

BAHRAIN ISLAMIC BANK B.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2025

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the nine months 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
Bahrain Islamic Bank B.S.C.
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 September 2025 condensed consolidated interim financial information of Bahrain Islamic Bank B.S.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 total 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 cash flows for the nine-month period ended 30 September 2025;
- the condensed consolidated statement of changes in owners' equity 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".

4 November 2025

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

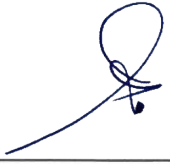
As at 30 September 2025

		30 September 2025 BD'000 (reviewed)	31 December 2024 BD'000 (audited)
Note			
ASSETS			
	Cash and balances with banks and Central Bank	67,810	65,084
	Placements with financial institutions	191,612	156,586
	Financing contracts	8 965,796	1,000,663
	Investment securities	9 342,636	272,126
	Investment in associates	10 7,661	11,441
	Investment in real estate	11 13,372	14,583
	Property and equipment	15,325	14,793
	Other assets	12 9,898	6,658
	TOTAL ASSETS	1,614,110	1,541,934
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
Liabilities			
	Placements from financial institutions	45,636	77,377
	Placements from non-financial institutions and individuals	167,027	470,891
	Financing from financial institutions	13 224,890	175,197
	Customers' current accounts	235,767	216,442
	Other liabilities	14 50,568	38,221
	Total Liabilities	723,888	978,128
Quasi-equity			
	Financial institutions	39,806	64,892
	Non-financial institutions and individuals	689,766	351,494
	Total Quasi-equity	729,572	416,386
Owners' Equity			
	Share capital	106,406	106,406
	Treasury shares	(677)	(892)
	Shares under employee share incentive scheme	(247)	(101)
	Share premium	132	206
	Reserves	30,036	16,801
	Equity attributable to Bank's shareholders	135,650	122,420
	Subordinated Mudaraba (AT1)	25,000	25,000
	Total Owners' Equity	160,650	147,420
	TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY	1,614,110	1,541,934

The condensed consolidated interim financial information was approved by the Board of Directors on 4 November 2025 and signed on its behalf by:

Zaid Khalid Abdulrahman
Chairman

Usman Ahmed
Vice Chairman


Fatema AlAlawi
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2025

		Nine months ended 30 September		Three months ended 30 September	
		2025	2024	2025	2024
	Note	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)	BD'000 (reviewed)
INCOME					
Income from financing contracts		40,334	39,413	13,537	14,131
Income from placements with financial institutions		7,434	3,251	2,699	1,462
Income from investment in Sukuk	16	11,733	11,471	4,437	3,698
Expense on placements from financial institutions		(2,533)	(4,208)	(643)	(1,142)
Expense on placements from non-financial institutions and individuals		(11,986)	(16,384)	(2,743)	(6,280)
Expense on financing from financial institutions		(7,468)	(6,392)	(2,871)	(2,314)
Net finance income		37,514	27,151	14,416	9,555
Fee and commission income, net		5,839	4,728	2,044	1,409
Income from investment securities		66	36	-	-
Income from investment in real estate, net	11	9,836	155	(127)	30
Share of results of associates, net		98	81	26	39
Other income, net		2,924	1,666	747	310
Total income		56,277	33,817	17,106	11,343
EXPENSES					
Staff costs		11,226	10,170	3,435	3,254
Depreciation and amortization		1,344	1,393	462	458
Other expenses		9,896	9,626	3,563	2,515
Total expenses		22,466	21,189	7,460	6,227
Profit before impairment allowances and attribution to quasi-equity		33,811	12,628	9,646	5,116
Impairment allowance, net	17	(7,210)	(5,713)	(2,126)	(2,355)
Profit before attribution to quasi-equity		26,601	6,915	7,520	2,761
Profit attributable to quasi-equity		(10,942)	(3,052)	(5,049)	(1,211)
PROFIT FOR THE PERIOD		15,659	3,863	2,471	1,550
BASIC AND DILUTED EARNINGS PER SHARE (fils)		13.04	1.86	2.34	1.47

Zaid Khalid Abdulrahman
Chairman

Usman Ahmed
Vice Chairman

Fatema AlAlawi
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended 30 September 2025

	<i>Nine months ended</i>		<i>Three months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
	<i>(reviewed)</i>	<i>(reviewed)</i>	<i>(reviewed)</i>	<i>(reviewed)</i>
Profit for the period	15,659	3,863	2,471	1,550
Other comprehensive income				
Items that are or may be reclassified subsequently to the statement of income				
Fair value changes on equity investments carried at fair value through OCI	(58)	(16)	26	(13)
Fair value changes on investment in real estate	(59)	-	-	-
Total other comprehensive income for the period	(117)	(16)	26	(13)
Total comprehensive income	15,542	3,847	2,497	1,537

