

Al Salam Bank B.S.C.
CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION
30 June 2025

Al Salam Bank B.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months period ended 30 June 2025

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Independent auditors' report on review of condensed consolidated interim financial information

To the Board of Directors

Al Salam Bank B.S.C.

Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial information of Al Salam Bank B.S.C. (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 30 June 2025;
- the condensed consolidated statement of income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated statement of comprehensive income for the three-month and six-month periods ended 30 June 2025;
- the condensed consolidated statement of income and attribution related to quasi-equity for the six-month period ended 30 June 2025,
- the condensed consolidated statement of changes in owners' equity for the six-month period ended 30 June 2025;
- the condensed consolidated statement of cash flows for the six-month period ended 30 June 2025;
- the condensed consolidated statement of changes in off-balance sheet assets under management for the six-month period ended 30 June 2025; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Group is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with FAS 41, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Auditing standards for Islamic Financial Institutions and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 June 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

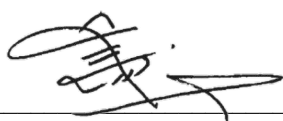
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Al Salam Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

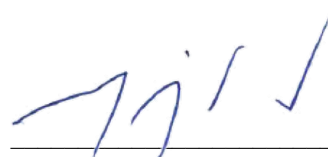
		<i>30 June</i>	<i>31 December</i>
		<i>2025</i>	<i>2024</i>
		<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>Note</i>	<i>BD '000</i>	<i>BD '000</i>
ASSETS			
Cash and balances with banks and central banks		694,392	633,611
Placements with financial institutions		523,699	476,450
Investments in sukuk	3	1,782,848	1,447,803
Financing contracts	4	3,965,107	3,661,670
Non-trading investments		102,728	97,944
Takaful and related assets	6	39,951	26,353
Investments in real estate		99,913	129,295
Investments in associates	7	258,531	255,008
Other assets		117,774	129,894
Goodwill and other intangible assets		234,616	204,750
TOTAL ASSETS		7,819,559	7,062,778
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
LIABILITIES			
Placements from financial institutions and individuals		148,490	171,016
Murabaha term financing		960,000	751,062
Customers' current accounts		1,468,183	1,279,886
Takaful and related liabilities	6	113,864	75,550
Other liabilities		137,031	127,822
TOTAL LIABILITIES		2,827,568	2,405,336
QUASI-EQUITY			
Wakala from financial institutions	8	470,680	420,231
Wakala and mudaraba from customers	8	3,831,636	3,643,830
TOTAL QUASI-EQUITY		4,302,316	4,064,061
OWNERS' EQUITY			
Share capital	2.2	296,760	274,778
Treasury shares		(8,251)	(28,010)
Employees incentive scheme shares		(6,617)	(6,617)
Share premium		209	209
Retained earnings		56,122	60,563
Reserves		64,237	59,554
Equity attributable to owners' of the Bank		402,460	360,477
Subordinated mudaraba	2.2	204,975	159,026
Non-controlling interest		82,240	73,878
TOTAL OWNERS' EQUITY		689,675	593,381
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		7,819,559	7,062,778



H.E. Shaikh Khalid bin Mustahil Al Mashani
Chairman



Matar Mohamed Al Blooshi
Deputy Chairman



Rafik Nayed
Group Chief Executive Officer

The attached notes 1 to 20 form an integral part of the condensed consolidated interim financial information.

For the six months period ended 30 June 2025


Rafik Nayed
Group Chief Executive Officer

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Al Salam Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2025

	<i>Six months ended</i>	<i>Six months ended</i>	<i>Three months ended</i>	<i>Three months ended</i>
	<i>30 June 2025</i>	<i>30 June 2024</i>	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Profit for the period	39,670	32,559	19,753	16,296
Other comprehensive income				
Items that are or may be reclassified subsequently to the income statement				
Fair value changes on investments carried at fair value through OCI	660	4,013	(6,847)	(2,915)
Share of movement in fair value reserve of an associate	(3,357)	5,009	(1,477)	1,290
Movement in foreign currency translation reserve	5,169	2,812	3,888	1,058
Share in reserve attributable to quasi-equity	3,379	-	1,493	-
Total other comprehensive income for the period	5,851	11,834	(2,943)	(567)
Total comprehensive income	45,521	44,393	16,810	15,729
ATTRIBUTABLE TO:				
- Owners' of the Bank	41,618	39,839	14,592	13,628
- Non-controlling interest	3,903	4,554	2,218	2,101
	45,521	44,393	16,810	15,729

The attached notes 1 to 20 form an integral part of the condensed consolidated interim financial information.

Al Salam Bank B.S.C.

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

For the six months period ended 30 June 2025

	<i>Six months ended</i>	<i>Six months ended</i>	<i>Three months ended</i>	<i>Three months ended</i>
	<i>30 June 2025</i>	<i>30 June 2024</i>	<i>30 June 2025</i>	<i>30 June 2024</i>
	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>	<i>(Reviewed)</i>
<i>Note</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Profit before allowances for impairment, income attribution to quasi-equity and tax	134,373	116,474	67,423	66,773
Adjusted for:				
Income not attributable to quasi-equity	(23,840)	(21,172)	(12,410)	(13,363)
Expenses not attributable to quasi-equity	51,001	44,347	26,196	26,221
Share of income for Bank's investments, net	(35,971)	(27,048)	(18,008)	(13,855)
Allowance for impairment attributable to quasi-equity	(4,275)	(3,911)	2,216	(3,916)
Other finance expense	2,283	1,494	1,139	900
Total income available for quasi-equity holders	123,571	110,184	66,556	62,760
Mudarib's share	(4,342)	(2,651)	(2,720)	(1,010)
Wakala incentive	(46,442)	(35,543)	(27,099)	(18,521)
Income attributable to quasi-equity	72,787	71,990	36,737	43,229
Investment risk reserve -net movement	-	-	-	-
Profit distributable to quasi-equity	72,787	71,990	36,737	43,229
Other comprehensive income – attributable to quasi-equity - before recycling to statement of income				
Items that will not be classified to income statement	(3,379)	-	(1,493)	-
Other comprehensive income not subject to immediate distribution	3,379	-	1,493	-
Other comprehensive income subject to immediate distribution	-	-	-	-
Total income attributable to quasi-equity	72,787	71,990	36,737	43,229

The attached notes 1 to 20 form an integral part of the condensed consolidated interim financial information.

Al Salam Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS EQUITY

For the six months period ended 30 June 2025 (Reviewed)

