

KHALEEJI BANK B.S.C.

**CONDENSED CONSOLIDATED
INTERIM FINANCIAL INFORMATION**

31 March 2025

Commercial Registration:	55133 (registered with Central Bank of Bahrain as a retail Islamic bank).
Office:	Bahrain Financial Harbour GFH Tower PO Box 60002, Manama, Kingdom of Bahrain
Directors:	Hisham Ahmed Al Rayes – Chairman Sh. Ahmed Bin Isa Khalifa Al Khalifa – Vice Chairman Ali Murad H.E. Ayman Tawfeeq Almoayed Dawood Alghoul Sh. Isa Bin Khalid Al Khalifa Mazen Ibrahim Abdulkarim Reyadh Eid Al Yaqoob Yusuf Abdulla Taqi Salah Abdulla Sharif
Chief Executive Officer:	Sattam Sulaiman Algosaibi
Board Secretary:	Mohammed Abdulla Saleh
External Auditors:	KPMG Fakhro, Bahrain

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-month period ended 31 March 2025

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

To the Board of Directors of
Khaleeji Bank B.S.C.
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 31 March 2025 condensed consolidated interim financial information of Khaleeji Bank B.S.C. (the "Bank") and its subsidiaries (together the "Group"), which comprises:

- the condensed consolidated statement of financial position as at 31 March 2025;
- the condensed consolidated statement of income for the three-month period ended 31 March 2025;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2025;
- the condensed consolidated statement of income and attribution related to quasi-equity for the three-month period ended 31 March 2025;
- the condensed consolidated statement of changes in owners' equity for the three-month period ended 31 March 2025;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2025;
- the condensed consolidated statement of changes in off-balance sheet assets under management for the three-month period ended 31 March 2025; and
- notes to the condensed consolidated interim financial information.

The Board of Directors of the Bank 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 31 March 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

11 May 2025

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2025

	Note	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
ASSETS			
Cash and bank balances		56,896	105,446
Placements with financial institutions		74,565	71,017
Investment in sukuk	7	456,907	502,139
Financing contracts	8	764,265	721,167
Investment securities	9	20,909	20,895
Investment in real estate	10	42,403	39,838
Equity accounted investees	11	6,516	6,516
Other assets	12	26,810	25,549
Property and equipment		3,379	3,562
TOTAL ASSETS		1,452,650	1,496,129
LIABILITIES			
Placements from financial institutions		105,854	134,971
Placements from non-financial institutions and individuals		249,622	329,815
Term financing from financial institutions		220,369	245,526
Customers' current accounts		111,106	117,372
Other liabilities	13	21,619	20,602
TOTAL LIABILITIES		708,570	848,286
QUASI-EQUITY			
- From financial institutions		138,557	10,662
- From non-financial institutions and individuals		479,587	508,534
TOTAL QUASI-EQUITY	14	618,144	519,196
OWNERS' EQUITY			
Share capital	15	113,044	113,044
Statutory reserve		13,460	13,460
Treasury shares		(6,254)	(6,254)
Investment fair value reserve		(5,593)	(5,816)
Retained earnings		10,692	13,626
Equity attributable to Bank's shareholders		125,349	128,060
Non-controlling interest		587	587
TOTAL OWNERS' EQUITY		125,936	128,647
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		1,452,650	1,496,129

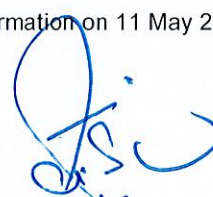
The Board of Directors approved the condensed consolidated interim financial information on 11 May 2025 and signed on its behalf by:



Hisham Ahmed Al Rayes
Chairman



Sh. Ahmed Bin Isa Al Khalifa
Vice Chairman



Sattam Sulaiman Algozaibi
Chief Executive Officer

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the three-month period ended 31 March 2025

	Note	Three months ended 31 March 2025 BD '000 (Reviewed)	Three months ended 31 March 2024 BD '000 (Reviewed)
Income from financing contracts		12,149	11,765
Income from placements with financial institutions		1,265	2,024
Income from sukuk		5,213	7,293
Finance expense on placements from financial institutions, non-financial institutions and individuals		(5,760)	(7,276)
Finance expense on term financing from financial institutions		(3,036)	(4,203)
Net finance income		9,831	9,603
Income from investment securities		-	304
Income from investment in real estate, net	17	4,455	1,557
Share of loss from equity accounted investees		-	(242)
Fees and other income, net	18	783	1,680
TOTAL INCOME		15,069	12,902
Staff cost		2,506	1,839
Other operating expenses		2,768	2,032
TOTAL EXPENSES		5,274	3,871
Profit before impairment allowances and attribution to quasi-equity		9,795	9,031
Allowances for impairment and expected credit losses, net	19	(1,495)	(789)
Profit before attribution to quasi-equity		8,300	8,242
Less: Net profit attributable to quasi-equity		(5,057)	(5,234)
PROFIT FOR THE PERIOD		3,243	3,008
Attributable to:			
Bank's shareholders		3,243	3,008
Non-controlling interest		-	-
		3,243	3,008
Earnings per share			
Basic and diluted earnings per share (fils)	20	3.00	3.69

Hisham Ahmed Al Rayes
Chairman

Sh. Ahmed Bin Isa Al Khalifa
Vice Chairman

Sattam Sulaiman Algosaibi
Chief Executive Officer

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the three-month period ended 31 March 2025

