	13,884
Tax expense	(8,267)	(10,117)
PROFIT FOR THE PERIOD	3,722	3,767
Attributable to:		
Shareholders of the Bank	1,422	1,337
Non-controlling interest	2,300	2,430
	3,722	3,767


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 three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Three months ended	
	31 March 2026	31 March 2025
	(Reviewed)	(Reviewed)
Profit for the period	3,722	3,767
Other comprehensive income		
Items that will not be classified to statement of income		
Changes in fair value of land and building	(11)	(93)
Attributable to quasi-equity	7	62
Items that are or may subsequently be classified to income statement		
Exchange difference arising on translation of foreign operations	833	(76)
Changes in fair value of investments in real estate	-	(4)
Changes in fair value of investments carried at fair value through OCI	(7,412)	(7,364)
Attributable to quasi-equity	4,370	4,956
Total other comprehensive income for the period	(2,213)	(2,519)
Total comprehensive income	1,509	1,248
Attributable to:		
Shareholders of the Bank	1,422	1,337
Non-controlling interest	87	(89)
	1,509	1,248

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 three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Three months ended	
	31 March 2026	31 March 2025
	(Reviewed)	(Reviewed)
Profit before impairment allowances, income attribution to quasi-equity and tax	45,461	47,230
Adjusted for:		
Less: loss not attributable to quasi-equity	(3,197)	(2,595)
Add: expenses not attributable to quasi-equity	22,469	21,480
Less: institution's share of loss for its own/ share of investments	-	(5)
Less: finance expense on placements from financial and non-financial institutions	1,293	1,793
Less: allowance for impairment allowances attributable to quasi-equity	(281)	2,805
Total income available for quasi-equity holders	65,745	70,708
Less: Mudarib's share	(32,554)	(34,557)
Profit attributable to quasi-equity	33,191	36,151
Other comprehensive income that may subsequently be classified to income statement – attributable to quasi-equity	(4,377)	(5,018)
Total comprehensive income – attributable to quasi-equity	28,814	31,133
Less: Other comprehensive income not subject to immediate distribution	4,377	5,018
Total comprehensive income subject to immediate distribution	33,191	36,151

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 three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

31 March 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	-	-	1,422	1,422	2,300	3,722
Other comprehensive income for the period	-	-	-	-	(2,213)	(2,213)
Total comprehensive income for the period	-	-	1,422	1,422	87	1,509
Movement from dividend distribution by subsidiaries	-	-	-	-	(1,369)	(1,369)
At 31 March 2026	100,000	(51,531)	7,893	56,362	54,399	110,761

At 31 March 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	-	-	1,337	1,337	2,430	3,767
Other comprehensive income for the period	-	-	-	-	(2,519)	(2,519)
Total comprehensive income for the period	-	-	1,337	1,337	(89)	1,248
Movement from dividend distribution by subsidiaries	-	-	-	-	(1,713)	(1,713)
Decrease in shareholding of subsidiary	-	-	-	-	(1,093)	(1,093)
At 31 March 2025	100,000	(51,971)	3,845	51,874	52,736	104,610

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 three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Three months ended	
	31 March 2026	31 March 2025
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Net profit before taxation from:	11,989	13,884
Adjustments for:		
Depreciation and amortization	2,750	2,376
Provision for / (reversal of) impairment - net	281	(2,805)
Income from investment securities	(30,405)	(35,931)
Finance cost on net Ijarah liability	768	680
Share of profit from equity accounted investees	(95)	(5)
Gain on sale of property and equipment	(29)	(6)
Operating loss before changes in operating assets and liabilities	(14,741)	(21,807)
Net changes in operating assets and liabilities:		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	91	(768)
Financing contracts	132,046	(23)
Other assets	(9,375)	(2,806)
Customers' current accounts	90,543	70,241
Due to banks, financial and other institutions	84,477	6,586
Other liabilities	(7,934)	(40,394)
Quasi-equity	(224,441)	25,654
Taxes paid	(19,667)	(18,360)
Net cash generated from operating activities	30,999	18,323
INVESTING ACTIVITIES		
Investment securities	(24,890)	8,789
Property and equipment	(3,739)	(6,438)
Net cash (used in) / generated from investing activities	(28,629)	2,351
FINANCING ACTIVITIES		
Repayment of net Ijarah liability	(1,016)	(998)
Net cash used in financing activity	(1,016)	(998)
Foreign currency translation adjustments	177	(290)
Net increase in cash and cash equivalents	1,531	19,386
Cash and cash equivalents at beginning of the period	220,030	189,001
Cash and cash equivalents at end of the period	221,561	208,387
<u>Cash and cash equivalents comprise:</u>		
Cash and balances with banks and central banks	185,178	162,435
Commodity placements with banks and other financial institutions	53,709	62,933
Less: Placements with original maturing after 90 days and balances with central banks relating to minimum reserve requirement	(17,326)	(16,981)
	221,561	208,387

