

**ALUBAF Arab International Bank B.S.C. (c)**

**INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 March 2026 (REVIEWED)**

## **REVIEW REPORT TO THE BOARD OF DIRECTORS OF ALUBAF ARAB INTERNATIONAL BANK B.S.C. (c)**

### *Introduction*

We have reviewed the accompanying interim condensed consolidated financial statements of ALUBAF Arab International Bank B.S.C. (c) (the "Bank") and its subsidiaries (together the "Group") as at 31 March 2026, comprising the interim consolidated statement of financial position as at 31 March 2026 and the related interim consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Bank's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ('IAS 34'). 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 condensed 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 IAS 34.



28 April 2026  
Manama, Kingdom of Bahrain

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2026

		<i>(Reviewed)</i> 31 March 2026 US\$'000	<i>(Audited)</i> 31 December 2025 US\$'000
<b>ASSETS</b>			
Cash and balances with central bank and other banks	3	606,979	659,701
Deposits with banks and other financial institutions		527,824	607,679
Investment held for trading		9,446	2,035
Investment in fund		17,011	17,426
Investment securities	4	288,187	297,233
Loans and advances	5	132,008	159,813
Investment properties		14,516	14,538
Property, equipment and software		5,296	5,442
Interest receivable		15,611	18,488
Other assets		1,133	5,642
<b>TOTAL ASSETS</b>		<b>1,618,011</b>	<b>1,787,997</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits from banks and other financial institutions		507,414	542,234
Due to banks and other financial institutions		190,820	240,720
Due to customers		526,305	606,868
Interest payable		8,258	4,127
Other liabilities		28,099	13,676
<b>Total liabilities</b>		<b>1,260,896</b>	<b>1,407,625</b>
<b>Equity</b>			
Share capital		250,000	250,000
Statutory reserve		38,587	38,587
Retained earnings		74,043	68,324
Fair value reserve		(5,515)	3,461
Proposed dividend		-	20,000
<b>Total equity</b>		<b>357,115</b>	<b>380,372</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,618,011</b>	<b>1,787,997</b>

Abdulmgid Emhamed  
Vice Chairman

Wisam Alsaadi Alkeelany  
Chairman

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Three months ended 31 March 2026

	Note	<i>Three months ended</i>	
		<i>31 March</i>	
		<i>(Reviewed)</i>	
		<b>2026</b>	2025
		<b>US\$'000</b>	US\$'000
Interest income		19,868	19,518
Interest expense		(8,330)	(8,477)
<b>Net interest income</b>		<b>11,538</b>	11,041
Fee and commission income		503	542
Trading loss - net		(538)	(4)
Loss on investment in fund		(416)	(163)
Foreign exchange gain - net		381	76
Other income		30	56
<b>Operating income</b>		<b>11,498</b>	11,548
Provision (charge) reversal for expected credit losses - net	6	(229)	1,407
<b>Net operating income</b>		<b>11,269</b>	12,955
Staff costs		(3,095)	(2,751)
Depreciation		(173)	(161)
Other operating expenses		(1,098)	(1,314)
<b>Operating expenses</b>		<b>(4,366)</b>	(4,226)
<b>Profit for the period before taxation</b>		<b>6,903</b>	8,729
Taxation	9	(1,184)	(1,054)
<b>NET PROFIT FOR THE PERIOD</b>		<b>5,719</b>	7,675

Abdulmgid Emhamed  
Vice Chairman

Wisam Alsaadi Alkeelany  
Chairman

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 31 March 2026

		<i>Three months ended</i>	
		<i>31 March</i>	
		<i>(Reviewed)</i>	
		<b>2026</b>	<b>2025</b>
<i>Note</i>		<b>US\$'000</b>	<b>US\$'000</b>
	<b>NET PROFIT FOR THE PERIOD</b>	<b>5,719</b>	7,675
	<b>Other comprehensive (loss) gain:</b>		
	<i>Other comprehensive (loss) gain to be reclassified to profit or loss in subsequent periods:</i>		
	Unrealised fair value (loss) gain on investments classified as fair value through other comprehensive income (FVOCI) - net	4 <b>(8,908)</b>	1,259
	<i>Other comprehensive (loss) gain classified to profit or loss during the period:</i>		
	Changes in allowance for expected credit losses on FVOCI investments	4 <b>(68)</b>	187
	<b>Other comprehensive (loss) gain for the period</b>	<b>(8,976)</b>	1,446
	<b>Total comprehensive (loss) income for the period</b>	<b>(3,257)</b>	9,121