	Three months ended 31 March 2025 BD '000 (Reviewed)	Three months ended 31 March 2024 BD '000 (Reviewed)
Profit for the period	3,243	3,008
Other comprehensive income		
Items that are or may subsequently be classified to statement of income		
- Fair value changes on debt investments carried at fair value through other comprehensive income	253	103
- Fair value changes on equity investments carried at fair value through other comprehensive income	28	(238)
- Less: Attributable to quasi-equity	(58)	52
Total other comprehensive income for the period	223	(83)
Total comprehensive income	3,466	2,925
Attributable to:		
Bank's shareholders	3,466	2,925
Non-controlling interest	-	-
	3,466	2,925

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY**For the three-month period ended 31 March 2025**

	Note	Three months ended 31 March 2025 BD '000 (Reviewed)	Three months ended 31 March 2024 BD '000 (Reviewed)
Profit before impairment allowances and attribution to quasi-equity		9,795	9,031
Adjusted for:			
Less: Income not attributable to quasi-equity		(5,238)	(3,299)
Add: Finance expense on due to FIs and non-FIs		8,796	11,479
Add: Expenses not attributable to quasi-equity		5,274	3,871
Less: Institution's share of income for its own/ share of investments		(12,642)	(15,466)
Less: Allowances for impairment and expected credit losses, net – attributable to quasi-equity		611	860
Total income available for quasi-equity holders		6,596	6,476
Profit equalization reserve – net movement		-	-
Total income attributable to quasi-equity holders		6,596	6,476
Less: Mudarib's share		(1,312)	(1,215)
Less: Wakala incentive		(227)	(27)
Net income attributable to quasi-equity		5,057	5,234
Investment risk reserve - net movement		-	-
Profit attributable to quasi-equity		5,057	5,234
Other comprehensive income that may subsequently be classified to statement of income - attributable to quasi-equity		58	(52)
Total comprehensive income – attributable to quasi-equity		5,115	5,182
Add: Other comprehensive income not subject to immediate distribution		(58)	52
Total comprehensive income subject to immediate distribution		5,057	5,234

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the three-month period ended 31 March 2025

31 March 2025 (Reviewed)	Equity attributable to Bank's shareholders					Non-controlling interest BD '000	Total owners' equity BD '000
	Share capital BD '000	Statutory reserve BD '000	Treasury shares BD '000	Investment fair value reserve BD '000	Retained earnings BD '000	Total BD '000	
Balance at 1 January 2025	113,044	13,460	(6,254)	(5,816)	13,626	128,060	587
Profit for the period	-	-	-	-	3,243	3,243	-
Other comprehensive income	-	-	-	223	-	223	-
Total comprehensive income for the period	-	-	-	223	3,243	3,466	-
Transfer to Zakah fund	-	-	-	-	(828)	(828)	-
Dividend declared for 2024 (Note 21 b)	-	-	-	-	(5,414)	(5,414)	-
Parent's contribution towards staff incentive scheme	-	-	-	-	65	65	-
Balance at 31 March 2025	113,044	13,460	(6,254)	(5,593)	10,692	125,349	587

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**For the three-month period ended 31 March 2025 (Continued)**

31 March 2024 (Reviewed)	Equity attributable to Bank's shareholders					Perpetual Mudaraba (AT1) BD '000	Non- controlling interest BD '000	Total owners' equity BD '000
	Share capital BD '000	Statutory reserve BD '000	Treasury shares BD '000	Investment fair value reserve BD '000	Retained earnings BD '000	Total BD '000		
Balance at 1 January 2024	84,783	12,410	(6,254)	(7,165)	17,719	101,493	47,222	157,394
Profit for the period	-	-	-	-	3,008	3,008	-	3,008
Other comprehensive income	-	-	-	(83)	-	(83)	-	(83)
Total comprehensive income for the period	-	-	-	(83)	3,008	2,925	-	2,925
Transfer to Zakah fund	-	-	-	-	(768)	(768)	-	(768)
Redemption of AT1	-	-	-	-	(12,778)	(12,778)	(18,961)	(31,739)
Conversion of AT1 (Note 15)	28,261	-	-	-	-	28,261	(28,261)	-
Sale of shares in subsidiary	-	-	-	-	-	-	(8,092)	(8,092)
Balance at 31 March 2024	113,044	12,410	(6,254)	(7,248)	7,181	119,133	-	119,720

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the three-month period ended 31 March 2025

