

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

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**30 September 2025 (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 30 September 2025, and the related interim condensed consolidated statements of income, comprehensive income and income and attribution to quasi-equity for the three-month and nine-month periods then ended, and the related interim condensed consolidated statements of changes in owners' equity, cash flows and changes in off-balance sheet assets under management for the nine-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

PricewaterhouseCoopers M.E Limited

Partner's registration number: 196

Manama, Kingdom of Bahrain

13 November 2025

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

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025 (Reviewed)

	Notes	Reviewed 30 September 2025 BHD '000	Audited 31 December 2024 BHD '000
<b>ASSETS</b>			
Cash and balances with banks and financial institutions		56,235	58,986
Receivables	3	247,169	177,556
Ijara muntahia bittamleek and ijara receivables	4	212,449	217,460
Musharakat	5	85,356	74,358
Investments	6	408,316	377,729
Investment in joint venture		-	6,511
Investments in real estate		3,227	2,911
Premises and equipment	7	29,888	29,920
Intangibles and goodwill	8	9,007	8,251
Other assets	9	18,589	16,535
<b>TOTAL ASSETS</b>		<b>1,070,236</b>	<b>970,217</b>
<b>LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY</b>			
<b>Liabilities</b>			
Current accounts		116,201	109,954
Murabaha and other payables		11,339	45,939
Other liabilities	10	39,552	40,331
<b>Total liabilities</b>		<b>167,092</b>	<b>196,224</b>
<b>Quasi equity</b>			
Participatory investment accounts		823,429	692,335
Subordinated mudaraba		2,399	2,361
<b>Total quasi equity</b>		<b>825,828</b>	<b>694,696</b>
<b>Owners' equity</b>			
Share capital		57,100	57,100
Perpetual equity-type instruments		36,192	36,192
Reserves		(9,412)	(9,068)
Accumulated losses		(16,386)	(14,638)
<b>Equity attributable to parent's shareholders</b>		<b>67,494</b>	<b>69,586</b>
Non-controlling interests		9,822	9,711
<b>Total owners' equity</b>		<b>77,316</b>	<b>79,297</b>
<b>TOTAL LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY</b>		<b>1,070,236</b>	<b>970,217</b>
<b>OFF-BALANCE SHEET ITEMS:</b>			
<b>ASSETS UNDER MANAGEMENT</b>		<b>459,347</b>	<b>339,724</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	11	<b>80,378</b>	<b>74,088</b>

Sabah Khalil Al Moayyed  
Chairperson

Akram Yassin  
Vice Chairman

Dr. Adel Abdulla Salem  
Chief Executive Officer

The attached explanatory notes 1 to 21 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 nine month period ended 30 September 2025 (Reviewed)

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2025	2024	2025	2024
		BHD '000	BHD '000	BHD '000	BHD '000
Income from financings contracts	12	9,924	13,158	27,934	33,361
Income from investments	13	7,416	10,387	23,290	32,035
Share of income from investment in joint venture		-	127	-	327
Income from banking services	14	843	633	2,316	1,938
Other income	15	624	858	2,538	2,411
Group's mudarib / agency fee from off-balance sheet equity of investment accountholders		7	10	24	34
<b>TOTAL INCOME</b>		<b>18,814</b>	<b>25,173</b>	<b>56,102</b>	<b>70,106</b>
Cost of murabaha and other payables		(359)	(2,467)	(1,182)	(7,071)
<b>TOTAL OPERATING INCOME</b>		<b>18,455</b>	<b>22,706</b>	<b>54,920</b>	<b>63,035</b>
<b>BEFORE ATTRIBUTION TO QUASI EQUITY</b>		<b>18,455</b>	<b>22,706</b>	<b>54,920</b>	<b>63,035</b>
Net income attributable to quasi-equity		(11,028)	(14,023)	(31,576)	(40,595)
<b>TOTAL OPERATING INCOME</b>		<b>7,427</b>	<b>8,683</b>	<b>23,344</b>	<b>22,440</b>
<b>OPERATING EXPENSES</b>					
Staff expenses		(3,168)	(2,980)	(9,455)	(9,098)
Depreciation and amortizations		(1,166)	(998)	(3,292)	(2,995)
Other operating expenses		(3,015)	(3,092)	(9,116)	(9,027)
<b>TOTAL OPERATING EXPENSES</b>		<b>(7,349)</b>	<b>(7,070)</b>	<b>(21,863)</b>	<b>(21,120)</b>
<b>NET OPERATING INCOME</b>		<b>78</b>	<b>1,613</b>	<b>1,481</b>	<b>1,320</b>
Allowances for impairment - net	16	75	(841)	293	(1,358)
<b>NET INCOME / (LOSS) BEFORE TAXATION</b>		<b>153</b>	<b>772</b>	<b>1,774</b>	<b>(38)</b>
Taxation		(543)	(1,968)	(2,395)	(4,329)
<b>LOSS FOR THE PERIOD</b>		<b>(390)</b>	<b>(1,196)</b>	<b>(621)</b>	<b>(4,367)</b>
Attributable to:					
Equity of the parent's shareholders		(627)	(1,959)	(1,676)	(6,142)
Non-controlling interest		237	763	1,055	1,775
		<b>(390)</b>	<b>(1,196)</b>	<b>(621)</b>	<b>(4,367)</b>

Sabah Khalil Al Moayyed  
Chairperson

Akram Yassin  
Vice Chairman

Dr. Adel Abdulla Salem  
Chief Executive Officer

The attached explanatory notes 1 to 21 form part of these interim condensed consolidated financial statements.