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED
TO QUASI-EQUITY

For the nine months ended 30 September 2025

	<i>Nine months ended</i> <i>30 September</i>		<i>Three months ended</i> <i>30 September</i>	
	<i>2025</i> <i>BD'000</i> <i>(reviewed)</i>	<i>2024</i> <i>BD'000</i> <i>(reviewed)</i>	<i>2025</i> <i>BD'000</i> <i>(reviewed)</i>	<i>2024</i> <i>BD'000</i> <i>(reviewed)</i>
Profit before impairment allowances and attribution to quasi-equity	33,811	12,628	9,646	5,116
Adjusted for:				
Less: income not attributable to quasi-equity	(18,763)	(6,666)	(2,690)	(1,788)
Add: expenses not attributable to quasi-equity	44,453	48,173	13,717	15,963
Less: institution's share of income from jointly financed assets	(31,746)	(36,916)	(9,403)	(13,119)
Less: allowance for impairment allowances attributable to quasi-equity	(3,339)	(1,799)	(1,197)	(745)
Total income available for quasi-equity holders	24,416	15,420	10,073	5,427
Profit equalization reserve – net movement	(199)	(169)	(71)	(62)
Total income attributable to quasi-equity holders (adjusted for reserves)	24,217	15,251	10,002	5,365
Less: mudarib's share	(12,030)	(12,054)	(4,228)	(4,083)
Less: wakala fees	(1,245)	(145)	(725)	(71)
Profit attributable to quasi-equity	10,942	3,052	5,049	1,211

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine months ended 30 September 2025

	<i>Nine months ended</i>	
	30 September	
	2025	2024
	BD'000	BD'000
	(reviewed)	(reviewed)
OPERATING ACTIVITIES		
Profit for the period	15,659	3,863
Adjustments for non-cash items:		
Depreciation	1,090	1,109
Fair value movement on investment in real estate	157	-
Impairment allowance, net	7,210	5,713
Amortization of right-of-use asset	254	284
Gain on sale of investment in sukuk	(13)	(6)
Gain on sale of investment in real estate	(9,742)	-
Share of results of associates, net	(98)	(81)
Operating profit before changes in operating assets and liabilities	14,517	10,882
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(425)	(4,445)
Financing contracts	27,059	(70,918)
Other assets	(8,310)	(2,233)
Customers' current accounts	19,325	(10,046)
Other liabilities	12,049	22,504
Placements from financial institutions	(35,202)	(37,301)
Placements from non-financial institutions and individuals	(303,864)	145,033
Quasi-equity	313,186	3,920
Net cash from operating activities	38,335	57,396
INVESTING ACTIVITIES		
Disposal of investment in real estate	14,684	-
Purchase of property and equipment	(1,622)	(1,692)
Purchase of investment securities	(106,423)	(45,482)
Disposal of investment securities	41,180	59,473
Net cash (used in) / from investing activities	(52,181)	12,299
FINANCING ACTIVITIES		
Profit distribution on AT1 Capital	(1,901)	(1,906)
Financing from financial institutions received / (paid)	49,693	(32,856)
Purchase of treasury shares	(80)	(54)
Net cash from / (used in) financing activities	47,712	(34,816)
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,866	34,879
Cash and cash equivalents at 1 January	175,629	74,399
CASH AND CASH EQUIVALENTS AT 30 September	209,495	109,278
Cash and cash equivalents comprise:		
Cash on hand	10,823	9,713
Balances with CBB, excluding mandatory reserve deposits	233	55
Balances with banks and other financial institutions excluding restricted balances	6,827	4,680
Placements with financial institutions with original maturities less than 90 days	191,612	94,830
	209,495	109,278

Bahrain Islamic Bank B.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the nine months ended 30 September 2025

