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

INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026 (REVIEWED)

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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 30 June 2026, comprising the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statements of profit or loss and comprehensive income for the three-month period and six-month period then ended, and the interim condensed consolidated cash flows and changes in equity for the six-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.

Ernst + Young

30 July 2026
Manama, Kingdom of Bahrain

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

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2026

	Note	*(Reviewed) 30 June 2026 US$'000*	*(Audited) 31 December 2025 US$'000*
ASSETS			
Cash and balances with central bank and other banks	3	**679,626**	659,701
Deposits with banks and other financial institutions		**712,011**	607,679
Investment held for trading		**9,755**	2,035
Investment in fund		**19,124**	17,426
Investment securities	4	**284,871**	297,233
Loans and advances	5	**192,423**	159,813
Investment property		**14,494**	14,538
Property, equipment and software		**5,321**	5,442
Interest receivable		**18,779**	18,488
Other assets		**984**	5,642
TOTAL ASSETS		**1,937,388**	1,787,997
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from banks and other financial institutions		**683,977**	542,234
Due to banks and other financial institutions		**193,908**	240,720
Due to customers		**672,944**	606,868
Interest payable		**8,696**	4,127
Other liabilities		**7,567**	13,676
TOTAL LIABILITIES		**1,567,092**	1,407,625
EQUITY			
Share capital		**250,000**	250,000
Statutory reserve		**38,587**	38,587
Retained earnings		**83,672**	68,324
Fair value reserve		**(1,963)**	3,461
Proposed dividend	8	**-**	20,000
TOTAL EQUITY		**370,296**	380,372
TOTAL LIABILITIES AND EQUITY		**1,937,388**	1,787,997

Abdulmgid Emhamed
Vice Chairman

Wisam Alsaadi Alkeelany
Chairman

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

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six months ended 30 June 2026

	Note	*Three months ended 30 June (Reviewed)* **2026** **US$'000**	*2025* *US$'000*	*Six months ended 30 June (Reviewed)* **2026** **US$'000**	*2025* *US$'000*
Interest income		**19,882**	18,146	**39,750**	37,664
Interest expense		**(8,332)**	(8,486)	**(16,662)**	(16,963)
Net interest income		**11,550**	9,660	**23,088**	20,701
Fee and commission income		**755**	401	**1,258**	943
Trading income (loss) - net		**309**	19	**(229)**	15
Unrealised gain on investment in fund		**2,114**	822	**1,698**	659
Gain on investment securities - net		**115**	25	**115**	25
Foreign exchange gain - net		**693**	71	**1,074**	147
Other income		**47**	33	**77**	89
Operating income		**15,583**	11,031	**27,081**	22,579
Provision for expected credit losses - net	6	**(600)**	(2,096)	**(829)**	(689)
Net operating income		**14,983**	8,935	**26,252**	21,890
Staff costs		**(2,483)**	(2,595)	**(5,578)**	(5,346)
Depreciation		**(172)**	(155)	**(345)**	(316)
Other operating expenses		**(1,283)**	(989)	**(2,381)**	(2,303)
Operating expenses		**(3,938)**	(3,739)	**(8,304)**	(7,965)
Profit for the period before taxation		**11,045**	5,196	**17,948**	13,925
Income tax expense	9	**(1,416)**	(1,054)	**(2,600)**	(2,108)
NET PROFIT FOR THE PERIOD		**9,629**	4,142	**15,348**	11,817

Abdulmagid Emhamed
Vice Chairman

Wisam Alsaadi Alkeelany
Chairman

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

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2026

	Three months ended 30 June (Reviewed)		Six months ended 30 June (Reviewed)	
	2026	*2025*	***2026***	*2025*
	US$'000	*US$'000*	***US$'000***	*US$'000*
NET PROFIT FOR THE PERIOD	**9,629**	4,142	**15,348**	11,817
Other comprehensive gain (loss):				
Other comprehensive gain (loss) to be reclassified to profit or loss in subsequent periods:				
Unrealised fair value gain (loss) on investments classified as fair value through other comprehensive income ("FVOCI") - net	**3,774**	1,454	**(5,134)**	2,713
Other comprehensive loss classified to profit or loss during the period:				
Changes in allowance for expected credit losses on FVOCI investments	**(222)**	(64)	**(290)**	123
Other comprehensive gain (loss) for the period	**3,552**	1,390	**(5,424)**	2,836
Total comprehensive income for the period	**13,181**	5,532	**9,924**	14,653