Amounts in BD '000s

	<i>Attributable to owners of the bank</i>														
	<i>Reserves</i>										<i>Equity</i>				
	<i>Share capital</i>	<i>Treasury shares</i>	<i>Employee incentive scheme shares</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Statutory reserve</i>	<i>Share grant scheme</i>	<i>Investment fair value reserve</i>	<i>Real estate fair value reserve</i>	<i>Foreign exchange translation reserve</i>	<i>Total reserves</i>	<i>Attributable to Bank's owners</i>	<i>Subordinated mudaraba</i>	<i>Non-controlling interest</i>	<i>Total owners' equity</i>
Balance at 1 January 2025	274,778	(28,010)	(6,617)	209	60,563	31,883	947	4,198	22,683	(157)	59,554	360,477	159,026	73,878	593,381
Profit for the period	-	-	-	-	37,369	-	-	-	-	-	-	37,369	-	2,301	39,670
Other comprehensive income	-	-	-	-	-	-	-	682	-	3,567	4,249	4,249	-	1,602	5,851
Issuance of subordinated mudaraba	-	-	-	-	-	-	-	-	-	-	-	-	46,244	-	46,244
Issuance cost subordinated mudaraba	-	-	-	-	537	-	-	-	-	-	-	537	(295)	(537)	(295)
Profit distribution on subordinated mudaraba	-	-	-	-	(5,362)	-	-	-	-	-	-	(5,362)	-	(272)	(5,634)
Bonus shares issued	21,982	-	-	-	(21,982)	-	-	-	-	-	-	-	-	-	-
Cash dividend for the year 2024	-	-	-	-	(16,211)	-	-	-	-	-	-	(16,211)	-	-	(16,211)
Movement of treasury shares, net	-	19,759	-	-	2,208	-	-	-	-	-	-	21,967	-	-	21,967
Shares vested	-	-	-	-	-	-	434	-	-	-	434	434	-	-	434
Appropriation towards charity fund	-	-	-	-	(1,000)	-	-	-	-	-	-	(1,000)	-	-	(1,000)
Movements in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	5,268	5,268
Balance at 30 June 2025	296,760	(8,251)	(6,617)	209	56,122	31,883	1,381	4,880	22,683	3,410	64,237	402,460	204,975	82,240	689,675
Balance at 1 January 2024	261,693	(6,799)	(8,770)	209	44,348	25,982	2,120	(2,607)	22,691	(1,464)	46,722	337,403	-	71,247	408,650
Impact of adoption of FAS 42 and 43	-	-	-	-	(1,332)	-	-	-	-	-	-	(1,332)	-	(1,290)	(2,622)
Restated balance as at 1 January 2024	261,693	(6,799)	(8,770)	209	43,016	25,982	2,120	(2,607)	22,691	(1,464)	46,722	336,071	-	69,957	406,028
Profit for the period	-	-	-	-	28,292	-	-	-	-	-	-	28,292	-	4,267	32,559
Other comprehensive income	-	-	-	-	-	-	-	9,022	-	2,525	11,547	11,547	-	287	11,834
Issuance of subordinated mudaraba	-	-	-	-	-	-	-	-	-	-	-	-	62,911	-	62,911
Issuance cost on subordinated mudaraba	-	-	-	-	-	-	-	-	-	-	-	-	(736)	-	(736)
Profit distribution on subordinated mudaraba	-	-	-	-	(1,299)	-	-	-	-	-	-	(1,299)	-	-	(1,299)
Bonus shares issued	13,085	-	-	-	(13,085)	-	-	-	-	-	-	-	-	-	-
Cash dividend for the year 2023	-	-	-	-	(17,947)	-	-	-	-	-	-	(17,947)	-	-	(17,947)
Movement of treasury shares, net	-	(3,369)	-	-	-	-	-	-	-	-	-	(3,369)	-	-	(3,369)
Shares vested	-	-	2,153	-	(23)	-	(523)	-	-	-	(523)	1,607	-	-	1,607
Appropriation towards charity fund	-	-	-	-	(500)	-	-	-	-	-	-	(500)	-	-	(500)
Movements in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(569)	(569)
Balance at 30 June 2024	274,778	(10,168)	(6,617)	209	38,454	25,982	1,597	6,415	22,691	1,061	57,746	354,402	62,175	73,942	490,519

The attached notes 1 to 20 form an integral part of the condensed consolidated interim financial information.

Al Salam Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months period ended 30 June 2025

	30 June 2025 (Reviewed) BD '000	30 June 2024 (Reviewed) BD '000
OPERATING ACTIVITIES		
Profit for the period	39,670	32,559
Adjustments:		
Tax	3,108	2,936
Depreciation and amortisation	4,318	3,369
Amortisation of sukuk, net	2,886	5,210
Allowance for impairment on financing contracts, investments and other assets	18,808	8,989
Share of profits from associates	(11,232)	(9,965)
Operating income before changes in operating assets and liabilities	57,558	43,098
Changes in operating assets and liabilities:		
Mandatory reserve with central banks	(6,852)	60,327
Murabaha and Wakala receivables from banks	4,105	11,621
Financing contracts	(322,170)	(343,876)
Takaful and related assets	(37,366)	40,991
Other assets	11,744	(69,374)
Placements from financial institutions and individuals	(22,526)	(126,057)
Customers' current accounts	188,297	140,795
Takaful and related liabilities	85,274	(39,187)
Other liabilities	30,428	703,437
Quasi-equity	238,255	254,611
Net cash from operating activities	226,747	676,386
INVESTING ACTIVITIES		
Purchase of sukuk, net	(356,014)	(275,511)
Cash acquired as part of business combination	15,805	77,967
Cash paid for business acquisition	(69,146)	(214,488)
Disposal of securities and real estate	24,383	3,971
Dividends received from associates	11,596	9,063
Purchase of premises and equipment	(3,311)	(11,225)
Net cash used in investing activities	(376,687)	(410,223)
FINANCING ACTIVITIES		
Drawdown / (repayment) of murabaha term financing	208,938	(43,938)
Dividends paid	(16,211)	(17,947)
Issuance of subordinated mudaraba	40,587	60,876
Movement of treasury shares, net	21,967	(3,369)
Net cash from / (used in) financing activities	255,281	(4,378)
NET INCREASE IN CASH AND CASH EQUIVALENTS	105,341	261,785
Cash and cash equivalents at 1 January	920,511	711,643
CASH AND CASH EQUIVALENTS AT 30 JUNE	1,025,852	973,428
Cash and other balances with central banks*	224,837	342,003
Balances with other banks **	277,281	195,403
Placements with financial institutions with original maturities of less than 90 days*	523,734	436,022
	1,025,852	973,428
Profit received	173,501	69,267
Dividends received	12,532	9,932
Profit paid	105,005	51,476

* Cash and cash equivalents is gross of the expected credit loss of BD 193 thousand (2024: BD 135 thousand).

** Balances with other banks is net of restricted cash of BD 3,802 thousand (2024: BD 8,194 thousand) which is not available for day to day operations.

The attached notes 1 to 20 form an integral part of the condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE-SHEET ASSETS UNDER MANAGEMENT

For the six months period ended 30 June 2025

Amounts in BD '000s							
30 June 2025	Balance at 1 January 2025	Movement during the period				Balance at 30 June 2025 Total	
		Investment / (withdrawals)	Revaluation	Gross income	Bank's fees as an agent		Adminstration expenses
Fixed income portfolio	471,448	(51,544)	-	30,968	(326)	-	450,546
Equity and funds portfolio	33,425	65,588	-	1,212	(53)	-	100,172
Real estate portfolio	140,846	(5,612)	(1,524)	310	(32)	-	133,988
Other portfolio	5,955	-	189	-	-	-	6,144
	651,674	8,432	(1,335)	32,490	(411)	-	690,850

Amounts in BD '000s							
30 June 2024	Balance at 1 January 2024	Movement during the period				Balance at 30 June 2024 Total	
		Investment / (withdrawals)	Revaluation	Gross income	Bank's fees as an agent		Adminstration expenses
Fixed income portfolio	157,647	197,111	-	3,244	(415)	-	357,587
Equity and funds portfolio	50,396	8,776	-	314	(107)	-	59,379
Real estate portfolio	128,195	127,380	78	2,587	(457)	(693)	257,090
Other portfolio	5,963	-	-	-	-	(4)	5,959
	342,201	333,267	78	6,145	(979)	(697)	680,015

The attached notes 1 to 20 form an integral part of the condensed consolidated interim financial information.

1 REPORTING ENTITY

Al Salam Bank B.S.C. ("the Bank") was incorporated in the Kingdom of Bahrain under the Bahrain Commercial Companies Law No. 21/2001 (as amended) and registered with Ministry of Industry and Commerce ("MOIC") under Commercial Registration number 59308 on 19 January 2006. The Bank is regulated and supervised by the Central Bank of Bahrain ("the CBB") and has an Islamic retail banking license and operates under Islamic principles in accordance with all relevant regulatory guidelines for Islamic banks issued by the CBB.

The Bank's registered office is at Building 935, Road 1015, Block 410, Sanabis, Kingdom of Bahrain. The Bank's ordinary shares are listed on Bahrain Bourse and Dubai Financial Market.

The principal subsidiaries as follows:

Name of entity	Country of incorporation	Principal activities	% holding	
			2025	2024
Al Salam Bank- Seychelles limited.	Seychelles	Banking services	70.0%	70.0%
Solidarity Group Holding B.S.C. (c).	Kingdom of Bahrain	Holding Company	55.9%	55.9%
Al Salam Bank Algeria (S.P.A).	Algeria	Banking services	68.0%	68.0%
ASB Finance B.S.C. (c) (formerly Kuwait Finance House (Bahrain) B.S.C. (c)).	Kingdom of Bahrain	Banking services	100.0%	100.0%
ASB Capital limited.	United Arab Emirates	Assets management	100.0%	100.0%

The Bank and its principal banking subsidiaries operates through 20 branches and 1 auto finance office (2024: 24 branches) in the Kingdom of Bahrain, 26 branches in Algeria (2024: 25 branches) and 1 branch (2024: 1 branch) in Seychelles and offer a full range of Shari'a-compliant banking services and products. The activities of the Bank includes managing profit sharing investment accounts, offering Islamic financing contracts, dealing in Shari'a-compliant financial contracts as principal / agent, managing Shari'a-compliant financial contracts and other activities permitted under the CBB's Regulated Islamic Banking Services as defined in the licensing framework.