	Three months ended 31 March 2025 BD '000 (Reviewed)	Three months ended 31 March 2024 BD '000 (Reviewed)
OPERATING ACTIVITIES		
Profit for the period	3,243	3,008
Adjustments:		
Depreciation	413	432
Finance expenses on term financing	3,036	4,203
Allowances for impairment and expected credit losses, net	1,495	789
Amortization of premium/discount on sukuk	572	128
Fair value gains	-	(39)
Foreign exchange revaluation	(343)	(285)
Amortization of right-of-use asset	101	94
Investment securities income	-	(129)
Gain on sale of investment in sukuk	(8)	(525)
Gain on sale of investment in real estate	(4,336)	(1,820)
Share of results of associates, net	-	242
Operating profit before changes in operating assets and liabilities	4,173	6,098
Mandatory reserve with Central Bank of Bahrain	394	630
Financing contracts	(33,359)	(72,948)
Other assets	(1,260)	(989)
Customers' current accounts	(6,266)	6,237
Other liabilities	1,824	(3,574)
Placements from financial institutions	(29,117)	(60,672)
Placements from non-financial institutions and individuals	(80,193)	80,015
Quasi-equity	98,948	(57,609)
Net cash used in operating activities	(44,856)	(102,812)
INVESTING ACTIVITIES		
Purchase of sukuk	(22,620)	(52,120)
Proceeds from sale / redemption of sukuk	63,662	46,234
Proceeds from Sale / (purchase) of investment in real estate	-	21,800
Proceeds from disposal / redemption of investment securities	-	256
Purchase of property and equipment, net	(52)	(101)
Net movement in margin call	98	996
Net cash generated from investing activities	41,088	17,065
FINANCING ACTIVITIES		
Drawdown of term financing, net	(32,291)	(1,703)
Finance expenses paid on term financing	(3,036)	(4,203)
Dividends paid	(5,414)	-
Redemption of AT1 Capital	-	(31,739)
Net cash used in financing activities	(40,741)	(37,645)
Net decrease in cash and cash equivalents	(44,509)	(123,392)
Cash and cash equivalents at beginning of the period	138,904	202,371
Cash and cash equivalents at end of the period	94,395	78,979
Cash and cash equivalents comprises:*		
Cash and bank balances (excluding CBB reserve)	25,332	9,344
Placement with financial institutions with original maturities of 90 days or less (excluding margin call account)	69,063	69,635
	94,395	78,979

* Cash and cash equivalents is net of the expected credit loss of BD Nil thousand (31 March 2024: BD Nil thousand).
The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF OFF-BALANCE-SHEET ASSETS UNDER MANAGEMENT
For the three-month period ended 31 March 2025

Investment in real estate

	Three months ended 31 March 2025 BD '000 (Reviewed)	Three months ended 31 March 2024 BD '000 (Reviewed)
Balance at 1 January	1,533	1,533
Additions	-	-
Recoveries / disposals / withdrawals / expenses	-	-
Net movement	1,533	1,533
Bank's management share	-	-
Distributions	-	-
Balance at 31 March	1,533	1,533

The accompanying notes 1 to 27 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

1 REPORTING ENTITY

Khaleeji Bank B.S.C. (the "Bank"), a public shareholding company, was incorporated on 24 November 2004 in the Kingdom of Bahrain under Commercial Registration No. 55133. The Bank operates under an Islamic retail license granted by the Central Bank of Bahrain ("CBB"). The Bank's shares are listed on the Bahrain Bourse.

82.95% (31 December 2024: 82.95%) of the ordinary shares of the Bank are held by GFH Financial Group B.S.C. (the "Parent"), a Bahraini incorporated investment bank operating under an Islamic wholesale banking license issued by the Central Bank of Bahrain ("CBB") and whose shares are listed on Bahrain Bourse, Boursa Kuwait, Dubai Financial Markets ("DFM") and Abu Dhabi Securities Exchange ("ADX"). During March 2024, the Parent sold 25% (282,610,178 shares) of its stake in Khaleeji Bank B.S.C. to Southern Star Investments W.L.L., a quasi-government owned company. Subsequently, the Parent repurchased those shares in September 2024. Additionally, in May 2024, the Parent sold 6.11% (69,057,399 shares) of its stake to Royal Humanitarian Foundation.

The condensed consolidated interim financial information comprises results of the Bank and its subsidiaries (together the "Group").

2 BASIS OF PREPARATION AND PRESENTATION

The condensed consolidated interim financial information of the Group has been prepared in accordance with Financial Accounting Standard FAS 41, Interim Financial Reporting ("FAS 41") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI").

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 annual consolidated financial statements as at and for the year ended 31 December 2024.

These consolidated financial information are presented in Bahraini Dinars, being the functional and presentation currency of the Bank, rounded to the nearest thousand [BD '000], except where otherwise indicated.

Comparatives

The condensed consolidated interim financial information is reviewed, not audited. The comparatives for the condensed consolidated statement of financial position have been extracted from the audited consolidated financial statements for the year ended 31 December 2024 and comparatives for the condensed consolidated statements of income, the condensed consolidated statement of income and attribution related to quasi-equity, the condensed consolidated statement of changes in off-balance sheet assets under management, changes in owners' equity and cash flows, have been extracted from the reviewed condensed consolidated interim financial information for the three months ended 31 March 2024.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the Group's last audited consolidated financial statements as at and for the year ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****3 SIGNIFICANT ACCOUNTING POLICIES (continued)****A. Relevant new standards, amendments, and interpretations issued but not yet effective****1) FAS 45: Quasi-Equity (Including Investment Accounts)**

AAOIFI has 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 financial statement on the adoption of this standard

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

AAOIFI has 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 reporting periods beginning on or after 1 January 2026 with an option to early adopt.

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 financial statement on the adoption of this standard.

3) FAS 47: Transfer of Assets Between Investment Pools

AAOIFI has 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****3 SIGNIFICANT ACCOUNTING POLICIES (continued)****A. Relevant new standards, amendments, and interpretations issued but not yet effective (continued)****3 FAS 47: Transfer of Assets Between Investment Pools (continued)**

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 financial statement on the adoption of this standard.

4) 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 occurs 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

4 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.

5 ESTIMATES AND JUDGEMENTS

Preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the Group's audited consolidated financial statements as at and for the year ended 31 December 2024.