**Al Baraka Islamic Bank B.S.C. (c)****INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the nine month period ended 30 September 2025 (Reviewed)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<b>30 September 2025</b>	<i>30 September 2024</i>	<b>30 September 2025</b>	<i>30 September 2024</i>
	<b>BHD '000</b>	<i>BHD '000</i>	<b>BHD '000</b>	<i>BHD '000</i>
Loss for the period	<b>(390)</b>	<i>(1,196)</i>	<b>(621)</b>	<i>(4,367)</i>
<b>Other comprehensive income / (loss)</b>				
<b>Items that may subsequently be classified to consolidated statement of income</b>				
Surplus / (deficit) on foreign currency translations	<b>328</b>	<i>87</i>	<b>(359)</b>	<i>437</i>
Net changes in fair value of equity investments measured at fair value through other comprehensive income - net of tax	<b>191</b>	<i>874</i>	<b>(643)</b>	<i>(70)</i>
<b>Total other comprehensive income / (loss) for the period</b>	<b>519</b>	<i>961</i>	<b>(1,002)</b>	<i>367</i>
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD</b>	<b>129</b>	<i>(235)</i>	<b>(1,623)</b>	<i>(4,000)</i>
Attributable to:				
Equity of the parent's shareholders	<b>2,157</b>	<i>(1,281)</i>	<b>(2,020)</b>	<i>(6,063)</i>
Non-controlling interest	<b>(2,028)</b>	<i>1,046</i>	<b>397</b>	<i>2,063</i>
	<b>129</b>	<i>(235)</i>	<b>(1,623)</b>	<i>(4,000)</i>

The attached notes 1 to 21 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 TO QUASI-EQUITY**

For the nine month period ended 30 September 2025 (Reviewed)

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<b>30 September</b>	<i>30 September</i>	<b>30 September</b>	<i>30 September</i>
	<b>2025</b>	<i>2024</i>	<b>2025</b>	<i>2024</i>
	<b>BHD '000</b>	<i>BHD '000</i>	<b>BHD '000</b>	<i>BHD '000</i>
<b>Total operating income</b>				
<b>before attribution to quasi equity</b>	<b>18,455</b>	22,706	<b>54,920</b>	63,035
Adjustments for:				
Less: net operating income from self-financed assets	<b>(5,677)</b>	(8,080)	<b>(17,396)</b>	(17,878)
Less: expenses attributable to quasi-equity	<b>(1,053)</b>	(963)	<b>(2,962)</b>	(2,763)
Less: allowances for impairment and credit losses - attributable to quasi-equity	<b>(235)</b>	85	<b>(850)</b>	(912)
<b>Total income available for quasi-equity</b>	<b>11,490</b>	13,748	<b>33,712</b>	41,482
Less: Bank's share as mudarib (net of hibba)	<b>(462)</b>	275	<b>(2,136)</b>	(887)
<b>Net income attributable to quasi-equity</b>	<b>11,028</b>	14,023	<b>31,576</b>	40,595

The attached notes 1 to 21 form part of these interim condensed consolidated financial statements.

**Al Baraka Islamic Bank B.S.C. (c)**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

For the nine month period ended 30 September 2025 (Reviewed)

	<i>Equity attributable to shareholders of the Parent</i>												
	<i>Reserves</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>Accumulated losses</i>	<i>Restated - Note 21</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>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	<i>BHD '000</i>	
<b>Balance at 1 January 2025 (Audited)</b>	<b>57,100</b>	<b>36,192</b>	<b>9,845</b>	<b>3,275</b>	<b>(129)</b>	<b>2,452</b>	<b>119</b>	<b>(24,630)</b>	<b>(14,638)</b>	<b>69,586</b>	<b>9,711</b>	<b>79,297</b>	
(Loss) / income for the period	-	-	-	-	-	-	-	-	(1,676)	(1,676)	1,055	(621)	
Other comprehensive loss for the period	-	-	-	-	-	(122)	-	(222)	-	(344)	(658)	(1,002)	
Dividend paid by subsidiary	-	-	-	-	-	-	-	-	-	-	(286)	(286)	
Distribution of Zakat	-	-	-	-	-	-	-	-	(72)	(72)	-	(72)	
<b>Balance at 30 September 2025 (Reviewed)</b>	<b>57,100</b>	<b>36,192</b>	<b>9,845</b>	<b>3,275</b>	<b>(129)</b>	<b>2,330</b>	<b>119</b>	<b>(24,852)</b>	<b>(16,386)</b>	<b>67,494</b>	<b>9,822</b>	<b>77,316</b>	
Balance at 1 January 2024 (Audited)	57,100	36,192	9,845	3,275	(109)	2,595	119	(24,835)	(4,870)	79,312	7,251	86,563	
(Loss) / income for the period	-	-	-	-	-	-	-	-	(6,142)	(6,142)	1,775	(4,367)	
Other comprehensive (loss) / income for the period	-	-	-	-	-	(195)	-	274	-	79	288	367	
Distribution of Zakat	-	-	-	-	-	-	-	-	(72)	(72)	-	(72)	
<b>Balance at 30 September 2024 (Reviewed)</b>	<b>57,100</b>	<b>36,192</b>	<b>9,845</b>	<b>3,275</b>	<b>(109)</b>	<b>2,400</b>	<b>119</b>	<b>(24,561)</b>	<b>(11,084)</b>	<b>73,177</b>	<b>9,314</b>	<b>82,491</b>	

The attached explanatory notes 1 to 21 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 nine month period ended 30 September 2025 (Reviewed)