The condensed consolidated interim financial information comprise the financial statements of the Bank and its subsidiaries together (the "Group") as at 30 June 2025.

The condensed consolidated interim financial information has been authorised for issue in accordance with a resolution of the Board of Directors dated 13 August 2025.

2 BASIS OF PREPARATION AND PRESENTATION

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

The condensed consolidated interim financial information of the Group does not contain all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last audited annual consolidated financial statements as at and for the year ended 31 December 2024.

2.1 SIGNIFICANT ACCOUNTING POLICIES

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

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

AAOIFI had issued Financial Accounting Standard (FAS) 45 "Quasi-Equity (Including Investment Accounts)" during 2023. The objective of this standard is to establish the principles for identifying, measuring, and presenting "quasi-equity" instruments in the financial statements of Islamic Financial Institutions "IFIs".

The standard prescribes the principles of financial reporting to participatory investment instruments (including investment accounts) in which an IFI controls underlying assets (mostly, as working partner), on behalf of the stakeholders other than owner's equity. This standard provides the overall criteria for on-balance sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

2.1 SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards, amendments, and interpretations issued but not yet effective. (continued)

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

AAOIFI had issued Financial Accounting Standard ("FAS") 46 "Off-Balance-Sheet Assets Under Management" during 2023. The objective of this standard is to establish principles and rules for recognition, measurement, disclosure, and derecognition of off-balance-sheet assets under management, based on Shari'a and international best practices. The standard aims to improve transparency, comparability, accountability, and governance of financial reporting related to off-balance-sheet assets under management.

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:

- The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
- An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt. This standard shall be adopted at the same time as adoption of FAS 45 "Quasi-Equity (Including Investment Accounts)".

The Group does not expect any significant impact on the adoption of this standard.

iii) FAS 47: Transfer of Assets Between Investment Pools

AAOIFI had issued Financial Accounting Standard ("FAS") 47 "Transfer of Assets Between Investment Pools" during 2023. The objective of this standard is to establish guidance on the accounting treatment and disclosures for transfers of assets between investment pools that are managed by the same institution or its related parties. The standard applies to transfers of assets that are not part of a business combination, a disposal of a business, or a restructuring of an institution.

The standard defines an investment pool as a group of assets that are managed together to achieve a common investment objective, such as a fund, a portfolio, or a trust. The standard also defines a transfer of assets as a transaction or event that results in a change in the legal ownership or economic substance of the assets, such as a sale, a contribution, a distribution, or a reclassification.

The transfer of assets between investment pools should be accounted for based on the substance of the transaction and the terms and conditions of the transfer agreement. The standard classifies transfers of assets into three categories: transfers at fair value, transfers at carrying amount, and transfers at other than fair value or carrying amount. The standard also specifies the disclosure requirements for transfers of assets between investment pools.

This standard shall be effective for the financial periods beginning on or after 1 January 2026 with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

iv) FAS 48: Promotional Gifts and Prizes

This standard prescribes accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions. The standard categorizes them into a) Promotional Gifts, where entitlement to gifts is declared instantly; b) Promotional Prizes, that are announced in advance to be awarded at a future date and c) Loyalty Programs, where the obligation is accumulated over the period.

This standard is effective for the financial periods beginning on or after 1 January 2026, with an option to early adopt.

The Group does not expect any significant impact on the adoption of this standard.

2 BASIS OF PREPARATION AND PRESENTATION (continued)**2.2 SHARE CAPITAL**

The shareholders in their Annual General Meeting held on 19 March 2025 approved to issue 219,822,133 bonus shares of BD 21,982 thousand representing 8% of issued and paid up share capital and approved a cash dividend of BD 16,211 thousand (2024: BD 17,947 thousand) being 0.006 fils per share or 6% of the par value of BD 0.100 per share excluding treasury shares. During the period, the bank sold 110 million treasury shares at a gain of BD 2.2 million recognised in the retained earnings. The total outstanding shares as of 30 June 2025 were 2,967,598,791 shares (December 2024: 2,747,776,658 shares). The calculation of basic and diluted earnings per share for previous period has also been adjusted to reflect the impact of bonus shares.

i) Subordinated Mudaraba issued by the Bank

The Bank issued bilateral subordinated mudaraba, classified as additional Tier 1 mudaraba (AT1) of BD 165,941 thousand (2024: BD 159,026 thousand). The subscription was fully paid in cash.

Summary of key terms and conditions of this issue are as follows:

- a) Profits on this contract are distributed monthly starting from date of subscription at an expected rate of 6% p.a. Profit payments under the contract are discretionary and non-cumulative and non-payment will not be considered as an event of default.
- b) The contract does not have a stated maturity and is perpetual in nature and the Bank has an option to settle the AT1 Mudaraba at its discretion after 5 years from the date of its initial subscription.
- c) The AT1 mudaraba has a write-down feature in the event of non-viability as per the terms of the contract.

Accordingly, AT1 mudaraba meets the criteria for classification as equity as per FAS 1 and is recognized under the owners' equity in the condensed consolidated statement of financial position and the profits paid under the contract are accounted for as appropriation of profits. During the period, BD 5,017 thousand (2024 BD 1,299 thousand) was paid as profit on AT1 Mudaraba.

ii) Subordinated Mudaraba issued by the Subsidiary

During the period, Solidarity Bahrain BSC, a subsidiary of Solidarity Group Holding issued bilateral subordinated mudaraba of BD 39,034 thousand, classified as upper Tier 2 as per volume 3 of the rule book issued by the CBB. The subscription was fully paid in cash.

Summary of key terms and conditions of the issue are as follows:

- a. Profits on this contract are distributed quarterly starting from the date of subscription at an expected rate of 7% p.a. Profit payments under the contract are discretionary and non-cumulative and non-payment will not be considered as an event of default.
- b. The contract does not have a stated maturity and is perpetual in nature and the issuer has an option to settle the Mudaraba at its discretion after 5 years from the date of its initial subscription.
- c. The mudaraba has a write-down feature in the event of non-viability as per the terms of the contract.

Accordingly, mudaraba meets the criteria for classification as equity as per FAS 1 and is recognized under the owners' equity in the condensed consolidated statement of financial position and the profits paid under the contract are accounted for as appropriation of profits. During the period, BD 617 thousand was paid as profit on Mudaraba

3 INVESTMENTS IN SUKUK

	<i>30 June 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>
	<i>BD '000</i>	<i>BD '000</i>
Sovereign sukuk	1,698,578	1,401,378
Corporate sukuk	84,270	46,425
	<u>1,782,848</u>	<u>1,447,803</u>

The rating of corporate sukuk are as follows:

	<i>30 June 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>
	<i>BD '000</i>	<i>BD '000</i>
Investment grade (AAA - BBB+)	63,297	24,842
High Yielding (Below BBB-)	12,463	10,923
Un-rated sukuk	8,547	10,782
Allowance for credit losses	(37)	(122)
	<u>84,270</u>	<u>46,425</u>

	<i>30 June 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>		
	<i>Sovereign Sukuk</i>	<i>Corporate Sukuk</i>	<i>Total</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Carried at FVTOCI				
At beginning of the period	774,079	26,308	800,387	364,518
Purchases	209,469	36,739	246,208	391,333
Acquired through business combination	-	-	-	124,365
Sale / redemption	(11,449)	(6,730)	(18,179)	(96,094)
Fair value movement	1,440	(780)	660	7,905
Allowance for credit losses	40	83	123	(106)
Profit accrual / Dividend	5,513	291	5,804	8,466
At end of the period	<u>979,092</u>	<u>55,911</u>	<u>1,035,003</u>	<u>800,387</u>

Sukuk with carrying value of BD 21,729 thousand (2024: BD 13,916 thousand) are equity-type sukuk and remaining are debt-type sukuk.

This includes sukuk with carrying value of BD 575,961 thousand (2024: BD 293,525 thousand) which are pledged against murabaha term financing.