6 SEASONALITY

The Bank does not have significant income of a seasonal nature. However, given the inherent nature of the banking business and changes in market benchmark rates, the results reported in one period may not be directly comparable to those of other periods.

7 INVESTMENT IN SUKUK

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
Debt type instruments - at amortised cost		
- Quoted sukuk*	373,615	419,267
- Unquoted sukuk	1,317	1,317
Less: impairment allowance	(1,996)	(2,096)
Debt type instruments - at fair value through other comprehensive income		
- Quoted sukuk**	54,822	54,502
Equity type instruments - at fair value through other comprehensive income		
- Quoted sukuk	29,149	29,149
	456,907	502,139

* As of 31 March 2025, out of sukuk of BD 373,615 thousand (31 December 2024: BD 419,267 thousand), BD 229,868 thousand (31 December 2024: BD 272,028 thousand) were pledged against term financing from financial institutions of BD 213,236 thousand (31 December 2024: BD 245,526 thousand).

** Fair value loss reserve amounted to BD 4,642 thousand (31 December 2024: BD 4,895 thousand). The impairment expense on debt type instrument at fair value through other comprehensive income amounted to BD Nil thousand (31 March 2024: BD Nil thousand). The expenses is recognised in the investment fair value reserve in the statement of changes in owners' equity.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

8 FINANCING CONTRACTS

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
Murabaha (net of deferred profit)*	461,883	491,297
Mudaraba	6,730	6,818
Ijarah assets	315,246	244,043
Gross financing contracts	783,859	742,158
Less: Impairment allowance	(19,594)	(20,991)
Net financing contracts	764,265	721,167

*Murabaha financing assets are net of deferred profits of BD 25,262 thousand (31 December 2024: BD 15,718 thousand).

The movement on impairment allowances is as follows:

31 March 2025 (Reviewed)

	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI* BD '000	Total BD '000
Gross financing contracts	649,521	67,860	64,972	1,506	783,859
Less: Expected credit losses allowance					
At 1 January 2025	933	4,364	15,242	452	20,991
Net movement between stages	(600)	70	530	-	-
Net charge	810	(357)	1,019	13	1,485
Write-off	-	-	(2,882)	-	(2,882)
Expected credit losses allowance at 31 March 2025	1,143	4,077	13,909	465	19,594
Net financing contracts	648,378	63,783	51,063	1,041	764,265

31 December 2024 (Audited)

	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI* BD '000	Total BD '000
Gross financing contracts	613,372	71,084	56,196	1,506	742,158
Less: Expected credit losses allowance					
At 1 January 2024	1,709	5,717	15,200	325	22,951
Net movement between stages	3,442	(4,224)	782	-	-
Net charge	(4,218)	2,871	2,652	127	1,432
Write-off	-	-	(3,392)	-	(3,392)
Expected credit losses allowance at 31 December 2024	933	4,364	15,242	452	20,991
Net financing contracts	612,439	66,720	40,954	1,054	721,167

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****8 FINANCING CONTRACTS (continued)**

* Purchased or originated credit impaired (POCI) assets are initially recognised at their fair value and subsequently remeasured for any change in ECL or expected recoverable amounts. The POCI assets are currently carried at 34.53% (31 December 2024: 24.17%) compared to their original contractual outstanding amounts. On a cumulative basis, the impaired assets (Stage 3 and POCI) are carried at 70.57% (31 December 2024: 69.39%) compared to their original contractual outstanding amounts.

9 INVESTMENT SECURITIES**Equity type instruments:**

At fair value through other comprehensive income -
Unquoted equity securities

31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
20,909	20,895
20,909	20,895

10 INVESTMENT IN REAL ESTATE

Development property
Investment property*
Trading property**

31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
3,434	7,774
22,185	32,064
16,784	-
42,403	39,838

* Includes Bank's share in 3 plots of lands and a building with carrying value of BD 19,348 thousand (31 December 2024: BD 19,408 thousand) for which the title deeds are in the name of a third party held for beneficial interest of the Bank.

**Includes Bank's share in 164 flats with carrying value of BD 16,784 thousand (31 December 2024: BD Nil thousand) for which the title deeds are in the name of a third party held for beneficial interest of the Bank.

11 EQUITY ACCOUNTED INVESTEEES

At beginning of the period
Addition
Sale
Share of loss for the period

At end of the period

31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
6,516	24,689
-	3,128
-	(20,797)
-	(504)
6,516	6,516

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

12 OTHER ASSETS

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
Repossessed assets	5,387	5,465
Profit accrued on Sukuk	7,079	6,428
Receivable from customers*	7,412	7,412
Right-of-use assets (Note 12.1)	1,039	1,069
Prepaid expenses	1,397	803
Due from investments	410	454
Other receivables	4,086	3,918
	26,810	25,549

*Pertains to receivables from customers upon the in-kind settlement of stage 3 financing exposures. The process of transfer of the collateral real estate was not completed as at 31 March 2025. However, beneficial interest has been transferred to the Bank.

12.1 Below are further details related to the right-of-use assets:

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
Balance as at beginning of the period	1,069	1,378
Additional right-of-use assets for the period, net	71	81
Amortisation charge during the period	(101)	(390)
Balance as at end of the period / year	1,039	1,069

13 OTHER LIABILITIES

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
Payable to investors*	5,738	5,738
Mudaraba profit accrual	4,451	5,706
Net Ijarah liability (Note 13.1)	1,017	1,042
Advance received from customers	16	276
Zakah and charity payable**	1,173	352
Employee related accruals	1,958	1,196
Payable for Istisna'a contracts	27	27
Other payables and accrued expenses***	7,239	6,265
	21,619	20,602

*Relates to cash settlement with investors on account of restructuring.