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2025</b>	<b>2024</b>
	<b>BHD '000</b>	<b>BHD '000</b>
<b>OPERATING ACTIVITIES</b>		
Net income / (loss) before taxation	1,774	(38)
<i>Adjustments for :</i>		
Depreciation and amortizations	3,292	2,995
Allowances for impairment - net (Note 16)	(293)	1,358
Gain on sale of premises and equipment	(3)	(6)
Gain on sale of investments (Note 13)	(356)	(441)
Share of income from investment in joint venture	-	(327)
Operating profit before changes in operating assets and liabilities	<u>4,414</u>	<u>3,541</u>
Net changes in operating assets and liabilities:		
Balances with central banks in mandatory reserves	(4,828)	1,500
Receivables	(9,292)	9,166
Ijara muntahia bittamleek and ijara receivables	5,010	17,954
Musharakat	(10,817)	2,590
Other assets	(2,042)	(306)
Other liabilities	642	(5,369)
Murabaha and other payables	(34,601)	(22,300)
Current accounts	6,247	8,637
Participatory investment accounts	131,093	77,316
Tax paid	(3,783)	(3,959)
Net cash generated from operating activities	<u>82,043</u>	<u>88,770</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of investments	(354,331)	(221,749)
Proceeds from sale / redemption of investments	323,150	217,843
Net purchase of premises and equipment	(4,042)	(9,311)
Disposal of investment in joint venture	6,510	-
Net cash used in investing activities	<u>(28,713)</u>	<u>(13,217)</u>
<b>FINANCING ACTIVITIES</b>		
Net movement in subordinated mudaraba	38	(2,019)
Dividend paid by subsidiary	(286)	-
Zakah paid	(72)	(73)
Net cash used in financing activities	<u>(320)</u>	<u>(2,092)</u>
Foreign currency translation adjustments	(328)	393
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>52,682</b>	<b>73,854</b>
Cash and cash equivalents at beginning of the period	<u>47,437</u>	<u>72,491</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b><u>100,119</u></b>	<b><u>146,345</u></b>

Additions to the right-of-use assets during the current period were BHD 0.887 million (2024: BHD 0.675 million).

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

Cash in hand	8,152	8,911
Balances with central banks in unrestricted accounts	100	144
Balances with other banks and financial institutions (with original maturity of 3 months or less)	8,483	18,406
Receivables - Commodities and Wakala placement with FIs (with original maturity of 3 months or less)	83,384	118,884
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b><u>100,119</u></b>	<b><u>146,345</u></b>

The attached explanatory notes 1 to 21 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 nine month period ended 30 September 2025 (Reviewed)

	Balance at 1 January 2025 BHD '000	Net deposits / (withdrawals) BHD '000	Gross income BHD '000	Mudarib/ agency fee BHD '000	Balance at 30 September 2025 BHD '000
Wakala Bi Al-Istithmar on balance sheet jointly financed assets	257,484	119,077	10,268	(1,164)	385,665
Receivables	71,390	(6,366)	338	(4)	65,358
Investments	10,850	(3,684)	1,178	(20)	8,324
	<b>339,724</b>	<b>109,027</b>	<b>11,784</b>	<b>(1,188)</b>	<b>459,347</b>
	Balance at 1 January 2024 BHD '000	Net deposits BHD '000	Gross income BHD '000	Mudarib/ agency fee BHD '000	Balance at 30 September 2024 BHD '000
Wakala Bi Al-Istithmar on balance sheet jointly financed assets	136,497	90,852	7,217	(181)	234,385
Receivables	46,077	25,683	1,106	(13)	72,853
Investments	8,390	325	1,274	(21)	9,968
	<b>190,964</b>	<b>116,860</b>	<b>9,597</b>	<b>(215)</b>	<b>317,206</b>

The attached explanatory notes 1 to 21 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 nine month period ended 30 September 2025 (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% (2024: 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 13 November 2025.

#### **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 Organisation 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 2024. In addition, results for the nine month period ended 30 September 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

##### **Domestic Minimum Top-Up Tax Law and Pillar Two Model Rules**

The Group falls within the scope of the OECD Pillar Two Model Rules ("Model Rules"), by virtue of being consolidated by Dallah Albaraka Holding Company B.S.C. (Closed), which qualifies as the Ultimate Parent Entity ("UPE") under the Model Rules. As such, the Group forms part of Dallah Albaraka Holding Company B.S.C. (Closed) Pillar Two Group ("MNE Group").

On 1 September 2024, the Kingdom of Bahrain issued Decree Law (11) of 2024, introducing a Domestic Minimum Top-Up Tax ("DMTT") for Multinational Enterprises ("MNEs") ("DMTT Law"), effective from 1 January 2025. The DMTT Law is broadly aligned with the Model Rules and applies a 15% effective tax rate to the Bahrain profits of MNE Group. Bahrain is the only jurisdiction in which the Group operates that has implemented Pillar Two.

Based on the Group's preliminary assessment of applicability of the DMTT law and Model Rules, the Group concluded that no top-up tax liability is expected to arise under Bahrain DMTT as the Group is loss making for the current period.

##### **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 2024 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 nine month period ended 30 September 2025 (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 Bahrain Dinars thousand unless otherwise indicated. However, 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 2025 / 2024</i>	<i>Year of incorporation</i>	<i>Country of incorporation</i>	<i>No. of branches/ offices at 30 September 2025/ 31 December 2024</i>
<b>Held directly by the Bank</b>				
Al Baraka Bank (Pakistan) Limited	59.13% / 59.13%	2004	Pakistan	185 / 185

##### 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. However, the adoption of these standards has resulted in certain adjustments, additional disclosures and re-classification of previously reported financial statements and notes.

