

ITHMAAR BANK B.S.C. (c)

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2025

ITHMAAR BANK B.S.C. (c)
Condensed consolidated interim financial information
for the nine months period ended 30 September 2025

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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 2025 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 2025;
- the condensed consolidated statement of income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of comprehensive income for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of income and attribution related to quasi-equity for the three-month and nine-month periods ended 30 September 2025;
- the condensed consolidated statement of changes in owners' equity for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of cash flows for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of changes in off-balance-sheet assets under management for the nine-month period ended 30 September 2025; *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 2025 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 going concern

We draw attention to Notes 1.1 and 1.2 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.

A handwritten signature in blue ink, appearing to read 'KPMG', with a horizontal line underneath.

12 November 2025

Ithmaar Bank B.S.C. (c)**Condensed consolidated statement of financial position****as at 30 September 2025**

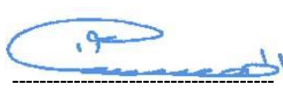
(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Note	At 30 September 2025	At 31 December 2024
		(Reviewed)	(Audited)
ASSETS			
Cash and balances with banks and central banks		148,090	161,685
Placements with banks, financial and other institutions		56,436	43,529
Financing contracts	3	1,322,871	1,236,492
Investment securities	4	1,016,839	983,492
Investment in associates		4,039	2,411
Other assets	5	60,853	51,828
Investment in real estate		2,023	3,919
Development properties		53,788	53,374
Property and equipment		89,904	81,969
Intangible assets		5,558	6,351
Total assets		2,760,401	2,625,050
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
Customers' current accounts		891,410	754,879
Due to banks, financial and other institutions		522,400	648,293
Other liabilities		115,319	156,697
Total liabilities		1,529,129	1,559,869
Quasi-equity	7	1,121,775	959,013
OWNERS' EQUITY			
Share capital	8	100,000	100,000
Reserves	9	(51,971)	(51,971)
Retained earnings		6,462	2,508
Total equity attributable to shareholders of the Bank		54,491	50,537
Non-controlling interests		55,006	55,631
Total owners' equity		109,497	106,168
Total liabilities, quasi-equity and owners' equity		2,760,401	2,625,050

This condensed consolidated interim financial information was approved by the Board of Directors on 12 November 2025 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

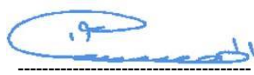
for the nine months period ended 30 September 2025

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

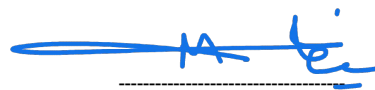
Note	Nine months ended		Three months ended	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
INCOME				
Income from financing contracts	88,751	117,744	29,999	38,459
Income from investments	102,227	138,486	34,534	43,799
Other income - net	19,968	13,794	6,859	3,980
Finance expense on placements from financial and non-financial institutions	(5,448)	(6,118)	(1,821)	(2,778)
Net income	205,498	263,906	69,571	83,460
Share of profit from equity accounted investees	264	131	68	34
Total income	205,762	264,037	69,639	83,494
EXPENSES				
Operating expenses	57,809	50,863	20,581	19,573
Depreciation and amortization	7,549	5,604	2,619	1,942
Total expenses	65,358	56,467	23,200	21,515
Profit before impairment allowances, income attribution to quasi-equity and tax	140,404	207,570	46,439	61,979
Allowances for impairment and expected credit losses, net	6 2,809	(4,118)	(1,582)	36
Profit before income attribution to quasi-equity and tax	143,213	203,452	44,857	62,015
Less: Net profit attributable to quasi-equity	(105,297)	(161,967)	(33,084)	(48,931)
Profit before overseas taxation	37,916	41,485	11,773	13,084
Tax expense	(27,067)	(24,318)	(8,021)	(9,441)
PROFIT FOR THE PERIOD	10,849	17,167	3,752	3,643
Attributable to:				
Shareholders of the Bank	3,954	8,923	1,150	1,145
Non-controlling interest	6,895	8,244	2,602	2,498
	10,849	17,167	3,752	3,643