	Equity attributable to Bank's shareholders										
	Shares under employee share incentive scheme			Reserves							
	Share capital BD'000	Treasury shares BD'000	Share premium BD'000	Statutory reserve BD'000	Real estate fair value reserve BD'000	Investment securities fair value reserve BD'000	Retained earnings BD'000	Total reserves BD'000	Equity attributable to Bank's shareholders BD'000	Sub-ordinated mudaraba (AT1) BD'000	Total Owners' Equity BD'000
2025 - reviewed											
Balance at 1 January 2025	106,406	(892)	(101)	206	8,227	1,320	5,602	16,801	122,420	25,000	147,420
Profit for the period	-	-	-	-	-	-	15,659	15,659	15,659	-	15,659
Other comprehensive income	-	-	-	-	(59)	(58)	-	(117)	(117)	-	(117)
Total comprehensive income for the period	-	-	-	-	(59)	(58)	15,659	15,542	15,542	-	15,542
Zakah approved	-	-	-	-	-	-	(356)	(356)	(356)	-	(356)
Donations approved	-	-	-	-	-	-	(50)	(50)	(50)	-	(50)
Profit distribution on AT1 Capital	-	-	-	-	-	-	(1,901)	(1,901)	(1,901)	-	(1,901)
Shares allocated to staff during the period	-	-	75	-	-	-	-	-	75	-	75
Purchase of treasury shares	-	(80)	-	-	-	-	-	-	(80)	-	(80)
Transfer to shares under employee share incentive scheme	-	295	(221)	(74)	-	-	-	-	-	-	-
Balance at 30 September 2025	106,406	(677)	(247)	132	8,227	1,261	18,954	30,036	135,650	25,000	160,650
2024 - reviewed											
Balance at 1 January 2024	106,406	(892)	(195)	206	7,720	1,320	3,484	14,107	119,632	25,000	144,632
Profit for the period	-	-	-	-	-	-	3,863	3,863	3,863	-	3,863
Other comprehensive income	-	-	-	-	-	(16)	-	(16)	(16)	-	(16)
Total comprehensive income for the period	-	-	-	-	-	(16)	3,863	3,847	3,847	-	3,847
Zakah approved	-	-	-	-	-	-	(289)	(289)	(289)	-	(289)
Donations approved	-	-	-	-	-	-	(250)	(250)	(250)	-	(250)
Profit distribution on AT1 Capital	-	-	-	-	-	-	(1,906)	(1,906)	(1,906)	-	(1,906)
Shares allocated to staff during the period	-	-	148	-	-	-	-	-	148	-	148
Purchase of treasury shares	-	(54)	-	-	-	-	-	-	(54)	-	(54)
Transfer to shares under employee share incentive scheme	-	54	(54)	-	-	-	-	-	-	-	-
Balance at 30 September 2024	106,406	(892)	(101)	206	7,720	1,320	4,902	15,509	121,128	25,000	146,128

1 REPORTING ENTITY

Bahrain Islamic Bank B.S.C. (the "Bank") was incorporated in the Kingdom of Bahrain in 1979 by Amiri Decree No.2 of 1979 and registered with the Ministry of Industry and Commerce ("MOIC") under Commercial Registration (CR) number 9900, to carry out banking and other financial trading activities in accordance with the teachings of Islam (Shari'a). The Bank operates under an Islamic retail banking license issued by the Central Bank of Bahrain ("CBB"). The Bank's Shari'a Supervisory Board is entrusted to ensure the Bank's adherence to Shari'a rules and principles in its transactions and activities. The Bank is listed on the Bahrain Bourse.

National Bank of Bahrain (NBB) owns 78.81% (31 December 2024: 78.81%) of shares. Hence NBB is considered as Parent of the Bank for financial reporting purposes.

The Bank's registered office is at Building 722, Road 1708, Block 317, Manama, Kingdom of Bahrain.

The Bank has seven branches (2024: eight), all operating in the Kingdom of Bahrain.

The condensed consolidated interim financial information includes the results of the Bank and its wholly owned subsidiaries (together the "Group"). The Bank holds 100% of the share capital of Abaad Real Estate Company W.L.L., a real estate company incorporated in Kingdom of Bahrain.

2 BASIS OF PREPARATION AND PRESENTATION

This condensed consolidated interim financial information has been prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI") and applicable rules and regulations issued by the Central Bank of Bahrain ("CBB").

The condensed consolidated interim financial information of the Group has been prepared in accordance with Financial Accounting Standard 41, Interim Financial Reporting ("FAS 41") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI"). In line with the requirements of AAOIFI and CBB rulebook for matters not covered under AAOIFI standards, the Group uses guidance from the relevant IFRS Accounting standards issued by the International Accounting Standard Board ("IFRS Accounting standards").

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.

3 SIGNIFICANT ACCOUNTING POLICIES

New standards, amendments, and interpretations issued but not yet effective:

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

AAOIFI had 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.

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

AAOIFI had 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 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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

AAOIFI had 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 to gifts is declared 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.

4 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2024.

5 JUDGMENT AND ESTIMATES

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

6 COMPARATIVE INFORMATION

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 Group's audited consolidated financial statements for the year ended 31 December 2024, and comparatives for the condensed consolidated statements of income, comprehensive income, income and attribution related to quasi-equity, changes in owner's equity, and cash flows have been extracted from the Group's reviewed condensed consolidated interim financial information for the nine months ended 30 September 2024.

The comparative figures have been regrouped in order to conform with the presentation for the current period. Such regrouping did not affect previously reported profit for the period or total equity.