###### 2.5.1 FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions

AAOIFI has issued FAS 42 in 2022. This standard supersedes the earlier FAS 12 – General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies". The objective of this standard is to set out the overall requirements for the presentation of financial statements, the minimum requirement for the contents of and disclosures in the financial statements and recommended structure of financial statements that facilitates fair presentation in line with Shari'a principles and rules for Takaful institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 43 – Accounting for Takaful: Recognition and Measurement, provided that FAS 1 (Revised 2021) has already been adopted or is simultaneously adopted.

The adoption of this standard did not have significant impact on the Group's presentation and disclosures in these interim condensed consolidated financial statements.

###### 2.5.2 FAS 43 – Accounting for Takaful: Recognition and Measurement

AAOIFI has issued FAS 43 in 2022. The objective of this standard is to set out the principles for the recognition and measurement of Takaful arrangements and ancillary transactions with the objective of faithfully representing the information related to these arrangements to the relevant stakeholders. The standard should be read in conjunction with FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions. The adoption of this standard did not have significant impact on the Group's recognition and measurement.

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

### **NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine month period ended 30 September 2025 (Reviewed)

#### **2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)**

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

###### **2.6.1 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)". The Group shall address the requirements of FAS 45 "Quasi-Equity (Including Investment Accounts)" on the effective date of the standard.

###### **2.6.2 FAS 46 - Off-Balance sheet Assets Under Management**

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation 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". This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 - Quasi-Equity (Including Investment Accounts).

###### **2.6.3 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. This standard shall be effective for the financial periods beginning or after 1 January 2026.

###### **2.6.4 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. This standard shall be effective for the financial periods beginning or after 1 January 2026 with early adoption encouraged.

###### **2.6.5 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 ("IIs") 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 IIs or after 1 January 2027.

The Group is currently performing an assessment to identify the impact in accordance with the standards.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 3 RECEIVABLES

	<i>Reviewed</i>			<i>Audited</i>		
	<i>30 September 2025</i>			<i>31 December 2024</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>
Commodities, wakala and musharaka placement with financial institutions	-	83,385	83,385	21,227	1,897	23,124
Salam financing	-	10,138	10,138	-	13,879	13,879
Istisna'a financing	-	45,617	45,617	-	50,832	50,832
Murabaha financing	558	136,489	137,047	424	125,117	125,541
Credit cards and others receivables	-	5,121	5,121	-	4,969	4,969
Gross receivables	558	280,750	281,308	21,651	196,694	218,345
Deferred profits	(26)	(15,471)	(15,497)	-	(15,337)	(15,337)
	532	265,279	265,811	21,651	181,357	203,008
Less: Allowances for expected credit losses (3.1)	-	(18,642)	(18,642)	(426)	(25,026)	(25,452)
Net receivables	532	246,637	247,169	21,225	156,331	177,556

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").

	<i>Reviewed</i>				<i>Audited</i>			
	<i>30 September 2025</i>				<i>31 December 2024</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)	105,527	3,920	-	109,447	92,664	6,262	-	98,926
Satisfactory (5-7)	100,056	33,831	-	133,887	47,950	28,826	-	76,776
Default (8-10)	-	-	22,477	22,477	-	-	27,306	27,306
	205,583	37,751	22,477	265,811	140,614	35,088	27,306	203,008

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 3 RECEIVABLES (continued)

##### 3.1 Allowances for expected credit losses

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

	<i>Reviewed</i>			
	<i>30 September 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>
<b>Balance at 1 January</b>	731	3,982	20,739	25,452
<b>Changes during the period:</b>				
- transferred to Stage 1: 12 month ECL	9	(8)	(1)	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(88)	216	(128)	-
- transferred to Stage 3: Lifetime ECL credit-impaired	(2)	(446)	448	-
Net remeasurement of loss allowance	(51)	(362)	1,261	848
Recoveries / write-backs	-	-	(906)	(906)
Allowances for credit losses	(132)	(600)	674	(58)
Amounts written off during the period	-	-	(6,619)	(6,619)
FX translation	(2)	(3)	(128)	(133)
<b>Balance at 30 September</b>	<b>597</b>	<b>3,379</b>	<b>14,666</b>	<b>18,642</b>

	<i>Audited</i>			
	<i>31 December 2024</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>
<b>Balance at 1 January</b>	718	3,394	19,592	23,704
<b>Changes during the year:</b>				
- transferred to Stage 1: 12 month ECL	34	(25)	(9)	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(101)	443	(342)	-
- transferred to Stage 3: Lifetime ECL credit-impaired	(5)	(280)	285	-
Net remeasurement of loss allowance	85	447	2,303	2,835
Recoveries / write-backs	-	-	(346)	(346)
Allowances for credit losses	13	585	1,891	2,489
Amounts written off during the year	-	-	(881)	(881)
FX translation	-	3	137	140
<b>Balance at 31 December</b>	<b>731</b>	<b>3,982</b>	<b>20,739</b>	<b>25,452</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 4 IJARA MUNTAHIA BITTAMLEEK AND IJARA RECEIVABLES

