

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ
Al Baraka Islamic Bank B.S.C. (c)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 March 2026 (UNAUDITED AND REVIEWED)



Report on review of interim condensed consolidated financial statements

To the Board of Directors of Al Baraka Islamic Bank B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Baraka Islamic Bank B.S.C. (c) (the "Bank") and its subsidiary (together the "Group") as at 31 March 2026, and the related interim condensed consolidated statements of income, other comprehensive income, income and attribution related to quasi-equity, changes in owners' equity, cash flows and changes in off-balance sheet assets under management for the three-month period then ended and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with FAS 41, "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with 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 International Standards on Auditing 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41 "*Interim Financial Reporting*".

Elias Abi Nakhoul

Partner's registration number: 196

PricewaterhouseCoopers M.E Limited

Manama, Kingdom of Bahrain

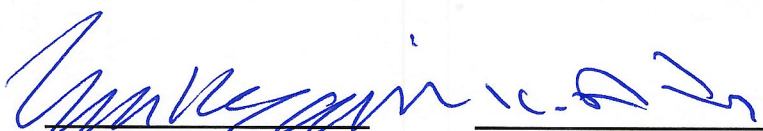
12 May 2026

Al Baraka Islamic Bank B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

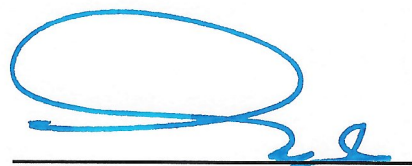
As at 31 March 2026 (Reviewed)

| | Notes | Reviewed 31 March 2026 BHD '000 | Audited 31 December 2025 BHD '000 |
|---|-------|--|--|
| ASSETS | | | |
| Cash and balances with banks and financial institutions | | 43,905 | 58,319 |
| Receivables | 3 | 204,325 | 259,146 |
| Ijara muntahia bittamleek and ijara receivables | 4 | 215,417 | 216,207 |
| Musharakat | 5 | 116,196 | 117,634 |
| Investments | 6 | 397,931 | 377,729 |
| Investments in real estate | | 3,247 | 3,247 |
| Premises and equipment | 7 | 30,242 | 30,257 |
| Intangibles and goodwill | 8 | 9,176 | 9,185 |
| Other assets | 9 | 23,216 | 22,092 |
| TOTAL ASSETS | | 1,043,655 | 1,093,816 |
| LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY | | | |
| Liabilities | | | |
| Current accounts | | 107,494 | 126,860 |
| Murabaha and other payables | | 81,423 | - |
| Other liabilities | 10 | 44,665 | 46,264 |
| Total liabilities | | 233,582 | 173,124 |
| Quasi equity | | | |
| Participatory investment accounts | | 731,412 | 842,212 |
| Subordinated mudaraba | | 2,426 | 2,347 |
| Total quasi equity | | 733,838 | 844,559 |
| Owners' equity | | | |
| Share capital | | 57,100 | 57,100 |
| Perpetual equity-type instruments | | 36,192 | 36,192 |
| Reserves | | (7,936) | (8,307) |
| Accumulated losses | | (19,154) | (18,773) |
| Equity attributable to parent's shareholders | | 66,202 | 66,212 |
| Non-controlling interests | | 10,033 | 9,921 |
| Total owners' equity | | 76,235 | 76,133 |
| TOTAL LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY | | 1,043,655 | 1,093,816 |
| OFF-BALANCE SHEET ITEMS: | | | |
| ASSETS UNDER MANAGEMENT | | 436,151 | 464,558 |
| CONTINGENCIES AND COMMITMENTS | 11 | 109,730 | 96,332 |



Akram Yassin
Chairman

Khalid Ateeq
Vice Chairman



Dr. Adel Abdulla Salem
Chief Executive Officer

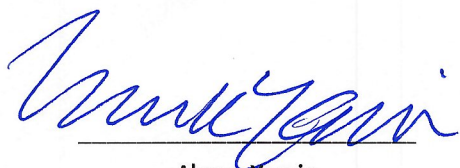
The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)

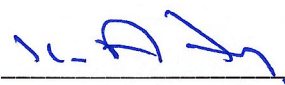
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three month period ended 31 March 2026 (Reviewed)

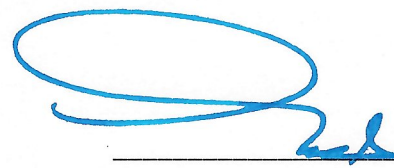
| | Notes | Three months ended 31 March | |
|--|-------|--------------------------------|------------------|
| | | 2026 BHD '000 | 2025 BHD '000 |
| Income from financings contracts | 12 | 9,771 | 8,929 |
| Income from investments | 13 | 6,309 | 7,862 |
| Income from banking services | 14 | 788 | 768 |
| Other income | 15 | 606 | 1,101 |
| Group's mudarib / agency fee from off-balance sheet equity of investment accountholders | | 7 | 10 |
| TOTAL INCOME | | 17,481 | 18,670 |
| Cost of murabaha and other payables | | (410) | (435) |
| TOTAL OPERATING INCOME | | 17,071 | 18,235 |
| BEFORE ATTRIBUTION TO QUASI EQUITY | | 17,071 | 18,235 |
| Net income attributable to quasi-equity | | (9,659) | (10,462) |
| TOTAL OPERATING INCOME | | 7,412 | 7,773 |
| OPERATING EXPENSES | | | |
| Staff expenses | | (2,984) | (3,053) |
| Depreciation and amortizations | | (1,086) | (1,092) |
| Other operating expenses | | (3,160) | (2,965) |
| TOTAL OPERATING EXPENSES | | (7,230) | (7,110) |
| NET OPERATING INCOME | | 182 | 663 |
| Reversals for impairment - net | 16 | 935 | 325 |
| INCOME BEFORE TAXATION | | 1,117 | 988 |
| Taxation | | (1,105) | (1,355) |
| NET INCOME / (LOSS) FOR THE PERIOD | | 12 | (367) |
| Attributable to: | | | |
| Equity of the parent's shareholders | | (305) | (903) |
| Non-controlling interest | | 317 | 536 |
| | | 12 | (367) |



Akram Yassin
Chairman



Khalid Ateeq
Vice Chairman



Dr. Adel Abdulla Salem
Chief Executive Officer

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

For the three month period ended 31 March 2026 (Reviewed)

| | <i>Three months ended</i> | |
|--|---------------------------|-----------------|
| | <i>31 March</i> | <i>31 March</i> |
| | <i>2026</i> | <i>2025</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> |
| Net income / (loss) for the period | 12 | (367) |
| Other comprehensive income | | |
| Items that may subsequently be classified | | |
| to consolidated statement of income | | |
| Surplus / (Deficit) on foreign currency translations | 119 | (227) |
| Net changes in fair value of equity investments | | |
| measured at fair value through other comprehensive income - net of tax | 180 | (379) |
| Total other comprehensive income / (loss) for the period | 299 | (606) |
| TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD | 311 | (973) |
| Attributable to: | | |
| Equity of the parent's shareholders | 66 | (1,032) |
| Non-controlling interest | 245 | 59 |
| | 311 | (973) |

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)