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 2025

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit for the period	10,849	17,167	3,752	3,643
Other comprehensive income				
Items that will not be re-classified to statement of income				
Fair value changes on land and building	496	(358)	809	(32)
Attributable to quasi-equity	(330)	239	(537)	15
Items that are or may be re-classified subsequently to income statement				
Exchange difference arising on translation of foreign operations	(168)	2,057	954	1,663
Fair value changes on investments in real estate	(793)	171	(775)	1
Fair value changes on investments carried at fair value through OCI	(5,997)	7,854	(1,228)	9,796
Attributable to quasi-equity	4,622	(6,936)	695	(7,461)
Total other comprehensive income for the period	(2,170)	3,027	(82)	3,982
Total comprehensive income	8,679	20,194	3,670	7,625
Attributable to:				
Shareholders of the Bank	3,954	9,241	1,150	1,145
Non-controlling interest	4,725	10,953	2,520	6,480
	8,679	20,194	3,670	7,625

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 2025**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended		Three months ended	
	30 September 2025	30 September 2024	30 September 2025	30 September 2024
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Profit before impairment allowances, income attribution to quasi-equity and tax	140,404	207,570	46,439	61,979
Adjusted for:				
Less: loss not attributable to quasi-equity	(8,848)	(4,510)	(3,595)	(1,392)
Add: expenses not attributable to quasi-equity	65,358	56,467	23,200	21,515
Less: institution's share of loss for its own/ share of investments	(264)	(131)	(68)	(34)
Less: finance expense on placements from financial and non-financial institutions	5,448	6,118	1,821	2,778
Less: allowance for impairment allowances attributable to quasi-equity	3,186	(6,360)	(1,582)	38
Total income available for quasi-equity holders	205,284	259,154	66,215	84,884
Less: Mudarib's share	(99,987)	(97,187)	(33,131)	(35,953)
Profit attributable to quasi-equity	105,297	161,967	33,084	48,931
Other comprehensive income that may subsequently be classified to income statement – attributable to quasi-equity	(4,292)	6,697	(158)	7,446
Total comprehensive income – attributable to quasi-equity	101,005	168,664	32,926	56,377
Less: Other comprehensive income not subject to immediate distribution	4,292	(6,697)	158	(7,446)
Total comprehensive income subject to immediate distribution	105,297	161,967	33,084	48,931

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 2025**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

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)
Decrease in shareholding of subsidiary	-	-	-	-	(1,607)	(1,607)
At 30 September 2025	100,000	(51,971)	6,462	54,491	55,006	109,497

	Share capital	Reserves	(Accumulated losses) / Retained earnings	Total equity attributable to shareholders of the Bank	Non-controlling interests	Total owners' equity
At 30 September 2024 (reviewed)						
At 1 January 2024	100,000	(53,304)	(6,620)	40,076	52,862	92,938
Profit for the period	-	-	8,923	8,923	8,244	17,167
Other comprehensive income for the period	-	318	-	318	2,709	3,027
Total comprehensive income for the period	-	318	8,923	9,241	10,953	20,194
Movement from dividend distribution by subsidiaries	-	-	-	-	(3,434)	(3,434)
Decrease in shareholding of subsidiary	-	-	-	-	(5,558)	(5,558)
At 30 September 2024	100,000	(52,986)	2,303	49,317	54,823	104,140

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 2025**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

	Nine months ended	
	30 September 2025	30 September 2024
	(Reviewed)	(Reviewed)
OPERATING ACTIVITIES		
Net profit before tax:	37,916	41,485
Adjustments for:		
Depreciation and amortization	7,549	5,604
Provision for impairment - net	(2,809)	4,118
Income from investment securities	(102,227)	(138,486)
Finance cost on net ijarah liability	2,084	1,840
Share of profit from equity accounted investees	(264)	(131)
Gain on sale of property and equipment	(37)	(21)
Operating loss before changes in operating assets and liabilities	(57,788)	(85,591)
Net changes in operating assets and liabilities:		
Balances with banks maturing after 90 days including central banks balances relating to minimum reserve requirement	(917)	1,519
Financing contracts	(97,161)	85,179
Other assets	(14,158)	(10,591)
Customers' current accounts	145,133	50,681
Due to banks, financial and other institutions	(121,564)	(89,869)
Due to investors	-	(3,290)
Other liabilities	(31,321)	4,779
Quasi-equity	173,453	124,611
Taxes paid	(36,443)	(19,103)
Net cash (used in) / generated from operating activities	(40,766)	58,325
INVESTING ACTIVITIES		
Assets acquired for leasing	-	84
Investment securities	57,677	31,682
Property and equipment	(14,099)	(17,369)
Net cash generated from investing activities	43,578	14,397
FINANCING ACTIVITY		
Repayment of net Ijarah liability	(3,615)	(3,253)
Net cash used in financing activity	(3,615)	(3,253)
Foreign currency translation adjustments	(801)	949
Net (decrease) / increase in cash and cash equivalents	(1,604)	70,418
Cash and cash equivalents at the beginning of the period	189,001	122,814
Cash and cash equivalents at the end of the period	187,397	193,232
Cash and cash equivalents comprise:		
Cash and balances with banks and central banks	148,090	168,532
Placements with banks, financial and other institutions	56,436	40,740
Less: Placements with original maturing after 90 days and balances with central banks relating to minimum reserve requirement	(17,129)	(16,040)
	187,397	193,232