	Reviewed 30 September 2025			Audited 31 December 2024		
	Self financed BHD '000	Jointly financed BHD '000	Total BHD '000	Self financed BHD '000	Jointly financed BHD '000	Total BHD '000
Ijara muntahia bittamleek	1,717	194,779	196,496	2,362	200,804	203,166
Ijara income receivables	1,063	18,043	19,106	945	17,775	18,720
	<b>2,780</b>	<b>212,822</b>	<b>215,602</b>	<b>3,307</b>	<b>218,579</b>	<b>221,886</b>
Less: Allowances for expected credit losses (4.1)	(29)	(3,124)	(3,153)	(41)	(4,385)	(4,426)
	<b>2,751</b>	<b>209,698</b>	<b>212,449</b>	<b>3,266</b>	<b>214,194</b>	<b>217,460</b>

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 30 September 2025				Audited 31 December 2024			
	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)	200,808	386	-	201,194	203,896	1,044	-	204,940
Satisfactory (5-7)	3,941	4,878	-	8,819	9,048	74	-	9,122
Default (8-10)	-	-	5,589	5,589	-	-	7,824	7,824
	<b>204,749</b>	<b>5,264</b>	<b>5,589</b>	<b>215,602</b>	<b>212,944</b>	<b>1,118</b>	<b>7,824</b>	<b>221,886</b>

#### 4.1 Allowances for expected credit losses

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

	Reviewed 30 September 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	286	88	4,052	4,426
Changes during the period:				
- transferred to Stage 1: 12 month ECL	85	(85)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(3)	3	-	-
- transferred to Stage 3: Lifetime ECL credit-impaired	(3)	-	3	-
Net remeasurement of loss allowance	(163)	77	211	125
Recoveries / write-backs	-	-	(124)	(124)
Allowances for credit losses	(84)	(5)	90	1
Amounts written off during the period	-	-	(1,272)	(1,272)
FX translation	-	-	(2)	(2)
Balance at 30 September	<b>202</b>	<b>83</b>	<b>2,868</b>	<b>3,153</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 4 IJARA MUNTAHIA BITTAMLEEK AND IJARA RECEIVABLES (continued)

##### 4.1 Allowances for expected credit losses - continued

	<i>Audited</i> 31 December 2024			
	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	338	286	3,598	4,222
Changes during the year:				
- transferred to Stage 1: 12 month ECL	99	(28)	(71)	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(30)	30	-	-
- transferred to Stage 3: Lifetime ECL credit-impaired	-	(254)	254	-
Net remeasurement of loss allowance	(121)	54	343	276
Recoveries / write-backs	-	-	(14)	(14)
Allowances for credit losses	(52)	(198)	512	262
Amounts written off during the year	-	-	(61)	(61)
FX translation	-	-	3	3
Balance at 31 December	286	88	4,052	4,426

#### 5 MUSHARAKAT

	<i>Reviewed</i> 30 September 2025			<i>Audited</i> 31 December 2024		
	<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>
Musharakat	9,287	80,489	89,776	9,617	69,588	79,205
Less: Allowances for expected credit losses (5.1)	-	(4,420)	(4,420)	-	(4,847)	(4,847)
	9,287	76,069	85,356	9,617	64,741	74,358

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> 30 September 2025				<i>Audited</i> 31 December 2024			
	<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)	65,325	3,213	-	68,538	56,510	1,417	-	57,927
Satisfactory (5-7)	13,040	4,465	-	17,505	11,149	5,986	-	17,135
Default (8-10)	-	-	3,733	3,733	-	-	4,143	4,143
	78,365	7,678	3,733	89,776	67,659	7,403	4,143	79,205

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 5 MUSHARAKAT (continued)

##### 5.1 Allowances for expected credit losses

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

	<i>Reviewed</i>			
	<i>30 September 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>
<b>Balance at 1 January</b>	242	628	3,977	4,847
<b>Changes during the period:</b>				
- transferred to Stage 1: 12 month ECL	6	(6)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(13)	13	-	-
- transferred to Stage 3: credit impaired	(1)	(39)	40	-
Net remeasurement of loss allowance	131	(343)	458	246
Recoveries / write-backs	-	-	(427)	(427)
Allowances for expected credit losses	123	(375)	71	(181)
Amounts written off during the period	-	-	(198)	(198)
FX translation	(2)	(6)	(40)	(48)
<b>Balance at 30 September</b>	<b>363</b>	<b>247</b>	<b>3,810</b>	<b>4,420</b>

	<i>Audited</i>			
	<i>31 December 2024</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	831	1,323	3,745	5,899
<b>Changes during the year:</b>				
- transferred to Stage 1: 12 month ECL	3	(3)	-	-
- transferred to Stage 2: Lifetime ECL not credit-impaired	(20)	20	-	-
- transferred to Stage 3: credit impaired	(15)	(158)	173	-
Net remeasurement of loss allowance	(568)	(570)	148	(990)
Allowances for credit losses	(600)	(711)	321	(990)
Amounts written off during the year	-	-	(133)	(133)
FX translation	11	16	44	71
<b>Balance at 31 December</b>	<b>242</b>	<b>628</b>	<b>3,977</b>	<b>4,847</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 6 INVESTMENTS