	<i>30 June 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>		
	<i>Sovereign Sukuk</i>	<i>Corporate Sukuk</i>	<i>Total</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Carried at Amortised cost				
At beginning of the period	627,299	20,117	647,416	638,321
Purchases	186,343	5,824	192,167	178,116
Acquired through business combination	12,494	6,594	19,088	102,904
Redemption	(106,894)	(4,176)	(111,070)	(273,594)
Allowance for credit losses	198	2	200	(46)
Amortisation of premium / discount	(99)	41	(58)	1,324
Profit accrual / Dividend	145	(43)	102	391
At end of the period	<u>719,486</u>	<u>28,359</u>	<u>747,845</u>	<u>647,416</u>
	<u>1,698,578</u>	<u>84,270</u>	<u>1,782,848</u>	<u>1,447,803</u>

This includes sukuk with carrying value of of BD 369,690 thousand (2024: BD 360,813 thousand) which are pledged against murabaha term financing.

4 FINANCING CONTRACTS

30 June 2025 (Reviewed)					
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit-impaired	Stage 3: Lifetime ECL credit-impaired	POCI	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Leased-based:					
Ijarah	1,428,005	101,452	53,192	29,830	1,612,479
Trade-based:					
Murabaha	1,218,854	28,086	27,861	11,931	1,286,732
Salam	268,818	12,127	28,235	238	309,418
Istisnaa	114,659	8,244	3,653	157	126,713
Participatory-based:					
Mudaraba	575,654	24,760	30,568	127	631,109
Musharaka	29,097	18	2,354	-	31,469
Credit cards	24,852	273	340	-	25,465
Total gross financing contracts	3,659,939	174,960	146,203	42,283	4,023,385
Allowance for credit losses	(26,771)	(15,003)	(51,845)	-	(93,619)
Foreign currency translation	31,981	1,540	1,787	33	35,341
	3,665,149	161,497	96,145	42,316	3,965,107
31 December 2024 (Audited)					
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit-impaired	Stage 3: Lifetime ECL credit-impaired	POCI	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Leased-based:					
Ijarah	1,333,453	105,440	45,999	23,900	1,508,792
Trade-based:					
Murabaha	1,079,838	41,763	19,435	13,118	1,154,154
Salam	265,419	5,590	25,809	499	297,317
Istisnaa	73,534	1,587	4,722	154	79,997
Participatory-based:					
Mudaraba	581,757	21,613	31,394	55	634,819
Musharaka	30,020	22	2,353	-	32,395
Credit cards	26,251	239	1,421	-	27,911
Total gross financing contracts	3,390,272	176,254	131,133	37,726	3,735,385
Allowance for credit losses	(22,590)	(14,947)	(30,574)	-	(68,111)
Foreign currency translation	(5,202)	(86)	(307)	(9)	(5,604)
	3,362,480	161,221	100,252	37,717	3,661,670

Murabaha financing is reported net of deferred profits of BD 146,042 thousand (2024: BD 133,184 thousand).

Movement on allowance for credit losses

30 June 2025 (Reviewed)					
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit-impaired	Stage 3: Lifetime ECL credit-impaired	Purchased credit-impaired POCI	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Balance at 1 January	22,590	14,947	30,574	-	68,111
Movement between stages, net	262	(5,565)	5,303	-	-
Movement in allowance for credit loss	3,919	5,621	17,198	(8,005)	18,733
Exchange adjustments and other transfers on settlement	-	-	-	8,005	8,005
Exposures written off during the period *	-	-	(1,230)	-	(1,230)
Balance at 30 June	26,771	15,003	51,845	-	93,619
31 December 2024 (Audited)					
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit-impaired	Stage 3: Lifetime ECL credit-impaired	Purchased credit-impaired POCI	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Balance at 1 January	16,334	8,332	23,922	435	49,023
Movement between stages, net	590	2,351	(2,941)	-	-
Movement in allowance for credit loss	5,666	4,264	15,734	(5,319)	20,345
Exposures written off during the year *	-	-	-	4,884	4,884
Exchange adjustments and other transfers on settlement	-	-	(6,141)	-	(6,141)
Balance at 31 December	22,590	14,947	30,574	-	68,111

* Represent exposures charged off during the period / year for which recovery efforts will continue.

The non-performing financing ratio at 30 June 2025 exclusive and inclusive of non-performing POCI is 3.7% and 4.7% respectively (31 December 2024: 3.5% and 4.5%).

Non-performing facilities provision coverage including collateral amounts to 130.2% (2024: 126.6%). The POCI assets are currently carried at 39.1% (2024: 33.4%) compared to the original contractual amounts. On a cumulative basis, the impaired assets (Stage 3 and POCI) have a provision coverage of 46.0% (2024: 43.4%) compared to their original contractual amounts.

5 ALLOWANCE FOR IMPAIRMENT ON FINANCING CONTRACTS, INVESTMENTS AND OTHER ASSETS

The balance of allowance for credit losses in the below table includes all financing, finance lease assets and off-balance sheet exposures.

<i>30 June 2025 (Reviewed)</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>POCI</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Balance at 1 January	26,133	15,088	33,329	-	74,550
- transfer to Stage 1: 12 month ECL	975	(658)	(317)	-	-
- transfer to Stage 2: Lifetime ECL not credit-impaired	(559)	1,125	(566)	-	-
- transfer to Stage 3: Lifetime ECL credit-impaired	(169)	(5,896)	6,065	-	-
Net remeasurement of loss allowance	3,315	5,705	17,578	(8,005)	18,593
Allowance for credit losses	3,562	276	22,760	(8,005)	18,593
Exchange adjustments and other transfers	-	-	(1,947)	8,005	6,058
Exposures written off during the period*	-	-	(1,230)	-	(1,230)
Balance at 30 June	29,695	15,364	52,912	-	97,971

* Represent exposures charged off during the period for which recovery efforts will continue.

<i>30 June 2025 (Reviewed)</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>POCI</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Cash and balances with banks and central banks	158	-	-	-	158
Placements with financial institutions	35	-	-	-	35
Investments in sukuk	337	-	-	-	337
Financing contracts	26,771	15,003	51,845	-	93,619
Financing other assets	33	17	34	-	84
Other receivables	-	-	235	-	235
Financing commitments and financial guarantee contracts	2,361	344	798	-	3,503
	29,695	15,364	52,912	-	97,971

Net impairment charge on financing contracts, investments and other assets for the period

	<i>30-Jun 2025 (Reviewed)</i>	<i>30-Jun 2024 (Reviewed)</i>
	<i>BD '000</i>	<i>BD '000</i>
Cash and balances with banks and central banks	29	(104)
Placements with financial institutions	29	(5)
Investments in sukuk	(323)	50
Financing contracts (note 4)	18,733	10,538
Other Assets	162	(598)
Financing commitments and financial guarantee contracts	(37)	(778)
Investments	215	(114)
	18,808	8,989

<i>30 June 2024 (Reviewed)</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>POCI</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Balance at 1 January	19,222	8,487	26,450	435	54,594
- transfer to Stage 1: 12 month ECL	671	501	(1,172)	-	-
- transfer to Stage 2: Lifetime ECL not credit-impaired	520	5,380	(5,900)	-	-
- transfer to Stage 3: Lifetime ECL credit-impaired	(1,369)	(2,266)	3,635	-	-
Net remeasurement of loss allowance	3,635	2,295	4,695	(1,522)	9,103
Allowance for credit losses	3,457	5,910	1,258	(1,522)	9,103
Exchange adjustments and other transfers on settlement	(20)	-	-	1,087	1,067
Balance at 31 December	22,659	14,397	27,708	-	64,764

5 ALLOWANCE FOR IMPAIRMENT ON FINANCING CONTRACTS, INVESTMENTS AND OTHER ASSETS (continued)

	30 June 2024 (Reviewed)				
	Stage 1: 12-month ECL	Stage 2: Lifetime ECL not credit-impaired	Stage 3: Lifetime ECL credit-impaired	POCI	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Cash and balances with banks and central banks	224	-	-	-	224
Placements with financial institutions	15	-	-	-	15
Investments in sukuk	531	26	-	-	557
Financing contracts	21,195	14,323	25,125	-	60,643
Financing other assets	23	-	-	-	23
Other receivables	-	-	2,162	-	2,162
Financing commitments and financial guarantee contracts	671	48	421	-	1,140
	22,659	14,397	27,708	-	64,764

6 TAKAFUL ASSETS AND LIABILITIES

	30 June 2025 (Reviewed) BD '000	31 December 2024 (Audited) BD '000
Takaful assets	30,510	17,140
Investments of participants in units	9,441	9,213
Takaful assets	39,951	26,353
Takaful liabilities	102,330	66,273
Other liabilities	11,534	9,277
Takaful liabilities	113,864	75,550

7 INVESTMENTS IN ASSOCIATES

The Group has a 20.9% (2024: 20.9%) stake in Gulf African Bank ("GAB"), an Islamic commercial bank incorporated as the first Islamic bank in Kenya in August 2006, licensed by the Central Bank of Kenya.