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

For the three month period ended 31 March 2026 (Reviewed)

| | <i>Three months ended</i> | |
|---|---------------------------|-----------------|
| | <i>31 March</i> | <i>31 March</i> |
| | <i>2026</i> | <i>2025</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> |
| Total operating income | | |
| before attribution to quasi equity | 17,071 | 18,235 |
| Adjustments for: | | |
| Less: net operating income from self-financed assets | (4,031) | (5,663) |
| Less: expenses attributable to quasi-equity | (868) | (865) |
| Less: allowances for impairment and credit losses - attributable to quasi-equity | (226) | (131) |
| Total income available for quasi-equity | 11,946 | 11,576 |
| Less: Bank's share as mudarib (net of hibba) | (2,287) | (1,114) |
| Net income attributable to quasi-equity | 9,659 | 10,462 |

The attached notes 1 to 20 form part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three month period ended 31 March 2026 (Reviewed)

| | <i>Equity attributable to shareholders of the Parent</i> | | | | | | | | | | | |
|--|--|--|------------------|-----------------|--------------------------------------|---|--|-------------------------|---------------------------|---|---------------------------------|-----------------------------|
| | <i>Reserves</i> | | | | | | | | <i>Accumulated losses</i> | <i>Equity attributable to parent's shareholders</i> | <i>Non-controlling interest</i> | <i>Total owners' equity</i> |
| | <i>Share capital</i> | <i>Perpetual equity-type instruments</i> | <i>Statutory</i> | <i>General</i> | <i>Employee defined benefit plan</i> | <i>Cumulative changes in fair value</i> | <i>Revaluation of premises and equipment</i> | <i>Foreign exchange</i> | | | | |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | | | | |
| Balance at 1 January 2026 (Audited) | 57,100 | 36,192 | 9,845 | 3,275 | (206) | 3,396 | 113 | (24,730) | | | | |
| (Loss) / income for the period | - | - | - | - | - | - | - | - | (305) | (305) | 317 | 12 |
| Other comprehensive income / (loss) for the period | - | - | - | - | - | 297 | - | 74 | - | 371 | (72) | 299 |
| Dividend paid by subsidiary | - | - | - | - | - | - | - | - | - | - | (133) | (133) |
| Distribution of Zakat | - | - | - | - | - | - | - | - | (76) | (76) | - | (76) |
| Balance at 31 March 2026 (Reviewed) | 57,100 | 36,192 | 9,845 | 3,275 | (206) | 3,693 | 113 | (24,656) | (19,154) | 66,202 | 10,033 | 76,235 |
| Balance at 1 January 2025 (Audited) | 57,100 | 36,192 | 9,845 | 3,275 | (129) | 2,452 | 113 | (24,630) | (14,638) | 69,580 | 9,711 | 79,291 |
| (Loss) / income for the year | - | - | - | - | - | - | - | - | (903) | (903) | 536 | (367) |
| Other comprehensive income / (loss) for the year | - | - | - | - | - | 11 | - | (140) | - | (129) | (477) | (606) |
| Dividend paid by subsidiary | - | - | - | - | - | - | - | - | - | - | (292) | (292) |
| Balance at 31 March 2025 (Reviewed) | 57,100 | 36,192 | 9,845 | 3,275 | (129) | 2,463 | 113 | (24,770) | (15,541) | 68,548 | 9,478 | 78,026 |

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three month period ended 31 March 2026 (Reviewed)

| | <i>Three months ended</i> | |
|---|---------------------------|----------------------|
| | <i>31 March</i> | |
| | 2026 | 2025 |
| | BHD '000 | BHD '000 |
| OPERATING ACTIVITIES | | |
| Income before taxation | 1,117 | 988 |
| <i>Adjustments for :</i> | | |
| Depreciation and amortizations | 1,086 | 1,092 |
| Reversals for impairment - net (Note 16) | (935) | (325) |
| Gain on sale of investments (Note 13) | (1) | (162) |
| Dividend | (7) | (75) |
| Operating profit before changes in operating assets and liabilities | <u>1,260</u> | <u>1,518</u> |
| <i>Net changes in operating assets and liabilities:</i> | | |
| Balances with central banks in mandatory reserves | 14,383 | 1,127 |
| Receivables | 10,735 | (2,807) |
| Ijara muntahia bittamleek and ijara receivables | 570 | 1,565 |
| Musharakat | 2,081 | (506) |
| Other assets | (1,142) | (4,952) |
| Other liabilities | (2,132) | 3,365 |
| Murabaha and other payables | 81,423 | (17,458) |
| Current accounts | (19,366) | 29,078 |
| Participatory investment accounts | (110,801) | 14,157 |
| Tax paid | (732) | (1,909) |
| Net cash (used in) / generated from operating activities | <u>(23,721)</u> | <u>23,178</u> |
| INVESTING ACTIVITIES | | |
| Purchase of investments | (142,602) | (119,042) |
| Proceeds from sale / redemption of investments | 122,559 | 88,682 |
| Dividend received | 7 | 75 |
| Net purchase of premises and equipment | (935) | (980) |
| Disposal of investment in joint venture | - | 6,510 |
| Net cash used in investing activities | <u>(20,971)</u> | <u>(24,755)</u> |
| FINANCING ACTIVITIES | | |
| Net movement in subordinated mudaraba | 78 | 62 |
| Dividend paid by subsidiary | (133) | (287) |
| Zakah paid | (76) | - |
| Net cash used in financing activities | <u>(131)</u> | <u>(225)</u> |
| Foreign currency translation adjustments | 109 | (900) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (44,714) | (2,702) |
| Cash and cash equivalents at beginning of the period | <u>78,511</u> | <u>47,437</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE PERIOD | <u>33,797</u> | <u>44,735</u> |

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

| | | |
|--|----------------------|----------------------|
| Cash in hand | 9,417 | 8,390 |
| Balances with central banks in unrestricted accounts | 23 | 11,017 |
| Balances with other banks and financial institutions (with original maturity of 3 months or less) | 4,064 | 18,318 |
| Receivables - Commodities and Wakala placement with FIs (with original maturity of 3 months or less) | 20,293 | 7,010 |
| TOTAL CASH AND CASH EQUIVALENTS | <u>33,797</u> | <u>44,735</u> |

During the year, right-of-use assets increased by BHD 310 thousand (2025: BHD 278 thousand), with corresponding additions to ijara liabilities of BHD 310 thousand (2025: BHD 278 thousand).

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE

SHEET ASSETS UNDER MANAGEMENT

For the three month period ended 31 March 2026 (Reviewed)

| | Balance at 1 January 2026 BHD '000 | Net deposits / (withdrawals) BHD '000 | Gross income BHD '000 | Mudarib/ agency fee BHD '000 | Balance at 31 March 2026 BHD '000 |
|---|--|--|-----------------------------|---------------------------------------|--|
| Wakala Bi Al-Istithmar on balance sheet jointly financed assets | 392,426 | (33,091) | 4,856 | (668) | 363,523 |
| Receivables | 62,902 | 1,508 | - | - | 64,410 |
| Investments | 9,228 | (1,413) | 410 | (7) | 8,218 |
| | 464,556 | (32,996) | 5,266 | (675) | 436,151 |
| | Balance at 1 January 2025 BHD '000 | Net deposits / (withdrawals) BHD '000 | Gross income BHD '000 | Mudarib/ agency fee BHD '000 | Balance at 31 March 2025 BHD '000 |
| Wakala Bi Al-Istithmar on balance sheet jointly financed assets | 257,484 | 49,103 | 3,185 | (288) | 309,484 |
| Receivables | 71,390 | (5,655) | - | - | 65,735 |
| Investments | 10,850 | (3,230) | 656 | (10) | 8,266 |
| | 339,724 | 40,218 | 3,841 | (298) | 383,485 |

The attached explanatory notes 1 to 20 form part of these interim condensed consolidated financial statements.