7 SEASONALITY

The Bank does not have significant income of seasonal nature.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

8 FINANCING CONTRACTS

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Trade-based		
Murabaha	688,893	720,546
Participatory-based		
Musharaka	94,008	97,430
Mudaraba	1,224	-
Lease-based		
Ijarah Muntahia Bittamleek (net of accumulated depreciation)	309,222	316,982
Gross financing contracts	1,093,347	1,134,958
Deferred profits	(83,771)	(87,721)
Expected credit losses allowance (8.1)	(43,780)	(46,574)
Net financing contracts	965,796	1,000,663

8.1 The movement on expected credit losses allowances is as follows:

	Stage 1 BD'000	Stage 2 BD'000	Stage 3 BD'000	Total BD'000
Gross financing contracts	952,477	58,216	82,654	1,093,347
Less: Deferred profits	56,395	6,617	20,759	83,771
Less: Expected credit losses allowance				
At 1 January 2025	5,438	4,624	36,512	46,574
Net movement between stages	446	(640)	194	-
Net charge for the period	(456)	1,461	5,808	6,813
Write-off	-	-	(9,607)	(9,607)
At 30 September 2025	5,428	5,445	32,907	43,780
Net financing contracts	890,654	46,154	28,988	965,796

	Stage 1 BD'000	Stage 2 BD'000	Stage 3 BD'000	Total BD'000
Gross financing contracts	979,470	68,723	86,765	1,134,958
Less: Deferred profits	65,703	8,044	13,974	87,721
Less: Expected credit losses allowance				
At 1 January 2024	4,064	8,612	27,214	39,890
Net movement between stages	1,037	(3,447)	2,410	-
Net charge for the year	337	(541)	7,503	7,299
Write-off	-	-	(615)	(615)
At 31 December 2024	5,438	4,624	36,512	46,574
Net financing contracts	908,329	56,055	36,279	1,000,663

9 INVESTMENT SECURITIES

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
i) Debt type instruments - at amortised cost*		
<i>Quoted Sukuk</i>		
Gross balance at the beginning of the period	253,928	258,547
Acquisitions	106,423	74,961
Disposals and redemptions	(41,167)	(79,580)
Gross balance at the end of the period**	319,184	253,928
Expected credit losses allowance	(104)	(34)
Fair value gains / (losses) on hedged items attributable to profit rate risk hedged**	2,587	(2,135)
Net balance at the end of the period	321,667	251,759
<i>Unquoted Sukuk</i>		
Gross balance at the beginning of the period	12,507	12,516
Foreign currency translation changes	30	(9)
Gross balance at the end of the period	12,537	12,507
Expected credit losses allowance	(12,537)	(12,507)
Net balance at the end of the period	-	-
ii) Equity type instruments		
<i>Quoted shares - at fair value through other comprehensive income</i>		
Balance at beginning of the period	-	-
Acquisitions	996	-
Fair value movement - net	(109)	-
Balance at the end of the period	887	-
<i>Unquoted shares - at fair value through other comprehensive income</i>		
Balance at beginning of the period	19,931	20,050
Fair value movement - net	(285)	(119)
Balance at the end of the period	19,646	19,931
<i>Unquoted managed funds</i>	436	436
Total net investment securities	342,636	272,126

* As of 30 September 2025, debt type instruments includes Sukuk of BD 158,119 thousand (31 December 2024: BD 117,667 thousand) pledged against financing from financial institutions of BD 134,304 thousand (31 December 2024: BD 103,338 thousand) (note 13).

** As of 30 September 2025, Sukuk of BD 199,770 thousand (31 December 2024: BD 110,595) carried at amortised cost were hedged through profit rate swaps and the resultant fair value gain on the hedged items related to profit rate risk of BD 2,587 thousand gain (31 December 2024: BD 2,135 thousand loss) were adjusted to the carrying value.

10 INVESTMENT IN ASSOCIATES

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Balance at beginning of the period	11,441	8,302
Acquisition	-	3,030
Share of results of associates, net	98	109
Disposal*	(3,878)	-
Balance at end of the period	7,661	11,441

*During the period, the Group entered into a swap agreement resulting in the derecognition of an associate with a carrying value of BD 3,878 thousand and the recognition of investment property at a fair value of BD 3,947 thousand.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

11 INVESTMENT IN REAL ESTATE

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Lands	9,584	14,583
Buildings	3,788	-
	13,372	14,583
	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Movement on investment in real estate:		
Balance at the beginning of the period	14,583	14,725
Acquisition	3,947	-
Disposal	(4,942)	-
Fair value changes	(216)	(142)
Balance at the end of the period	13,372	14,583

Investment in real estate comprises of plots of land and buildings in the Kingdom of Bahrain and the United Arab Emirates.

During the period ended 30 September 2025, a profit of BHD 9,742 on sale of land with a carrying value of BD 4,942 thousand was recognized in the condensed consolidated statement of income.

12 OTHER ASSETS

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Reposessed assets*	1,240	-
Receivables	1,711	271
Staff advances	1,684	1,471
Prepaid expenses	770	473
Risk management instruments (12.1)	-	2,135
Right of use asset	451	464
Other	4,042	1,844
	9,898	6,658

*Reposessed assets comprise lands located in Kingdom of Bahrain and are net of impairment allowance of BD 24 thousand (31 December 2024: nil).