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)  
**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

Three months ended 31 March 2026

		<i>Three months ended</i>	
		<i>31 March</i>	
		<i>(Reviewed)</i>	
		<b>2026</b>	<b>2025</b>
	<i>Note</i>	<b>US\$'000</b>	<b>US\$'000</b>
<b>OPERATING ACTIVITIES</b>			
Profit for the period before taxation		<b>6,903</b>	8,729
Adjustments for:			
Provision charge (reversal) for expected credit losses - net	6	<b>229</b>	(1,407)
Depreciation		<b>173</b>	161
Amortisation of investments carried at amortised cost		<b>91</b>	174
Trading loss - net		<b>538</b>	4
Unrealised loss on investment in fund		<b>416</b>	163
Amortisation of loans and advances carried at amortised cost		<b>(180)</b>	(214)
Operating profit before changes in operating assets and liabilities		<b>8,170</b>	7,610
Changes in operating assets and liabilities:			
Balances with Central Bank		<b>62,243</b>	(41,290)
Deposits with banks and other financial institutions		<b>(111,321)</b>	9,811
Loans and advances		<b>27,709</b>	32,415
Interest receivable		<b>2,877</b>	5,141
Other Assets		<b>4,508</b>	230
Deposits from banks and other financial institutions		<b>(34,820)</b>	(129,228)
Due to banks and other financial institutions		<b>(49,900)</b>	(80,823)
Due to customers		<b>(80,563)</b>	(160,662)
Interest payable		<b>4,131</b>	1,489
Other liabilities		<b>(4,766)</b>	(968)
Income tax paid		<b>(2,009)</b>	-
Net cash used in operating activities		<b>(173,741)</b>	(356,275)
<b>INVESTING ACTIVITIES</b>			
Purchase of investments classified as held for trading		<b>(24,480)</b>	-
Purchase of investment securities		<b>(7,440)</b>	(9,799)
Proceeds from disposal / maturity of investments classified as held for trading		<b>16,531</b>	12,449
Proceeds from disposal / maturity of investment securities		<b>7,500</b>	5,000
Purchase of property, equipment and software		<b>(5)</b>	-
Net cash (used in) generated from investing activities		<b>(7,894)</b>	7,650
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>		<b>(181,635)</b>	(348,625)
Cash and cash equivalents at beginning of the period		<b>608,764</b>	738,931
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		<b>427,129</b>	390,306
<b>Cash and cash equivalents comprise:</b>			
Cash and balances with Central Bank and other banks with original maturities of 90 days or less - net		<b>18,631</b>	3,196
Deposits with banks and other financial institutions with original maturities of 90 days or less		<b>408,498</b>	387,110
	3	<b>427,129</b>	390,306

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2026

	<i>Share capital</i> US\$'000	<i>Statutory reserve</i> US\$'000	<i>Retained earnings</i> US\$'000	<i>Fair value reserve</i> US\$'000	<i>Proposed dividend</i> US\$'000	<i>Total</i> US\$'000
<b>Balance as at 1 January 2026</b>	<b>250,000</b>	<b>38,587</b>	<b>68,324</b>	<b>3,461</b>	<b>20,000</b>	<b>380,372</b>
Net profit for the period	-	-	5,719	-	-	5,719
Other comprehensive loss for the period	-	-	-	(8,976)	-	(8,976)
Total comprehensive income (loss) for the period	-	-	5,719	(8,976)	-	(3,257)
Dividend approved and payable (note 8)					(20,000)	(20,000)
<b>At 31 March 2026</b>	<b>250,000</b>	<b>38,587</b>	<b>74,043</b>	<b>(5,515)</b>	<b>-</b>	<b>357,115</b>
<b>Balance as at At 1 January 2025</b>	<b>250,000</b>	<b>35,549</b>	<b>65,984</b>	<b>(4,091)</b>	<b>15,000</b>	<b>362,442</b>
Net profit for the period	-	-	7,675	-	-	7,675
Other comprehensive income for the period	-	-	-	1,446	-	1,446
Total comprehensive income for the period	-	-	7,675	1,446	-	9,121
Increase in proposed dividend	-	-	(5,000)	-	5,000	-
<b>At 31 March 2025</b>	<b>250,000</b>	<b>35,549</b>	<b>68,659</b>	<b>(2,645)</b>	<b>20,000</b>	<b>371,563</b>

The attached notes 1 to 11 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**1 CORPORATE INFORMATION**

ALUBAF Arab International Bank B.S.C. (c) (the "Bank") is a closed Bahraini joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under Commercial Registration (CR) number 12819. The Bank operates under a wholesale banking license issued by the Central Bank of Bahrain (the "CBB"). The Bank's registered office is Building 854, Road 3618, Avenue 436, Alubaf Tower, Al-Seef District, PO Box 11529, Manama, Kingdom of Bahrain.