Al Baraka Islamic Bank B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended 31 March 2026 (Reviewed)

1 INCORPORATION AND PRINCIPAL ACTIVITIES

Al Baraka Islamic Bank B.S.C. (c) (the "Bank") is a closed shareholding company incorporated in the Kingdom of Bahrain on 21 February 1984. The Bank operates under a Retail Banking license number RB/025 issued by the Central Bank of Bahrain (CBB). The Bank has four commercial branches in the Kingdom of Bahrain. The Bank is 92.81% (2025: 92.81%) owned by Al Baraka Group B.S.C.(c) (the "Parent Company").

The principal activities of the Bank and its subsidiary (the "Group") are taking demand, saving and investment accounts, providing Murabaha, Ijara and other Shari'a compliant forms of financing as well as managing investors' money on the basis of Mudaraba or agency for a fee, providing commercial banking services and other investment activities. The Bank's registered office is at Bahrain Bay, P.O. Box 1882, Manama, Kingdom of Bahrain.

These interim condensed consolidated financial statements were approved by the Board of Directors on 12 May 2026.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of Preparation

The interim condensed consolidated financial statements of the Group are prepared in accordance with applicable rules and regulations issued by the Central Bank of Bahrain ("CBB"). These rules and regulations require the adoption of all Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization of Islamic Financial Institutions (AAOIFI). In accordance with the AAOIFI framework, for matters not covered by FAS, the Group uses the requirements of the relevant IFRS Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). This framework is referred to as "FAS issued by AAOIFI". Accordingly, the interim condensed consolidated financial statements of the Group have been presented in condensed form in accordance with the guidance provided by Financial Accounting Standard 41 - Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements as at 31 December 2025. In addition, results for the three month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

Geopolitical environment and impact

During the reporting period, the Kingdom of Bahrain and the wider region experienced heightened geopolitical tensions arising from ongoing conflict in the region. While these events have not resulted in direct operational disruption within Bahrain, they have contributed to increased market volatility, heightened risk aversion among investors and depositors, and pressure on regional liquidity conditions. The Bank has observed increased sensitivity in funding markets, including temporary withdrawals from regional depositors. Management continues to closely monitor these developments and has taken prudent measures to manage liquidity, capital, and operational risks. In response to the evolving environment, Management has activated enhanced stress testing of the financing and investment portfolios, increased the frequency of liquidity monitoring and reporting to the Board, and reinforced contingency funding arrangements to safeguard the Bank's liquidity position. The Bank has also conducted targeted reviews of its financing exposures in segments most sensitive to regional disruption, applied conservative real estate collateral valuations to reflect current market uncertainties and the potential for further depreciation in underlying asset values, and has applied higher weightage to stress scenario in its Expected Credit Loss calculations for the current quarter to ensure that provisioning levels appropriately reflect the heightened uncertainty in the operating environment. Based on currently available information, and subject to continued regulatory support and management actions, the Bank expects to remain resilient; however, the ultimate impact of the evolving geopolitical situation cannot be reliably quantified at this stage.

2.2 Significant accounting policies

The accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those used in the preparation of annual audited consolidated financial statements of the Group for the year ended 31 December 2025 except for the changes due to adoption of new and amended standards as set out in note 2.5.

Al Baraka Islamic Bank B.S.C. (c)

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three month period ended 31 March 2026 (Reviewed)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3 Accounting convention

The interim condensed consolidated financial statements are prepared on a historical cost basis, except for investment in real estate, equity-type instruments through other comprehensive income, equity-type instruments through income statement, debt type instruments through other comprehensive, debt type instruments through income statement and land owned by the Group (classified as premises and equipment) that have been measured at fair value.

The interim condensed consolidated financial statements are presented in Bahraini Dinars ("BHD"), being the presentational currency of the Group. All values are rounded to nearest Bahraini Dinars thousand unless otherwise indicated. The functional currency of the Bank is Bahraini Dinars and that of the subsidiary is Pakistani Rupees. Items included in the interim condensed consolidated financial statements of each entity are measured using their respective functional currency.

2.4 Basis of consolidation

These interim condensed consolidated financial statements include the interim condensed financial statements of the Bank and its subsidiary.

The following is the subsidiary of the Bank, which is consolidated in these interim condensed consolidated financial statements:

| | <i>Ownership for 2026 / 2025</i> | <i>Year of incorporation</i> | <i>Country of incorporation</i> | <i>No. of branches/ offices at 31 March 2026/ 31 December 2025</i> |
|---|--------------------------------------|----------------------------------|-------------------------------------|--|
| <i>Held directly by the Bank</i> | | | | |
| Al Baraka Bank (Pakistan) Limited | 59.13% / 59.13% | 2004 | Pakistan | 196/196 |

2.5 New standards, interpretations and amendments adopted by the Group

During the period, the Group applied the following standards and amendments to standards in preparation of these interim condensed consolidated financial statements. The adoption of the below standards and amendments to standards did not result in changes to previously reported net income or equity of the Group.

2.5.1 FAS 45 - Quasi-Equity (Including Investment Accounts)

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance-sheet accounting and are reported as quasi-equity. This standard also 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. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026. The concept of quasi-equity has been introduced in FAS 1 "General Presentation and Disclosures in the Financial Statements (Revised 2021)". There are not material effects on Group for implementation of the requirements of FAS 45 "Quasi-Equity (Including Investment Accounts)".

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.5 New standards, interpretations and amendments adopted by the Group

2.5.2 FAS 46 - Off-Balance sheet Assets Under Management

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterization of off-balance sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting". The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements particularly aligning the same with the requirements of the revised FAS 1 "General Presentation and Disclosures in the Financial Statements" in respect of the statement of changes in off-balance sheet assets under management. This standard, along with, FAS 45 "Quasi-Equity (Including Investment Accounts)", supersedes the earlier FAS 27 "Investment Accounts". There are no material impacts on adoption of this standard FAS 46 - Off-Balance sheet Assets Under Management on the interim condensed consolidated financial statements of the Group.

2.5.3 FAS 47 - Transfer of Assets Between Investment Pools

The Group early adopted AAOIFI FAS 47 (issued in 2023). This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfers between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect.

2.5.4 FAS 48 – Promotional Gifts and Prizes

AAOIFI has issued FAS 48 on 9 December 2024. This standard prescribes the accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions to their customers, including quasi-equity and other investment account holders. There is no major impacts on adoption of this standard on the interim condensed consolidated financial statements of the Group.

2.5.5 FAS 49 – Financial Reporting for Institutions Operating in Hyperinflationary Economies

AAOIFI has issued FAS 49 on 19 December 2024. This standard outlines the principles governing financial reporting for the institutions applying AAOIFI FASs operating in hyperinflationary economies, duly considering the relevant Shari'a principles and rules and their unique business models. There is no major impacts on adoption of this standard on the interim condensed consolidated financial statements of the Group.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

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

2.6.1 FAS 50 – Financial Reporting for Islamic Investment Institutions (Including Investment Funds)

AAOIFI has issued FAS 50 on 24 December 2024. This standard supersedes the earlier FAS 14 “Investment Funds.” This standard sets out the principles of financial reporting for Islamic Investment Institutions (“IIIs”) particularly prescribing overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari’a principles and rules. This standard shall be effective on the annual financial statements of an III or after 1 January 2027.