12.1 Risk management instruments

The risk management instruments are valued based on observable inputs. The fair values of risk management financial instruments held by the Group as at 30 September 2025 are provided below:

	30 September 2025		31 December 2024	
	Assets BD'000	Liabilities BD'000	Assets BD'000	Liabilities BD'000
Profit rate swaps (Fair value hedges)	-	2,587	2,135	-
Foreign exchange contracts (Waad) (Other risk management instruments)	-	103	-	616
	-	2,690	2,135	616

The notional amount of risk management financial instruments held by the Group as at 30 September 2025 are provided below:

	30 September 2025		31 December 2024	
	Assets BD'000	Liabilities BD'000	Assets BD'000	Liabilities BD'000
Profit rate swaps (Fair value hedges)	199,770	-	110,595	-
Foreign exchange contracts (Waad) (Other risk management instruments)	118,081	118,197	46,625	46,009
	317,851	118,197	157,220	46,009

The net hedge ineffectiveness gain / losses recognized in the condensed consolidated income statement are as follows:

	30 September 2025 BD'000	30 September 2024 BD'000
Gains / (losses) on the hedged items attributable to risk hedged	2,587	1,603
(Losses) / gains on the hedging instruments	(2,587)	(1,603)
Net hedge ineffectiveness (loss)/gain	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

13 FINANCING FROM FINANCIAL INSTITUTIONS

This represents term murabaha facilities of BD 224,890 thousand (2024: BD 175,197 thousand) secured by pledge over Sukuk of BD 158,119 thousand (2024: BD 117,667 thousand) (note 9). The average profit rate on financing is 5.07% (2024: 4.99%).

14 OTHER LIABILITIES

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Managers' cheques	3,666	2,135
Payable to vendors	5,786	2,710
Accrued expenses	9,389	7,271
Zakah and charity fund*	1,387	1,169
Net Ijarah liability	460	444
Other**	29,880	24,492
	50,568	38,221

*During the period ended 30 September 2025, BD 689 thousand (2024: BD 673 thousand) was transferred into the Zakah and charity fund and BD 471 thousand (2024: BD 350 thousand) was utilised from the Zakah and charity fund. There were no movements in the good faith and Qard fund during the period.

**Other includes expected credit losses allowance for commitments and contingent liabilities of BD 936 thousand (31 December 2024: BD 969 thousand).

15 QUASI-EQUITY

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Placements from financial institutions – Wakala	39,806	64,892
Placements from non-financial institutions and individuals – Wakala	603	1,113
Placements from non-financial institutions and individuals - Mudharaba	689,163	350,381
	729,572	416,386

The funds received from Wakala pool and mudharaba pool together with quasi-equity have been commingled and jointly invested with the Group in the following asset classes and reported under quasi-equity:

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Cash and balances with banks and Central Bank	33,518	44,156
Placements with financial institutions	-	5,505
Financing contracts, net	522,148	293,007
Investment securities, net	173,906	73,718
	729,572	416,386

Profit equalisation reserve

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Opening reserve balance	342	113
Movement during the period	199	229
Ending reserve balance	541	342

15 QUASI-EQUITY (continued)

Distribution of assets by ownership

	30 September 2025 (Reviewed)			31 December 2024 (Audited)		
	Self-financed	Quasi-equity	Total	Self-financed	Quasi-equity	Total
Cash and balances with banks and Central Bank	34,292	33,518	67,810	20,928	44,156	65,084
Placements with financial institutions	191,612	-	191,612	151,081	5,505	156,586
Financing contracts	443,648	522,148	965,796	707,656	293,007	1,000,663
Investment in Sukuk	147,762	173,906	321,668	178,041	73,718	251,759
Investment in equities and funds	20,968	-	20,968	20,367	-	20,367
Investment in associates	7,661	-	7,661	11,441	-	11,441
Investment in real estate	13,372	-	13,372	14,583	-	14,583
Property and equipment	15,325	-	15,325	14,793	-	14,793
Other assets	9,898	-	9,898	6,658	-	6,658
	884,538	729,572	1,614,110	1,125,548	416,386	1,541,934