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 three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

31 March 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	-	(101)	-	(101)
Recoveries/ disposals/ maturities	-	-	-	-
Net decrease	-	(101)	-	(101)
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Bank's management share	-	-	-	-
Distributions/ withdrawals	-	-	-	-
Balance at 31 March 2026	2,356	4,123	1,775	8,254

At 31 March 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	-	167	-	167
Recoveries/ disposals/ maturities	-	-	-	-
Net increase	-	167	-	167
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Bank's management share	-	-	-	-
Distributions/ withdrawals	-	-	-	-
Balance at 31 March 2025	2,356	3,890	1,775	8,021

* 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.

Ithmaar Bank B.S.C. (c)**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026****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 branch in Bahrain and its following principal subsidiaries:

	% owned		Country of Incorporation	Principal business activities
	31 March 2026	31 December 2025		
Faysal Bank Limited (FBL) (Note 1)	67	67	Pakistan	Banking
Dilmunia Development Fund I L.P.	92	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.

Ithmaar Bank B.S.C. (c)

**Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026**

1.1 Going Concern

As of 31 March 2026, the total equity attributable to shareholders of the Bank stood at BD56.4 million (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. DMIT's intended participation comprises a combination of cash and an in-kind contribution, with the in-kind component supported by independent valuation. 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.

Ithmaar Bank B.S.C. (c)
Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

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 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 three months period ended 31 March 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

Ithmaar Bank B.S.C. (c)
Notes to the condensed consolidated interim financial information
for the three months period ended 31 March 2026

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

The 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.

Ithmaar Bank B.S.C. (c)**Notes to the condensed consolidated interim financial information****for the three months period ended 31 March 2026**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

2.2 ESTIMATES AND JUDGEMENTS**Impact of current geopolitical developments**

Since 28 February 2026, the geopolitical situation in the Middle East has intensified and continues to evolve, resulting in increased uncertainty in the economic environment across the region, including the Kingdom of Bahrain.

The Group is closely monitoring developments and has activated its business continuity and risk management protocols to mitigate the potential impact of any disruption on its operations and financial performance. The Group also continues to assess the potential business implications arising from these uncertainties, together with the effect of any support and relief measures introduced by regional governments and central banks. Based on its assessment up to the date of approval of this consolidated interim financial information, the Group's core operations have continued without material disruption.

Impact on expected credit losses (ECL)

Given the recent and rapidly evolving nature of the situation, the volatility and uncertainty inherent in forward-looking economic forecasts may not be fully reflected in the modelled ECL outcomes as at 31 March 2026. Accordingly, a higher degree of management judgement and estimation uncertainty was involved in determining ECL as at 31 March 2026. In particular, the Group revisited the probability weightings assigned to the forward-looking macroeconomic scenarios used in the measurement of ECL to reflect the heightened uncertainty in the current environment. The revised scenario weightings applied by the Group are as follows:

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

The Group also considered management overlays to address model limitations and portfolio-specific risk characteristics not fully captured by the underlying modelled outcomes. The reported ECL allowance represents management's best estimate at the reporting date based on available information. The situation remains fluid and the Group will continue to reassess the related impact as developments unfold.

Assessment of the carrying values of assets

As of 31 March 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.