2.6.2 FAS 51 – Participatory Ventures

AAOIFI has issued FAS 51 on 10 November 2025. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to participatory ventures (including most of the common structures / products based on Mudaraba and Musharaka). This standard shall be applied in respect of accounting and financial reporting by the investors, the working partners, as well as, the participatory ventures with regard to all such participatory ventures that fall within the scope of this standard, including those with fixed and variable equity / quasi-equity shares. This standard shall be effective for the financial periods beginning or after 1 January 2027.

2.6.3 FAS 52 – Deferred Delivery Sales: Salam and Istisna

AAOIFI has issued FAS 52 on 31 December 2025. This standard prescribes the accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the respective buyers and sellers. Such transactions include both, Salam- and Istisna based deferred delivery sales transactions, but do not include Istisna-based development contracts which are subject of another standard being simultaneously issued. This standard shall be effective for the financial periods beginning or after 1 January 2027.

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For the three month period ended 31 March 2026 (Reviewed)

3 RECEIVABLES

| | Reviewed 31 March 2026 | | | Audited 31 December 2025 | | |
|--|------------------------------|---------------------------------|-------------------|------------------------------|---------------------------------|-------------------|
| | Self financed BHD '000 | Jointly financed BHD '000 | Total BHD '000 | Self financed BHD '000 | Jointly financed BHD '000 | Total BHD '000 |
| Commodities, wakala and musharaka placement with financial institutions | - | 20,295 | 20,295 | - | 64,984 | 64,984 |
| Salam financing | - | 10,150 | 10,150 | - | 10,967 | 10,967 |
| Istisna'a financing | - | 45,770 | 45,770 | - | 54,950 | 54,950 |
| Murabaha financing | 1,435 | 156,112 | 157,547 | 1,115 | 155,842 | 156,957 |
| Credit cards and others receivables | - | 4,711 | 4,711 | - | 4,915 | 4,915 |
| Gross receivables | 1,435 | 237,038 | 238,473 | 1,115 | 291,658 | 292,773 |
| Deferred profits | (30) | (16,695) | (16,725) | (30) | (15,619) | (15,649) |
| | 1,405 | 220,343 | 221,748 | 1,085 | 276,039 | 277,124 |
| Less: Allowances for expected credit losses (3.1) | - | (17,423) | (17,423) | - | (17,978) | (17,978) |
| Net receivables | 1,405 | 202,920 | 204,325 | 1,085 | 258,061 | 259,146 |

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses ("ECL").

| | Reviewed 31 March 2026 | | | | Audited 31 December 2025 | | | |
|-----------------------|---------------------------|---------------------|---------------------|-------------------|-----------------------------|---------------------|---------------------|-------------------|
| | Stage 1 BHD '000 | Stage 2 BHD '000 | Stage 3 BHD '000 | Total BHD '000 | Stage 1 BHD '000 | Stage 2 BHD '000 | Stage 3 BHD '000 | Total BHD '000 |
| Good (1-4) | 108,882 | 8,762 | - | 117,644 | 128,593 | 8,085 | - | 136,678 |
| Satisfactory (5-7) | 59,009 | 24,006 | - | 83,015 | 86,114 | 32,174 | - | 118,288 |
| Default (8-10) | - | - | 21,089 | 21,089 | - | - | 22,158 | 22,158 |
| | 167,891 | 32,768 | 21,089 | 221,748 | 214,707 | 40,259 | 22,158 | 277,124 |

3.1 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

| | Reviewed 31 March 2026 | | | |
|---|---------------------------------------|---|---|-------------------|
| | Stage 1: 12- month ECL BHD '000 | Stage 2: Lifetime ECL not credit- impaired BHD '000 | Stage 3: Lifetime ECL credit-impaired BHD '000 | Total BHD '000 |
| Balance at 1 January | 506 | 3,324 | 14,148 | 17,978 |
| Changes during the period: | | | | |
| - transferred to Stage 1: 12 month ECL | 6 | (4) | (2) | - |
| - transferred to Stage 2: Lifetime ECL not credit-impaired | (13) | 13 | - | - |
| - transferred to Stage 3: Lifetime ECL credit-impaired | - | (5) | 5 | - |
| Net remeasurement of loss allowance | (22) | 125 | 501 | 604 |
| Recoveries / write-backs | - | - | (1,200) | (1,200) |
| Allowances for credit losses | (29) | 129 | (696) | (596) |
| FX translation | - | - | 41 | 41 |
| Balance at 31 March | 477 | 3,453 | 13,493 | 17,423 |

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For the three month period ended 31 March 2026 (Reviewed)

3 RECEIVABLES (continued)

3.1 Allowances for expected credit losses (continued)

An analysis of the changes in ECL allowances, is as follows:

| | <i>Audited</i> | | | |
|--|-----------------------------------|--|--|---------------|
| | <i>31 December 2025</i> | | | |
| | <i>Stage 1: 12- month ECL</i> | <i>Stage 2: Lifetime ECL not credit-impaired</i> | <i>Stage 3: Lifetime ECL credit-impaired</i> | <i>Total</i> |
| <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | |
| Balance at 1 January | 731 | 3,981 | 20,740 | 25,452 |
| Changes during the year: | | | | |
| - transferred to Stage 1: 12 month ECL | 9 | (8) | (1) | - |
| - transferred to Stage 2: Lifetime ECL not credit-impaired | (24) | 463 | (439) | - |
| - transferred to Stage 3: Lifetime ECL credit-impaired | (61) | (431) | 492 | - |
| Net remeasurement of loss allowance | (148) | (679) | 2,090 | 1,263 |
| Recoveries / write-backs | - | - | (1,778) | (1,778) |
| Allowances for credit losses | (224) | (655) | 364 | (515) |
| Amounts written off during the year | - | - | (6,884) | (6,884) |
| FX translation | (1) | (2) | (72) | (75) |
| Balance at 31 December | <u>506</u> | <u>3,324</u> | <u>14,148</u> | <u>17,978</u> |

4 IJARA MUNTAHIA BITTAMLEEK AND IJARA RECEIVABLES

| | <i>Reviewed</i> | | | <i>Audited</i> | | |
|---|---------------------------------------|--|---------------------------|---------------------------------------|--|---------------------------|
| | <i>31 March 2026</i> | | | <i>31 December 2025</i> | | |
| | <i>Self financed BHD '000</i> | <i>Jointly financed BHD '000</i> | <i>Total BHD '000</i> | <i>Self financed BHD '000</i> | <i>Jointly financed BHD '000</i> | <i>Total BHD '000</i> |
| Ijara muntahia bittamleek | 1,287 | 199,645 | 200,932 | 1,499 | 199,782 | 201,281 |
| Ijara income receivables | 904 | 17,215 | 18,119 | 988 | 17,352 | 18,340 |
| | <u>2,191</u> | <u>216,860</u> | <u>219,051</u> | <u>2,487</u> | <u>217,134</u> | <u>219,621</u> |
| Less: Allowances for expected credit losses (4.1) | (25) | (3,609) | (3,634) | (27) | (3,387) | (3,414) |
| | <u>2,166</u> | <u>213,251</u> | <u>215,417</u> | <u>2,460</u> | <u>213,747</u> | <u>216,207</u> |

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses.

