

BAHRAIN ISLAMIC BANK B.S.C.
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 JUNE 2025

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the six months ended 30 June 2025

CONTENTS	Page
Independent auditors' report on review of condensed consolidated interim financial information	1
Condensed consolidated interim financial information	
Condensed consolidated statement of financial position	2
Condensed consolidated statement of income	3
Condensed consolidated statement of comprehensive income	4
Condensed consolidated statement of income and attribution related to quasi-equity	5
Condensed consolidated statement of cash flows	6
Condensed consolidated statement of changes in owners' equity	7
Notes to the condensed consolidated interim financial information	8 – 22



KPMG Fakhro
Audit
12th Floor, Fakhro Tower,
P.O. Box 710, Manama,
Kingdom of Bahrain

Telephone +973 17224807
Telefax +973 17227443
Website: www.kpmg.com/bh
CR No. 6220 - 2

1

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

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

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial information of Bahrain Islamic 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 total 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 three-month and six-month periods 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 owners' equity for the six-month period ended 30 June 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 30 June 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

5 August 2025

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		30 June 2025 BD'000 (reviewed)	31 December 2024 BD'000 (audited)
	Note		
ASSETS			
Cash and balances with banks and Central Bank		71,517	65,084
Placements with financial institutions		190,352	156,586
Financing contracts	8	1,000,017	1,000,663
Investment securities	9	297,307	272,126
Investment in associates		11,512	11,441
Investment in real estate	10	9,583	14,583
Property and equipment		15,083	14,793
Other assets	11	10,519	6,658
TOTAL ASSETS		1,605,890	1,541,934
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
Liabilities			
Placements from financial institutions		36,142	77,377
Placements from non-financial institutions and individuals		203,458	470,891
Financing from financial institutions	12	204,159	175,197
Customers' current accounts		247,204	216,442
Other liabilities	13	46,689	38,221
Total Liabilities		737,652	978,128
Quasi-equity			
Financial institutions		51,662	64,892
Non-financial institutions and individuals		658,351	351,494
Total Quasi-equity	14	710,013	416,386
Owners' Equity			
Share capital		106,406	106,406
Treasury shares		(677)	(892)
Shares under employee share incentive scheme		(175)	(101)
Share premium		132	206
Reserves		27,539	16,801
Equity attributable to Bank's shareholders		133,225	122,420
Subordinated Mudaraba (AT1)		25,000	25,000
Total Owners' Equity		158,225	147,420
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		1,605,890	1,541,934

The condensed consolidated interim financial information was approved by the Board of Directors on 5 August 2025 and signed on its behalf by:

Zaid Abdulrahman
Aug 5, 2025 10:31 AM BST

Zaid Khalid Abdulrahman
Chairman

Usman Ahmed
Aug 5, 2025 11:26 AM AST

Usman Ahmed
Vice Chairman

Fatema AlAlawi

Fatema AlAlawi
Chief Executive Officer

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the six months ended 30 June 2025

		Six months ended 30 June		Three months ended 30 June	
	Note	2025 BD'000 (reviewed)	2024 BD'000 (reviewed)	2025 BD'000 (reviewed)	2024 BD'000 (reviewed)
INCOME					
Income from financing contracts		26,797	25,282	13,514	12,897
Income from placements with financial institutions		4,735	1,789	2,811	844
Income from investment in Sukuk	15	7,296	7,773	3,764	3,936
Expense on placements from financial institutions		(1,890)	(3,066)	(749)	(1,311)
Expense on placements from non-financial institutions and individuals		(9,243)	(10,104)	(3,794)	(5,350)
Expense on financing from financial institutions		(4,597)	(4,078)	(2,418)	(1,829)
Net finance income		23,098	17,596	13,128	9,187
Fee and commission income, net		3,795	3,319	2,055	1,350
Income from investment securities		66	36	66	36
Income from investment in real estate, net	10	9,963	125	409	54
Share of results of associates, net		72	42	37	35
Other income, net		2,177	1,356	1,424	1,171
Total income		39,171	22,474	17,119	11,833
EXPENSES					
Staff costs		7,791	6,916	3,499	3,373
Depreciation and amortization		882	935	479	472
Other expenses		6,333	7,111	3,495	3,593
Total expenses		15,006	14,962	7,473	7,438
Profit before impairment allowances and attribution to quasi-equity		24,165	7,512	9,646	4,395
Impairment allowance, net	16	(5,084)	(3,358)	(2,396)	(2,021)
Profit before attribution to quasi-equity		19,081	4,154	7,250	2,374
Profit attributable to quasi-equity		(5,893)	(1,841)	(4,064)	(1,092)
PROFIT FOR THE PERIOD		13,188	2,313	3,186	1,282
BASIC AND DILUTED EARNINGS PER SHARE (fils)		10.70	0.39	1.22	(0.59)