Distribution of income

	30 September 2025 (Reviewed)			30 September 2024 (Reviewed)		
	Self-financed	Quasi-equity	Total	Self-financed	Quasi-equity	Total
INCOME						
Income from financing contracts	23,366	16,968	40,334	28,189	11,224	39,413
Income from placements with financial institutions	2,280	5,154	7,434	1,038	2,213	3,251
Income from investment in Sukuk	6,299	5,434	11,733	7,858	3,613	11,471
Expense on placements from financial institutions	(2,533)	-	(2,533)	(4,208)	-	(4,208)
Expense on placements from non-financial institutions and individuals	(11,986)	-	(11,986)	(16,384)	-	(16,384)
Expense on financing from financial institutions	(7,468)	-	(7,468)	(6,392)	-	(6,392)
Net finance income	9,958	27,556	37,514	10,101	17,050	27,151
Fee and commission income, net	5,839	-	5,839	4,728	-	4,728
Income from investment securities	66	-	66	36	-	36
Income from investment in real estate, net	9,836	-	9,836	155	-	155
Share of results of associates, net	98	-	98	81	-	81
Other income, net	2,924	-	2,924	1,666	-	1,666
Total income	28,721	27,556	56,277	16,767	17,050	33,817
EXPENSES						
Staff costs	11,226	-	11,226	10,170	-	10,170
Depreciation and amortization	1,344	-	1,344	1,393	-	1,393
Other expenses	9,896	-	9,896	9,626	-	9,626
Total expenses	22,466	-	22,466	21,189	-	21,189
Profit before impairment allowances and attribution to quasi-equity	6,255	27,556	33,811	(4,422)	17,050	12,628
Impairment allowance, net	(3,871)	(3,339)	(7,210)	(3,914)	(1,799)	(5,713)
Group's share as Mudarib and Wakil	13,275	(13,275)	-	12,199	(12,199)	-
ALLOCATED PROFIT	15,659	10,942	26,601	3,863	3,052	6,915

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

16 INCOME FROM INVESTMENT IN SUKUK

	30 September 2025 BD'000 (Reviewed)	30 September 2024 BD'000 (Reviewed)
Profit on investment in Sukuk	11,720	11,465
Gain on sale of Sukuk	13	6
	11,733	11,471

17 IMPAIRMENT ALLOWANCE, NET

	30 September 2025 BD'000 (Reviewed)	30 September 2024 BD'000 (Reviewed)
Financing contracts (note 8.1)	6,813	6,147
Investments in Sukuk	70	(31)
Investments at fair value through other comprehensive income	335	188
Placements with financial institutions	1	2
Other assets	24	-
Commitments	(33)	(593)
	7,210	5,713

18 COMMITMENTS AND CONTINGENT LIABILITIES

These include commitments to enter into financing contracts which are designed to meet the requirements of the Group's customers.

Letters of credit and guarantees commit the Group to make payments on behalf of customers.

The Group has the following credit related commitments and contingent liabilities on behalf of customers:

	30 September 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Letters of credit and acceptances	1,622	2,550
Guarantees	27,695	31,589
Credit Cards	46,218	44,266
Altamweel Almaren	26,143	26,594
Commitments to finance	7,056	8,687
	108,734	113,686

Expected credit losses allowance of BD 936 thousand (31 December 2024: BD 969 thousand) has been provided on account of the credit risk on these for commitments and contingent liabilities.

19 LITIGATIONS AND CLAIMS

In the normal course of business, legal cases are filed by the Bank against its customers and against the Bank by its customers, employees or investors. The Group's legal department engages with in-house legal counsel and external legal counsel depending on the nature of the cases. A periodic assessment is carried out to determine the likely outcome of these legal cases and is reported to the senior management and Board of directors. The Group as part of the periodic assessment maintains adequate provisions. No further disclosures regarding contingent liabilities arising from any such claims are being made by the Bank as the directors believe that such disclosures may be prejudicial to the Group's legal position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

20 RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, directors of the Bank, senior management, close members of their families, entities owned or controlled by them and companies affiliated by virtue of common ownership or directors with that of the Bank. The transactions with these parties were made on commercial terms.

The significant balances and transactions with related parties at 30 September 2025 were as follows:

30 September 2025 (reviewed)					
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Assets					
Cash and balances with banks and Central Bank	5,497	-	-	-	5,497
Placements with financial institutions	14,427	-	-	-	14,427
Financing contracts	-	-	2,349	821	3,170
Investment in associates	-	7,661	-	-	7,661
Other assets	4,081	-	-	490	4,571
Liabilities and Quasi-equity					
Financing from financial institutions	57,291	-	-	-	57,291
Placements from non-financial institutions and individuals	-	-	-	500	500
Placements from financial institutions	20,004	-	-	-	20,004
Customers' current accounts	-	159	5,213	40	5,412
Other liabilities	12,092	-	785	-	12,877
Quasi-equity	-	-	3,975	2,283	6,258
Off Balance sheet					
Profit rate swap - notional amount	199,770	-	-	-	199,770
30 September 2025 (reviewed)					
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Income					
Income from financing contracts	-	-	78	33	111
Income from investment in Sukuk	657	-	-	-	657
Placements with financial institutions	485	-	-	-	485
Share of results of associates, net	-	98	-	-	98
Other income	(4,722)	-	-	-	(4,722)
Net income attributable to quasi-equity	-	-	-	(54)	(54)
Expense on placements from financial institutions	(761)	-	-	-	(761)
Expense on placements from non-financial institutions and individuals	-	-	-	-	-
Expense on financing from financial institutions	(2,011)	-	-	-	(2,011)
Expenses					
Staff costs	-	-	-	(1,898)	(1,898)
Other expenses	-	-	(363)	-	(363)