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 2025**

(Expressed in thousands of Bahraini Dinars unless otherwise stated)

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

At 30 September 2024 (reviewed)	Shamil Bosphorus Modaraba*	European Real Estate Placements*	US Real Estate Placements*	Total
Balance at 1 January 2024	2,356	4,065	9,514	15,935
Additions	-	-	-	-
Foreign exchange movements	-	(51)	-	(51)
Recoveries/ disposals/ maturities	-	-	-	-
Net decrease	-	(51)	-	(51)
Net income	-	-	-	-
Mudarib's share	-	-	-	-
Fixed agency fee	-	-	-	-
Variable agency fee	-	-	-	-
Total Bank's management share	-	-	-	-
Distributions/ withdrawals	-	-	(7,739)	(7,739)
Balance at 30 September 2024	2,356	4,014	1,775	8,145

* 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 nine months period ended 30 September 2025****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, 1 commercial branch in Bahrain and its following principal subsidiaries:

	% owned		Country of Incorporation	Principal business activities
	30 September 2025	31 December 2024		
Faysal Bank Limited (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 of 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 nine months period ended 30 September 2025**

1.1 Going Concern

As of 30 September 2025, the consolidated equity of the Group stood at BD54.5 million (2024: BD50.5 million), which is below the minimum regulatory shareholder equity of BD100 million required by the CBB as per LR module of Volume 2 and 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 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:

- Issuance of Tier 1 capital instrument (T1) of up to \$140 million, subject to regulatory and shareholders' approvals;
- Continuing regulatory support on matters related to capital and liquidity requirements on licensed group entities;
- Sourcing long term funding lines against assets to support unplanned liquidity needs;
- Focusing on recovery of financing exposures (including the related party receivables) by way of sale / realization of underlying collateral.

On 4 June 2023, Ithmaar's shareholders, in an Extraordinary General Meeting, approved issuance of Tier 1 Capital instrument of up to \$200 million. The Board of Directors is in the process of discussing the issuance of T1 capital with the regulators and its interested shareholders.

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

- No change in status of sanctioned liabilities and accordingly no repayments;
- Use of ALCO approved rollover/ renewal related behavioral patterns of liabilities;
- 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);
- Positive progress in key aspects of the Equity Strengthening Plans;
- Stressing the expected behavioral outflows of the liabilities and expected behavioral inflows from assets; and
- Putting in place the necessary liquidity lines in the form of medium-term interbank liquidity support facilities.

The Board of Directors has reviewed the above assumptions and events, along with mitigating factors and concluded that there are no material uncertainties related to these events and conditions 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.

1.2 Transfer of business and sale of assets

In February 2024, the Board of Ithmaar Holding and Board of GFH Financial Group B.S.C. ('GFH') agreed to an overall framework of terms regarding sale of certain assets and liabilities of Ithmaar's corporate banking business in Bahrain and investment assets (the "Transaction"). The Transaction was approved by Ithmaar Holding's shareholders during its Extraordinary General Meeting on 29 May 2024.

On 14 April 2025, following preliminary due diligence and discussions, both parties mutually agreed to terminate the discussions with regard to the Transaction.

Ithmaar Bank B.S.C. (c)
Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025

2 BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated interim financial information of the Group has been prepared and 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 2024. 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 2024. Further, results for the interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

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 2024 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 2024.

The comparative balances in the condensed consolidated statement of income has been reclassified to include those operations that were classified as discontinued in the prior period.

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 2024.