Zaid Abdulrahman
Aug 5, 2025 10:31 AM BST

Zaid Khalid Abdulrahman
Chairman

Usman Ahmed
Aug 5, 2025 11:26 AM AST

Usman Ahmed
Vice Chairman

Fatema AlAlawi
Chief Executive Officer

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Six months ended		Three months ended	
	30 June		30 June	
	2025	2024	2025	2024
	BD'000	BD'000	BD'000	BD'000
	(reviewed)	(reviewed)	(reviewed)	(reviewed)
Profit for the period	13,188	2,313	3,186	1,282
Other comprehensive income				
Items that are or may be reclassified subsequently to the statement of income				
Fair value changes on equity investments carried at fair value through OCI	(84)	(3)	(32)	(4)
Fair value changes on investment in real estate	(59)	-	-	-
Total other comprehensive income for the period	(143)	(3)	(32)	(4)
Total comprehensive income	13,045	2,310	3,154	1,278

Bahrain Islamic Bank B.S.C.

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

For the six months ended 30 June 2025

	Six months ended 30 June		Three months ended 30 June	
	2025	2024	2025	2024
	BD'000	BD'000	BD'000	BD'000
	(reviewed)	(reviewed)	(reviewed)	(reviewed)
Profit before impairment allowances and attribution to quasi-equity	24,165	7,512	9,646	4,395
Adjusted for:				
Less: income not attributable to quasi-equity	(16,073)	(4,878)	(3,991)	(2,646)
Add: expenses not attributable to quasi-equity	30,736	32,210	14,434	15,928
Less: institution's share of income from jointly financed assets	(22,343)	(23,797)	(10,205)	(11,906)
Less: allowance for impairment allowances attributable to quasi-equity	(2,142)	(1,054)	(1,204)	(647)
Total income available for quasi-equity holders	14,343	9,993	8,680	5,124
Profit equalization reserve – net movement	(128)	(107)	(67)	(55)
Total income attributable to quasi-equity holders (adjusted for reserves)	14,215	9,886	8,613	5,069
Less: mudarib's share	(7,802)	(7,971)	(4,067)	(3,959)
Less: wakala fees	(520)	(74)	(482)	(18)
Profit attributable to quasi-equity	5,893	1,841	4,064	1,092

Bahrain Islamic Bank B.S.C.
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	BD'000	BD'000
	(reviewed)	(reviewed)
OPERATING ACTIVITIES		
Profit for the period	13,188	2,313
Adjustments for non-cash items:		
Depreciation	708	744
Impairment allowance, net	5,084	3,358
Amortization of right-of-use asset	174	191
Gain on sale of investment in sukuk	(8)	(5)
Gain on sale of investment in real estate	(9,742)	-
Share of results of associates, net	(72)	(42)
Operating profit before changes in operating assets and liabilities	9,332	6,559
Working capital adjustments:		
Mandatory reserve with Central Bank of Bahrain	(3,345)	(3,620)
Financing contracts	(5,267)	(41,755)
Other assets	(7,710)	(1,231)
Customers' current accounts	30,762	2,821
Other liabilities	8,121	16,153
Placements from financial institutions	(44,625)	(7,658)
Placements from non-financial institutions and individuals	(267,433)	104,040
Quasi-equity	293,627	9,238
Net cash from operating activities	13,462	84,547
INVESTING ACTIVITIES		
Disposal of investment in real estate	14,684	-
Purchase of property and equipment	(998)	(967)
Purchase of investment securities	(60,987)	(44,361)
Disposal of investment securities	40,243	58,667
Net cash (used in) / from investing activities	(7,058)	13,339
FINANCING ACTIVITIES		
Profit distribution on AT1 Capital	(1,901)	(1,906)
Financing from financial institutions received / (paid)	28,962	(33,701)
Net cash from / (used in) financing activities	27,061	(35,607)
NET INCREASE IN CASH AND CASH EQUIVALENTS	33,465	62,279
Cash and cash equivalents at 1 January	175,629	74,399
CASH AND CASH EQUIVALENTS AT 30 JUNE	209,094	136,678
Cash and cash equivalents comprise:		
Cash on hand	9,381	11,185
Balances with CBB, excluding mandatory reserve deposits	1,012	236
Balances with banks and other financial institutions excluding restricted balances	8,349	5,631
Placements with financial institutions with original maturities less than 90 days	190,352	119,626
	209,094	136,678