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

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Six months ended 30 June 2026

	Note	Six months ended 30 June (Reviewed) 2026 US$'000	2025 US$'000
OPERATING ACTIVITIES			
Profit for the period before taxation		**17,948**	13,925
Adjustments for:			
Provision charge for expected credit losses - net	6	**829**	689
Depreciation		**345**	316
Amortisation of investments carried at amortised cost	4.1	**177**	336
Trading loss (income) - net		**229**	(15)
Unrealised gain on investment in fund		**(1,698)**	(659)
Gain on investment securities - net		**(115)**	(25)
Gain on sale of property, equipment and software		**(19)**	(29)
Amortisation of loans and advances carried at amortised cost		**(360)**	(428)
Operating profit before changes in operating assets and liabilities		**17,336**	14,110
Changes in operating assets and liabilities:			
Balances with central bank		**5,965**	(26,568)
Deposits with banks and other financial institutions		**(150,512)**	19,355
Loans and advances		**(32,993)**	(10,319)
Interest receivable and other assets		**4,367**	1,110
Deposits from banks and other financial institutions		**141,743**	(138,419)
Due to banks and other financial institutions		**(46,812)**	(79,744)
Due to customers		**66,076**	(207,145)
Interest payable and other liabilities		**(1,448)**	(306)
Income tax paid		**(2,991)**	-
Net cash generated from (used in) operating activities		**731**	(427,926)
INVESTING ACTIVITIES			
Purchase of investments classified as held for trading		**(24,479)**	(1,960)
Purchase of investment securities		**(47,777)**	(24,271)
Purchase of property, equipment and software		**(180)**	(2)
Proceeds from disposal / maturity of investments classified as held for trading		**16,530**	16,411
Proceeds from disposal / maturity of investment securities		**54,885**	12,500
Proceeds from disposal of property, equipment and software		**19**	29
Net cash (used in) generated from investing activities		**(1,002)**	2,707
FINANCING ACTIVITY			
Dividend paid and cash used in financing activity		**(20,000)**	(20,000)
Cash used in financing activity		**(20,000)**	(20,000)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS		**(20,271)**	(445,219)
Cash and cash equivalents at beginning of the period		**608,764**	738,931
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		**588,493**	293,712
Cash and cash equivalents comprise:			
Cash and balances with central bank and other banks with original maturity of 90 days or less - net		**35,000**	3,035
Deposits with banks and other financial institutions with original maturity of 90 days or less		**553,493**	290,677
	3	**588,493**	293,712

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

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2026

	Share capital US$'000	*Statutory reserve US$'000*	*Retained earnings US$'000*	*Fair value reserve US$'000*	*Proposed dividend US$'000*	*Total US$'000*
Balance as at 1 January 2026	**250,000**	**38,587**	**68,324**	**3,461**	**20,000**	**380,372**
Net profit for the period	**-**	**-**	**15,348**	**-**	**-**	**15,348**
Other comprehensive loss for the period	**-**	**-**	**-**	**(5,424)**	**-**	**(5,424)**
Total comprehensive income (loss) for the period	**-**	**-**	**15,348**	**(5,424)**	**-**	**9,924**
Dividend paid (note 8)	**-**	**-**	**-**	**-**	**(20,000)**	**(20,000)**
At 30 June 2026	**250,000**	**38,587**	**83,672**	**(1,963)**	**-**	**370,296**
Balance as at 1 January 2025	250,000	35,549	65,984	(4,091)	15,000	362,442
Net profit for the period	-	-	11,817	-	-	11,817
Other comprehensive income for the period	-	-	-	2,836	-	2,836
Total comprehensive income for the period	-	-	11,817	2,836	-	14,653
Increase in proposed dividend	-	-	(5,000)	-	5,000	-
Dividend paid	-	-	-	-	(20,000)	(20,000)
At 30 June 2025	250,000	35,549	72,801	(1,255)	-	357,095

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

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 six month period ended 30 June 2026 were authorised for issue in accordance with a resolution of the Bank's Board of Directors on 30 July 2026.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Bank and the Group for the six month period ended 30 June 2026 are prepared in accordance with International Accounting Standard 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 six month period ended 30 June 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 30 June 2026. The reporting dates of the subsidiaries and the Bank are identical and the subsidiaries’ 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 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. 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.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (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.