The Bank is majority owned by Libyan Foreign Bank, a bank registered in Libya.

These interim condensed consolidated financial statements comprise the assets, liabilities and operating results of the Bank and its wholly owned subsidiaries International Hotel Development Company S.A.L., Lebanon and Bahrain Real Estate Development Company, Jordan (together "the Group"). The activities of these subsidiaries are limited to the ownership and management of investment properties. All operating and administrative expenses of these subsidiaries are borne directly by the Bank.

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2026 were authorised for issue in accordance with a resolution of the Bank's Board of Directors on 26 April 2026.

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION**

**2.1 Basis of preparation**

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2026 are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34"). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 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.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026.

**2.2 Basis of consolidation**

The interim condensed consolidated financial statements include the financial statements of the Bank and its subsidiaries as at 31 March 2026. The reporting dates of the subsidiaries and the Bank are identical and their accounting policies conform to those used by the Bank for like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

**2.2 Basis of consolidation (continued)**

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- b) Derecognises the carrying amount of any non-controlling interest;
- c) Derecognises the cumulative transaction differences, recorded in equity;
- d) Recognises the fair value of consideration received;
- e) Recognises the fair value of any investment retained;
- f) Recognises any surplus or deficit in the consolidated statement of income; and
- g) Reclassifies the parent's share of a component previously recognised in OCI to consolidated statement of income or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

**2.3 New and amended standards and interpretations effective as of 1 January 2026**

The following new amendments to the accounting standards became effective in 2026 and have been adopted by the Group in preparation of these interim condensed consolidated financial statements as applicable. Further, the Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

*Amendments to Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7*

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments had no impact on the Group's interim condensed financial statements.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)****2.3 New and amended standards and interpretations effective as of 1 January 2026 (continued)***Annual Improvements to IFRS accounting Standards – Volume 11*

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

The amendments had no impact on the Group's interim condensed financial statements.

*Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7*

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments had no impact on Group's interim condensed financial statements.

**2.4 Impact of geopolitical escalation risk and related uncertainty**

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Bahrain, resulting in regional disruptions and increased uncertainty. The Group has assessed the implications of these events on its operations, financial position and performance, including relevant quantitative and qualitative factors when assessing significant increases in credit risk and indicators of impairment.

The Group has also considered the impact of market volatility on the fair values of financial assets. While reported amounts reflect management's best estimates based on available market information, asset values remain sensitive to evolving market conditions. Management continues to monitor developments, and as at the date of authorisation of these interim condensed consolidated financial information, the financial impact cannot be reliably estimated due to the evolving nature of the events.

**3 CASH AND BALANCES WITH CENTRAL BANK AND OTHER BANKS**

	<i>(Reviewed)</i>	<i>(Audited)</i>
	<b>31 March</b>	<b>31 December</b>
	<b>2026</b>	<b>2025</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Cash and balance with bank	<b>61</b>	41
Balances with other banks	<b>22,341</b>	12,936
Treasury bills - balances with Central Bank	<b>588,348</b>	650,591
Provision for expected credit losses	<b>(3,771)</b>	(3,867)
<b>Cash and balances with central bank and other banks</b>	<b>606,979</b>	659,701
Treasury bills - balances with Central Bank with original maturities of more than 90 days	<b>(588,348)</b>	(650,591)
Deposits with banks and other financial institutions with original maturities of 90 days or less	<b>408,498</b>	599,654
<b>Cash and cash equivalents</b>	<b>427,129</b>	608,764

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**3 CASH AND BALANCES WITH CENTRAL BANK AND OTHER BANKS (continued)**

As at 31 March 2026, exposure classified in stage 3 amounted to US\$ 3,769 thousand (31 December 2025: US\$ 3,865 thousand). The remaining exposures are classified within Stage 1.