| | <i>Reviewed</i> | | | | <i>Audited</i> | | | |
|--------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| | <i>31 March 2026</i> | | | | <i>31 December 2025</i> | | | |
| | <i>Stage 1 BHD '000</i> | <i>Stage 2 BHD '000</i> | <i>Stage 3 BHD '000</i> | <i>Total BHD '000</i> | <i>Stage 1 BHD '000</i> | <i>Stage 2 BHD '000</i> | <i>Stage 3 BHD '000</i> | <i>Total BHD '000</i> |
| Good (1-4) | 202,895 | 2,852 | - | 205,747 | 203,695 | 747 | - | 204,442 |
| Satisfactory (5-7) | 2,651 | 4,823 | - | 7,474 | 4,815 | 4,865 | - | 9,680 |
| Default (8-10) | - | - | 5,830 | 5,830 | - | - | 5,499 | 5,499 |
| | <u>205,546</u> | <u>7,675</u> | <u>5,830</u> | <u>219,051</u> | <u>208,510</u> | <u>5,612</u> | <u>5,499</u> | <u>219,621</u> |

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4 IJARA MUNTAHIA BITTAMLEEK AND IJARA RECEIVABLES (continued)

4.1 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

| | <i>Reviewed</i> | | | |
|--|----------------------|---------------------|---------------------|-----------------|
| | <i>31 March 2026</i> | | | |
| | <i>Stage 1: 12-</i> | <i>Stage 2:</i> | <i>Stage 3:</i> | |
| | <i>month ECL</i> | <i>Lifetime ECL</i> | <i>Lifetime ECL</i> | |
| | <i>not credit-</i> | <i>credit-</i> | <i>credit-</i> | <i>Total</i> |
| | <i>impaired</i> | <i>impaired</i> | <i>impaired</i> | <i>BHD '000</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Balance at 1 January | 291 | 148 | 2,975 | 3,414 |
| Changes during the period: | | | | |
| - transferred to Stage 1: 12 month ECL | 18 | (18) | - | - |
| - transferred to Stage 2: Lifetime ECL not credit-impaired | (27) | 27 | - | - |
| - transferred to Stage 3: Lifetime ECL credit-impaired | - | (69) | 69 | - |
| Net remeasurement of loss allowance | 32 | 223 | (33) | 222 |
| Recoveries / write-backs | - | - | (3) | (3) |
| Allowances for credit losses | 23 | 163 | 33 | 219 |
| FX translation | - | - | 1 | 1 |
| Balance at 31 March | 314 | 311 | 3,009 | 3,634 |

| | <i>Audited</i> | | | |
|--|-------------------------|-------------------------|---------------------|-----------------|
| | <i>31 December 2025</i> | | | |
| | <i>Stage 1: 12-</i> | <i>Stage 2:</i> | <i>Stage 3:</i> | |
| | <i>month ECL</i> | <i>Lifetime ECL not</i> | <i>Lifetime ECL</i> | |
| | <i>credit-</i> | <i>credit-</i> | <i>credit-</i> | <i>Total</i> |
| | <i>impaired</i> | <i>impaired</i> | <i>impaired</i> | <i>BHD '000</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Balance at 1 January | 286 | 88 | 4,052 | 4,426 |
| Changes during the year: | | | | |
| - transferred to Stage 1: 12 month ECL | 85 | (85) | - | - |
| - transferred to Stage 2: Lifetime ECL not credit-impaired | (6) | 6 | - | - |
| - transferred to Stage 3: Lifetime ECL credit-impaired | (3) | - | 3 | - |
| Net remeasurement of loss allowance | (71) | 139 | 336 | 404 |
| Recoveries / write-backs | - | - | (134) | (134) |
| Allowances for credit losses | 5 | 60 | 205 | 270 |
| Amounts written off during the year | - | - | (1,280) | (1,280) |
| FX translation | - | - | (2) | (2) |
| Balance at 31 December | 291 | 148 | 2,975 | 3,414 |

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5 MUSHARAKAT

| | Reviewed 31 March 2026 | | | Audited 31 December 2025 | | |
|--|------------------------------|---------------------------------|-------------------|------------------------------|---------------------------------|-------------------|
| | Self financed BHD '000 | Jointly financed BHD '000 | Total BHD '000 | Self financed BHD '000 | Jointly financed BHD '000 | Total BHD '000 |
| Musharakat | 8,764 | 111,042 | 119,806 | 9,637 | 112,235 | 121,872 |
| Less: Allowances for expected credit losses (5.1) | - | (3,610) | (3,610) | - | (4,238) | (4,238) |
| | 8,764 | 107,432 | 116,196 | 9,637 | 107,997 | 117,634 |

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses.

| | Reviewed 31 March 2026 | | | | Audited 31 December 2025 | | | |
|-----------------------|---------------------------|---------------------|---------------------|-------------------|-----------------------------|---------------------|---------------------|-------------------|
| | Stage 1 BHD '000 | Stage 2 BHD '000 | Stage 3 BHD '000 | Total BHD '000 | Stage 1 BHD '000 | Stage 2 BHD '000 | Stage 3 BHD '000 | Total BHD '000 |
| Good (1-4) | 87,948 | 4,731 | - | 92,679 | 92,385 | 5,699 | - | 98,084 |
| Satisfactory (5-7) | 7,209 | 17,147 | - | 24,356 | 14,646 | 5,682 | - | 20,328 |
| Default (8-10) | - | - | 2,771 | 2,771 | - | - | 3,460 | 3,460 |
| | 95,157 | 21,878 | 2,771 | 119,806 | 107,031 | 11,381 | 3,460 | 121,872 |

5.1 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

| | Reviewed 31 March 2026 | | | |
|---|---------------------------------------|---|---|-------------------|
| | Stage 1: 12- month ECL BHD '000 | Stage 2: Lifetime ECL not credit- impaired BHD '000 | Stage 3: Lifetime ECL credit-impaired BHD '000 | Total BHD '000 |
| Balance at 1 January | 220 | 335 | 3,683 | 4,238 |
| Changes during the period: | | | | |
| - transferred to Stage 1: 12 month ECL | 9 | (9) | - | - |
| - transferred to Stage 2: Lifetime ECL not credit-impaired | (9) | 9 | - | - |
| - transferred to Stage 3: credit impaired | - | (4) | 4 | - |
| Net remeasurement of loss allowance | 43 | (31) | 63 | 75 |
| Recoveries / write-backs | - | - | (717) | (717) |
| Allowances for expected credit losses | 43 | (35) | (650) | (642) |
| FX translation | 1 | 1 | 12 | 14 |
| Balance at 31 March | 264 | 301 | 3,045 | 3,610 |

| | Audited 31 December 2025 | | | |
|---|---------------------------------------|---|---|-------------------|
| | Stage 1: 12- month ECL BHD '000 | Stage 2: Lifetime ECL not credit-impaired BHD '000 | Stage 3: Lifetime ECL credit-impaired BHD '000 | Total BHD '000 |
| Balance at 1 January | 242 | 628 | 3,977 | 4,847 |
| Changes during the year: | | | | |
| - transferred to Stage 1: 12 month ECL | 2 | (2) | - | - |
| - transferred to Stage 2: Lifetime ECL not credit-impaired | (24) | 24 | - | - |
| - transferred to Stage 3: credit impaired | (1) | (39) | 40 | - |
| Net remeasurement of loss allowance | 3 | (273) | 531 | 261 |
| Recoveries / write-backs | - | - | (552) | (552) |
| Allowances for credit losses | (20) | (290) | 19 | (291) |
| Amounts written off during the year | - | - | (291) | (291) |
| FX translation | (2) | (3) | (22) | (27) |
| Balance at 31 December | 220 | 335 | 3,683 | 4,238 |