**During the period ended 31 March 2025, BD 828 thousand (2024: BD 779 thousand) was transferred into the Zakah and charity fund and BD 9 thousand (2024: BD 811 thousand) was utilised from the Zakah and charity fund.

***Includes impairment allowance on commitments and financial guarantees of BD 55 thousand (31 December 2024: BD 75 thousand).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

13 OTHER LIABILITIES (continued)

13.1 The breakup of the Net Ijarah liability per maturity analysis is as follows:

Net ijarah liability

Maturity analysis	31 March 2025 (Reviewed)		
	Gross ijarah liability BD '000	Deferred ijarah BD '000	Net ijarah liability BD '000
Less than one year	405	(6)	399
One to five years	652	(34)	618
Total	1,057	(40)	1,017

Maturity analysis	31 December 2024 (Audited)		
	Gross ijarah liability BD '000	Deferred ijarah BD '000	Net ijarah liability BD '000
Less than one year	387	(5)	382
One to five years	699	(39)	660
Total	1,086	(44)	1,042

14 QUASI-EQUITY

Participatory-based

Mudaraba
Fair value reserve attributable to Quasi-equity

31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
618,826 (682)	519,936 (740)
618,144	519,196

The funds received from investment account holders have been commingled and jointly invested with the Group in the following asset classes:

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
CBB reserve account	31,564	31,958
Investment in sukuk*	67,145	67,438
Financing assets**	491,522	391,712
Investment securities	11,616	11,630
Investment in real estate	16,297	16,458
	618,144	519,196

*Impairment allowance as at 31 March 2025 BD 419 thousands (BD 461 thousands 31 December 2024)

**Impairment allowance as at 31 March 2025 BD 3,684 thousands (BD 3,024 thousands 31 December 2024)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025**14 *QUASI-EQUITY (continued)*

The distribution of asset by ownership is as follows:

	31 March 2025 (Reviewed)		31 December 2024 (Audited)	
	Self	Quasi equity (jointly financed)	Self	Quasi equity (jointly financed)
Balances with banks	25,332	-	73,488	-
CBB reserve account	-	31,564	-	31,958
Placements with financial institutions	74,565	-	71,017	-
Investment in sukuk	389,762	67,145	434,701	67,438
Financing contracts	272,743	491,522	329,455	391,712
Investment securities	9,293	11,616	9,265	11,630
Investment in real estate	26,106	16,297	23,380	16,458
Equity accounted investees	6,516	-	6,516	-
Other assets	26,810	-	25,549	-
Property and equipment	3,379	-	3,562	-
Total	834,506	618,144	976,933	519,196

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

14 QUASI-EQUITY (continued)

The distribution of income by ownership is as follows:

	31 March 2025 (Reviewed)		31 March 2024 (Reviewed)	
	Self	Quasi equity (jointly financed)	Self	Quasi equity (jointly financed)
Income				
Income from financing contracts	9,315	2,834	9,371	2,394
Income from placements with financial institutions	149	1,116	113	1,911
Income from sukuk	3,178	2,035	6,023	1,270
Finance expense on placements from financial institutions, non- financial institutions and individuals	(5,760)	-	(7,276)	-
Finance expense on term financing from financial institutions	(3,036)	-	(4,203)	-
Net finance income	3,846	5,985	4,028	5,575
Income from investment securities	-	-	120	184
Income from investment in real estate, net	4,455	-	1,700	(143)
Share of loss from equity accounted investees	-	-	(242)	-
Fees and other income, net	783	-	1,680	-
TOTAL INCOME	9,084	5,985	7,286	5,616
Staff cost	2,506	-	1,839	-
Other operating expenses	2,768	-	2,032	-
TOTAL EXPENSES	5,274	-	3,871	-
Profit before impairment allowances and attribution to quasi-equity	3,810	5,985	3,415	5,616
Allowances for impairment and expected credit losses, net	(2,106)	611	(1,649)	860
Profit before attribution to quasi- equity	1,704	6,596	1,766	6,476
Group's share as a mudarib and wakil	1,539	(1,539)	1,242	(1,242)
PROFIT FOR THE PERIOD	3,243	5,057	3,008	5,234

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

15 SHARE CAPITAL

The shareholders, in their Extraordinary General Assembly meeting on 4 March 2024 resolved to convert 47% of the AT1 Sukuk with a par value of BD 28,261 thousand into 282,610 thousand ordinary shares of BD 0.100 each representing 25% of the Bank's issued and paid-up capital. As a result, the issued and paid-up capital increased to 1,130,441 thousand shares of BD0.100 each (excluding 47,588 thousand treasury shares).

16 COMMITMENTS AND CONTINGENCIES

	31 March 2025 BD '000 (Reviewed)	31 December 2024 BD '000 (Audited)
Undrawn commitments to extend finance*	58,453	35,188
Financial guarantees	38,255	38,762
	96,708	73,950

* The Group has a right to revoke the undrawn commitment to extend finance prior to expiry of its tenor.

During the period, a net impairment reversal of BD 20 thousand (2024: BD 14 thousand) has been reflected in relation to the credit risk on these for commitments and contingent liabilities.