Movement in provision for expected credit losses were as follows:

	<b>31 March 2026 (Reviewed)</b>			
	<b>Stage 1:</b>	<b>Stage 2:</b>	<b>Stage 3:</b>	<b>Total ECL</b>
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit-</b>	<b>credit-</b>	
<b>US\$'000</b>	<b>impaired</b>	<b>impaired</b>	<b>US\$'000</b>	
<b>Balance at 1 January</b>	<b>2</b>	<b>-</b>	<b>3,865</b>	<b>3,867</b>
Provided during the period	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>
Reversals during the period	<b>(1)</b>	<b>-</b>	<b>-</b>	<b>(1)</b>
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Exchange movement	<b>-</b>	<b>-</b>	<b>(96)</b>	<b>(96)</b>
<b>At 31 March</b>	<b>2</b>	<b>-</b>	<b>3,769</b>	<b>3,771</b>
	<b>31 March 2025 (Reviewed)</b>			
	<b>Stage 1:</b>	<b>Stage 2:</b>	<b>Stage 3:</b>	<b>Total ECL</b>
	<b>12-month</b>	<b>Lifetime ECL</b>	<b>Lifetime ECL</b>	
	<b>ECL</b>	<b>not credit-</b>	<b>credit-</b>	
<b>US\$'000</b>	<b>impaired</b>	<b>impaired</b>	<b>US\$'000</b>	
Balance at 1 January	8	-	3,422	3,430
Provided during the period	2	-	-	2
Reversals during the period	(7)	-	-	(7)
	(5)	-	-	(5)
Exchange Movement	-	-	116	116
<b>At 31 March</b>	<b>3</b>	<b>-</b>	<b>3,538</b>	<b>3,541</b>

**4 INVESTMENT SECURITIES**

	<b>31 March 2026 (Reviewed)</b>		
	<b>FVOCI</b>	<b>Amortised</b>	
		<b>US\$'000</b>	<b>cost</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Quoted investments</b>			
- Sovereign debt securities	<b>194,723</b>	<b>65,922</b>	<b>260,645</b>
- Banks and Corporate debt securities	<b>21,718</b>	<b>6,033</b>	<b>27,751</b>
<b>Total quoted investments</b>	<b>216,441</b>	<b>71,955</b>	<b>288,396</b>
Provision for expected credit losses on investment securities at amortised cost	<b>-</b>	<b>(209)</b>	<b>(209)</b>
<b>Total investment securities</b>	<b>216,441</b>	<b>71,746</b>	<b>288,187</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**4 INVESTMENT SECURITIES (continued)**

	<i>31 December 2025 (Audited)</i>		
	<i>FVOCI</i>	<i>Amortised cost</i>	<i>Total</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Quoted investments			
- Sovereign debt securities	203,332	66,068	269,400
- Banks and Corporate debt securities	22,017	6,038	28,055
Total quoted investments	225,349	72,106	297,455
Provision for expected credit losses on investment securities at amortised cost	-	(222)	(222)
Total investment securities	225,349	71,884	297,233

**Note 4.1**

A reconciliation of changes in gross carrying amounts of investment securities at FVOCI and investment securities at amortised cost by stage is as follows:

	<i>31 March 2026 (Reviewed)</i>			
	<i>Stage 1: US\$ 000</i>	<i>Stage 2: US\$ 000</i>	<i>Stage 3: US\$ 000</i>	<i>Total US\$ 000</i>
<b>Investment securities at FVOCI</b>				
At 1 January	203,200	22,149	-	225,349
Fair value movement	(8,266)	(642)	-	(8,908)
<b>At 31 March</b>	<b>194,934</b>	<b>21,507</b>	<b>-</b>	<b>216,441</b>

	<i>31 March 2025 (Reviewed)</i>			
	<i>Stage 1: US\$ 000</i>	<i>Stage 2: US\$ 000</i>	<i>Stage 3: US\$ 000</i>	<i>Total US\$ 000</i>
Investment securities at FVOCI				
At 1 January	163,916	22,606	-	186,522
Investments purchased	9,799	-	-	9,799
Fair value movement	1,124	135	-	1,259
At 31 March	174,839	22,741	-	197,580