	Reviewed			Audited		
	30 September 2025			31 December 2024		
	Self financed BHD '000	Jointly financed BHD '000	Total BHD '000	Self financed BHD '000	Jointly financed BHD '000	Total BHD '000
<b>i) Equity-type instruments at fair value through OCI</b>						
<b>Quoted</b>						
Listed equity shares	11,460	-	11,460	10,965	-	10,965
<b>Unquoted</b>						
Unlisted equity shares	3,362	153	3,515	3,362	173	3,535
Managed funds	377	-	377	377	-	377
Real estate funds	-	6,956	6,956	-	7,323	7,323
	<b>15,199</b>	<b>7,109</b>	<b>22,308</b>	<b>14,704</b>	<b>7,496</b>	<b>22,200</b>
Less: Provision for impairment	(1,022)	(31)	(1,053)	(1,088)	(67)	(1,155)
<b>Total equity investments</b>	<b>14,177</b>	<b>7,078</b>	<b>21,255</b>	<b>13,616</b>	<b>7,429</b>	<b>21,045</b>
<b>ii) Debt-type instruments at fair value through statement of income (Note 6.1)</b>						
<b>Quoted</b>						
Sukuk	-	3,546	3,546	-	66	66
<b>Unquoted</b>						
Sukuk	-	135	135	-	138	138
	<b>-</b>	<b>3,681</b>	<b>3,681</b>	<b>-</b>	<b>204</b>	<b>204</b>
<b>iii) Debt-type instruments at fair value through OCI (6.1)</b>						
<b>Quoted</b>						
Sukuk	86,347	89,946	176,293	89,666	85,339	175,005
<b>Unquoted</b>						
Sukuk	-	841	841	-	944	944
	<b>86,347</b>	<b>90,787</b>	<b>177,134</b>	<b>89,666</b>	<b>86,283</b>	<b>175,949</b>
<b>iv) Debt-type instruments at amortised cost (6.1)</b>						
<b>Quoted</b>						
Sukuk	76,667	103,753	180,420	73,950	82,218	156,168
<b>Unquoted</b>						
Sukuk	7,471	18,895	26,366	-	24,813	24,813
	<b>84,138</b>	<b>122,648</b>	<b>206,786</b>	<b>73,950</b>	<b>107,031</b>	<b>180,981</b>
Less: Allowance for expected credit losses (6.2)	(170)	(370)	(540)	(153)	(297)	(450)
<b>Total debt-type investments</b>	<b>170,315</b>	<b>216,746</b>	<b>387,061</b>	<b>163,463</b>	<b>193,221</b>	<b>356,684</b>
<b>Total investments</b>	<b>184,492</b>	<b>223,824</b>	<b>408,316</b>	<b>177,079</b>	<b>200,650</b>	<b>377,729</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 6 INVESTMENTS (continued)

Within unquoted investments which are held at fair value through OCI are investments amounting to BHD 10.0 million (2024: BHD 10.4 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 206.8 million (2024: BHD 181.0 million) have a fair value amounting to BHD 206.6 million (2024: BHD 176.0 million).

Investments having face value amounting to BHD 13.1 million (2024: BHD 24.1 million) are pledged to raise funds under repurchase agreements (REPO) from financial institutions.

#### 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.

	Reviewed 30 September 2025				Audited 31 December 2024			
	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)	179,838	-	-	179,838	175,071	-	-	175,071
Satisfactory (5-7)	206,612	1,151	-	207,763	180,929	1,134	-	182,063
	<b>386,450</b>	<b>1,151</b>	<b>-</b>	<b>387,601</b>	<b>356,000</b>	<b>1,134</b>	<b>-</b>	<b>357,134</b>

#### 6.2 Allowances for expected credit losses

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

	Reviewed 30 September 2025		
	Stage 1: 12-month ECL BHD '000	Stage 2: Lifetime ECL not credit-impaired BHD '000	Total BHD '000
<b>Balance at 1 January</b>	<b>288</b>	<b>162</b>	<b>450</b>
<b>Changes during the period</b>			
Net remeasurement of loss allowance	105	(14)	91
Allowances for expected credit losses	105	(14)	91
FX translation	-	(1)	(1)
<b>Balance at 30 September</b>	<b>393</b>	<b>147</b>	<b>540</b>
	Audited 31 December 2024		
<b>Balance at 1 January</b>	<b>309</b>	<b>119</b>	<b>428</b>
<b>Changes during the year</b>			
Net remeasurement of loss allowance	(19)	43	24
Allowances for expected credit losses	(19)	43	24
FX translation	(2)	-	(2)
<b>Balance at 31 December</b>	<b>288</b>	<b>162</b>	<b>450</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 7 PREMISES AND EQUIPMENT

	<i>Reviewed</i> <b>30 September</b> 2025 <i>BHD '000</i>	<i>Audited</i> <b>31 December</b> 2024 <i>BHD '000</i>
Land and building	26,082	26,610
Capital work in progress	1,260	927
Office furniture and equipment	2,393	2,241
Vehicles	153	142
	<u>29,888</u>	<u>29,920</u>

#### 8 INTANGIBLES AND GOODWILL

	<i>Reviewed</i> <b>30 September</b> 2025 <i>BHD '000</i>	<i>Audited</i> <b>31 December</b> 2024 <i>BHD '000</i>
Softwares and licenses	1,605	2,004
Right of use assets	4,392	3,208
Goodwill	3,010	3,039
	<u>9,007</u>	<u>8,251</u>

#### 9 OTHER ASSETS

	<i>Reviewed</i> <b>30 September</b> 2025 <i>BHD '000</i>	<i>Audited</i> <b>31 December</b> 2024 <i>BHD '000</i>
Deferred tax (9.1)	5,657	4,311
Accounts receivable	4,006	3,951
Collaterals pending sale	5,647	4,466
Prepayments	1,562	1,149
Others	1,976	2,944
	<u>18,848</u>	<u>16,821</u>
Less: Provision for impairment	(259)	(286)
	<u>18,589</u>	<u>16,535</u>

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.