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

(i) FAS 45: Quasi-Equity (Including Investment Accounts)

AAOIFI has issued Financial Accounting Standard (FAS) 45 "Quasi-Equity (Including Investment Accounts)" during 2023. The objective of this standard is to establish the principles for identifying, measuring, and presenting "quasi-equity" instruments in the financial statements of Islamic Financial Institutions "IFIs".

The standard prescribes the principles of financial reporting to participatory investment instruments (including investment accounts) in which an IFI controls underlying assets (mostly, as working partner), on behalf of the stakeholders other than owner's equity. This standard provides the overall criteria for on-balance sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 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 nine months period ended 30 September 2025

A. Relevant new standards, amendments, and interpretations issued but not yet effective (continued)

(ii) FAS 46: Off-Balance-Sheet Assets Under Management

AAOIFI has issued Financial Accounting Standard ("FAS") 46 "Off-Balance-Sheet Assets Under Management" during 2023. The objective of this standard is to establish principles and rules for recognition, measurement, disclosure, and derecognition of off-balance-sheet assets under management, based on Shari'a and international best practices. The standard aims to improve transparency, comparability, accountability, and governance of financial reporting related to off-balance-sheet assets under management.

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:

- The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
- An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt. This standard shall be adopted at the same time as adoption of FAS 45 "Quasi-Equity (Including Investment Accounts)".

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

(iii) FAS 47: Transfer of Assets Between Investment Pools

AAOIFI has issued Financial Accounting Standard ("FAS") 47 "Transfer of Assets Between Investment Pools" during 2023. The objective of this standard is to establish guidance on the accounting treatment and disclosures for transfers of assets between investment pools that are managed by the same institution or its related parties. The standard applies to transfers of assets that are not part of a business combination, a disposal of a business, or a restructuring of an institution.

The standard defines an investment pool as a group of assets that are managed together to achieve a common investment objective, such as a fund, a portfolio, or a trust. The standard also defines a transfer of assets as a transaction or event that results in a change in the legal ownership or economic substance of the assets, such as a sale, a contribution, a distribution, or a reclassification.

The transfer of assets between investment pools should be accounted for based on the substance of the transaction and the terms and conditions of the transfer agreement. The standard classifies transfers of assets into three categories: transfers at fair value, transfers at carrying amount, and transfers at other than fair value or carrying amount. The standard also specifies the disclosure requirements for transfers of assets between investment pools.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt.

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

(iv) FAS 48: Promotional Gifts and Prizes

This standard prescribes accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions. The standard categorizes them into a) promotional gifts where entitlement occurs instantly; b) promotional prizes that are announced in advance to be awarded at a future date and c) loyalty programs where the obligation is accumulated over the period.

This standard is effective for the financial periods beginning on or after 1 January 2026, 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)
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A. Relevant new standards, amendments, and interpretations issued but not yet effective (continued)

(v) FAS 49: Financial Reporting for Institutions Operating in Hyperinflationary Economies

This standard establishes the principles of financial reporting for the institutions operating in hyperinflationary economies. This standard is applicable to the institutions whose functional currency is the currency of a hyperinflationary economy, and on consolidated financial statements of an institution to the extent of impacts relating to a subsidiary(ies) whose functional currency(ies) is the currency(ies) of a hyperinflationary economy(ies).

The standard prescribes pertinent factors for determination of hyperinflationary economy(ies).

This standard is effective for the financial periods beginning on or after 1 January 2026, with an option to early adopt.

AAOIFI recommended that all institutions operating in the same hyperinflationary economy shall apply this standard from the same date to ensure that comparability between their results is possible.

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

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

This standard replaces "FAS 14 – Investment funds" and is not applicable to a) financial reporting for Sukuk holders and the Sukuk in the books of the originator; b) off-balance sheet assets under management that do not take form of a separate legal entity; c) investment institutions taking the form of a Waqf from Shari'ah perspective; and d) investment funds (e.g., participants' investment funds) managed by Takaful institutions. If these are subject to financial reporting requirements as prescribed in the respective AAOIFI FAS.

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.

2.2 ESTIMATES AND JUDGEMENTS

Preparation of condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. The areas of significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the audited consolidated financial statements as at and for the year ended 31 December 2024.