Bahrain Islamic Bank B.S.C.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the six months ended 30 June 2025

	Equity attributable to Bank's shareholders											
	Shares under employee share incentive scheme				Reserves							
	Share capital BD'000	Treasury shares BD'000	Incentive scheme BD'000	Share premium BD'000	Statutory reserve BD'000	Real estate fair value reserve BD'000	Investment securities fair value reserve BD'000	Retained earnings / (Accumulated losses) BD'000	Total reserves BD'000	Equity attributable to Bank's shareholders BD'000	Sub-ordinated mudaraba (AT1) BD'000	Total Owners' Equity BD'000
2025 - reviewed												
Balance at 1 January 2025	106,406	(892)	(101)	206	8,227	1,320	1,652	5,602	16,801	122,420	25,000	147,420
Profit for the period	-	-	-	-	-	-	-	13,188	13,188	13,188	-	13,188
Other comprehensive income	-	-	-	-	-	(59)	(84)	-	(143)	(143)	-	(143)
Total comprehensive income for the period	-	-	-	-	-	(59)	(84)	13,188	13,045	13,045	-	13,045
Zakah approved	-	-	-	-	-	-	-	(356)	(356)	(356)	-	(356)
Donations approved	-	-	-	-	-	-	-	(50)	(50)	(50)	-	(50)
Profit distribution on AT1 Capital	-	-	-	-	-	-	-	(1,901)	(1,901)	(1,901)	-	(1,901)
Shares allocated to staff during the period	-	-	67	-	-	-	-	-	-	67	-	67
Transfer to shares under employee share incentive schen	-	215	(141)	(74)	-	-	-	-	-	-	-	-
Balance at 30 June 2025	106,406	(677)	(175)	132	8,227	1,261	1,568	16,483	27,539	133,225	25,000	158,225
2024 - reviewed												
Balance at 1 January 2024	106,406	(892)	(195)	206	7,720	1,320	1,583	3,484	14,107	119,632	25,000	144,632
Profit for the period	-	-	-	-	-	-	-	2,313	2,313	2,313	-	2,313
Other comprehensive income	-	-	-	-	-	-	(3)	-	(3)	(3)	-	(3)
Total comprehensive income for the period	-	-	-	-	-	-	(3)	2,313	2,310	2,310	-	2,310
Zakah approved	-	-	-	-	-	-	-	(289)	(289)	(289)	-	(289)
Donations approved	-	-	-	-	-	-	-	(250)	(250)	(250)	-	(250)
Profit distribution on AT1 Capital	-	-	-	-	-	-	-	(1,906)	(1,906)	(1,906)	-	(1,906)
Shares allocated to staff during the period	-	-	148	-	-	-	-	-	-	148	-	148
Balance at 30 June 2024	106,406	(892)	(47)	206	7,720	1,320	1,580	3,352	13,972	119,645	25,000	144,645

The accompanying notes 1 to 23 form an integral part of this condensed consolidated interim financial information.