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 FVOCI.

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

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (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 consolidated 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 the Group’s interim condensed consolidated 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

	(Reviewed)	*(Audited)*
	30 June	*31 December*
	2026	*2025*
	US$'000	*US$'000*
Cash in hand	**46**	41
Balances with other banks	**38,712**	12,936
Treasury bills - issued by Central Bank of Bahrain	**644,626**	650,591
Provision for expected credit losses	**(3,758)**	(3,867)
Cash and balances with central bank and other banks	**679,626**	659,701
Treasury bills - issued by Central Bank of Bahrain with original maturities of more than 90 days	**(644,626)**	(650,591)
Deposits with banks and other financial institutions with original maturities of 90 days or less	**553,493**	599,654
Cash and cash equivalents	**588,493**	608,764

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

As at 30 June 2026, exposure classified in stage 3 amounted to US$ 3,756 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:

	30 June 2026 (Reviewed)			
	Stage 1: 12-month ECL US$'000	***Stage 2: Lifetime ECL not credit-impaired US$'000***	***Stage 3: Lifetime ECL credit-impaired US$'000***	***Total ECL US$'000***
Balance at 1 January	**2**	**-**	**3,865**	**3,867**
Provided during the period	**1**	**-**	**-**	**1**
Reversals during the period	**(1)**	**-**	**-**	**(1)**
	-	**-**	**-**	**-**
Exchange movement	**-**	**-**	**(109)**	**(109)**
At 30 June	**2**	**-**	**3,756**	**3,758**

	30 June 2025 (Reviewed)			
	Stage 1: 12-month ECL US$'000	*Stage 2: Lifetime ECL not credit-impaired US$'000*	*Stage 3: Lifetime ECL credit-impaired US$'000*	*Total ECL US$'000*
Balance at 1 January	8	-	3,422	3,430
Provided during the period	1	-	-	1
Reversals during the period	(7)	-	-	(7)
	(6)	-	-	(6)
Exchange movement	-	-	436	436
At 30 June	2	-	3,858	3,860

4 INVESTMENT SECURITIES

	30 June 2026 (Reviewed)		
	FVOCI US$'000	***Amortised cost US$'000***	***Total US$'000***
Quoted investments			
- Sovereign debt securities	**181,822**	**73,428**	**255,250**
- Banks and corporate debt securities	**16,589**	**13,312**	**29,901**
Total quoted investments	**198,411**	**86,740**	**285,151**
Provision for expected credit losses on investment securities at amortised cost	**-**	**(280)**	**(280)**
Total investment securities	**198,411**	**86,460**	**284,871**

4 INVESTMENT SECURITIES (continued)

	31 December 2025 (Audited)		
	FVOCI	*Amortised cost*	*Total*
	US$'000	*US$'000*	*US$'000*
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:

	30 June 2026 (Reviewed)		
	Stage 1:	***Stage 2:***	***Total***
	US$ 000	***US$ 000***	***US$ 000***
Investment securities at FVOCI			
At 1 January	**203,200**	**22,149**	**225,349**
Investments purchased	**25,466**	**-**	**25,466**
Investments sold / matured	**(47,270)**	**-**	**(47,270)**
Transfers between stages	**12,569**	**(12,569)**	**-**
Fair value movement	**(5,144)**	**10**	**(5,134)**
At 30 June	**188,821**	**9,590**	**198,411**

	30 June 2025 (Reviewed)		
	Stage 1:	*Stage 2:*	*Total*
	US$ 000	*US$ 000*	*US$ 000*
At 1 January	163,916	22,606	186,522
Investments purchased	16,799	-	16,799
Investments sold / matured	(2,475)	-	(2,475)
Fair value movement	1,960	753	2,713
At 30 June	180,200	23,359	203,559