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3 FINANCING CONTRACTS

	31 March 2026	31 December 2025
Murabaha and tawarruq financings	794,164	931,027
Musharaka financing	524,407	526,051
Istisna financings	153,075	143,542
	<u>1,471,646</u>	<u>1,600,620</u>
Less: Allowance for impairment	(80,625)	(80,805)
	<u>1,391,021</u>	<u>1,519,815</u>

The movement on allowance for impairment is as follows:

	31 March 2026	31 December 2025
At beginning of the period	80,805	80,925
Charge for the period	119	1,983
Utilised during the period	(386)	(1,937)
Exchange differences	87	(166)
At end of the period	<u>80,625</u>	<u>80,805</u>

4 INVESTMENT SECURITIES

	31 March 2026	31 December 2025
Investment securities at fair value through income statement		
Debt-type instruments – unlisted	1,648	1,426
Equity-type securities – listed	421	30
	<u>2,069</u>	<u>1,456</u>
Investment securities at fair value through other comprehensive income		
Debt-type instruments – unlisted	854,999	846,821
Equity-type securities – listed	14,426	12,616
Equity-type securities – unlisted	7,679	5,404
	<u>877,104</u>	<u>864,841</u>
Less: Allowance for impairment	(2,955)	(2,958)
	<u>874,149</u>	<u>861,883</u>
Investment securities carried at amortised cost		
Debt-type instruments – listed	43,895	44,093
Debt-type instruments – unlisted	53,209	7,458
	<u>97,104</u>	<u>51,551</u>
Less: Allowance for impairment	(15)	-
	<u>97,089</u>	<u>51,551</u>
	<u>973,307</u>	<u>914,890</u>

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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 31 March 2026				
Investment securities at fair value through income statement				
Debt-type instruments	-	1,648	-	1,648
Equity-type securities	421	-	-	421
Investment securities at fair value through other comprehensive income				
Debt-type instruments	-	853,668	-	853,668
Equity-type securities	14,401	-	6,080	20,481
	14,822	855,316	6,080	876,218

Investments not measured at fair value**Investment securities carried at amortised cost***

Debt-type instruments - fair value	41,117	51,662	-	92,779
	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.

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5 OTHER ASSETS

	31 March 2026	31 December 2025
Accounts receivable	72,200	68,106
Due from related parties (note 10)	6,860	6,849
Taxes – deferred	7,589	3,142
Taxes – current (advance tax)	2,844	5,701
Assets acquired against claims	1,442	1,439
	90,935	85,237
Less: Allowance for impairment	(14,630)	(14,469)
	76,305	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.

31 March 2026 (reviewed)

	Stage 1	Stage 2	Stage 3	Total
Commodity placements with banks and other financial institutions				
Gross exposure	53,736	-	-	53,736
Less: expected credit loss	(27)	-	-	(27)
Net exposure	53,709	-	-	53,709
Financing contracts				
Gross exposure	1,364,889	28,943	77,814	1,471,646
Less: expected credit loss	(27,727)	(2,064)	(50,834)	(80,625)
Net exposure	1,337,162	26,879	26,980	1,391,021
Other assets				
Gross exposure	77,195	96	13,644	90,935
Less: expected credit loss	(890)	(96)	(13,644)	(14,630)
Net exposure	76,305	-	-	76,305
Total gross exposure	1,495,820	29,039	91,458	1,616,317
Less: Total expected credit loss	(28,644)	(2,160)	(64,478)	(95,282)
Total Net exposure	1,467,176	26,879	26,980	1,521,035

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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

	31 March 2026	31 March 2025
At beginning of the period	130,934	133,895
Charge/(write back) for the period	281	(2,805)
Utilised during the period	(386)	(554)
Exchange differences	98	(157)
At end of the period	130,927	130,379

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

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7 QUASI-EQUITY

Quasi-equity comprise:

	31 March 2026	31 December 2025
Modaraba accounts - corporates	628,074	727,085
Modaraba accounts - financial institutions	196,774	290,524
Modaraba accounts - individuals	273,471	297,657
Wakala from financial institutions	10,296	10,297
Fair value & foreign exchange translation movement from investments attributable to quasi-equity (i)	(11,578)	(7,201)
	1,097,037	1,318,362