1 REPORTING ENTITY

Bahrain Islamic Bank B.S.C. (the "Bank") was incorporated in the Kingdom of Bahrain in 1979 by Amiri Decree No.2 of 1979 and registered with the Ministry of Industry and Commerce ("MOIC") under Commercial Registration (CR) number 9900, to carry out banking and other financial trading activities in accordance with the teachings of Islam (Shari'a). The Bank operates under an Islamic retail banking license issued by the Central Bank of Bahrain ("CBB"). The Bank's Shari'a Supervisory Board is entrusted to ensure the Bank's adherence to Shari'a rules and principles in its transactions and activities. The Bank is listed on the Bahrain Bourse.

National Bank of Bahrain (NBB) owns 78.81% (31 December 2024: 78.81%) of shares. Hence NBB is considered as Parent of the Bank for financial reporting purposes.

The Bank's registered office is at Building 722, Road 1708, Block 317, Manama, Kingdom of Bahrain.

The Bank has eight branches (2024: eight), all operating in the Kingdom of Bahrain.

The condensed consolidated interim financial information includes the results of the Bank and its wholly owned subsidiaries (together the "Group"). The Bank holds 100% of the share capital of Abaad Real Estate Company W.L.L., a real estate company incorporated in Kingdom of Bahrain.

2 BASIS OF PREPARATION AND PRESENTATION

This condensed consolidated interim financial information has been prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI") and applicable rules and regulations issued by the Central Bank of Bahrain ("CBB").

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

3 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.

(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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

4 FINANCIAL RISK MANAGEMENT

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

5 JUDGMENT AND ESTIMATES

Preparation of the 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 the same as those applied to the audited consolidated financial statements as at and for the year ended 31 December 2024.

6 COMPARATIVE INFORMATION

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 Group's audited consolidated financial statements for the year ended 31 December 2024, and comparatives for the condensed consolidated statements of income, condensed consolidated statements of comprehensive income, condensed consolidated statement of income and attribution related to quasi-equity, changes in owner's equity, and cash flows have been extracted from the Group's reviewed condensed consolidated interim financial information for the six months ended 30 June 2024.

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

7 SEASONALITY

The Bank does not have significant income of seasonal nature.

8 FINANCING CONTRACTS

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Trade-based		
Murabaha	723,867	720,546
Participatory-based		
Musharaka	95,931	97,430
Lease-based		
Ijarah Muntahia Bittamleek (net of accumulated depreciation)	307,867	316,982
Gross financing contracts	1,127,665	1,134,958
Deferred profits	(85,305)	(87,721)
Expected credit losses allowance (8.1)	(42,343)	(46,574)
Net financing contracts	1,000,017	1,000,663

8.1 The movement on expected credit losses allowances is as follows:

30 June 2025	Stage 1 BD'000	Stage 2 BD'000	Stage 3 BD'000	Total BD'000
Gross financing contracts	985,487	59,323	82,855	1,127,665
Less: Deferred profits	57,997	6,399	20,909	85,305
Less: Expected credit losses allowance				
At 1 January 2025	5,438	4,624	36,512	46,574
Net movement between stages	297	(511)	214	-
Net charge for the period	(475)	1,267	4,125	4,917
Write-off	-	-	(9,148)	(9,148)
At 30 June 2025	5,260	5,380	31,703	42,343
Net financing contracts	922,230	47,544	30,243	1,000,017
31 December 2024	Stage 1 BD'000	Stage 2 BD'000	Stage 3 BD'000	Total BD'000
Gross financing contracts	979,470	68,723	86,765	1,134,958
Less: Deferred profits	65,703	8,044	13,974	87,721
Less: Expected credit losses allowance				
At 1 January 2024	4,064	8,612	27,214	39,890
Net movement between stages	1,037	(3,447)	2,410	-
Net charge for the year	337	(541)	7,503	7,299
Write-off	-	-	(615)	(615)
At 31 December 2024	5,438	4,624	36,512	46,574
Net financing contracts	908,329	56,055	36,279	1,000,663