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3 FINANCING CONTRACTS

	30 September 2025	31 December 2024
Murabaha and tawarruq financings	843,891	762,817
Musharaka financing	484,592	463,379
Istisna financings	73,874	91,221
	<u>1,402,357</u>	<u>1,317,417</u>
Less: Allowance for impairment	(79,486)	(80,925)
	<u>1,322,871</u>	<u>1,236,492</u>

The movement on allowance for impairment is as follows:

	30 September 2025	31 December 2024
At beginning of the period	80,925	81,223
Charge for the period	9,177	25,514
Write back during the period	(9,780)	(14,238)
Utilised during the period	(434)	(11,593)
Exchange differences	(402)	19
At end of the period	<u>79,486</u>	<u>80,925</u>

4 INVESTMENT SECURITIES

	30 September 2025	31 December 2024
Investment securities at fair value through income statement		
Debt-type instruments – unlisted	1,531	3,973
Equity-type securities – listed	892	1,061
	<u>2,423</u>	<u>5,034</u>
Investment securities at fair value through other comprehensive income		
Debt-type instruments – listed	61,139	54,322
Debt-type instruments – unlisted	885,407	863,843
Equity-type securities – listed	13,700	14,818
Equity-type securities – unlisted	4,654	3,851
	<u>964,900</u>	<u>936,834</u>
Less: Allowance for impairment	(3,045)	(4,061)
	<u>961,855</u>	<u>932,773</u>
Investment securities carried at amortised cost		
Debt-type instruments – listed	43,980	36,301
Debt-type instruments – unlisted	8,596	11,286
	<u>52,576</u>	<u>47,587</u>
Less: Allowance for impairment	(15)	(1,902)
	<u>52,561</u>	<u>45,685</u>
	<u>1,016,839</u>	<u>983,492</u>

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4 INVESTMENT SECURITIES (continued)

The Group uses 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 investments.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investments, either directly (that is, as prices) or indirectly (that is, 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.

Investment securities at fair value

	Level 1	Level 2	Level 3	Total
At 30 September 2025				
Investment securities at fair value through income statement				
Debt-type instruments	-	1,531	-	1,531
Equity-type securities	892	-	-	892
Investment securities at fair value through other comprehensive income				
Debt-type instruments	-	945,130	-	945,130
Equity-type securities	13,667	-	3,058	16,725
	14,559	946,661	3,058	964,278
Investment securities carried at amortised cost*				
Debt-type instruments	42,876	8,605	-	51,481
At 31 December 2024				
Investment securities at fair value through income statement				
Debt-type instruments	-	3,973	-	3,973
Equity-type securities	1,061	-	-	1,061
Investment securities at fair value through other comprehensive income				
Debt-type instruments	-	916,736	-	916,736
Equity securities	13,804	1,710	523	16,037
	14,865	922,419	523	937,807
Investment securities carried at amortised cost*				
Debt-type instruments	33,982	9,384	-	43,366

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

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5 OTHER ASSETS

	30 September 2025	31 December 2024
Accounts receivable	59,603	47,373
Due from related parties (note 10)	7,116	7,541
Taxes – deferred	7,389	5,116
Taxes – current (advance tax)	408	5,178
Assets acquired against claims	786	925
	75,302	66,133
Less: Allowance for impairment	(14,449)	(14,305)
	60,853	51,828

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 2025 (reviewed)

	Stage 1	Stage 2	Stage 3	Total
Placements with banks, financial and other institutions				
Gross exposure	56,463	-	-	56,463
Less: expected credit loss	(27)	-	-	(27)
Net exposure	56,436	-	-	56,436
Financing contracts				
Gross exposure	1,162,179	161,455	78,723	1,402,357
Less: expected credit loss	(27,715)	(1,757)	(50,014)	(79,486)
Net exposure	1,134,464	159,698	28,709	1,322,871
Other assets				
Gross exposure	55,628	6,038	13,636	75,302
Less: expected credit loss	(804)	(9)	(13,636)	(14,449)
Net exposure	54,824	6,029	-	60,853
Total gross exposure	1,274,270	167,493	92,359	1,534,122
Less: Total allowance for impairment	(28,546)	(1,766)	(63,650)	(93,962)
Total Net exposure	1,245,724	165,727	28,709	1,440,160

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6 IMPAIRMENT ALLOWANCE (continued)