20 RELATED PARTY TRANSACTIONS (continued)

	31 December 2024 (audited)				
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Assets					
Cash and balances with banks and Central Bank	2,036	-	-	-	2,036
Placements with financial institutions	-	-	-	-	-
Financing contracts	-	-	471	907	1,378
Investment in associates	-	11,441	-	-	11,441
Other assets	3,158	-	-	389	3,547
Liabilities and Quasi-equity					
Placements from financial institutions	20,078	-	-	-	20,078
Financing from financial institutions	61,660	-	-	-	61,660
Placements from non-financial institutions and individuals	-	-	640	865	1,505
Customers' current accounts	-	653	1,798	57	2,508
Other liabilities	6,599	-	431	-	7,030
Quasi-equity	-	-	287	1,240	1,527
Off Balance sheet					
Profit rate swap - notional amount	80,131	-	-	-	80,131
30 September 2024 (reviewed)					
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Income					
Income from financing contracts	-	-	14	34	48
Income from investment in Sukuk	1,528	-	-	-	1,528
Placements with financial institutions	793	-	-	-	793
Share of results of associates, net	-	81	-	-	81
Other income	(2,341)	-	-	-	(2,341)
Net income attributable to quasi-equity	-	-	(1)	(67)	(68)
Expense on placements from financial institutions	(916)	-	-	-	(916)
Expense on placements from non-financial institutions and individuals	-	-	(14)	(17)	(31)
Expense on financing from financial institutions	(3,996)	-	-	-	(3,996)
Expenses					
Staff costs	-	-	-	(2,106)	(2,106)
Other expenses	-	-	(452)	-	(452)

Compensation of the key management personnel is as follows:

	Nine months ended 30 September	
	2025 BD'000	2024 BD'000
Short term employee benefits	1,731	1,931
Other long term benefits	167	175
	1,898	2,106

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

21 FINANCIAL INSTRUMENTS**Fair value hierarchy**

Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an arm's length transaction.

Fair values of quoted securities/Sukuk are derived from quoted market prices in active markets, if available. For unquoted securities/Sukuk, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

In case of financing assets, the average profit rate of the portfolio is in line with current market rates for similar facilities and hence after consideration of adjustment for prepayment risk and impairment charges it is expected that the current value would not be materially different from fair value of these assets. Quoted shares of BD 887 thousand (31 December 2024: nil) are treated as Level 1 investments. Unquoted shares and unquoted managed funds of BD 20,082 thousand (31 December 2024: BD 20,367 thousand) are treated as Level 3 investments. During the period fair value movement of BD 335 thousand (31 December 2024: BD nil) was charged to income statement and BD 58 thousand fair value loss was reported in the fair value reserve (31 December 2024: BD 69 thousand fair value gain). The estimated fair value of the Bank's other financial instruments are not significantly different from their carrying values due to their short-term nature.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 BD'000	Level 2 BD'000	Level 3 BD'000	Total BD'000
30 September 2025				
Investment securities				
Quoted shares	887	-	-	887
Unquoted shares	-	-	19,646	19,646
Unquoted managed funds	-	-	436	436
Other liabilities	-	2,587	-	2,587
Total	887	2,587	20,082	23,556

	Level 1 BD'000	Level 2 BD'000	Level 3 BD'000	Total BD'000
31 December 2024				
Investment securities				
Unquoted shares	-	-	19,931	19,931
Unquoted managed funds	-	-	436	436
Other assets	-	2,135	-	2,135
Total	-	2,135	20,367	22,502

Transfers between Level 1, Level 2 and Level 3

During the nine-months period ended 30 September 2025 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurement.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

22 SEGMENTAL INFORMATION

For management purposes, the Group is organised into three major business segments;

Corporate	Principally handling equity of corporate investment accountholders', corporate current accounts, and providing Islamic financing facilities to corporate customers.
Retail	Principally handling equity of individual retail customers' investment accountholders', retail current accounts, and providing Islamic financing facilities to individual customers.
Investment	Principally handling equity of banks' and financial institutions' investment accountholders, providing money market, trading and treasury services as well as the management of the Group's investment activities. Investment activities involve handling investments in local and international markets and investment in properties.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis. Transfer charges are based on a pool rate which approximates the cost of funds.