9 INVESTMENT SECURITIES

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
i) Debt type instruments - at amortised cost*		
<i>Quoted Sukuk</i>		
Gross balance at the beginning of the period	253,928	258,547
Acquisitions	60,987	74,961
Disposals and redemptions	(40,235)	(79,580)
Gross balance at the end of the period**	274,680	253,928
Expected credit losses allowance	(104)	(34)
Fair value gains / (losses) on hedged items attributable to profit rate risk hedged**	1,518	(2,135)
Net balance at the end of the period	276,094	251,759
<i>Unquoted Sukuk</i>		
Gross balance at the beginning of the period	12,507	12,516
Disposals and redemptions	-	-
Foreign currency translation changes	27	(9)
Gross balance at the end of the period	12,534	12,507
Expected credit losses allowance	(12,534)	(12,507)
Net balance at the end of the period	-	-
ii) Equity type instruments		
<i>Quoted shares - at fair value through other comprehensive income</i>		
Balance at beginning of the period	-	-
Acquisitions	996	-
Fair value movement - net	(5)	-
Balance at the end of the period	991	-
<i>Unquoted shares - at fair value through other comprehensive income</i>		
Balance at beginning of the period	19,931	20,050
Fair value movement - net	(145)	(119)
Balance at the end of the period	19,786	19,931
<i>Unquoted managed funds</i>	436	436
Total net investment securities	297,307	272,126

* As of 30 June 2025, debt type instruments includes Sukuk of BD 142,203 thousand (31 December 2024: BD 117,667 thousand) pledged against financing from financial institutions of BD 122,596 thousand (31 December 2024: BD 103,338 thousand) (note 12).

** As of 30 June 2025, Sukuk of BD 170,625 thousand (31 December 2024: BD 110,595) carried at amortised cost were hedged through profit rate swaps and the resultant fair value gain on the hedged items related to profit rate risk of BD 1,518 thousand gain (31 December 2024: BD 2,135 thousand loss) were adjusted to the carrying value.

10 INVESTMENT IN REAL ESTATE

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Lands	9,583	14,583
	9,583	14,583
	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Movement on investment in real estate:		
Balance at the beginning of the period	14,583	14,725
Disposal	(4,941)	-
Fair value changes	(59)	(142)
Balance at the end of the period	9,583	14,583

Investment in real estate comprises of plots of land in the Kingdom of Bahrain and the United Arab Emirates.

During the period ended 30 June 2025, an profit of BHD 9,742 thousand was recognized in the condensed consolidated statement of income on account of sale of land with a carrying value of BD 4,941 thousand.

11 OTHER ASSETS

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Reposessed assets*	1,240	-
Receivables	2,019	271
Staff advances	1,621	1,471
Prepaid expenses	1,265	473
Risk management instruments (11.1)	395	2,135
Right of use asset	480	464
Other	3,499	1,844
	10,519	6,658

*Reposessed assets comprise lands located in Kingdom of Bahrain and are net of impairment allowance of BD 24 thousand (2024: nil).

11.1 Risk management instruments

The risk management instruments are valued based on observable inputs. The fair values of risk management financial instruments held by the Group as at 30 June 2025 are provided below:

	30 June 2025		31 December 2024	
	Assets BD'000	Liabilities BD'000	Assets BD'000	Liabilities BD'000
Profit rate swaps (Fair value hedges)	-	1,518	2,135	-
Foreign exchange contracts (Waad) (Other risk management instruments)	395	-	-	616
	395	1,518	2,135	616

The notional amount of risk management financial instruments held by the Group as at 30 June 2025 are provided below:

	30 June 2025		31 December 2024	
	Assets BD'000	Liabilities BD'000	Assets BD'000	Liabilities BD'000
Profit rate swaps (Fair value hedges)	170,625	-	110,595	-
Foreign exchange contracts (Waad) (Other risk management instruments)	60,149	59,754	46,625	46,009
	230,774	59,754	157,220	46,009

The net hedge ineffectiveness gain / losses recognized in the condensed consolidated income statement are as follows:

	30 June 2025 BD'000	30 June 2024 BD'000
Gains / (losses) on the hedged items attributable to risk hedged	1,518	(1,761)
(Losses) / gains on the hedging instruments	(1,518)	1,761
Net hedge ineffectiveness (loss)/gain	-	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

12 FINANCING FROM FINANCIAL INSTITUTIONS

This represents term murabaha facilities of BD 204,159 thousand (2024: BD 175,197 thousand) secured by pledge over Sukuk of BD 142,203 thousand (2024: BD 117,667 thousand) (note 9). The average profit rate on financing is 5.19% (2024: 4.99%).