During 2022, as part of its acquisition of the retail business of Ithmaar Holding, the Group acquired economic interests in a sharia compliant financing arrangement provided to FINCORP W.L.L (formerly Al Salam International W.L.L. ("ASI")), the holder of 26.2% stake in Bank of Bahrain and Kuwait B.S.C. ("BBK"), a retail bank incorporated in Bahrain and licensed by the Central Bank of Bahrain. FINCORP W.L.L's investment in BBK forms part of a security package assigned to the Bank under a shariah compliant financing structure. The Bank or its quasi-equity do not directly participate in the underlying business activities of FINCORP W.L.L and are not legal owners of its underlying assets. The returns generated by the Bank are to the extent of the profit and the respective repayment, if any, generated from the sharia compliant financing arrangement only. As per the requirements of the financial accounting standards, the effective economic interest of this arrangement is recognized in these financial statements.

During 2024, Solidarity Bahrain B.S.C., insurance subsidiary of the Group had acquired 28.9% stake in Alliance Insurance P.J.S.C., an insurance company listed on the Dubai Financial Market resulting in the Groups share of bargain purchase BD 2,681 thousand.

During the period, Solidarity Bahrain B.S.C., insurance subsidiary of the Group acquired additional stake of 10.0% stake in United Insurance B.S.C.(C), an insurance company incorporated in Bahrain, resulting in total stake of 20.0%.

	30 June 2025 (Reviewed) BD '000	31 December 2024 (Audited) BD '000
Balance at beginning of the period	255,008	231,484
Acquisitions during the period	7,244	16,131
Share of profits	11,232	18,169
Share of other changes in equity	(3,357)	4,276
Dividends received from associates	(11,596)	(15,052)
Balance at end of the period	258,531	255,008

The summary of financial information of the Group's material investments in associates, which is adjusted for changes in accounting policies and fair value adjustments on acquisition.

Reconciliation of financial information to carrying value of Group's interest in BBK.

	30 June 2025 (Reviewed) BD '000	30 June 2024 (Reviewed) BD '000
Group's holding	26.2%	26.2%
Total assets	4,523,746	4,149,548
Total liabilities	3,889,300	3,505,200
Net assets (100%)	634,446	644,348
Group's share of recognised net assets	166,161	168,755
Acquisition accounting related adjustments	65,202	65,202
Carrying amount of interest in associate	231,363	233,957
Revenue	80,900	84,300
Profit (100%)	40,300	38,700
Other change in equity (comprehensive income)	(12,900)	19,125
Total comprehensive income (100%)	27,700	64,725
Group's share of profits	10,554	9,676
Groups share of other changes in equity	(3,379)	5,009

The market value of BBK stood at BD 237.9 million as at 30 June 2025 (2024: BD 229.3 million). This fair value was determined using market value per share and was not adjusted for any holding of account related adjustments.

For other associates based on the summarized financial statements, the revenue, profit and Group's share of profit were BD 20,166 thousand (2024: BD 2,797 thousand), BD 2,117 thousand (2024: BD 1,304 thousand) and BD 678 thousand (2024: BD 310 thousand), respectively.

8 QUASI-EQUITY

	30 June 2025 (Reviewed)	31 December 2024 (Audited)
	BD '000	BD '000
Wakala from financial institutions	470,680	420,231
Wakala, Mudaraba from customers	3,831,636	3,643,830
	4,302,316	4,064,061

Including in Quasi-equity is an amount of BD 1,997 thousand (2024: BD 5,376 thousand) representing the Quasi-equity holders share of movement in fair value reserve.

Quasi-equity mudaraba and wakala is commingled with Group's funds to form one general pool. The pooled fund are used to fund and invest in income generating assets, however no priority is granted to any party for the purpose of investments and distribution of profits.

The Group does not allocate stage 3 assets to quasi-equity pool. All the impairment allowances relating to non performing assets are allocated to owners' equity. Recoveries from non-performing financial assets are also not allocated to quasi-equity. Only the profits earned on pool of assets funded from quasi-equity are allocated between the owners' equity and quasi-equity. As per the policy of the Group, minimum of 15% of return on assets earned is distributed to quasi-equity and up to 85% is retained by the Group as mudarib share. The Group did not charge any administration expenses to quasi-equity. The average profit rate earned on assets attributed to quasi-equity based on the above ratio for the period ended 30 June 2025 was 5.9% (2024: 6.7%) and the average profit rate distributed to quasi-equity for the period ended 30 June 2025 was 3.3% (2024: 4.1%).

Distribution of assets by ownership

	30 June 2025 (Reviewed)			31 December 2024 (Audited)		
	Self-financed	Quasi equity	Total	Self-financed	Quasi equity	Total
	BD '000	BD '000	BD '000	BD '000	BD '000	BD '000
Cash and balances with banks and central banks	475,434	218,958	694,392	489,993	143,618	633,611
Placements with financial institutions	9,509	514,190	523,699	8,094	468,356	476,450
Investments in sukuk	1,782,848	-	1,782,848	1,447,803	-	1,447,803
Financing contracts	644,292	3,320,815	3,965,107	469,986	3,191,684	3,661,670
Non-trading investments	102,728	-	102,728	89,676	8,268	97,944
Takaful and related assets	39,951	-	39,951	26,353	-	26,353
Investments in real estate*	82,923	16,990	99,913	112,053	17,242	129,295
Investments in associates	27,168	231,363	258,531	20,115	234,893	255,008
Other assets	117,774	-	117,774	129,894	-	129,894
Goodwill and other intangible assets	234,616	-	234,616	204,750	-	204,750
Total Assets	3,517,243	4,302,316	7,819,559	2,998,717	4,064,061	7,062,778

*real estate investments allocated to quasi-equity are yielding.

Distribution of income by ownership

	30 June 2025 (Reviewed)			30 June 2024 (Reviewed)		
	Self-financed	Quasi equity	Total	Self-financed	Quasi equity	Total
	BD '000	BD '000	BD '000	BD '000	BD '000	BD '000
INCOME						
Income from financing contracts	20,927	102,709	123,636	16,303	92,704	109,007
Income from placements with financial institutions	(407)	14,662	14,255	(172)	11,525	11,353
Income from Investments in sukuk	47,876	-	47,876	31,805	-	31,805
Finance expense on placements from financial institutions and individuals	(5,009)	-	(5,009)	(5,283)	-	(5,283)
Finance expense on murabaha term financing	(21,206)	-	(21,206)	(13,955)	-	(13,955)
Other finance expense	(2,283)	-	(2,283)	(1,494)	-	(1,494)
Net finance income	39,898	117,371	157,269	27,204	104,229	131,433
Income from non-trading investments, net	-	-	-	-	-	-
Fees and commission, net	13,222	-	13,222	11,787	-	11,787
Share of profit from associates	678	10,554	11,232	222	9,743	9,965
Income from Takaful operations, net	1,088	-	1,088	2,694	-	2,694
Other income	2,642	(79)	2,563	4,819	123	4,942
Total income	57,528	127,846	185,374	46,726	114,095	160,821
EXPENSES						
Staff costs	23,243	-	23,243	20,930	-	20,930
Other operating expenses	27,758	-	27,758	23,417	-	23,417
Total expenses	51,001	-	51,001	44,347	-	44,347
Profit before impairment allowances, tax and income attribution to quasi-equity	6,527	127,846	134,373	2,379	114,095	116,474
Allowance for impairment on financing contracts, investments and other assets	(14,533)	(4,275)	(18,808)	(5,078)	(3,911)	(8,989)
Group's share as a mudarib and wakil	50,784	(50,784)	-	38,194	(38,194)	-
Allocated profits	42,778	72,787	115,565	35,495	71,990	107,485