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6 INVESTMENTS

| | Reviewed 31 March 2026 | | | Audited 31 December 2025 | | |
|---|------------------------------|---------------------------------|-------------------|------------------------------|---------------------------------|-------------------|
| | Self financed BHD '000 | Jointly financed BHD '000 | Total BHD '000 | Self financed BHD '000 | Jointly financed BHD '000 | Total BHD '000 |
| i) Equity-type instruments at fair value through OCI | | | | | | |
| Quoted | | | | | | |
| Listed equity shares | 12,957 | - | 12,957 | 12,498 | - | 12,498 |
| Unquoted | | | | | | |
| Unlisted equity shares | 3,362 | 107 | 3,469 | 3,362 | 153 | 3,515 |
| Managed funds | 377 | - | 377 | 377 | - | 377 |
| Real estate funds | - | 5,825 | 5,825 | - | 5,825 | 5,825 |
| | 16,696 | 5,932 | 22,628 | 16,237 | 5,978 | 22,215 |
| Less: Provision for impairment | (1,024) | (279) | (1,303) | (1,023) | (279) | (1,302) |
| Total equity investments | 15,672 | 5,653 | 21,325 | 15,214 | 5,699 | 20,913 |
| ii) Debt-type instruments at fair value through statement of income (Note 6.1) | | | | | | |
| Quoted | | | | | | |
| Sukuk | - | 15 | 15 | - | 13,263 | 13,263 |
| Unquoted | | | | | | |
| Sukuk | - | 136 | 136 | - | 136 | 136 |
| | - | 151 | 151 | - | 13,399 | 13,399 |
| iii) Debt-type instruments at fair value through OCI (6.1) | | | | | | |
| Quoted | | | | | | |
| Sukuk | 93,946 | 49,940 | 143,886 | 78,795 | 48,921 | 127,716 |
| Unquoted | | | | | | |
| Sukuk | - | - | - | - | 791 | 791 |
| | 93,946 | 49,940 | 143,886 | 78,795 | 49,712 | 128,507 |
| iv) Debt-type instruments at amortised cost (6.1) | | | | | | |
| Quoted | | | | | | |
| Sukuk | 61,590 | 145,092 | 206,682 | 43,355 | 145,372 | 188,727 |
| Unquoted | | | | | | |
| Sukuk | 7,471 | 18,895 | 26,366 | 7,580 | 19,060 | 26,640 |
| | 69,061 | 163,987 | 233,048 | 50,935 | 164,432 | 215,367 |
| Less: Allowance for expected credit losses (6.2) | (41) | (438) | (479) | (44) | (413) | (457) |
| Total debt-type investments | 162,966 | 213,640 | 376,606 | 129,686 | 227,130 | 356,816 |
| Total investments | 178,638 | 219,293 | 397,931 | 144,900 | 232,829 | 377,729 |

Within unquoted investments which are held at fair value through OCI are investments amounting to BHD 8.6 million (2025: BHD 8.6 million) which are held at cost less allowance for impairment. These are mainly investments in unlisted companies whose shares are not traded on active markets. The investments are primarily in closely-held companies and structured products. The investments are held at cost less provision for impairment due to the unpredictable nature of their future cash flows and the lack of other suitable methods for determining a reliable fair value.

The Group's investments in sukuk held at amortised cost amounting to BHD 233.1 million (2025: \$ 215.4 million) have a fair value amounting to BHD 220.8 million (2025: BHD 214.4 million).

Investments having face value amounting to BHD 110.8 million (2025: BHD Nil) are pledged to raise funds under repurchase agreements (REPO) from financial institutions.

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6 INVESTMENTS (continued)

6.1 Debt-type instruments

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification. The amounts presented are gross of expected credit losses.

| | <i>Reviewed</i> | | | | <i>Audited</i> | | | |
|--------------------|----------------------|-----------------|-----------------|-----------------|-------------------------|-----------------|-----------------|-----------------|
| | <i>31 March 2026</i> | | | | <i>31 December 2025</i> | | | |
| | <i>Stage 1</i> | <i>Stage 2</i> | <i>Stage 3</i> | <i>Total</i> | <i>Stage 1</i> | <i>Stage 2</i> | <i>Stage 3</i> | <i>Total</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Good (1-4) | 143,902 | - | - | 143,902 | 140,980 | - | - | 140,980 |
| Satisfactory (5-7) | 232,033 | 1,150 | - | 233,183 | 215,159 | 1,134 | - | 216,293 |
| | 375,935 | 1,150 | - | 377,085 | 356,139 | 1,134 | - | 357,273 |

6.2 Allowances for expected credit losses

An analysis of the changes in ECL allowances, is as follows:

| | Reviewed | | |
|---------------------------------------|------------------------------|--|-----------------|
| | 31 March 2026 | | |
| | Stage 1: 12-month ECL | Stage 2: Lifetime ECL not credit-impaired | Total |
| | BHD '000 | BHD '000 | BHD '000 |
| Balance at 1 January | 318 | 139 | 457 |
| Changes during the period | | | |
| Net remeasurement of loss allowance | 42 | (20) | 22 |
| Allowances for expected credit losses | 42 | (20) | 22 |
| FX translation | - | - | - |
| Balance at 31 March | 360 | 119 | 479 |
| | Audited | | |
| | 31 December 2025 | | |
| | Stage 1: 12-month ECL | Stage 2: Lifetime ECL not credit-impaired | Total |
| | BHD '000 | BHD '000 | BHD '000 |
| Balance at 1 January | 288 | 162 | 450 |
| Changes during the year | | | |
| Net remeasurement of loss allowance | 30 | (21) | 9 |
| Allowances for expected credit losses | 30 | (21) | 9 |
| FX translation | - | (2) | (2) |
| Balance at 31 December | 318 | 139 | 457 |

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7 PREMISES AND EQUIPMENT

| | <i>Reviewed</i> 31 March 2026 <i>BHD '000</i> | <i>Audited</i> <i>31 December</i> 2025 <i>BHD '000</i> |
|--------------------------------|---|---|
| Land and building | 25,969 | 25,878 |
| Capital work in progress | 1,257 | 1,688 |
| Office furniture and equipment | 2,883 | 2,548 |
| Vehicles | 133 | 143 |
| | 30,242 | 30,257 |

8 INTANGIBLES AND GOODWILL

| | <i>Reviewed</i> 31 March 2026 <i>BHD '000</i> | <i>Audited</i> <i>31 December</i> 2025 <i>BHD '000</i> |
|------------------------|---|---|
| Softwares and licenses | 1,512 | 1,660 |
| Right of use assets | 4,631 | 4,503 |
| Goodwill | 3,033 | 3,022 |
| | 9,176 | 9,185 |

9 OTHER ASSETS

| | <i>Reviewed</i> 31 March 2026 <i>BHD '000</i> | <i>Audited</i> <i>31 December</i> 2025 <i>BHD '000</i> |
|--------------------------------|---|---|
| Deferred tax (9.1) | 5,233 | 5,101 |
| Accounts receivable | 5,878 | 3,836 |
| Collaterals pending sale | 6,777 | 5,736 |
| Prepayments | 1,592 | 1,372 |
| Others | 3,997 | 6,307 |
| | 23,477 | 22,352 |
| Less: Provision for impairment | (261) | (260) |
| | 23,216 | 22,092 |

9.1 The net deferred tax asset has been recognised in accordance with the Group's accounting policy. The management based on recent financial projections prepared, estimates that sufficient taxable profits would be available in future against which the deferred tax asset could be realised.