	30 June 2026 (Reviewed)		
	Stage 1:	***Stage 2:***	***Total***
	US$ 000	***US$ 000***	***US$ 000***
Investment securities at amortised cost			
At 1 January	**72,106**	**-**	**72,106**
Investments purchased	**22,311**	**-**	**22,311**
Investments matured	**(7,500)**	**-**	**(7,500)**
Amortisation of premium / discount - net	**(177)**	**-**	**(177)**
At 30 June	**86,740**	**-**	**86,740**

4 INVESTMENT SECURITIES (continued)

	30 June 2025 (Reviewed)		
	Stage 1:	*Stage 2:*	*Total*
	US$ 000	*US$ 000*	*US$ 000*
At 1 January	74,215	10,010	84,225
Investments purchased	7,472	-	7,472
Investments matured	(5,000)	(5,000)	(10,000)
Amortisation of premium / discount - net	(327)	(9)	(336)
At 30 June	76,360	5,001	81,361

Note 4.2
Movements in provision for expected credit losses of FVOCI investments were as follows:

	FVOCI 30 June 2026 (Reviewed)			
	Stage 1: ECL US$ 000	***Stage 2: Lifetime ECL not credit-impaired US$ 000***	***Stage 3: Lifetime ECL credit-impaired US$ 000***	***Total US$ 000***
Balance at 1 January	**500**	**288**	**-**	**788**
Transfer to stage 1	**272**	**(272)**		**-**
Provided during the period	**79**	**-**	**-**	**79**
Reversals during the period	**(361)**	**(8)**	**-**	**(369)**
	(10)	**(280)**	**-**	**(290)**
At 30 June	**490**	**8**	**-**	**498**

	FVOCI 30 June 2025 (Reviewed)			
	Stage 1: 12-month ECL US$ 000	*Stage 2: Lifetime ECL not credit-impaired US$ 000*	*Stage 3: Lifetime ECL credit-impaired US$ 000*	*US$ '000 Total US$ 000*
Balance at 1 January	378	727	-	1,105
Provided during the period	300	-	-	300
Reversals during the period	(40)	(137)	-	(177)
	260	(137)	-	123
At 30 June	638	590	-	1,228

4 INVESTMENT SECURITIES (continued)

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

	Amortised cost 30 June 2026 (Reviewed)			
	Stage 1: 12-month ECL US$ 000	***Stage 2: Lifetime ECL not credit-impaired US$ 000***	***Stage 3: Lifetime ECL credit-impaired US$ 000***	***Total ECL US$ '000***
Balance at 1 January	**222**	**-**	**-**	**222**
Provided during the period	**90**	**-**	**-**	**90**
Reversals during the period	**(32)**	**-**	**-**	**(32)**
	58	**-**	**-**	**58**
At 30 June	**280**	**-**	**-**	**280**

	Amortised cost 30 June 2025 (Reviewed)			
	Stage 1: 12-month ECL US$ '000	*Stage 2: Lifetime ECL not credit-impaired US$ '000*	*Stage 3: Lifetime ECL credit-impaired US$ '000*	*Total ECL US$ '000*
Balance at 1 January	163	95	-	258
Reversals during the period	(27)	(72)	-	(99)
At 30 June	136	23	-	159

5 LOANS AND ADVANCES

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

	30 June 2026 (Reviewed)			
	Stage 1: 12-month ECL US$ 000	***Stage 2: Lifetime ECL not credit-impaired US$ 000***	***Stage 3: Lifetime ECL credit-impaired US$ 000***	***Total US$ 000***
Letters of credit - financing and discounting	**48,834**	**-**	**25,535**	**74,369**
Commercial loans	**114,532**	**-**	**48,577**	**163,109**
Sovereign loans	**12,862**	**-**	**-**	**12,862**
	176,228	**-**	**74,112**	**250,340**
Provision for expected credit losses	**(1,235)**	**-**	**(56,682)**	**(57,917)**
	174,993	**-**	**17,430**	**192,423**