13 OTHER LIABILITIES

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Managers' cheques	3,158	2,135
Payable to vendors	5,948	2,710
Accrued expenses	8,442	7,271
Zakah and charity fund*	1,489	1,169
Net Ijarah liability	485	444
Other**	27,167	24,492
	46,689	38,221

*During the period ended 30 June 2025, BD 580 thousand (2024: BD 607 thousand) was transferred into the Zakah and charity fund and BD 261 thousand (2024 BD 215 thousand) was utilised from the Zakah and charity fund. There were no movements in the good faith and Qard fund during the quarter.

**Other includes expected credit losses allowance for commitments and contingent liabilities of BD 977 thousand (31 December 2024: BD 969 thousand).

14 QUASI-EQUITY

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Placements from financial institutions – Wakala	51,662	64,892
Placements from non-financial institutions and individuals – Wakala	603	1,113
Placements from non-financial institutions and individuals - Mudharaba	657,748	350,381
	710,013	416,386

The funds received from Wakala pool and mudharba pool together with quasi-equity have been commingled and jointly invested with the Group in the following asset classes and reported under quasi-equity:

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Cash and balances with banks and Central Bank	48,362	44,156
Placements with financial institutions	4,506	5,505
Financing contracts, net	514,968	293,007
Investment securities, net	142,177	73,718
	710,013	416,386

Profit equalisation reserve

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Opening reserve balance	342	113
Movement during the period	128	229
Ending reserve balance	470	342

14 QUASI-EQUITY (continued)**Distribution of assets by ownership**

	30 June 2025 (Reviewed)			31 December 2024 (Audited)		
	Self-financed	Quasi-equity	Total	Self-financed	Quasi-equity	Total
Cash and balances with banks and Central Bank	23,155	48,362	71,517	20,928	44,156	65,084
Placements with financial institutions	185,846	4,506	190,352	151,081	5,505	156,586
Financing contracts	485,049	514,968	1,000,017	707,656	293,007	1,000,663
Investment in Sukuk	133,917	142,177	276,094	178,041	73,718	251,759
Investment in equities and funds	21,213	-	21,213	20,367	-	20,367
Investment in associates	11,512	-	11,512	11,441	-	11,441
Investment in real estate	9,583	-	9,583	14,583	-	14,583
Property and equipment	15,083	-	15,083	14,793	-	14,793
Other assets	10,519	-	10,519	6,658	-	6,658
	895,877	710,013	1,605,890	1,125,548	416,386	1,541,934

Distribution of income

	30 June 2025 (Reviewed)			30 June 2024 (Reviewed)		
	Self-financed	Quasi-equity	Total	Self-financed	Quasi-equity	Total
INCOME						
Income from financing contracts	16,544	10,253	26,797	18,106	7,176	25,282
Income from placements with financial institutions	1,706	3,029	4,735	466	1,323	1,789
Income from investment in Sukuk	4,222	3,074	7,296	5,332	2,441	7,773
Expense on placements from non-financial institutions	(1,890)	-	(1,890)	(3,066)	-	(3,066)
Expense on financing from financial institutions	(9,243)	-	(9,243)	(10,104)	-	(10,104)
Expense on financing from financial institutions	(4,597)	-	(4,597)	(4,078)	-	(4,078)
Net finance income	6,742	16,356	23,098	6,656	10,940	17,596
Fee and commission income, net	3,795	-	3,795	3,319	-	3,319
Income from investment securities	66	-	66	36	-	36
Income from investment in real estate, net	9,963	-	9,963	125	-	125
Share of results of associates, net	72	-	72	42	-	42
Other income, net	2,177	-	2,177	1,356	-	1,356
Total income	22,815	16,356	39,171	11,534	10,940	22,474
EXPENSES						
Staff costs	7,791	-	7,791	6,916	-	6,916
Depreciation and amortization	882	-	882	935	-	935
Other expenses	6,333	-	6,333	7,111	-	7,111
Total expenses	15,006	-	15,006	14,962	-	14,962
Profit before impairment allowances and attribution to quasi-equity	7,809	16,356	24,165	(3,428)	10,940	7,512
Impairment allowance, net	(2,942)	(2,142)	(5,084)	(2,304)	(1,054)	(3,358)
Group's share as Mudarib and Wakil	8,321	(8,321)	-	8,045	(8,045)	-
ALLOCATED PROFIT	13,188	5,893	19,081	2,313	1,841	4,154