9 INCOME FROM TAKAFUL OPERATIONS, NET

	30 June 2025 (Reviewed)	30 June 2024 (Reviewed)
	BD '000	BD '000
Takaful revenue	61,948	44,892
Takaful service expenses	(38,492)	(22,429)
Net from retakaful contracts	(15,825)	(14,070)
Net finance expense from takaful contracts	(919)	(887)
Net finance expense from retakaful contracts	248	191
Takaful corporate expenses	(5,872)	(5,003)
	1,088	2,694

10 OTHER INCOME

	30 June 2025 (Reviewed)	30 June 2024 (Reviewed)
	BD '000	BD '000
Income from non-trading investments, net	(2,211)	340
Foreign exchange gains	1,018	1,774
Recoveries	1,433	821
Others	2,323	2,007
	2,563	4,942

11 RELATED PARTY TRANSACTIONS

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

The balances with related parties at 30 June 2025 and 31 December 2024 were as follows:

	30 June 2025 (Reviewed)				
	Associates and joint ventures	Major shareholders	Directors and related entities	Senior management	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets:					
Cash and balances with banks and central bank	-	218	-	-	218
Financing contracts	23,707	-	2,069	1,335	27,111
Non-trading investments	68,669	-	-	-	68,669
Takaful and related assets	-	-	1,037	-	1,037
Investments in associates	258,531	-	-	-	258,531
Liabilities and Quasi-equity:					
Placements from financial institutions and individuals	58,000	-	-	-	58,000
Customers' current accounts	4,144	402	5,018	1,142	10,706
Other liabilities	180	-	20	17	217
Takaful Liabilities	447	-	-	-	447
Quasi-equity	11,977	-	8,656	4,697	25,330
Contingent liabilities and commitments	82	-	351	-	433

11 RELATED PARTY TRANSACTIONS (continued)

	31 December 2024 (Audited)				
	Associates and joint ventures	Major shareholders	Directors and related entities	Senior management	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets:					
Cash and balances with banks and central bank	-	244	-	-	244
Financing contracts	24,958	-	2,557	2,036	29,551
Non-trading investments	68,854	-	-	-	68,854
Takaful and related assets	-	-	620	-	620
Investments in associates	255,008	-	-	-	255,008
Liabilities and Quasi-equity:					
Customers' current accounts	1,234	358	3,944	1,795	7,331
Other liabilities	16	-	106	85	207
Takaful Liabilities	372	-	-	-	372
Quasi-equity	12,271	3,407	7,718	7,655	31,051
Contingent liabilities and commitments	8	-	502	191	701

The income and expenses in respect of related parties included in the condensed consolidated income statement are as follows:

The income and expenses in respect of related parties included in the condensed consolidated income statement are as follows:

30 June 2025 (Reviewed)

	<i>Associates and joint ventures</i>	<i>Major shareholders</i>	<i>Directors and related entities</i>	<i>Senior management</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Income:					
Placements with financial institutions	-	41	-	-	41
Income from financing contracts	781	-	76	19	876
Share of profit from associates, net	11,232	-	-	-	11,232
Dividend Income	1,379	-	-	-	1,379
Income from takaful operations	-	-	899	-	899
Expenses:					
Finance expense on placements from financial institutions and individuals	1,480	-	-	-	1,480
Other operating expenses	-	-	1,911	151	2,062
Expense from takaful operations	253	-	250	-	503
Income attributable to quasi-equity	217	66	166	93	542
Allowance for impairment	-	-	-	-	-

	30 June 2024 (Reviewed)				
	Associates and joint ventures	Major shareholders	Directors and related entities	Senior management	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Income:					
Income from financing contracts	819	1	235	30	1,085
Share of profit from associates, net	9,965	-	-	-	9,965
Dividend Income	182	-	-	-	182
Income from takaful operations	-	-	551	-	551
Expenses:					
Other operating expenses	-	-	1,556	1,585	3,141
Expense from takaful operations	262	-	-	-	262
Income attributable to quasi-equity	181	88	224	82	575
Allowance for impairment	17	-	-	-	17

12 CONTINGENT LIABILITIES AND COMMITMENTS

	30 June 2025 (Reviewed) BD '000	31 December 2024 (Audited) BD '000
Contingent liabilities on behalf of customers		
Guarantees	186,765	155,363
Letters of credit	204,714	212,977
Acceptances	2,110	1,558
	393,589	369,898
Unutilised commitments		
Unutilised financing commitments	484,994	384,562
Unutilised non-funded commitments	45,627	46,089
	530,621	430,651

Letters of credit, guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers contingent upon their failure to perform under the terms of the contract.

Commitments generally have fixed expiration dates, or other termination clauses. Since commitments may expire without being utilized, the total contract amounts do not necessarily represent future cash requirements.

13 WA'AD BASED FX TRANSACTIONS FOR RISK MANAGEMENT

The Group enter into Wa'ad based FX transactions to manage its exposures to foreign currency risk. The fair values of FX Wa'ad instruments is as follows;

	30 June 2025 (Reviewed)		31 December 2024 (Audited)	
	Notional Amount BD '000	Fair Value BD '000	Notional Amount BD '000	Fair Value BD '000
FX Wa'ad instruments				
Assets position	91,341	1,824	49,024	321
Liabilities position	240,516	1,337	82,281	847

The above contracts have contracts longer than 31 December 2025 as at the end of the reporting period.

14 SEGMENT INFORMATION**Primary segment information**

For management purposes, the Group is organised into the following primary business segments:

Banking

Principally managing Shari'a compliant profit sharing investment accounts, and offering Shari'a compliant financing contracts and other Shari'a-compliant products. This segment comprises corporate banking, retail banking, private banking and wealth management in Kingdom of Bahrain and through the Bank's subsidiaries in Seychelles and Algeria. Banking segment also includes the Group's investments in banking associates which are allocated as assets attributable to the jointly financed pool of investment accountholders. Other overseas associate investments form part of the investment segment.

Treasury

Principally handling Shari'a compliant money market, trading, fixed income products and treasury services including short-term commodity murabaha.

Investments

Principally the Group's proprietary portfolio and asset management services to clients with a range of investment products, funds and alternative investments. These also include the Group's investment in certain associates and joint ventures.

Takaful

Represents the Group's investment in Solidarity Group Holding BSC (c) which is primarily involved in the business of offering Shari'a compliant takaful contracts. These comprise motor, non-motor, medical, group life and family takaful products. All activities of this business including its investment activities are reported under this segment as they are managed together along with the Takaful business.

Transactions between banking and other segments are conducted at estimated allocated internal rates. Transfer charges are based on a pool rate which approximates the cost of funds.

Segment information is disclosed as follows:

	<i>30 June 2025 (Reviewed)</i>					
	<i>Banking</i>	<i>Treasury</i>	<i>Investments</i>	<i>Takaful</i>	<i>Unallocated</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Income						
Income from financing contracts	121,950	391	-	1,295	-	123,636
Income from placements with financial institutions	-	14,255	-	-	-	14,255
Income from Investments in sukuk	-	46,724	-	1,152	-	47,876
Finance expense on placements from financial institutions and individuals	(867)	(2,261)	-	(1,881)	-	(5,009)
Finance expense on murabaha term financing	-	(21,206)	-	-	-	(21,206)
Other finance expense	(2,283)	-	-	-	-	(2,283)
Net finance income	118,800	37,903	-	566	-	157,269
Fees and commission, net	10,681	2,541	-	-	-	13,222
Share of profit from associates	10,554	-	-	678	-	11,232
Income from Takaful operations, net	-	-	-	1,088	-	1,088
Other income	2,660	1,019	(4,372)	3,256	-	2,563
Total income	142,695	41,463	(4,372)	5,588	-	185,374
Expenses						
Staff costs	19,158	3,857	228	-	-	23,243
Other operating expenses	19,995	4,305	524	2,934	-	27,758
Total Expenses	39,153	8,162	752	2,934	-	51,001
Profit before allowances for impairment, income attribution to quasi-equity and tax	103,542	33,301	(5,124)	2,654	-	134,373
Allowance for impairment on financing contracts, investments and other assets	(18,896)	304	(163)	(53)	-	(18,808)
Profit before income attribution to quasi-equity and tax	84,646	33,605	(5,287)	2,601	-	115,565
Income attributable to quasi-equity	(62,078)	(10,709)	-	-	-	(72,787)
Profit before tax	22,568	22,896	(5,287)	2,601	-	42,778
Tax	(3,366)	-	-	258	-	(3,108)
Profit for the period	19,202	22,896	(5,287)	2,859	-	39,670
Segment assets	4,630,057	2,663,491	180,033	293,614	52,364	7,819,559
Segment liabilities, and quasi-equity	5,129,448	1,754,708	813	171,864	73,051	7,129,884

14 SEGMENT INFORMATION (continued)

Goodwill and other intangibles include BD 192,185 thousand (2024: BD 193,841 thousand) allocated from acquisitions during prior years within the banking segment and BD 41,440 thousand (2024: 10,909 thousand) attributable to the Takaful segment.