Litigations and claims

In the normal course of business, legal cases are filed by the Bank against its customers and against the Bank by its customers or investors. The Group's legal department engages with in-house legal counsel and external legal counsel depending on the nature of the cases. A periodic assessment is carried out to determine the likely outcome of these legal cases and is reported to the senior management and Board of directors.

17 INCOME FROM INVESTMENT IN REAL ESTATE, NET

	31 March 2025 BD '000 (Reviewed)	31 March 2024 BD '000 (Reviewed)
Gain on disposal of investment properties	4,336	-
Rental income on investment in real estate, net	119	(143)
Gain on disposal of development properties	-	1,700
	4,455	1,557

18 FEES AND OTHER INCOME, NET

	31 March 2025 BD '000 (Reviewed)	31 March 2024 BD '000 (Reviewed)
Fees income	351	277
Foreign exchange gain	384	307
Recovery of written-off assets	35	1,096
Other income	13	-
	783	1,680

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

19 ALLOWANCES FOR IMPAIRMENT AND EXPECTED CREDIT LOSSES, NET

	31 March 2025 BD '000 (Reviewed)	31 March 2024 BD '000 (Reviewed)
Balances and placements with banks and financial institutions	-	(5)
Financing contracts (note 8)	1,485	793
Investments in sukuk held at amortised cost	(99)	8
Commitments and financial guarantees (note 16)	(20)	(7)
Investment in real estate	20	-
Other assets	109	-
	1,495	789

Movement on ECL in various stages during the period:

31 March 2025 (Reviewed)	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI BD '000	Total BD '000
ECL balance at 1 January	1,779	4,366	16,564	452	23,161
Transfer to Stage 1	260	(71)	(189)	-	-
Transfer to Stage 2	(203)	203	-	-	-
Transfer to Stage 3	(671)	(63)	734	-	-
Net movement	(614)	69	545	-	-
Charge for the period (net)	697	(358)	1,014	13	1,366
Write-off	-	-	(2,882)	-	(2,882)
ECL balance as at 31 March 2025	1,862	4,077	15,241	465	21,645

31 March 2025 (Reviewed)	Stage 1: 12- month ECL BD '000	Stage 2: Life time ECL non-credit impaired BD '000	Stage 3: Life time ECL credit impaired * BD '000	Total BD '000
Financing Contracts (note 8)	1,143	4,077	14,374	19,594
Investments in sukuk at amortised cost	679	-	1,317	1,996
Commitments and financial guarantees	40	-	15	55
	1,862	4,077	15,706	21,645

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****19 ALLOWANCES FOR IMPAIRMENT AND EXPECTED CREDIT LOSSES, NET (continued)**

31 March 2024 (Reviewed)	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI BD '000	Total BD '000
ECL balance at 1 January	2,032	5,752	16,525	325	24,634
Transfer to Stage 1	883	(729)	(154)	-	-
Transfer to Stage 2	(39)	321	(282)	-	-
Transfer to Stage 3	-	(32)	32	-	-
Net movement	844	(440)	(404)	-	-
Charge for the period (net)	34	199	544	12	789
ECL balance as at 31 March 2024	2,910	5,511	16,665	337	25,423

31 March 2024 (Reviewed)	Stage 1: 12- month ECL BD '000	Stage 2: Life time ECL non- credit impaired BD '000	Stage 3: Life time ECL credit impaired * BD '000	Total BD '000
Financing Contracts (note 8)	2,569	5,498	15,677	23,744
Investments in sukuk at amortised cost	307	-	1,318	1,625
Commitments and financial guarantees	34	13	7	54
	2,910	5,511	17,002	25,423

* Stage 3: Life time ECL credit impaired includes POCI

20 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholders of the Bank (adjusted for profit distribution on AT 1 Capital) by the weighted average number of shares outstanding during the period net of treasury shares. There are no dilutive potential shares that are convertible into shares.

	Three months ended	
	31 March 2025	31 March 2024
	BD '000	BD '000
	(Reviewed)	(Reviewed)
Profit for the period attributable to the shareholders of the parent	3,243	3,008
Profit for the period attributable to the shareholders of the parent for basic and diluted earnings per share computation	3,243	3,008
Weighted average number of shares outstanding during the period, net of treasury shares (thousand)	1,082,853	815,770
Basic and diluted earnings per share (fils)	3.00	3.69

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

- 21 a** Appropriations of net profit, if any, are made only after obtaining approval of the shareholders.
- 21 b** The shareholders, in their General Assembly meeting on 17 March 2025 resolved to declare dividends on all ordinary shares, excluding treasury shares, at a rate of 5% of the nominal value of the share, equivalent to 5 Fils per share, totalling BD 5,414 thousands which was effected during the period ended 31 March 2025.

22 FUNDS UNDER MANAGEMENT

The Group provides corporate administration, investment management and advisory services to its investment entities, which involves making decisions on behalf of such entities. Assets that are held in such capacity are not included in these consolidated financial statements. No income or expenses has been recognized from the funds under management during the period. At the reporting date, the Group had Funds under management of having net asset value of BD 158,930 thousand (2024: BD 158,930 thousand).