31 December 2024 (audited)

	Stage 1	Stage 2	Stage 3	Total
Placements with banks, financial and other institutions				
Gross exposure	43,556	-	-	43,556
Less: expected credit loss	(27)	-	-	(27)
Net exposure	43,529	-	-	43,529
Financing contracts				
Gross exposure	1,087,825	150,697	78,895	1,317,417
Less: expected credit loss	(27,040)	(5,727)	(48,158)	(80,925)
Net exposure	1,060,785	144,970	30,737	1,236,492
Other assets				
Gross exposure	52,559	-	13,574	66,133
Less: expected credit loss	(731)	-	(13,574)	(14,305)
Net exposure	51,828	-	-	51,828
Total gross exposure	1,183,940	150,697	92,469	1,427,106
Less: Total allowance for impairment	(27,798)	(5,727)	(61,732)	(95,257)
Total Net exposure	1,156,142	144,970	30,737	1,331,849

	30 September 2025	31 December 2024
At beginning of the period	133,895	139,157
Charge for the period	9,466	27,589
Write back during the period	(12,275)	(18,651)
Utilised during the period	(914)	(11,093)
Exchange differences	(473)	(3,107)
At end of the period	129,699	133,895

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

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7 QUASI-EQUITY

Quasi-equity comprise:

	30 September 2025	31 December 2024
Modaraba accounts - corporates	606,057	480,350
Modaraba accounts - financial institutions	222,693	188,508
Modaraba accounts - individuals	287,068	280,948
Wakala from financial institutions	10,296	9,254
Fair value & foreign exchange translation movement from investments attributable to quasi-equity (i)	(4,339)	(47)
	1,121,775	959,013

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

	30 September 2025	31 December 2024
Cash and balances with banks and central banks	129,537	147,107
Placements with banks, financial and other institutions	-	118
Financing contracts	890,561	712,166
Investments in equity (i)	101,677	99,622
	1,121,775	959,013

(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 2025			30 September 2024		
	Self-financed	Quasi-equity financed	Total	Self-financed	Quasi-equity financed	Total
INCOME						
Income from financing contracts	3,906	84,845	88,751	1,694	116,050	117,744
Income from investments	1,244	100,983	102,227	1,748	136,738	138,486
Other income - net	3,698	16,270	19,968	1,068	12,726	13,794
Finance expense on placements from financial and non-financial institutions	(5,448)	-	(5,448)	(6,118)	-	(6,118)
Net income	3,400	202,098	205,498	(1,608)	265,514	263,906
Share of profit from equity accounted investees	264	-	264	131	-	131
Total income	3,664	202,098	205,762	(1,477)	265,514	264,037
Operating expenses	57,809	-	57,809	50,863	-	50,863
Depreciation and amortization	7,549	-	7,549	5,604	-	5,604
Total expenses	65,358	-	65,358	56,467	-	56,467
Profit before impairment allowances, income attribution to quasi-equity and tax	(61,694)	202,098	140,404	(57,944)	265,514	207,570
Allowances for impairment and expected credit losses, net	(377)	3,186	2,809	2,242	(6,360)	(4,118)
Group's share as mudarib and wakil	99,987	(99,987)	-	97,187	(97,187)	-
Profit before income attribution to quasi-equity and tax	37,916	105,297	143,213	41,485	161,967	203,452

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7 QUASI-EQUITY (continued)

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

	30 September 2025				
30 September 2025 (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 2025	13,130	(381)	(55)	(12,741)	(47)
Movement in fair value of investment securities	(3,866)	-	-	-	(3,866)
Movement in fair value of investment in real estate	-	-	(521)	-	(521)
Movement in fair value of land and building	-	454	-	-	454
Foreign currency translation adjustments	(126)	(124)	(7)	(102)	(359)
At 30 September 2025	9,138	(51)	(583)	(12,843)	(4,339)

	31 December 2024				
31 December 2024 (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 2024	4,964	(84)	(167)	(14,875)	(10,162)
Movement in fair value of investment securities	8,145	-	-	-	8,145
Movement in fair value of investment in real estate	-	(386)	-	-	(386)
Movement in fair value of land and building	-	-	106	-	106
Foreign currency translation adjustments	21	89	6	2,134	2,250
At 31 December 2024	13,130	(381)	(55)	(12,741)	(47)

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8 SHARE CAPITAL

	30 September 2025	31 December 2024
Authorised (7.54 billion share @BD 0.100 each)	754,000	754,000
Issued and fully paid (1 billion share @BD 0.100 each)	100,000	100,000