9.2 The Group falls within the scope of the OECD Pillar Two Model Rules ("Model Rules") as it is consolidated by Dallah Albaraka Holding Company B.S.C. (Closed), which qualifies as the Ultimate Parent Entity ("UPÉ") for Pillar Two purposes. Accordingly, the Group forms part of Dallah Albaraka Holding Company B.S.C. (Closed) Pillar Two group (the "MNE Group"). The Kingdom of Bahrain has enacted a Domestic Minimum Top-Up Tax ("DMTT") regime that is broadly aligned with the OECD Model Rules and applies a minimum effective tax rate of 15% on the Bahrain profits of in-scope multinational enterprise groups. Based on management's assessment of the Bahrain DMTT legislation and the OECD Model Rules, the Group has concluded that no top-up tax liability is expected to arise under the Bahrain DMTT for the current reporting period, as the Group is loss making in Bahrain jurisdiction for the current period and prior period.

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10 OTHER LIABILITIES

| | <i>Reviewed</i> 31 March <i>2026</i> BHD '000 | <i>Audited</i> <i>31 December</i> <i>2025</i> BHD '000 |
|--|--|--|
| Bills payable | 13,384 | 13,545 |
| Margins received | 10,691 | 12,187 |
| Accounts payable | 6,213 | 6,540 |
| Provision for employees benefits | 3,115 | 2,953 |
| Operating ijarah liability | 5,131 | 4,918 |
| Accrued expenses | 2,564 | 2,311 |
| Advance payments from customers | 2,124 | 3,146 |
| Valuation of foreign exchange contracts | 163 | 59 |
| Charity fund (note 10.1) | 224 | 169 |
| Taxation and duties | 187 | 230 |
| Allowance for expected credit losses-unfunded facilities | 139 | 93 |
| Security deposit against ijara muntahia bittamleek | 85 | 86 |
| Others | 645 | 27 |
| | 44,665 | 46,264 |

10.1 Movement in charity fund

| | <i>Reviewed</i> 31 March <i>2026</i> BHD '000 | <i>Audited</i> <i>31 December</i> <i>2025</i> BHD '000 |
|-----------------------------------|--|--|
| Balance at 1 January | 169 | 179 |
| Net movement | 55 | (10) |
| Balance at 31 March / 31 December | 224 | 169 |

11 CONTINGENCIES AND COMMITMENTS

| | <i>Reviewed</i> 31 March <i>2026</i> BHD '000 | <i>Audited</i> <i>31 December</i> <i>2025</i> BHD '000 |
|----------------------------|--|--|
| Foreign exchange contracts | 42,205 | 32,283 |
| Guarantees | 24,675 | 26,738 |
| Letters of credit | 36,056 | 29,230 |
| Acceptances | 3,011 | 4,234 |
| Taxation | 3,717 | 3,704 |
| Others | 66 | 143 |
| | 109,730 | 96,332 |

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12 INCOME FROM FINANCING CONTRACTS

| | <i>Reviewed</i> <i>Three months ended</i> <i>31 March</i> | |
|---|---|--------------------------------|
| | 2026 BHD '000 | 2025 BHD '000 |
| Income from receivables | 3,569 | 3,634 |
| Income from participatory investments | 3,206 | 2,313 |
| Income from ijarah muntahia bittamleek | 2,996 | 2,982 |
| | 9,771 | 8,929 |
| Income from jointly financed financing assets | 9,402 | 8,274 |
| Income from self financed financing assets | 369 | 655 |
| | 9,771 | 8,929 |

13 INCOME FROM INVESTMENTS

| | <i>Reviewed</i> <i>Three months ended</i> <i>31 March</i> | |
|--|---|--------------------------------|
| | 2026 BHD '000 | 2025 BHD '000 |
| Yield, coupon or return on investments | 6,277 | 7,607 |
| Gain on sale of investments | 1 | 162 |
| Dividend income | 7 | 75 |
| Income from properties | 24 | 18 |
| | 6,309 | 7,862 |
| Income from jointly financed investments | 3,636 | 4,298 |
| Income from self financed investments | 2,673 | 3,564 |
| | 6,309 | 7,862 |

14 INCOME FROM BANKING SERVICES

| | <i>Reviewed</i> <i>Three months ended</i> <i>31 March</i> | |
|-----------------------------------|---|--------------------------------|
| | 2026 BHD '000 | 2025 BHD '000 |
| Fees and commissions | 697 | 638 |
| Letters of credit and acceptances | 64 | 82 |
| Guarantees | 27 | 48 |
| | 788 | 768 |

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15 OTHER INCOME

| | <i>Reviewed</i> | |
|-----------------------------|---------------------------|-----------------|
| | <i>Three months ended</i> | |
| | <i>31 March</i> | |
| | 2026 | 2025 |
| | BHD '000 | BHD '000 |
| Foreign exchange gain - net | 273 | 564 |
| Others | 333 | 537 |
| | 606 | 1,101 |

16 REVERSALS FOR IMPAIRMENT - NET

| | <i>Reviewed</i> | |
|---|---------------------------|-----------------|
| | <i>Three months ended</i> | |
| | <i>31 March</i> | |
| | 2026 | 2025 |
| | BHD '000 | BHD '000 |
| Reversals / (charges) against: | | |
| Receivables | 596 | 248 |
| Ijara muntahia bittamleek and ijara receivables | (219) | (129) |
| Musharakat | 642 | 115 |
| Investments - debt type | (21) | (15) |
| Investments - equity type | - | - |
| Financial gurantees | (46) | 85 |
| Other assets | (17) | 21 |
| | 935 | 325 |

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17 SEGMENTAL INFORMATION

Segmental information is presented in respect of the Group's geographical segments. The geographical segments are based upon the location of the units responsible for recording the transactions and reflects the manner in which financial information is evaluated by management and the Board of Directors.

For financial reporting purposes, the Group is divided into two geographical segments, Middle East and Other Asian Countries. Other Asian Countries represent operations in Islamic Republic of Pakistan.

The results reported for the geographic segments are based on the Group's internal financial reporting systems. The accounting policies of the segments are the same as those applied in the preparation of the Group's interim condensed consolidated financial statements. Transactions between segments are conducted at estimated market rates.

The segmental assets and liabilities of the Group were as follows:

| | <i>Middle East</i> | | <i>Other Asian Countries</i> | | <i>Total</i> | |
|-----------------------|--------------------|--------------------|------------------------------|--------------------|------------------|--------------------|
| | <i>31 March</i> | <i>31 December</i> | <i>31 March</i> | <i>31 December</i> | <i>31 March</i> | <i>31 December</i> |
| | <i>2026</i> | <i>2025</i> | <i>2026</i> | <i>2025</i> | <i>2026</i> | <i>2025</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Assets | 678,332 | 675,104 | 365,323 | 418,712 | 1,043,655 | 1,093,816 |
| Liabilities and quasi | 636,824 | 633,413 | 330,596 | 384,270 | 967,420 | 1,017,683 |

The segmental income and expenses of the Group were as follows:

| | <i>Middle East</i> | | <i>Other Asian Countries</i> | | <i>Total</i> | |
|------------------------------------|---------------------------|-----------------|------------------------------|-----------------|---------------------------|-----------------|
| | <i>Three months ended</i> | | <i>Three months ended</i> | | <i>Three months ended</i> | |
| | <i>31 March</i> | | <i>31 March</i> | | <i>31 March</i> | |
| | <i>2026</i> | <i>2025</i> | <i>2026</i> | <i>2025</i> | <i>2026</i> | <i>2025</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Total operating income | 3,192 | 2,151 | 4,220 | 5,622 | 7,412 | 7,773 |
| Total operating expenses | (3,344) | (3,623) | (3,886) | (3,487) | (7,230) | (7,110) |
| Allowances for impairment - net | (611) | (206) | 1,546 | 531 | 935 | 325 |
| Taxation | - | - | (1,105) | (1,355) | (1,105) | (1,355) |
| Net (loss) / income for the period | (763) | (1,678) | 775 | 1,311 | 12 | (367) |

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18 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties comprise major shareholders, directors of the Bank, entities owned or controlled, jointly controlled or significantly influenced by them, companies affiliated by virtue of shareholding in common with that of the Group and Shari'a supervisory board.