23 SIGNIFICANT RELATED PARTY TRANSACTIONS

The significant related party transactions and balances included in this condensed consolidated interim financial information are as follows:

31 March 2025 (Reviewed)	Related parties			Assets under management (including special purpose entities)	Total
	Associates	Directors / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested		
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets					
Financing contracts	-	4,515	20,403	-	24,918
Investment in sukuk	-	-	58,297	-	58,297
Investment securities	-	-	2,284	3,182	5,466
Equity accounted investees	6,516	-	-	-	6,516
Other assets	-	-	503	173	676
Liabilities and Quasi-equity					
Placement from financial institutions, non-financial institutions and individuals	-	2,622	24,718	-	27,340
Customers' current accounts	1	58	11,682	409	12,150
Other liabilities	-	583	-	-	583
Quasi-equity	316	1,494	121,983	124	123,917

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****23 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)**

Three months ended 31 March 2025 (Reviewed)	Related parties			Assets under management (including special purpose entities)	Total
	Associates	Directors / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested		
	BD '000	BD '000	BD '000	BD '000	BD '000
Income					
Income from financing and Ijarah assets	-	52	293	-	345
Income from Sukuk	-	-	437	-	437
Income from investment securities	-	-	-	-	-
Share of loss from equity accounted investees	-	-	-	-	-
Expenses					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	31	522	-	553
Net income attributable to quasi-equity	4	12	531	5	552
Staff cost	-	553	-	-	553
Other operating expenses	-	74	-	31	105

31 December 2024 (Audited)	Related parties			Assets under management (including special purpose entities)	Total
	Associates	Directors / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested		
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets					
Financing contracts	-	3,995	23,091	-	27,086
Investment securities	-	-	2,284	-	2,284
Equity accounted investees	6,516	-	-	-	6,516
Investment in sukuk	-	-	58,297	-	58,297
Other assets	-	-	66	-	66
Liabilities and Quasi-equity					
Placement from financial institutions, non-financial institutions and individuals	-	2,439	61,908	-	64,347
Customers' current accounts	699	350	13,687	-	14,736
Other liabilities	-	560	-	-	560
Quasi-equity	318	2,147	29,855	-	32,320

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****23 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)**

Three months ended 31 March 2024 (Reviewed)	Related parties			Assets under management (including special purpose entities)	Total
	Associates	Directors / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested		
	BD '000	BD '000	BD '000	BD '000	BD '000
Income					
Income from financing and ljarah assets	-	57	525	-	582
Income from Sukuk	-	-	1,147	-	1,147
Income from investment securities	-	-	-	-	-
Share of loss from equity accounted investees	(242)	-	-	-	(242)
Expenses					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	15	683	-	698
Net income attributable to quasi-equity	11	21	4,838	2	4,872
Staff cost	-	397	-	-	397
Other operating expenses	-	59	-	51	110

During 2025, the Bank paid BD 5,414 as dividend to its shareholders. During the year 2024, 47% of the AT1 Sukuk with a par value of BD 28,261 thousand were converted into 282,610 thousand ordinary shares of BD 0.100 each representing 25% of the Bank's issued and paid-up capital. Furthermore, the Shareholders resolved to approve the redemption of the remaining 53% of the AT1 Sukuk of BD 31,739 thousand in cash.

24 SEGMENT INFORMATION**31 March 2025 (Reviewed)**

	Corporate and Retail Banking BD '000	Investment Banking BD '000	Unallocated BD '000	Total BD '000
Segment revenue	23,734	117	-	23,851
Segment results	6,667	(96)	(3,328)	3,243
Segment assets	1,360,486	75,587	16,577	1,452,650

31 March 2024 (Reviewed)

	Corporate and Retail Banking BD '000	Investment Banking BD '000	Unallocated BD '000	Total BD '000
Segment revenue	24,461	(82)	-	24,379
Segment results	5,602	(323)	(2,271)	3,008
Segment assets	1,273,117	133,638	21,993	1,428,748

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

25 FINANCIAL INSTRUMENTS

a) Fair value

Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of quoted Sukuk carried at amortised cost (net of expected credit losses allowance) of BD 373,615 thousand (31 December 2024: BD 419,266 thousand) is BD 364,944 thousand as at 31 March 2025 (31 December 2024: BD 411,228 thousand).

The estimated fair values of the Group's other financial instruments are not significantly different from their carrying values due to their short-term nature.

b) Fair value hierarchy

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

31 March 2025 (Reviewed)

	Level 1 BD '000	Level 2 BD '000	Level 3 BD '000	Total BD '000
Debt-type sukuk at fair value through other comprehensive income	-	54,822	-	54,822
Equity-type sukuk at fair value through other comprehensive income	-	29,149	-	29,149
Equity-type securities carried at fair value through other comprehensive income	-	-	20,909	20,909
	-	83,971	20,909	104,880

31 December 2024 (Audited)

	Level 1 BD '000	Level 2 BD '000	Level 3 BD '000	Total BD '000
Debt-type sukuk at fair value through other comprehensive income	-	54,502	-	54,502
Equity-type sukuk at fair value through other comprehensive income	-	29,149	-	29,149
Equity-type securities carried at fair value through other comprehensive income	-	-	20,895	20,895
	-	83,651	20,895	104,546

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025****25 FINANCIAL INSTRUMENTS (continued)**

The following table analyses the movement in Level 3 financial assets during the three month period ended 31 March 2025:

	31 March 2025 BD '000 (Reviewed)	31 March 2024 BD '000 (Reviewed)
At 1 January	20,895	23,774
Movement in investment fair value reserve	28	(238)
Other movements	(14)	294
As at 31 March	20,909	23,830

During the three months periods ended 31 March 2025 and 31 March 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

*c) Instruments not measured at fair value**Other financial instruments*

Placements with financial institutions and placements from financial institutions are for short term tenure hence their carrying value is not different from the fair value. Placements from non-financial institutions and individuals which are not short term are re-priced at regular intervals hence carrying value approximates its fair value. Fair value of other financial assets and liabilities are not significantly different from their carrying values due to their short term nature.