9 RESERVES

	30 September 2025	31 December 2024
Statutory reserve	2,018	2,018
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)
	(51,971)	(51,971)

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 2025				
	Shareholders & affiliates	Associated companies and other investments	Directors and related entities	Senior management	Total
Assets					
Financing contracts*	323,462	-	-	-	323,462
Investment in associates	-	4,039	-	-	4,039
Other assets	7,068	-	-	48	7,116
Liabilities					
Customers' current accounts	8,233	18	-	-	8,251
Due to banks, financial and other institutions	1,281	1,435	-	-	2,716
Other liabilities	2,970	-	-	-	2,970
Quasi-equity	17,539	2,591	-	-	20,130
Income					
Net profit attributable to quasi-equity	(254)	-	-	-	(254)
Income from financing contracts	3,936	-	-	-	3,936
Profit paid to banks, financial and other institutions	(262)	-	-	-	(262)
Other income - Management fees	(239)	-	-	-	(239)
Expenses					
General and administrative expenses	(57)	-	(63)	-	(120)

*Financing contracts are gross of ECL general provisions of BD26 million

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10 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	31 December 2024				
	Shareholders & affiliates	Associated companies and other investments	Directors and related entities	Senior management	Total
Assets					
Financing contracts*	323,358	-	-	-	323,358
Investment in associates	-	2,411	-	-	2,411
Other assets	7,504	-	-	37	7,541
Liabilities					
Customers' current accounts	12,623	23	-	-	12,646
Due to banks, financial and other institutions	1,102	2,823	-	-	3,925
Other liabilities	2,707	-	-	-	2,707
Quasi-equity	15,570	-	-	-	15,570

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

	30 September 2024				
Income					
Net profit attributable to quasi-equity	(228)	-	-	-	(228)
Income from financing contracts	3,386	-	-	-	3,386
Share of results after tax from associates	-	131	-	-	131
Profit paid to banks, financial and other institutions	(248)	-	-	-	(248)
Other income - Management fees	(100)	-	-	-	(100)
Expenses					
General and administrative expenses	(57)	-	(71)	-	(128)

11 CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities

	30 September 2025	31 December 2024
Acceptances and endorsements	37,629	32,554
Guarantees and letters of credit	313,994	215,686
Customer and other claims	5,507	5,578
	357,130	253,818

Commitments

	30 September 2025	31 December 2024
Undrawn facilities, financing lines and other commitments to finance	839,798	673,495

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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.

	30 September 2025			30 September 2024		
	Retail & Corporate Banking	Asset Management / Investment Banking	Total	Retail & Corporate Banking	Asset Management / Investment Banking	Total
Total income	202,723	3,039	205,762	262,135	1,902	264,037
Total expenses	61,346	4,012	65,358	53,173	3,294	56,467
Profit before impairment allowances, income attribution to quasi-equity and tax	141,377	(973)	140,404	208,962	(1,392)	207,570
Provision and overseas tax	(23,787)	(471)	(24,258)	(30,465)	2,029	(28,436)
Less: Net income attributable to quasi-equity	(105,297)	-	(105,297)	(161,967)	-	(161,967)
PROFIT FOR THE PERIOD	12,293	(1,444)	10,849	16,530	637	17,167
Attributable to:						
Shareholders of the Bank	5,047	(1,093)	3,954	8,193	730	8,923
Non-controlling interests	7,246	(351)	6,895	8,337	(93)	8,244
	12,293	(1,444)	10,849	16,530	637	17,167
						31 December 2024
Total assets	2,690,966	69,435	2,760,401	2,554,272	70,778	2,625,050
Total liabilities and quasi-equity	2,640,056	10,848	2,650,904	2,506,889	11,993	2,518,882

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12 SEGMENT REPORTING (continued)

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

	30 September 2025			30 September 2024		
	Middle East	Asia	Total	Middle East	Asia	Total
Total income	6,946	198,816	205,762	3,621	260,416	264,037
Total expenses	7,107	58,251	65,358	6,834	49,633	56,467
Profit before impairment allowances, income attribution to quasi-equity and tax	(161)	140,565	140,404	(3,213)	210,783	207,570
Provision and overseas tax	(3,840)	(20,418)	(24,258)	1,228	(29,664)	(28,436)
Less: Net income attributable to quasi-equity	(7,610)	(97,687)	(105,297)	(7,048)	(154,919)	(161,967)
PROFIT FOR THE PERIOD	(11,611)	22,460	10,849	(9,033)	26,200	17,167
Attributable to:						
Shareholders of the Bank	(10,995)	14,949	3,954	(8,326)	17,249	8,923
Minority interests	(616)	7,511	6,895	(707)	8,951	8,244
	(11,611)	22,460	10,849	(9,033)	26,200	17,167
				31 December 2024		
Total assets	579,213	2,181,188	2,760,401	528,294	2,096,756	2,625,050
Total liabilities and quasi-equity	578,842	2,072,062	2,650,904	569,238	1,949,644	2,518,882

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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 2024.