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

	31 March 2026	31 December 2025
Cash and balances with banks and central banks	148,018	146,293
Financing contracts	848,499	1,069,094
Investments in equity (i)	100,520	102,975
	1,097,037	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					
	31 March 2026			31 March 2025		
	Self-financed	Quasi-equity financed	Total	Self-financed	Quasi-equity financed	Total
INCOME						
Income from financing contracts	1,287	29,994	31,281	1,286	26,852	28,138
Income from investments	482	29,923	30,405	364	35,567	35,931
Other income - net	1,428	6,014	7,442	950	5,479	6,429
Finance expense on placements from financial and non-financial institutions	(1,293)	-	(1,293)	(1,793)	-	(1,793)
Net income	1,904	65,931	67,835	807	67,898	68,705
Share of profit from equity accounted investees	-	95	95	-	5	5
Total income	1,904	66,026	67,930	807	67,903	68,710
Operating expenses	19,719	-	19,719	19,104	-	19,104
Depreciation and amortization	2,750	-	2,750	2,376	-	2,376
Total expenses	22,469	-	22,469	21,480	-	21,480
Profit before impairment allowances, income attribution to quasi-equity and tax	(20,565)	66,026	45,461	(20,673)	67,903	47,230
Allowances for impairment and expected credit losses, net	-	(281)	(281)	-	2,805	2,805
Group's share as mudarib and wakil	32,554	(32,554)	-	34,557	(34,557)	-
Profit before income attribution to quasi-equity and tax	11,989	33,191	45,180	13,884	36,151	50,035

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7 QUASI EQUITY (continued)

The movement in reserves attributable to quasi equity as follows:

	31 March 2026				
	Investments fair value reserve	Fixed assets fair value reserve	Investment in real estate fair value reserve	Foreign currency translation reserve	Total
31 March 2026 (reviewed)					
At 1 January 2026	6,232	(830)	(754)	(11,849)	(7,201)
Movement in fair value of investment securities	(4,940)	-	-	-	(4,940)
Movement in fair value of investment in real estate	-	-	-	-	-
Movement in fair value of land and building	-	(35)	-	-	(35)
Foreign currency translation adjustments	6	28	-	564	598
At 31 March 2026	1,298	(837)	(754)	(11,285)	(11,578)

	31 December 2025				
	Investments fair value reserve	Fixed assets fair value reserve	Investment in real estate fair value reserve	Foreign currency translation reserve	Total
31 December 2025 (audited)					
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)

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8 SHARE CAPITAL

	31 March 2026	31 December 2025
Authorised (7.54 billion share @BD.100 each)	754,000	754,000
Issued and fully paid (1 billion share @BD.100 each)	100,000	100,000

9 RESERVES

	31 March 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:

	31 March 2026				
	Shareholders & affiliates	Associated companies and other investments	Directors and related entities	Senior management	Total
Assets					
Financing contracts*	326,086	-	-	-	326,086
Investment in associates	-	4,068	-	-	4,068
Other assets	6,806	-	-	54	6,860
Liabilities					
Customers' current accounts	10,472	63	-	-	10,535
Due to banks, financial and other institutions	2,385	1,522	-	-	3,907
Other liabilities	3,043	-	-	-	3,043
Quasi-equity	20,171	335	-	-	20,506

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

Income:

Net profit attributable to quasi-equity□	(85)	-	-	-	(85)
Income from financing contracts	1,298	-	-	-	1,298
Finance expense on placements from financial and non-financial institutions	(34)	-	-	-	(34)

Expenses:

General and administrative expenses	(19)	-	(21)	-	(40)
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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

	31 March 2025				
Income:					
Net profit attributable to quasi-equity	(73)	-	-	-	(73)
Income from financing contracts	1,298	-	-	-	1,298
Finance expense on placements from financial and non-financial institutions	(72)	-	-	-	(72)
Other income - Management fees	(172)	-	-	-	(172)
Expenses:					
General and administrative expenses	(19)	-	(21)	-	(40)

11 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	31 March 2026	31 December 2025
Acceptances and endorsements	40,720	36,255
Guarantees and letters of credit	388,559	349,033
Customer and other claims	14,871	14,825
	444,150	400,113

Commitments

	31 March 2026	31 December 2025
Undrawn facilities, financing lines and other commitments to finance	1,024,272	773,302

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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.