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 10 OTHER LIABILITIES

	<i>Reviewed</i> <b>30 September</b> 2025 <i>BHD '000</i>	<i>Audited</i> 31 December 2024 <i>BHD '000</i>
Bills payable	11,526	10,356
Margins received	8,032	11,986
Accounts payable	6,979	4,299
Provision for employees benefits	2,825	2,625
Operating ijarah liability	4,763	3,431
Accrued expenses	1,697	3,043
Advance payments from customers	1,689	1,268
Valuation of foreign exchange contracts	3	285
Charity fund (note 10.1)	162	179
Taxation and duties	204	193
Allowance for expected credit losses-unfunded facilities	172	202
Security deposit against ijara muntahia bittamleek	87	89
Others	1,413	2,375
	<u>39,552</u>	<u>40,331</u>

#### 10.1 Movement in charity fund

	<i>Reviewed</i> 2025 <i>BHD '000</i>	<i>Audited</i> 2024 <i>BHD '000</i>
<b>Balance at 1 January</b>	179	205
Net movement	(17)	(26)
<b>Balance at 30 September / 31 December</b>	<u>162</u>	<u>179</u>

#### 11 CONTINGENCIES AND COMMITMENTS

	<i>Reviewed</i> <b>30 September</b> 2025 <i>BHD '000</i>	<i>Audited</i> 31 December 2024 <i>BHD '000</i>
Foreign exchange contracts	22,238	14,792
Guarantees	24,412	28,818
Letters of credit	28,008	22,583
Acceptances	1,907	3,411
Taxation	3,741	4,420
Others	72	64
	<u>80,378</u>	<u>74,088</u>

#### 12 INCOME FROM FINANCING CONTRACTS

	<i>Reviewed</i> <i>Nine months ended</i> <i>30 September</i>	
	2025 <i>BHD '000</i>	2024 <i>BHD '000</i>
Income from receivables	11,451	13,214
Income from participatory investments	7,457	10,522
Income from ijarah muntahia bittamleek	9,026	9,625
	<u>27,934</u>	<u>33,361</u>
Income from jointly financed financing assets	25,696	28,299
Income from self financed financing assets	2,238	5,062
	<u>27,934</u>	<u>33,361</u>

**Al Baraka Islamic Bank B.S.C. (c)****NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

For the nine month period ended 30 September 2025 (Reviewed)

**13 INCOME FROM INVESTMENTS**

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2025</b>	<b>2024</b>
	<b>BHD '000</b>	<b>BHD '000</b>
Yield, coupon or return on investments	21,670	30,704
Gain on sale of investments	356	441
Dividend income	887	823
Income from properties	377	67
	<b>23,290</b>	<b>32,035</b>
Income from jointly financed investments	11,828	16,858
Income from self financed investments	11,462	15,177
	<b>23,290</b>	<b>32,035</b>

**14 INCOME FROM BANKING SERVICES**

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2025</b>	<b>2024</b>
	<b>BHD '000</b>	<b>BHD '000</b>
Fees and commissions	1,976	1,617
Letters of credit and acceptances	224	223
Guarantees	116	98
	<b>2,316</b>	<b>1,938</b>

**15 OTHER INCOME**

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2025</b>	<b>2024</b>
	<b>BHD '000</b>	<b>BHD '000</b>
Foreign exchange gain - net	1,333	1,318
Others	1,205	1,093
	<b>2,538</b>	<b>2,411</b>

**16 ALLOWANCES FOR IMPAIRMENT - NET**

	<i>Reviewed</i>	
	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2025</b>	<b>2024</b>
	<b>BHD '000</b>	<b>BHD '000</b>
<b>Reversals / (charges) against:</b>		
Receivables	58	(2,331)
Ijara muntahia bittamleek and ijara receivables	(1)	(305)
Musharakat	181	1,368
Investments - debt type	(91)	(17)
Investments - equity type	98	-
Financial gurantees	28	(37)
Other assets	20	(36)
	<b>293</b>	<b>(1,358)</b>

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

### 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>	
	<b>30 September 2025</b>	<i>31 December 2024</i>	<b>30 September 2025</b>	<i>31 December 2024</i>	<b>30 September 2025</b>	<i>31 December 2024</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	<b>683,391</b>	599,736	<b>386,845</b>	370,481	<b>1,070,236</b>	970,217
Liabilities and quasi equity	<b>640,270</b>	554,388	<b>352,650</b>	336,532	<b>992,920</b>	890,920

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

	<i>Middle East</i>		<i>Other Asian Countries</i>		<i>Total</i>	
	<i>Nine months ended 30 September</i>		<i>Nine months ended 30 September</i>		<i>Nine months ended 30 September</i>	
	<b>2025</b>	<i>2024</i>	<b>2025</b>	<i>2024</i>	<b>2025</b>	<i>2024</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	<b>8,133</b>	3,929	<b>15,211</b>	18,511	<b>23,344</b>	22,440
Total operating expenses	<b>(10,916)</b>	(11,560)	<b>(10,947)</b>	(9,560)	<b>(21,863)</b>	(21,120)
Allowances for impairment - net	<b>(420)</b>	(1,081)	<b>713</b>	(277)	<b>293</b>	(1,358)
Taxation	<b>-</b>	-	<b>(2,395)</b>	(4,329)	<b>(2,395)</b>	(4,329)
Net (loss) / income for the period	<b>(3,203)</b>	(8,712)	<b>2,582</b>	4,345	<b>(621)</b>	(4,367)