26 REGULATORY RATIOS*a. Liquidity Coverage Ratio (LCR)*

LCR is computed as a ratio of Stock of HQLA over the Net cash outflows over the next 30 calendar days. As at 31 March 2025, the Bank is required to maintain LCR greater than 100%. As of 31 March 2025, the Bank had LCR ratio of 159.84% (31 December 2024: 182.02%)

b. Net stable funding Ratio (NSFR)

The objective of the NSFR is to promote the resilience of Banks' liquidity risk profiles and to incentivise 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 as a percentage is calculated as "Available stable funding" divided by "Required stable funding".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025**26 *REGULATORY RATIOS (continued)*

The Consolidated NSFR calculated as per the requirements of the CBB rulebook, as of 31 March 2025 is as follows:

	Unweighted values (i.e. before applying relevant factors)				Total weighted value BD '000
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	
	BD '000	BD '000	BD '000	BD '000	
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	127,663	-	-	5,939	133,602
Other Capital Instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:					
Stable deposits	-	63,794	17,510	315	77,554
Less Stable deposits	-	223,998	124,119	10,152	323,458
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	712,888	91,558	61,856	244,179
Other liabilities:					
NSFR derivative liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	23,177	-	-	-
Total ASF	127,663	1,023,857	233,187	78,262	778,793

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**For the three-month period ended 31 March 2025**26 *REGULATORY RATIOS (continued)**b. Net stable funding Ratio (NSFR) (continued)*

Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	414,865	-	-	-	18,870
Performing financing assets and loans / securities:					
Performing loan to financial institutions secured by level 1 HQLA	-	-	-	-	-
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	71,517	-	-	10,728
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	82,902	49,275	484,349	442,615
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	175,849	114,302
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	101,575	66,024
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	29,255	4,658	33,642	71,444	109,819
Other Assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for Shari'a compliant hedging contracts and contributions to default funds of CCPS	-	-	-	-	-
NSFR Shari'a-compliant hedging assets	-	-	-	-	-
NSFR Shari'a compliant hedging contracts liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	117,645	-	-	-	117,645
OBS items	98,241	-	-	-	4,912
Total RSF	660,006	159,077	82,917	657,368	770,613
NSFR%					101.06%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

26 **REGULATORY RATIOS (continued)**
b. Net stable funding Ratio (NSFR)

The Consolidated NSFR calculated as per the requirements of the CBB rulebook, as of 31 December 2024 is as follows:

	Unweighted values (i.e. before applying relevant factors)				Total weighted value BD '000
	No specified maturity BD '000	Less than 6 months BD '000	More than 6 months and less than one year BD '000	Over one year BD '000	
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	131,214	-	-	6,581	137,795
Other Capital Instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:					
Stable deposits	-	24,870	11,124	327	34,521
Less Stable deposits	-	311,967	101,958	8,252	380,785
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	763,459	75,000	51,019	284,346
Other liabilities:					
NSFR derivative liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	22,161	-	-	-
Total ASF	131,214	1,122,456	188,082	66,180	837,447

Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	409,422	-	-	-	19,612
Performing financing and sukuk/securities:					
Performing financing to financial institutions secured by level 1 HQLA	-	-	-	-	-
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	135,212	-	-	20,282
Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	86,424	36,861	452,870	433,794
- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	63,940	41,561
Performing residential mortgages, of which:					
- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	108,302	70,396
Securities / sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	29,241	23,735	-	111,012	136,169
All other assets not included in the above categories	110,986	-	-	-	110,986
OBS items	76,423	-	-	-	3,821
Total RSF	626,071	245,372	36,861	672,183	795,060
NSFR%					105.34%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-month period ended 31 March 2025

26 **REGULATORY RATIOS** (continued)

c. *Capital Adequacy Ratio*

	31 March 2025 BD '000	31 December 2024 BD '000
CET 1 Capital before regulatory adjustments	127,663	131,214
Less: regulatory adjustments	-	-
<i>CET 1 Capital after regulatory adjustments</i>	127,663	131,214
<i>T1 Capital</i>	-	-
T 2 Capital adjustments	5,939	6,145
Regulatory Capital	133,602	137,359
Risk weighted exposure:		
Credit Risk Weighted Assets	508,264	518,901
Market Risk Weighted Assets	8,563	8,725
Operational Risk Weighted Assets	76,519	76,519
Total Regulatory Risk Weighted Assets	593,346	604,145
Investment risk reserve (30% only)	-	-
Profit equalization reserve (30% only)	-	-
Total Adjusted Risk Weighted Exposures	593,346	604,145
Capital Adequacy Ratio	22.52%	22.74%
Tier 1 Capital Adequacy Ratio	21.52%	21.72%
Minimum required by CBB	12.5%	12.5%

27 **COMPARATIVE FIGURES**

The comparative figures have been regrouped in order to conform with the presentation for current period. Such regrouping did not affect previously reported profit for the period or total equity.