	<i>31 March 2026 (Reviewed)</i>			
	<i>Stage 1: US\$ 000</i>	<i>Stage 2: US\$ 000</i>	<i>Stage 3: US\$ 000</i>	<i>Total US\$ 000</i>
<b>Investment securities at amortised cost</b>				
At 1 January	72,106	-	-	72,106
Investments purchased	7,440	-	-	7,440
Investments matured	(7,500)	-	-	(7,500)
Amortisation of premium / discount - net	(91)	-	-	(91)
<b>At 31 March</b>	<b>71,955</b>	<b>-</b>	<b>-</b>	<b>71,955</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**4 INVESTMENT SECURITIES (continued)****Note 4.1 (continued)**

	31 March 2025 (Reviewed)			Total US\$ 000
	Stage 1: US\$ 000	Stage 2: US\$ 000	Stage 3: US\$ 000	
Investment securities at amortised cost				
At 1 January	74,215	10,010	-	84,225
Investments matured	(5,000)	-	-	(5,000)
Amortisation of premium / discount - net	(169)	(5)	-	(174)
At 31 March	69,046	10,005	-	79,051

**Note 4.2**

Movements in provision for expected credit losses of FVOCI investments were as follows:

	FVOCI 31 March 2026 (Reviewed)			Total US\$ 000
	Stage 1: ECL US\$ 000	Stage 2: Lifetime ECL not credit- impaired US\$ 000	Stage 3: Lifetime ECL credit- impaired US\$ 000	
Balance at 1 January	500	288	-	788
Provided during the period	1	-	-	1
Reversals during the period	(44)	(25)	-	(69)
	(43)	(25)	-	(68)
At 31 March	457	263	-	720

	FVOCI 31 March 2025 (Reviewed)			US\$ '000 Total US\$ 000
	Stage 1: 12-month ECL US\$ 000	Stage 2: Lifetime ECL not credit- impaired US\$ 000	Stage 3: Lifetime ECL credit- impaired US\$ 000	
Balance at 1 January	378	727	-	1,105
Provided during the period	299	-	-	299
Reversals during the period	(22)	(90)	-	(112)
	277	(90)	-	187
At 31 March	655	637	-	1,292

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**4 INVESTMENT SECURITIES (continued)****Note 4.2 (continued)**

Movements in provision for expected credit losses of amortised cost investments were as follows:

	<i>Amortised cost</i>		
	<i>31 March 2026 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	
	<i>12-month</i>	<i>Lifetime ECL</i>	
	<i>ECL</i>	<i>not credit-</i>	<i>Total ECL</i>
	<i>US\$ '000</i>	<i>impaired</i>	<i>US\$ '000</i>
<b>Balance at 1 January</b>	<b>222</b>	<b>-</b>	<b>222</b>
Provided during the period	1	-	1
Reversals during the period	(14)	-	(14)
	(13)	-	(13)
<b>At 31 March</b>	<b>209</b>	<b>-</b>	<b>209</b>

	<i>Amortised cost</i>		
	<i>31 March 2025 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	
	<i>12-month</i>	<i>Lifetime ECL</i>	
	<i>ECL</i>	<i>not credit-</i>	<i>Total ECL</i>
	<i>US\$ '000</i>	<i>impaired</i>	<i>US\$ '000</i>
Balance at 1 January	163	95	258
Provided during the period	-	-	-
Reversals during the period	(13)	(36)	(49)
	(13)	(36)	(49)
<b>At 31 March</b>	<b>150</b>	<b>59</b>	<b>209</b>

**5 LOANS AND ADVANCES**

Loans and advances are stated net of provision for loan losses.

	<i>31 March 2026 (Reviewed)</i>			
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Stage 3:</i>	
	<i>12-month</i>	<i>Lifetime ECL</i>	<i>Lifetime ECL</i>	
	<i>ECL</i>	<i>not credit-</i>	<i>credit-</i>	<i>Total</i>
	<i>US\$ '000</i>	<i>impaired</i>	<i>impaired</i>	<i>US\$ '000</i>
Letters of credit - financing and discounting	46,526	-	25,535	72,061
Commercial loans	56,137	-	48,577	104,714
Sovereign loans	12,683	-	-	12,683
	115,346	-	74,112	189,458
Provision for expected credit losses	(768)	-	(56,682)	(57,450)
	114,578	-	17,430	132,008

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

## 5 LOANS AND ADVANCES (continued)

	31 December 2025 (Audited)			Total US\$ '000
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Letters of credit - financing and discounting	69,498	-	32,505	102,003
Commercial loans	64,689	-	29,369	94,058
Sovereign loans	15,936	-	-	15,936
	150,123	-	61,874	211,997
Provision for expected credit losses	(1,212)	-	(50,972)	(52,184)
	148,911	-	10,902	159,813