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 2025 and 31 December 2024, is as follows:

	30 September 2025	31 December 2024
Stock of HQLA	734,454	640,914
Net cashflows	674,348	616,746
LCR %	109%	104%
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 2025	31 December 2024
Tier 1	140,368	130,203
Tier 2	8,874	8,768
Total Capital Base	149,242	138,971
 Total Risk-Weighted Exposures	 1,027,625	 1,027,379
 Capital Adequacy Ratio (CAR)	 14.52%	 13.53%

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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 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:	140,368	-	-	8,874	149,242
2	Regulatory Capital	140,368	-	-	-	140,368
3	Other Capital Instruments	-	-	-	8,874	8,874
4	Retail deposits and deposits from small business customers:	-	825,480	29,944	3,668	776,563
5	Stable deposits	-	59,551	709	12	57,259
6	Less stable deposits	-	765,929	29,235	3,656	719,304
7	Wholesale funding:	-	371,735	659,871	324,804	866,421
8	Operational deposits	-	-	-	-	35,266
9	Other wholesale funding	-	371,735	659,871	324,804	831,155
10	Other liabilities:	-	360,283	-	16,093	16,093
11	NSFR Shari'a-compliant hedging contract liabilities	-	2,489	-	-	-
12	All other liabilities not included in the above categories	-	357,794	-	16,093	16,093
13	Total ASF					1,808,319
Available Stable Funding (ASF):						
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	45,909
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:	-	519,933	129,741	724,172	891,902
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	-	30,522	3,033	7,933	14,028
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:	-	489,411	126,708	519,327	749,487
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	163,967	106,579
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	-	-	-	31,820	20,683
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,125	1,125
24	Other assets:	-	304,784	-	-	304,784
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	-	368	-	-	368
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	498	-	-	498
29	All other assets not included in the above categories	-	303,918	-	-	303,918
30	OBS items	-	957,295	-	-	47,865
31	Total RSF	-	-	-	-	1,290,460
32	NSFR (%)	-	-	-	-	140%

Ithmaar Bank B.S.C. (c)
Notes to the condensed consolidated interim financial information
for the nine months period ended 30 September 2025
(Expressed in thousands of Bahraini Dinars unless otherwise stated)

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 2024 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:	130,203	-	-	8,768	138,971
2	Regulatory Capital	130,203	-	-	-	130,203
3	Other Capital Instruments	-	-	-	8,768	8,768
4	Retail deposits and deposits from small business customers:	-	715,391	101,936	2,312	695,433
5	Stable deposits	-	52,005	51,465	37	50,386
6	Less stable deposits	-	663,386	50,471	2,275	645,047
7	Wholesale funding:	-	647,209	222,387	347,019	620,018
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	647,209	222,387	347,019	620,018
10	Other liabilities:	-	493,461	-	20,961	20,961
11	NSFR Shari'a-compliant hedging contract liabilities	-	5,874	-	-	-
12	All other liabilities not included in the above categories	-	487,587	-	20,961	20,961
13	Total ASF					1,475,383
Available Stable Funding (ASF):						
14	Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	45,860
15	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
16	Performing loans and securities:	-	552,630	74,815	678,192	847,194
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	-	34,847	8,259	6,631	15,988
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:	-	517,783	66,556	510,655	726,227
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	131,861	85,710
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	-	-	-	27,931	18,155
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,114	1,114
24	Other assets:	-	299,342	-	-	299,342
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	-	-	-	-	-
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	1,175	-	-	1,175
29	All other assets not included in the above categories	-	298,167	-	-	298,167
30	OBS items	-	754,795	-	-	37,740
31	Total RSF	-	-	-	-	1,230,136
32	NSFR (%)	-	-	-	-	120%

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 2025 as it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

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