	30 June 2024 (Reviewed)					
	Banking	Treasury	Investments	Takaful	Unallocated	Total
	BD '000	BD '000	BD '000	BD '000	BD '000	BD '000
Income						
Income from financing contracts	105,583	2,767	-	657	-	109,007
Income from placements with financial institutions	-	11,353	-	-	-	11,353
Income from Investments in sukuk	-	31,033	-	772	-	31,805
Finance expense on placements from financial institutions and individuals	(86)	(5,197)	-	-	-	(5,283)
Finance expense on murabaha term financing	-	(13,955)	-	-	-	(13,955)
Other finance expense	(1,494)	-	-	-	-	(1,494)
Net finance income	104,003	26,001	-	1,429	-	131,433
Fees and commission, net	9,369	2,418	-	-	-	11,787
Share of profit from associates	9,676	-	273	16	-	9,965
Income from Takaful operations, net	-	-	-	2,694	-	2,694
Other income	3,271	818	(449)	1,302	-	4,942
Total income	126,319	29,237	(176)	5,441	-	160,821
Expenses						
Staff costs	17,432	2,981	517	-	-	20,930
Other operating expenses	17,129	2,591	1,083	2,614	-	23,417
Total Expenses	34,561	5,572	1,600	2,614	-	44,347
Profit before allowances for impairment, income attribution to quasi-equity and tax	91,758	23,665	(1,776)	2,827	-	116,474
Allowance for impairment on financing contracts, investments and other assets	(9,144)	43	(17)	129	-	(8,989)
Profit before income attribution to quasi-equity and tax	82,614	23,708	(1,793)	2,956	-	107,485
Income attributable to quasi-equity	(56,864)	(15,126)	-	-	-	(71,990)
Profit before tax	25,750	8,582	(1,793)	2,956	-	35,495
Tax	(2,784)	-	-	(152)	-	(2,936)
Profit for the period	22,966	8,582	(1,793)	2,804	-	32,559

Segment information for the year ended 31 December 2024 (audited) was as follows:

Segment assets	4,381,587	2,234,185	199,354	156,631	91,021	7,062,778
Segment liabilities, and quasi-equity	4,838,936	1,464,323	679	78,932	86,527	6,469,397

Secondary segment information

The Group primarily operates in the GCC and derives substantially all its operating income and incurs all operating expenses in the GCC.

As at 30 June 2025

15 FAIR VALUE OF FINANCIAL INSTRUMENTS

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 that have a significant effect on the recorded fair value are observable, either directly or indirectly; or

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

(i) Financial instruments measured at fair value

The following table shows an analysis of the non-trading investments (equity securities), sukuk and FX waad portfolio carried at fair value in the condensed consolidated statement of financial position:

30 June 2025 (Reviewed)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Sovereign sukuk at fair value through OCI	514,872	464,220	-	979,092
Corporate sukuk at fair value through OCI	46,791	9,120	-	55,911
Equity securities at fair value through income statement	15,969	941	77,878	94,788
Equity securities at fair value through OCI	3,772	-	4,168	7,940
	581,404	474,281	82,046	1,137,731
FX Wa'ad assets position	-	1,824	-	1,824
FX Wa'ad liabilities position	-	1,337	-	1,337
	-	487	-	487

31 December 2024 (Audited)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Sovereign sukuk at fair value through OCI	679,521	94,559	-	774,080
Corporate sukuk at fair value through OCI	25,001	1,306	-	26,307
Equity securities at fair value through income statement	2,927	638	75,789	79,354
Equity securities at fair value through OCI	11,577	-	7,013	18,590
	719,026	96,503	82,802	898,331
FX Wa'ad assets position	-	321	-	321
FX Wa'ad liabilities position	-	847	-	847
	-	(526)	-	(526)

(ii) Financial instruments measured at amortised cost**30 June 2025 (Reviewed)**

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Sovereign sukuk	485,814	233,672	-	719,486
Corporate sukuk	23,790	-	4,569	28,359
	509,604	233,672	4,569	747,845
Fair value	501,954	234,003	4,569	740,526

31 December 2024 (Audited)

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>	<i>BD '000</i>
Sovereign sukuk	553,718	73,581	-	627,299
Corporate sukuk	15,865	-	4,252	20,117
	569,583	73,581	4,252	647,416
Fair value	410,145	276,767	4,252	691,164

The movements in fair value of investments in equity securities classified in Level 3 of the fair value hierarchy are as follows:

	<i>30 June</i>	<i>31 December</i>
	<i>2025</i>	<i>2024</i>
	<i>(Reviewed)</i>	<i>(Audited)</i>
	<i>BD '000</i>	<i>BD '000</i>
At beginning of the period	82,802	78,694
Acquired as part of business combination	2,876	3,055
Purchases	443	-
Disposals	(58)	-
Transfers	(3,744)	-
Fair value changes	(273)	1,053
At end of the period	82,046	82,802

The sensitivity analysis for Level 3 of non-trading investments are summarized below:

Valuation technique used	Key unobservable inputs	Fair value at 30 June 2025 BD'000	Reasonable possible shift +/- (in average input)	Increase / (decrease) in valuation
Asset Valuation	Underlying real estate	103,276	+/- 5%	5,164 / (5,164)

15 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**(iii) Other Financial instruments not measured at fair value**

The estimated fair value of yielding financing liabilities approximates their carrying value as their pricing is not materially different to expected market return on such contracts.

The estimated fair values of other financial assets are not expected to be materially different from their carrying values as of 30 June 2025 and 31 December 2024 due to their short term nature.

16 FINANCIAL RISK MANAGEMENT

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

17 REGULATORY RATIOS**(i) Capital Adequacy Ratio**

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend payment to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

The regulatory capital and risk-weighted assets have been calculated in accordance with Basel III as adopted by the CBB.

	<i>As at</i>	
	<i>30 June 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>
BD'000		
CET 1 Capital before regulatory adjustments	395,834	352,201
Less: regulatory adjustments	48,108	48,628
CET 1 Capital after regulatory adjustments	347,726	303,573
AT 1 Capital	171,026	163,719
T 2 Capital adjustments	77,029	63,425
Regulatory Capital	595,781	530,717
Risk weighted exposure:		
Credit Risk Weighted Assets	2,104,068	1,962,782
Market Risk Weighted Assets	17,361	1,357
Operational Risk Weighted Assets	244,159	174,544
Total Regulatory Risk Weighted Assets	2,365,588	2,138,683
Total Adjusted Risk Weighted Exposures	2,365,588	2,138,683
Capital Adequacy Ratio	25.2%	24.8%
Common Equity Tier 1 Capital Ratio	14.7%	14.2%
Tier 1 Capital Adequacy Ratio	21.9%	21.8%
Tier 2 Capital Ratio	3.3%	3.0%
Minimum required by CBB	14.0%	14.0%

As of 30 June 2025, aggregate of modification loss of BD 8,256 thousand (2024: BD 8,256 thousand) has been added back to Tier 1 capital.

(ii) Liquidity Coverage Ratio (LCR)

LCR has been developed to promote short-term resilience of a bank's liquidity risk profile. The LCR requirements aim to ensure that a bank has an adequate stock of unencumbered high quality liquidity assets (HQLA) that consists of assets that can be converted into cash immediately to meet its liquidity needs for a 30 calendar day stressed liquidity year. The stock of unencumbered HQLA should enable the bank to survive until day 30 of the stress scenario, by which time appropriate corrective actions would have been taken by management to find the necessary solutions to the liquidity crisis.