The significant balances with related parties were as follows:

| | <i>Ultimate Parent and other shareholders</i> | | <i>Other related parties</i> | | <i>Total</i> | |
|---|---|-------------------------|------------------------------|-------------------------|----------------------|-------------------------|
| | <i>31 March 2026</i> | <i>31 December 2025</i> | <i>31 March 2026</i> | <i>31 December 2025</i> | <i>31 March 2026</i> | <i>31 December 2025</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Assets: | | | | | | |
| Cash and balances with banks and financial institutions | 1 | 3 | 15 | 15 | 16 | 18 |
| Receivables | - | - | 572 | 615 | 572 | 615 |
| Musharakat | - | - | 899 | 918 | 899 | 918 |
| Investments | 11,743 | 11,372 | 3,223 | 3,127 | 14,966 | 14,499 |
| Other assets | 3,908 | 3,611 | - | - | 3,908 | 3,611 |
| Total assets | 15,652 | 14,986 | 4,709 | 4,675 | 20,361 | 19,661 |
| Liabilities: | | | | | | |
| Current accounts | 1,009 | 525 | 328 | 216 | 1,337 | 741 |
| Other liabilities | 1 | 1 | 479 | 468 | 480 | 469 |
| Total liabilities | 1,010 | 526 | 807 | 684 | 1,817 | 1,210 |
| Participatory investment accounts | 11,417 | 16,597 | 29,613 | 43,500 | 41,030 | 60,097 |
| OFF-BALANCE SHEET ITEMS: | | | | | | |
| Assets under management | 36,865 | 37,754 | 34,837 | 33,322 | 71,702 | 71,076 |
| Contingencies and commitments | - | - | 4,228 | 41 | 4,228 | 41 |

The transactions with the related parties included in the interim condensed consolidated statement of income are as follows:

| | <i>Ultimate Parent and other shareholders</i> | | <i>Other related parties</i> | | <i>Total</i> | |
|---|---|-----------------|---|-----------------|---|-----------------|
| | <i>Three months ended 31 March 2026</i> | | <i>Three months ended 31 March 2025</i> | | <i>Three months ended 31 March 2026</i> | |
| | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> | <i>BHD '000</i> |
| Income | | | | | | |
| Income from financings contracts | - | - | 7 | 5 | 7 | 5 |
| Group's Mudarib / Agency fee from off-balance sheet assets under management | 3 | 4 | 3 | 5 | 6 | 9 |
| Other income | 195 | 228 | - | - | 195 | 228 |
| | 198 | 232 | 10 | 10 | 208 | 242 |
| Expenses | | | | | | |
| Net income attributable to quasi-equity | 273 | 109 | 546 | 189 | 819 | 298 |
| Other expenses | - | - | 262 | 205 | 262 | 205 |
| | 273 | 109 | 808 | 394 | 1,081 | 503 |

Compensation of key management personnel is as follows:

| | <i>Three months ended 31 March</i> | |
|----------------|------------------------------------|-----------------|
| | <i>2026</i> | <i>2025</i> |
| | <i>BHD '000</i> | <i>BHD '000</i> |
| Salaries | 562 | 508 |
| Other benefits | 259 | 290 |
| | 821 | 798 |

19 SUBSEQUENT EVENTS

There have been no events subsequent to the interim condensed consolidated statement of financial position date that would significantly affect the amounts reported in the interim condensed consolidated financial statements as at and for the three month period ended 31 March 2026.

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20 NSFR REQUIREMENTS AND CALCULATION METHODOLOGY

The Net Stable Funding Ratio ('NSFR') is calculated in accordance with the Liquidity Risk Management Module guidelines, issued by the CBB and is effective from December 2019. The minimum NSFR ratio as per CBB is 100%. The Group's consolidated NSFR ratio as of 31 March 2026 is 193.52%.

The NSFR (as a percentage) must be calculated as follows:

| Item | <i>Unweighted Values (i.e. before applying relevant factors)</i> | | | | Total weighted value BHD '000 |
|---|--|------------------------------------|---|-------------------------------|----------------------------------|
| | <i>No specified maturity BHD '000</i> | <i>Less than 6 months BHD '000</i> | <i>More than 6 months and less than one year BHD '000</i> | <i>Over one year BHD '000</i> | |
| Available Stable Funding (ASF): | | | | | |
| Capital: | 63,819 | - | - | 4,338 | 68,157 |
| Regulatory Capital | 63,819 | - | - | - | 63,819 |
| Other Capital Instruments | - | - | - | 4,338 | 4,338 |
| Retail deposits and deposits from small business customers: | - | 397,491 | 13,707 | 15,565 | 387,253 |
| Stable deposits | - | 32,204 | 15 | 15 | 30,623 |
| Less stable deposits | - | 365,287 | 13,692 | 15,550 | 356,630 |
| Wholesale funding: | - | 437,408 | 38,468 | 3,600 | 100,173 |
| Operational deposits | - | 12,222 | - | - | 6,111 |
| Other wholesale funding | - | 425,186 | 38,468 | 3,600 | 94,062 |
| Other liabilities: | - | - | - | 44,525 | 44,525 |
| NSFR Shari'a-compliant hedging contract liabilities | - | - | - | - | - |
| All other liabilities not included in the above categories | - | - | - | 44,525 | 44,525 |
| Total ASF | 63,819 | 834,899 | 52,175 | 68,028 | 600,108 |
| Required Stable Funding (RSF): | | | | | |
| Total NSFR high-quality liquid assets (HQLA) | 345,668 | - | - | - | 14,833 |
| 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 and unsecured performing financial institutions | - | 18,210 | - | 21,396 | 24,127 |

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20 NSFR REQUIREMENTS AND CALCULATION METHODOLOGY (continued)

| 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 | |
| Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which: | - | 77,124 | 47,121 | 138,075 | 62,123 |
| With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines | - | - | - | 209,517 | 136,186 |
| 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 | - | - | - | 1,121 | 953 |
| Other assets: | 48,826 | - | - | - | 48,826 |
| Physical traded commodities, including gold | - | - | - | - | - |
| Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of NSFR Shari'a-compliant hedging assets | 14 | - | - | - | 14 |
| NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin | 8,405 | - | - | - | 8,405 |
| All other assets not included in the above categories | 9,822 | - | - | - | 9,822 |
| OBS items | 96,111 | - | - | - | 4,806 |
| Total RSF | 508,846 | 95,334 | 47,121 | 370,109 | 310,095 |
| NSFR (%) | | | | | 193.52% |