5 LOANS AND ADVANCES (continued)

	31 December 2025 (Audited)			
	Stage 1: 12-month ECL US$ 000	*Stage 2: Lifetime ECL not credit-impaired US$ 000*	*Stage 3: Lifetime ECL credit-impaired US$ 000*	*Total 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:

	30 June 2026 (Reviewed)			
	Stage 1: 12-month ECL US$ '000	***Stage 2: Lifetime ECL not credit-impaired US$ '000***	***Stage 3: Lifetime ECL credit-impaired US$ '000***	***Total ECL US$ '000***
Balance at 1 January	**1,212**	**-**	**50,972**	**52,184**
Transfer to Stage 3	**(16)**	**-**	**16**	**-**
Provided during the period	**589**	**-**	**704**	**1,293**
Reversals during the period	**(550)**	**-**	**-**	**(550)**
	23	**-**	**720**	**743**
Exchange and other movement *	**-**	**-**	**4,990**	**4,990**
At 30 June	**1,235**	**-**	**56,682**	**57,917**

* During the six month period ended 30 June 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.

	30 June 2025 (Reviewed)			
	Stage 1: 12-month ECL US$ '000	*Stage 2: Lifetime ECL not credit-impaired US$ '000*	*Stage 3: Lifetime ECL credit-impaired US$ '000*	*Total ECL US$ '000*
Balance at 1 January	957	-	54,653	55,610
Provided during the period	1,205	9	1,978	3,192
Reversals during the period**	(443)	-	(2,000)	(2,443)
	762	9	(22)	749
Exchange movement	-	-	2,441	2,441
At 30 June	1,719	9	57,072	58,800

** During the six month period ended 30 June 2026, the Group had no recoveries in relation to fully provided financing facilities (30 June 2025: US$ 2,000 thousand).

5 LOANS AND ADVANCES (continued)

At 30 June 2026, interest in suspense on past due loans that are impaired amounted to US$ 33,571 thousand (30 June 2025: US$ 35,340 thousand).

6 PROVISION FOR EXPECTED CREDIT LOSSES

	Six months ended (Reviewed)	
	30 June 2026 US$'000	*30 June 2025 US$'000*
(Charge for) reversal of expected credit losses on:		
Balances with central banks and other banks - net	**-**	6
Deposits with banks and other financial institutions - net	**(19)**	19
Investment securities - net	**232**	(24)
Loans - net	**(743)**	(749)
Off balance sheet exposures - net	**(299)**	59
	(829)	(689)

7 CONTINGENT LIABILITIES

Credit related contingencies

	(Reviewed) 30 June 2026 US$'000	*(Audited) 31 December 2025 US$'000*
Letters of credit	**199,273**	29,366

As at 30 June 2026 all the above exposures are classified within Stage 1 (31 December 2025: same). Further, provision against off balance sheet exposures amounting to US$ 332 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 proposed dividend was also paid during the period.

9 INCOME TAX EXPENSE

Tax expense for the period was as follows:

	Six months ended (Reviewed)	
	30 June 2026 US$'000	*30 June 2025 US$'000*
Domestic Minimum Top-up Tax ("DMTT")	**2,600**	2,108

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.

9 INCOME TAX EXPENSE (continued)

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:

	(Reviewed) ***30 June 2026*** ***US$'000***	*(Audited)* *31 December 2025* *US$'000*
Interim consolidated statement of financial position		
Assets		
Cash and balances with banks	**583**	828
Deposit with banks and financial institutions	**-**	11,160
Loans and advances	**16,460**	4,699
Interest receivable	**12**	14
Other assets	**58**	18
Liabilities		
Deposits from banks and other financial institutions *	**513,339**	486,234
Due to banks and other financial institutions	**15,520**	8,664
Interest payable	**2,824**	2,334
Other liabilities	**379**	72
Contingent liabilities		
Letters of credit	**16,437**	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.