LCR is computed as a ratio of Stock of HQLA over the net cash outflows. The average consolidated LCR for three months calculated as per the requirements of the CBB rulebook, as of 30 June 2025 and 31 December 2024, is as follows:

	<i>Total weighted value BD'000</i>	
	<i>30 June 2025 (Reviewed)</i>	<i>31 December 2024 (Audited)</i>
Stock of HQLA	1,141,910	1,121,664
Net cashflows	337,617	316,329
LCR %	341.9%	363.5%
Minimum required by CBB	100.0%	100.0%

17 REGULATORY RATIOS (continued)**(iii) Net Stable funding Ratio**

The objective of the NSFR is to promote the resilience of banks' liquidity risk profiles and to incentivize a more resilient banking sector over a longer time horizon. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability.

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

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

Item	BD'000				
	Unweighted Values (before applying relevant factors)				
	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	<i>Total weighted value</i>
<u>Available Stable Funding (ASF):</u>					
Capital:					
Regulatory Capital	559,319	-	-	68,478	627,797
Retail deposits and deposits from small business customers:					
Stable deposits	-	610,812	31,190	9,986	619,889
Less stable deposits	-	2,197,649	610,666	236,715	2,764,199
Wholesale funding:					
Other wholesale funding	-	2,431,527	414,080	230,492	989,403
Other liabilities:					
All other liabilities not included in the above categories	-	144,830	-	-	-
Total ASF	559,319	5,384,818	1,055,936	545,671	5,001,288
<u>Required Stable Funding (RSF):</u>					
Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	58,959
Performing financing and sukuk/ securities:					
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	750,836	4,398	11,261	126,085
Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	1,137,224	696,842	1,513,825	2,175,582
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio guidelines	-	-	-	141,010	91,657
Performing residential mortgages, of which:	-	-	-	497,673	323,488
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	497,673	323,488
Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	8,339	-	15	4,183
Other assets:					
All other assets not included in the above categories	1,251,838	45,569	198	118,243	1,200,735
OBS items	-	923,413	-	-	46,171
Total RSF	1,251,838	2,865,381	701,438	2,141,017	3,935,203
NSFR (%)	-	-	-	-	127.1%

17 REGULATORY RATIOS (continued)**(iii) Net Stable funding Ratio (continued)**

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

Item	BD'000		Unweighted Values (before applying relevant factors)			
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value	
<u>Available Stable Funding (ASF):</u>						
Capital:						
Regulatory Capital	508,378	-	-	63,425	571,803	
Retail deposits and deposits from small business customers:						
Stable deposits	-	571,095	33,455	11,305	585,628	
Less stable deposits	-	2,058,395	540,615	219,778	2,558,887	
Wholesale funding:						
Other wholesale funding	-	2,421,460	253,136	105,069	756,018	
Other liabilities:						
All other liabilities not included in the above categories	-	172,320	-	-	-	
Total ASF	<u>508,378</u>	<u>5,223,270</u>	<u>827,206</u>	<u>399,577</u>	<u>4,472,336</u>	
<u>Required Stable Funding (RSF):</u>						
Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	54,201	
Performing financing and sukuk/ securities:						
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	648,620	210	3,783	101,181	
Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	1,341,203	444,796	1,249,265	1,934,973	
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio guidelines	-	-	-	99,508	64,680	
Performing residential mortgages, of which:	-	-	-	497,045	323,079	
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	497,045	323,079	
Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	19,557	867	-	10,212	
Other assets:						
All other assets not included in the above categories	1,108,102	26,366	3,970	101,667	1,131,103	
OBS items	-	799,874	-	-	39,994	
Total RSF	<u>1,108,102</u>	<u>2,835,620</u>	<u>449,843</u>	<u>1,851,760</u>	<u>3,648,944</u>	
NSFR (%)	-	-	-	-	122.6%	

18 GLOBAL MINIMUM TAX

The Global Anti-Base Erosion Pillar Two Model Rules ("GloBE rules") established by the Organization for Economic Cooperation and Development ("OECD") apply to multinational enterprise ("MNE") groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

In line with the requirements of GloBE rules, the Kingdom of Bahrain has issued and enacted Decree Law No. (11) of 2024 ("Bahrain DMTT law") on 1st September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities within the Group for fiscal years beginning on or after 1st January 2025.

As per the Group's assessment of applicability of the Bahrain DMTT law and global anti-base erosion model (GloBE) rules, the tax liability for the fiscal year 2025 is expected to be Nil for the Bahrain resident entities as the group is expected to meet certain conditions for exclusions as specified in the Bahrain DMTT law.

19 BUSINESS COMBINATION**i) Acquisition of Bahrain National Insurance Company BSC Closed ("BNI") and Bahrain National Life Assurance Company BSC Closed ("BNL")**

During Q1 2025, Solidarity Bahrain, a subsidiary of the Group that engages in Takaful business and listed on Bahrain Bourse had entered into a sale and purchase agreement with Bahrain National Holding company BSC, a company incorporated in Kingdom of Bahrain and listed on Bahrain Bourse for the purchase of 100% of the issued share capital of its two subsidiaries, BNI and BNL. In April 2025, the necessary regulatory and shareholders' approval were obtained and share transfers were completed and accordingly the Group consolidated the results and financial position of BNI and BNL from 1 April 2025.

a) Total consideration

Total cash consideration paid is BD 69 million.

b) Fair value of identifiable net assets acquired**ASSETS ACQUIRED**

	<i>BD '000</i>
Cash and cash equivalents	15,805
Placements with financial institutions	7,262
Investments in sukuk	19,088
Non-trading investments	15,943
Takaful contract assets	2,978
Retakaful contract assets	20,790
Investments in associates	3,364
Property and equipment	1,009
Other assets	2,575
Total assets acquired (A)	88,814

LIABILITIES ASSUMED

	<i>BD '000</i>
Takaful contract liabilities	32,663
Retakaful contract liabilities	14,297
Investment contract liabilities	1,534
Other provisions and liabilities	1,725
Total liabilities (B)	50,219

Total fair value of identifiable net assets acquired (C = A-B)

38,595

c) Goodwill

	<i>BD '000</i>
Consideration paid	69,146
Fair value of identifiable net assets acquired	(38,595)
Goodwill	30,551

19 BUSINESS COMBINATION (continued)**ii) Acquisition of Kuwait Finance House (Bahrain) BSC closed**

On 1 April 2024, the Bank acquired 100% shareholding in ASB Finance B.S.C. (c) (formerly Kuwait Finance House (Bahrain) B.S.C. (c)), a Retail Islamic Bank incorporated in the Kingdom of Bahrain, which was fully owned subsidiary of Kuwait Finance House K.S.C.P. ("KFH Group") an islamic retail bank listed on Kuwait stock exchange, after obtaining the requisite regulatory approvals. The Group consolidated the results and financial position of KFH Bahrain from 1 April 2024.

The fair value of assets, liabilities, equity interests are reported in these disclosures on a provisional basis and will be finalized within a period of 12 months from the date of acquisition. In line with the provisions of IFRS 3 "Business Combinations", if new information, obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identified adjustments to the above amounts, or any additional provisions that existed at the acquisition date, then the acquisition accounting will be revised. Revisions to provisional acquisition accounting will be reflected on a retrospective basis.

a) Total consideration

Total cash consideration paid is BD 214,488 thousand.

b) Fair value of identifiable assets acquired and liabilities assumed**ASSETS ACQUIRED**

	<i>BD '000</i>
Cash and balances with banks and central banks	77,967
Placements with financial institutions	48,583
Financing contracts	977,930
Investments in non-trading assets	12,887
Investments in sukuk	227,269
Investments in real estate	47,090
Identified Intangible assets	15,000
Other assets	15,190
Total assets acquired (A)	1,421,916

LIABILITIES ASSUMED

	<i>BD '000</i>
Customers' current accounts	119,759
Placements from financial institutions and individuals	23,019
Other liabilities	31,348
Total liabilities	174,126
Quasi-equity	1,148,340
Total liabilities and Quasi-equity (B)	1,322,466
Total fair value of identifiable net assets acquired (C = A-B)	99,450

c) Goodwill

	<i>BD '000</i>
Consideration paid	214,488
Fair value of identifiable net assets acquired	(99,450)
Goodwill	115,038

20 COMPARATIVE FIGURES

Certain of the prior figures have been regrouped to conform to the current year presentation. Such re-grouping did not affect previously reported profit for the year or total owners' equity of the Group.