Segment information is disclosed as follows:

	<i>For the nine months ended 30 September 2025 (Reviewed)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Total net income	2,593	18,628	24,114	45,335
Total expenses	(4,416)	(15,748)	(2,302)	(22,466)
Allowances for expected credit losses, net	(4,873)	(1,906)	(431)	(7,210)
Profit / (Loss) for the period	(6,696)	974	21,381	15,659

Other information

	<i>30 September 2025 (Reviewed)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Segment assets	321,159	716,892	576,059	1,614,110
Segment liabilities, quasi-equity and owners' equity	454,737	761,994	397,379	1,614,110

	<i>For the nine months ended 30 September 2024 (Reviewed)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Total net income	4,881	18,150	7,734	30,765
Total expenses	(4,217)	(15,049)	(1,923)	(21,189)
Allowances for expected credit losses, net	(3,138)	(2,416)	(159)	(5,713)
Profit / (Loss) for the period	(2,474)	685	5,652	3,863

Other information

	<i>31 December 2024 (Audited)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Segment assets	368,588	703,172	470,174	1,541,934
Segment liabilities, quasi-equity and owners' equity	476,170	705,509	360,255	1,541,934

The Group operates solely in the Kingdom of Bahrain and, as such, no geographical segment information is presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

23 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholder of the Bank (adjusted for Profit distribution on AT 1 Capital) by the weighted average number of shares outstanding during the period net of treasury shares. There are no dilutive potential shares that are convertible into shares.

	Nine months ended 30 September		Three months ended 30 September	
	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)
Profit for the period attributable to the shareholders of the bank				
bank for basic and diluted earnings per share computation	15,659	3,863	2,471	1,550
Less: Profit distribution on AT 1 Capital	(1,901)	(1,906)	-	-
Profit for the period attributable to the shareholders of the bank for basic and diluted earnings per share computation	<u>13,758</u>	<u>1,957</u>	<u>2,471</u>	<u>1,550</u>
Weighted average number of shares outstanding during the period, net of treasury shares (thousand)	1,055,360	1,054,768	1,055,360	1,054,768
Basic and diluted earnings per share (fils)	<u>13.04</u>	<u>1.86</u>	<u>2.34</u>	<u>1.47</u>

AT1 Profits are paid annually and hence not adjusted every quarter. Accordingly, the quarterly EPS may not be indicative of the annual measure.

24 NET STABLE FUNDING RATIO

The objective of the NSFR is to promote the resilience of banks' liquidity risk profiles and to incentivise a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items and promotes funding stability.

The NSFR is calculated in accordance with the Liquidity Risk Management Module guidelines issued by CBB and its effective from 31 December 2019. The minimum NSFR ratio as per CBB is 100%.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

24 NET STABLE FUNDING RATIO (continued)

The NSFR (as a percentage) as at 30 September 2025 is calculated as follows:

Item	No Specified maturity	Unweighted Values (before applying factors)			BD'000
		Less than 6 months	More than 6 months and less than one year	Over one year	Total Weighted Value
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	160,817	-	-	12,360	173,177
Other Capital Instruments	-	-	-	-	-
Retail Deposits and deposits from small business customers:					
Stable Deposits	-	265,920	5,549	39	257,935
Less stable deposits	-	403,801	43,389	11,754	414,225
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	565,835	45,536	61,068	211,742
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	2,587	-	-	-	-
All other liabilities not included in the above categories	-	46,433	-	-	-
Total ASF	163,404	1,281,989	94,474	85,221	1,057,079
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	377,257	-	-	-	16,089
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
Performing financing and sukuk/ securities:					
Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	44,929	499	48,733	55,722
Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	252,653	87,856	711,454	697,935
- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
Other assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
NSFR Shari'a-compliant hedging assets	-	-	-	-	-
NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	96,211	-	-	5,497	101,709
OBS items	108,734	-	-	-	5,437
Total RSF	582,202	297,582	88,355	765,684	876,892
NSFR (%)					120.5%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months ended 30 September 2025

24 NET STABLE FUNDING RATIO (continued)

The NSFR (as a percentage) as at 31 December 2024 is calculated as follows:

Item	Unweighted Values (before applying factors)				BD'000
	No Specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total Weighted Value
<u>Available Stable Funding (ASF):</u>					
Capital:					
Regulatory Capital	151,818	-	-	11,571	163,388
Other Capital Instruments	-	-	-	-	-
Retail Deposits and deposits from small business customers:					
Stable Deposits	-	264,311	4,841	24	255,719
Less stable deposits	-	380,809	42,897	11,281	392,616
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	474,543	105,385	72,201	249,072
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	32,352	-	-	-
Total ASF	151,818	1,152,015	153,123	95,077	1,060,795
<u>Required Stable Funding (RSF):</u>					
Total NSFR high-quality liquid assets (HQLA)	228,368	-	78,612	-	47,965
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
Performing financing and sukuk/ securities:					
Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	72,259	781	65,401	76,630
Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	210,136	68,889	721,429	703,368
- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
Other assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
NSFR Shari'a-compliant hedging assets	2,135	-	-	-	2,135
NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	101,986	-	-	2,036	104,021
OBS items	113,685	-	-	-	5,684
Total RSF	446,174	282,395	148,282	788,866	939,803
NSFR (%)					112.9%