	Six months ended (Reviewed)	
	30 June 2026 US$ '000	*30 June 2025 US$ '000*
Interim statement of profit or loss		
Interest income	**404**	203
Interest expense	**8,703**	12,210
Fee and commission income - net	**329**	106

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

	Six months ended (Reviewed)	
	30 June 2026	*30 June 2025*
	US$ '000	*US$ '000*
Compensation paid to the Board of Directors and key management personnel		
Short term benefits*	**1,682**	1,562
End of service benefits	**89**	132
	1,771	1,694

*Includes sitting fees of US$ 143 thousand (30 June 2025: US$ 115 thousand), reimbursement of travel, accommodation paid to the Board of Directors and other meeting expenses amounting to US$ 110 thousand (30 June 2025: US$ 64 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.

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 30 June 2026 (Reviewed)

	Level 1	***Level 2***	***Total***
	US$ '000	***US$ '000***	***US$ '000***
Investments classified as FVOCI	**198,411**	**-**	**198,411**
Investment in fund	**-**	**19,124**	**19,124**
Investments held for trading	**9,755**	**-**	**9,755**
	208,166	**19,124**	**227,290**

11 FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy - financial instruments measured at fair value (continued)

At 31 December 2025 (Audited)

	Level 1 US$ '000	*Level 2 US$ '000*	*Total US$ '000*
Investments classified as FVOCI	225,349	-	225,349
Investment in fund	-	17,426	17,426
Investments held for trading	2,035	-	2,035
	227,384	17,426	244,810

The Group has no financial instruments measured at fair value qualifying for level 3 of the fair value hierarchy as at 30 June 2026 and as at 31 December 2025.

Transfers between level 1, level 2 and level 3

During the six month period ended 30 June 2026 and 2025 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 30 June 2026 and 31 December 2025.

At 30 June 2026 (Reviewed)

	Total fair value US$ '000	***Gross Carrying value US$ '000***
Investments at amortised cost	**86,643**	**86,740**
Loans and advances - sovereign loans	**13,637**	**12,862**
	100,280	**99,602**

At 31 December 2025 (Audited)

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

Management has assessed that the fair values of financial instruments carried at amortised cost (other than those disclosed in the table above) to approximate their carrying values as of 30 June 2026 and 31 December 2025.

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").

12 LIQUIDITY RATIOS (continued)

Liquidity Coverage Ratio (continued)

The main objective of the 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 30 June 2026, the Group's LCR was well above the regulatory requirement and stood at 545% (31 December 2025: 1053%). The Group's simple average of daily LCR computed on working days of the quarter was 745% (31 March 2026: 933%).

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 170% as at 30 June 2026 (31 December 2025: 200%). The main drivers for robust Available Stable Funding ("ASF") is its sizeable capital base, which contributes about 48% (31 December 2025: 49%) of total ASF and the remaining 52% (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 49% (31 December 2025: 45%) of total RSF. HQLA (that comprised mainly of Bahrain government securities and other highly rated debt issuances) accounted for about 10% (31 December 2025: 12%) of the total RSF, while non-HQLA securities accounted for 24% (31 December 2025: 26%) of the total RSF.

12 LIQUIDITY RATIOS (continued)

Net Stable Funding Ratio (continued)

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

	Unweighted Values (i.e. before applying relevant factors)				30 June 2026 USD 000s	31 December 2025 USD 000s
Item	**No specified maturity**	**Less than 6 months**	**More than 6 months and less than one year**	**Over one year**	**Total weighted value**	*Total weighted value*
Available Stable Funding (ASF):						
Capital:						
Regulatory Capital	372,214	-	-	-	372,214	381,887
Wholesale funding:						
Other wholesale funding	-	1,385,953	164,874	-	406,574	395,204
Other liabilities:						
All other liabilities not included in the above categories	-	15,434	251	-	-	-
Total ASF					**778,788**	777,091
Required Stable Funding (RSF):						
High-quality liquid assets (HQLA)					46,460	48,456
Performing loans and securities:						
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	777,175	58,684	44,544	190,462	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	-	42,862	36,433	19,602
Performing residential mortgages, of which: Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	4,704	29,010	109,136	109,623	101,865
Other assets:						
All other assets not included in the above categories	65,690	-	-	-	65,644	63,404
Off balance sheet items	199,273	-	-	-	9,964	1,468
Total RSF					**458,586**	388,879
NSFR (%)					**170%**	200%