Movements in provision for expected credit losses were as follows:

	31 March 2026			Total ECL US\$ '000
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
<b>Balance at 1 January</b>	1,212	-	50,972	52,184
Transfer to Stage 3	(16)	-	16	-
Provided during the period	22	-	704	726
Reversals during the period	(450)	-	-	(450)
	(444)	-	720	276
Exchange and other movement *	-	-	4,990	4,990
<b>At 31 March</b>	768	-	56,682	57,450

\* During the three-month period ended 31 March 2026, the Group progressed with the restructuring of a Stage 3 exposure. In accordance with the terms of the restructuring agreement, the original exposure was converted from foreign currency to presentation currency, and previously suspended interest was capitalised into the gross carrying amount of the exposure. As a result, the related expected credit loss provision increased, reflecting the revised gross exposure as well as the impact of foreign exchange movements during the period.

	31 March 2025 (Reviewed)			Total ECL US\$ '000
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	
	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Balance at 1 January	957	-	54,653	55,610
Provided during the period	685	-	-	685
Reversals during the period **	(338)	-	(2,000)	(2,338)
	347	-	(2,000)	(1,653)
Exchange movement	-	-	650	650
<b>At 31 March</b>	1,304	-	53,303	54,607

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**5 LOANS AND ADVANCES (continued)**

\*\* During the three month period ended 31 March 2026, the Group had no recoveries in relation fully provided financing facilities (31 March 2025: US\$ 2,000 thousand).

At 31 March 2026, interest in suspense on past due loans that are impaired amounted to US\$ 32,705 thousand (31 March 2025: US\$ 34,329 thousand).

**6 PROVISION (CHARGE) REVERSAL FOR EXPECTED CREDIT LOSSES - NET**

	<i>Three months ended (Reviewed)</i>	
	<b>31 March 2026 US\$'000</b>	<b>31 March 2025 US\$'000</b>
(Charge) reversal of expected credit losses on:		
Balances with Central Banks and other banks - net	-	5
Deposits with banks and other financial institutions - net	<b>(20)</b>	3
Investment securities - net	<b>81</b>	(138)
Loans - net	<b>(276)</b>	1,653
Off balance sheet exposures - net	<b>(14)</b>	(116)
	<b>(229)</b>	1,407

**7 CONTINGENT LIABILITIES****Credit related contingencies**

	<i>(Reviewed)</i>	<i>(Audited)</i>
	<b>31 March 2026 US\$'000</b>	<b>31 December 2025 US\$'000</b>
Letters of credit	<b>47,341</b>	29,366

As at 31 March 2026 all the above exposures are classified within Stage 1 (31 December 2025: same). Further, provision against off balance sheet exposures amounting to US\$ 47 thousand (31 December 2025: US\$ 33 thousand) is classified under other liabilities.

**8 DIVIDEND**

Dividend for the year ended 31 December 2025 amounting to US\$ 20 million i.e. US\$ 4 per share was approved by the shareholders at the Annual General Assembly meeting held on 29 March 2026. The dividend is payable at the reporting date and is presented under other liabilities in these financial statements.

**9 TAXATION**

Tax expense for the period was as follows:

	<i>Three months ended (Reviewed)</i>	
	<b>31 March 2026 US\$'000</b>	<b>31 March 2025 US\$'000</b>
Domestic minimum top-up tax	<b>1,184</b>	1,054

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**9 TAXATION (continued)**

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) Pillar 2 model rules, under which multinational entities (MNE Group) whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate.

The Kingdom of Bahrain issued Decree-Law no (11) of 2024 (the "Law") on 1 September 2024 introducing DMTT effective from the year 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. This was followed by Executive regulations issued on 15 December 2024 under decision no (172) of 2024. The Law provides that a top-up tax of shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax of all the constituent entities of the MNE Group operating in Kingdom of Bahrain.