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

### 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, Shari'a supervisory board and external auditors.

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>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>	<i>30 September</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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>
<b>Assets:</b>						
Cash and balances with banks and financial institutions	3	20	17	17	20	37
Receivables	-	-	301	549	301	549
Musharakat	-	-	887	547	887	547
Investments	10,507	9,864	2,956	9,342	13,463	19,206
Other assets	3,534	3,333	-	-	3,534	3,333
<b>Total assets</b>	<b>14,044</b>	<b>13,217</b>	<b>4,161</b>	<b>10,455</b>	<b>18,205</b>	<b>23,672</b>
<b>Liabilities:</b>						
Current accounts	767	1,339	267	513	1,034	1,852
Other liabilities	1	910	298	234	299	1,144
<b>Total liabilities</b>	<b>768</b>	<b>2,249</b>	<b>565</b>	<b>747</b>	<b>1,333</b>	<b>2,996</b>
<b>Participatory investment accounts</b>	<b>26,409</b>	<b>20,729</b>	<b>33,272</b>	<b>24,601</b>	<b>59,681</b>	<b>45,330</b>
<b>OFF-BALANCE SHEET ITEMS:</b>						
<b>Assets under management</b>	<b>37,473</b>	<b>40,079</b>	<b>35,785</b>	<b>44,403</b>	<b>73,258</b>	<b>84,482</b>
<b>Contingencies and commitments</b>	<b>-</b>	<b>754</b>	<b>2,715</b>	<b>-</b>	<b>2,715</b>	<b>754</b>

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>Nine months ended</i>		<i>Nine months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</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>
<b>Income</b>						
Income from financings contracts	-	-	15	10	15	10
Income from investments	524	462	217	334	741	796
Group's Mudarib / Agency fee from off-balance sheet assets under management	8	5	9	18	17	23
Other income	569	520	-	1	569	521
	<b>1,101</b>	<b>987</b>	<b>241</b>	<b>363</b>	<b>1,342</b>	<b>1,350</b>
<b>Expenses</b>						
Net income attributable to quasi-equity	1,395	588	1,490	494	2,885	1,082
Other expenses	-	-	783	610	783	610
	<b>1,395</b>	<b>588</b>	<b>2,273</b>	<b>1,104</b>	<b>3,668</b>	<b>1,692</b>

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

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 18 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

Compensation of key management personnel is as follows:

	<i>Nine months ended</i>	
	<i>30 September</i>	
	<b>2025</b>	<b>2024</b>
	<b>BHD '000</b>	<b>BHD '000</b>
Salaries	<b>1,694</b>	1,033
Other benefits	<b>677</b>	447
	<b><u>2,371</u></b>	<b><u>1,480</u></b>

#### 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 nine month period ended 30 September 2025.

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 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 30 September 2025 is 197.34%.

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

Item	Unweighted Values (i.e. before applying relevant factors)				Total weighted value BHD '000
	No specified maturity BHD '000	Less than 6 months BHD '000	More than 6 months and less than one year BHD '000	Over one year BHD '000	
<b>Available Stable Funding (ASF):</b>					
<b>Capital:</b>	<b>64,219</b>	-	-	<b>4,656</b>	<b>68,875</b>
Regulatory capital	64,219	-	-	-	64,219
Other capital instruments	-	-	-	4,656	4,656
<b>Retail deposits and deposits from small business customers:</b>					
Stable deposits	-	387,938	39,503	18,031	404,229
Less stable deposits	-	29,987	38	16	28,539
	-	357,951	39,465	18,015	375,690
<b>Wholesale funding:</b>					
Operational deposits	-	483,295	9,004	2,000	95,742
Other wholesale funding	-	-	-	-	-
<b>Other liabilities:</b>					
NSFR Shari'a-compliant hedging contract liabilities	-	-	-	39,381	39,381
All other liabilities not included in the above categories	-	-	-	-	-
	-	-	-	39,381	39,381
<b>Total ASF</b>	<b>64,219</b>	<b>871,233</b>	<b>48,507</b>	<b>64,068</b>	<b>608,227</b>
<b>Required stable funding (RSF):</b>					
<b>Total NSFR high-quality liquid assets (HQLA)</b>	480,954	-	-	13,082	31,697
<b>Deposits held at other financial institutions for operational purposes</b>	-	-	-	-	-
<b>Performing financing and sukuk/securities:</b>					
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	-	25,764	-	31,383	35,248

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

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the nine month period ended 30 September 2025 (Reviewed)

#### 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:	-	71,989	29,612	267,576	50,800
With a risk weight of less than or equal to 35% as per the CBB 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	-	-	-	197,889	128,628
Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	1,122	954
<b>Other assets:</b>					
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	57,235	-	-	-	57,235
<b>OBS items</b>	73,114	-	-	-	3,656
<b>Total RSF</b>	<b>611,303</b>	<b>97,753</b>	<b>29,612</b>	<b>511,052</b>	<b>308,218</b>
<b>NSFR (%)</b>					<b>197.34%</b>

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

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

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For the nine month period ended 30 September 2025 (Reviewed)

#### **21 CORRESPONDING AMOUNTS**

During the period ended 30 September 2024, the Group transferred its investment in subsidiary (Al Baraka Pakistan Limited) from Owners' equity (self financed assets pool) to quasi equity (jointly financed assets pool) at a fair value of BHD 20.66 million. This resulted in the recognition of a fair value gain of BHD 6.478 million, recorded within Owners' equity in the form of fair value reserves against a corresponding intangible asset.

Subsequent to the period ended 30 September 2024, management reassessed and reversed the transaction and consequently restated the comparative figures by reversing the related intangible asset and reserves amounting to BHD 6.478 million in accordance with the requirements of FAS 1 – General Presentation and Disclosures in the Financial Statements. As a result, the “equity attributable to parent's shareholders” and “total owners' equity” have reduced by the same amount. There was no further impact on the Group's interim condensed consolidated financial statements.