	31 March 2026			31 March 2025		
	Retail & Corporate Banking	Asset Management / Investment Banking	Total	Retail & Corporate Banking	Asset Management / Investment Banking	Total
Total income	66,873	1,057	67,930	67,453	1,257	68,710
Total expenses	21,110	1,359	22,469	20,158	1,322	21,480
Profit before impairment allowances, income attribution to quasi-equity and tax	45,763	(302)	45,461	47,295	(65)	47,230
Provision and overseas taxation	(8,449)	(99)	(8,548)	(7,153)	(159)	(7,312)
Less: Net income attributable to quasi-equity	(33,191)	-	(33,191)	(36,151)	-	(36,151)
PROFIT FOR THE PERIOD	4,123	(401)	3,722	3,991	(224)	3,767
Attributable to:						
Equity holders of the Bank	1,698	(276)	1,422	1,489	(152)	1,337
Non-controlling interests	2,425	(125)	2,300	2,502	(72)	2,430
	4,123	(401)	3,722	3,991	(224)	3,767
Total assets	2,771,411	69,940	2,841,351	2,831,615	69,960	2,901,575
Total liabilities and quasi equity	2,719,490	11,100	2,730,590	2,779,670	11,284	2,790,954

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12 SEGMENT REPORTING (continued)

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

	31 March 2026			31 March 2025		
	Middle East	Asia	Total	Middle East	Asia	Total
Total income	2,487	65,443	67,930	1,724	66,986	68,710
Total expenses	2,649	19,820	22,469	2,295	19,185	21,480
Profit before impairment allowances, income attribution to quasi-equity and tax	(162)	45,623	45,461	(571)	47,801	47,230
Provision and overseas taxation	(956)	(7,592)	(8,548)	(1,043)	(6,269)	(7,312)
Less: Net income attributable to quasi-equity□	(2,590)	(30,601)	(33,191)	(2,469)	(33,682)	(36,151)
PROFIT FOR THE PERIOD	(3,708)	7,430	3,722	(4,083)	7,850	3,767
Attributable to:						
Equity holders of the Bank	(3,522)	4,944	1,422	(3,882)	5,219	1,337
Non-controlling interests	(186)	2,486	2,300	(201)	2,631	2,430
	(3,708)	7,430	3,722	(4,083)	7,850	3,767
Total assets	546,321	2,295,030	2,841,351	548,652	2,352,923	2,901,575
Total liabilities and quasi equity	584,373	2,146,217	2,730,590	590,248	2,200,706	2,790,954

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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 three months calculated as per the requirements of the CBB rulebook and guidelines applicable for the Bank, as of 31 March 2026 and 31 December 2025, is as follows:

	31 March 2026	31 December 2025
Stock of HQLA	803,129	746,010
Net cashflows	718,109	685,653
LCR %	112%	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.

	31 March 2026	31 December 2025
Tier 1	135,966	143,000
Tier 2	9,230	9,361
Total Capital Base	145,196	152,361
 Total Risk-Weighted Exposures	 1,073,709	 1,098,396
 Capital Adequacy Ratio (CAR)	 13.52%	 13.87%

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14 REGULATORY RATIOS (continued)

14 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 31 March 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:	135,966	-	-	9,230	145,196
2	Regulatory Capital	135,966	-	-	-	135,966
3	Other Capital Instruments	-	-	-	9,230	9,230
4	Retail deposits and deposits from small business customers:	-	858,702	36,206	4,238	812,860
5	Stable deposits	-	63,317	784	33	60,929
6	Less stable deposits	-	795,385	35,422	4,205	751,931
7	Wholesale funding:	-	428,601	835,294	288,446	946,191
8	Operational deposits	-	-	-	-	34,634
9	Other wholesale funding	-	428,601	835,294	288,446	911,557
10	Other liabilities::	-	270,786	-	12,191	12,191
11	NSFR Shari'a-compliant hedging contract liabilities	-	2,106	-	-	-
12	All other liabilities not included in the above categories	-	268,680	-	12,191	12,191
13	Total ASF					1,916,438
Available Stable Funding (ASF):						
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	42,085
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:	-	653,390	107,485	800,828	1,002,356
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	-	25,251	6,779	8,282	15,459
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:	-	628,139	100,706	534,651	818,875
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	222,351	144,528
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	-	-	-	34,429	22,379
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,115	1,115
24	Other assets:	-	302,180	-	-	302,180
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	374	-	-	374
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	421	-	-	421
29	All other assets not included in the above categories	-	301,385	-	-	301,385
30	OBS items	-	1,039,606	-	-	51,980
31	Total RSF	-	-	-	-	1,398,601
32	NSFR (%)	-	-	-	-	137%

14.3 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:

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:	143,000	-	-	9,367	152,367
2	Regulatory Capital	143,000	-	-	-	143,000
3	Other Capital Instruments	-	-	-	9,367	9,367
Retail deposits and deposits from small business customers:						
4		-	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
Available 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 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.