**10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties represent shareholders, directors and key management personnel of the Bank, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of financial position and interim consolidated statement of profit or loss are as follows:

	<i>(Reviewed)</i> <b>31 March</b> <b>2026</b> <b>US\$'000</b>	<i>(Audited)</i> <b>31 December</b> <b>2025</b> <b>US\$'000</b>
<b>Interim consolidated statement of financial position</b>		
<b>Assets</b>		
Balances with banks	628	828
Deposits with banks and other financial institutions	9,450	11,160
Loans and advances	4,583	4,699
Interest receivable	13	14
Other assets	18	18
	<b>(Reviewed)</b> <b>31 March</b> <b>2026</b> <b>US\$'000</b>	<b>(Audited)</b> <b>31 December</b> <b>2025</b> <b>US\$'000</b>
<b>Liabilities</b>		
Deposits from banks and other financial institutions *	313,170	486,234
Due to banks and other financial institutions	11,777	8,664
Interest payable	4,093	2,334
Other liabilities	82	72
<b>Contingent liabilities</b>		
Letters of credit	11,435	11,748

\* Deposits from banks and other financial institutions include pledged cash collateral deposits amounting to US\$ 150 million (31 December 2025: US\$ 150 million) from the major shareholder of the Group for foreign trade business that the Group will receive from certain banking entities.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)**

	<i>Three months ended</i>	
	<i>(Reviewed)</i>	
	<b>31 March</b>	<b>31 March</b>
	<b>2026</b>	<b>2025</b>
	<b>US\$ '000</b>	<b>US\$ '000</b>
<b>Interim consolidated statement of profit or loss</b>		
Interest income	136	104
Interest expense	4,351	5,883
Fee and commission income - net	133	54
	<b>136</b>	<b>104</b>
	<b>4,351</b>	<b>5,883</b>
	<b>133</b>	<b>54</b>
	<b>939</b>	<b>853</b>
<b>Compensation paid to the Board of Directors and key management personnel</b>		
Short term benefits*	894	786
End of service benefits	45	67
	<b>894</b>	<b>786</b>
	<b>45</b>	<b>67</b>
	<b>939</b>	<b>853</b>

\*Includes sitting fees of US\$ 64 thousand (31 March 2025: US\$ 62 thousand), reimbursement of travel, accommodation paid to the members of Board of Directors and other meeting expenses amounting to US\$ 49 thousand (31 March 2025: US\$ 34 thousand).

**11 FINANCIAL INSTRUMENTS**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

**Fair value hierarchy**

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

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

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

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

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**11 FINANCIAL INSTRUMENTS (continued)*****Fair value hierarchy (continued)****Fair value hierarchy - financial instruments measured at fair value*

The following table provides the fair value measurement hierarchy of the Group's financial instruments measured at fair value:

***At 31 March 2026 (Reviewed)***

	<b><i>Level 1</i></b> <b><i>US\$ '000</i></b>	<b><i>Level 2</i></b> <b><i>US\$ '000</i></b>	<b><i>Total</i></b> <b><i>US\$ '000</i></b>
Investments classified as fair value through			
- other comprehensive income	<b>216,441</b>	-	<b>216,441</b>
Investment in fund	-	<b>17,011</b>	<b>17,011</b>
Investments held for trading	<b>9,446</b>	-	<b>9,446</b>
	<b>225,887</b>	<b>17,011</b>	<b>242,898</b>

***At 31 December 2025 (Audited)***

	<b><i>Level 1</i></b> <b><i>US\$ '000</i></b>	<b><i>Level 2</i></b> <b><i>US\$ '000</i></b>	<b><i>Total</i></b> <b><i>US\$ '000</i></b>
Investments classified as fair value through			
- other comprehensive income	225,349	-	225,349
Investment in fund	-	17,416	17,416
Investments held for trading	2,035	-	2,035
	<b>227,384</b>	<b>17,416</b>	<b>244,800</b>

The Group has no financial instruments measured at fair value qualifying for level 3 of the fair value hierarchy as at 31 March 2026 and as at 31 December 2025.

**Transfers between level 1, level 2 and level 3**

During the three month period ended 31 March 2025 and 2024 respectively, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of the level 3 fair value measurement.

***Financial instruments not measured at fair value - comparison of fair value to carrying value***

The following table provides details of the Group's financial instruments carried at amortised cost where the fair value is different from its carrying value. Management has assessed that the fair values of other financial instruments other than those disclosed below to approximate their carrying values as of 31 March 2026 and 31 December 2025.

***At 31 March 2026 (Reviewed)***

	<b><i>Total fair</i></b> <b><i>value</i></b> <b><i>US\$ '000</i></b>	<b><i>Gross</i></b> <b><i>Carrying</i></b> <b><i>value</i></b> <b><i>US\$ '000</i></b>
Investments at amortised cost	<b>70,862</b>	<b>71,955</b>
Loans and advances - sovereign loans	<b>13,368</b>	<b>12,683</b>
	<b>84,230</b>	<b>84,638</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

**11 FINANCIAL INSTRUMENTS (continued)*****Financial instruments not measured at fair value - comparison of fair value to carrying value (continued)****At 31 December 2025 (Audited)*

	<i>Total fair value US\$ '000</i>	<i>Carrying value US\$ '000</i>
Investments at amortised cost	73,351	72,106
Loans and advances - sovereign loans	17,077	15,936
	<u>90,428</u>	<u>88,042</u>

**12 LIQUIDITY RATIOS*****Liquidity Coverage Ratio***

The Group is subject to the Basel III liquidity ratios requirement, as stipulated by the regulator Central Bank of Bahrain, whereby the Bank is required to maintain a minimum of 100% Liquidity Coverage ratio (LCR).

The main objective of the Liquidity Coverage Ratio (LCR) is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient level of high-quality liquid assets (HQLA) to survive a significant stress scenario lasting for a period of up to 30 days.

At 31 March 2026, the Group's LCR was well above the regulatory requirement and stood at 1283% (31 December 2025: 1053%). The Group's simple average of daily LCR computed on working days of the quarter was 933% (31 December 2025: 707%).

***Net Stable Funding Ratio***

The Group is subject to the Basel III liquidity ratios requirement, as stipulated by the regulator Central Bank of Bahrain, whereby the Bank is required to maintain a minimum of 100% Net Stable Funding ratio (NSFR).

The objective of the NSFR is to promote the resilience of the banking system by improving the funding profile of banks by ensuring they have a sufficient level of stable funding from stable sources and long term borrowing in relation to their assets and commitments, in order to reduce the risks of disruptions which might impact the bank's liquidity position.

The Groups NSFR was well above the regulatory requirement and stood at 199% as at 31 March 2026 (31 December 2025: 200%). The main drivers for robust Available Stable Funding (ASF) is its sizeable capital base, which contributes about 52% (31 December 2025: 55%) of total ASF and the remaining 48% (31 December 2025: 51%) of ASF constituted funding from deposits from financial institutions and non-financial corporate customers. Required Stable Funding (RSF), primarily comprised of short term deposit placements with Banks and other performing loans, which constituted about 40% (31 December 2025: 45%) of total RSF. High quality liquid assets (that comprised mainly of Bahrain government securities and other highly rated debt issuances) accounted for about 13% (31 December 2025: 12%) of the total RSF, while non-HQLA securities accounted for 28% (31 December 2025: 26%) of the total RSF.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2026

12 LIQUIDITY RATIOS (continued)

**Net Stable Funding Ratio (continued)**

The NSFR (as a percentage) is calculated as follows:

	<i>Unweighted Values (i.e. before applying relevant factors)</i>				<b>31 March 2026</b>	<i>31 December 2025</i>
					<b>US\$ 000s</b>	<i>US\$ 000s</i>
<i>Item</i>	<b>No specified maturity</b>	<b>Less than 6 months</b>	<b>More than 6 months and less than one year</b>	<b>Over one year</b>	<b>Total weighted value</b>	<b>Total weighted value</b>
<b>Available Stable Funding (ASF):</b>						
<b>Capital:</b>						
Regulatory Capital	358,211	-	-	-	358,211	381,887
<b>Wholesale funding:</b>						
Other wholesale funding	-	743,657	480,882	-	329,313	395,204
<b>Other liabilities:</b>						
All other liabilities not included in the above categories	-	33,968	2,342	-	-	-
<b>Total ASF</b>					<b>687,524</b>	<b>777,091</b>
<b>Required Stable Funding (RSF):</b>						
High-quality liquid assets (HQLA)					44,915	48,456
<b>Performing loans and securities:</b>						
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	594,282	31,937	22,913	128,024	154,084
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities	-	1	-	12,683	10,781	19,602
Performing residential mortgages, of which: Securities/sukuk that are not in default and do not qualify as HQLA, including exchange- traded equities	-	4,998	26,051	97,267	98,201	101,865
<b>Other assets:</b>						
All other assets not included in the above categories	61,931	-	-	-	61,870	63,404
Off balance sheet items	47,341	-	-	-	2,367	1,468
<b>Total RSF</b>					<b>346,158</b>	<b>388,879</b>
<b>NSFR (%)</b>					<b>199%</b>	<b>200%</b>