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

15 INCOME FROM INVESTMENT IN SUKUK

	30 June 2025 BD'000 (Reviewed)	30 June 2024 BD'000 (Reviewed)
Profit on investment in Sukuk	7,288	7,768
Gain on sale of Sukuk	8	5
	7,296	7,773

16 IMPAIRMENT ALLOWANCE, NET

	30 June 2025 BD'000 (Reviewed)	30 June 2024 BD'000 (Reviewed)
Financing contracts (note 8.1)	4,917	3,682
Investments in Sukuk	70	(32)
Investments at fair value through other comprehensive income	66	188
Placements with financial institutions	(1)	1
Other assets	24	-
Commitments	8	(481)
	5,084	3,358

17 COMMITMENTS AND CONTINGENT LIABILITIES

These include commitments to enter into financing contracts which are designed to meet the requirements of the Group's customers.

Letters of credit and guarantees commit the Group to make payments on behalf of customers.

The Group has the following credit related commitments and contingent liabilities on behalf of customers:

	30 June 2025 BD'000 (Reviewed)	31 December 2024 BD'000 (Audited)
Letters of credit and acceptances	2,207	2,550
Guarantees	28,289	31,589
Credit Cards	44,121	44,266
Altamweel Almaren	22,535	26,594
Commitments to finance	7,788	8,687
	104,940	113,686

Expected credit losses allowance of BD 977 thousand (31 December 2024: BD 969 thousand) has been provided on account of the credit risk on these for commitments and contingent liabilities.

18 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, employees 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. The Group as part of the periodic assessment maintains adequate provisions. No further disclosures regarding contingent liabilities arising from any such claims are being made by the Bank as the directors believe that such disclosures may be prejudicial to the Group's legal position.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

19 RELATED PARTY TRANSACTIONS

Related parties comprise of 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 or directors with that of the Bank. The transactions with these parties were made on commercial terms.

The significant balances and transactions with related parties at 30 June 2025 were as follows:

30 June 2025 (reviewed)					
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Assets					
Cash and balances with banks and Central Bank	5,425	-	-	-	5,425
Placements with financial institutions	3,000	-	-	-	3,000
Financing contracts	-	-	2,449	847	3,296
Investment in associates	-	11,512	-	-	11,512
Other assets	3,619	-	-	472	4,091
Liabilities and Quasi-equity					
Financing from financial institutions	56,644	-	-	-	56,644
Placements from non-financial institutions and individuals	-	-	-	500	500
Placements from financial institutions	20,099	-	-	-	20,099
Customers' current accounts	-	695	4,133	197	5,025
Other liabilities	10,334	-	810	-	11,144
Quasi-equity	-	-	3,277	2,232	5,509
Off Balance sheet					
Profit rate swap - notional amount	170,625	-	-	-	170,625
30 June 2025 (reviewed)					
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Income					
Income from financing contracts	-	-	38	23	61
Income from investment in Sukuk	392	-	-	-	392
Placements with financial institutions	1,738	-	-	-	1,738
Share of results of associates, net	-	72	-	-	72
Other income	(3,653)	-	-	-	(3,653)
Net income attributable to quasi-equity	-	-	(35)	(46)	(81)
Expense on placements from financial institutions	(1,324)	-	-	-	(1,324)
Expense on placements from non-financial institutions and individuals	-	-	(9)	(18)	(27)
Expense on financing from financial institutions	(740)	-	-	-	(740)
Expenses					
Staff costs	-	-	-	(1,287)	(1,287)
Other expenses	-	-	(246)	-	(246)

19 RELATED PARTY TRANSACTIONS (continued)

	31 December 2024 (audited)				
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Assets					
Cash and balances with banks and Central Bank	2,036	-	-	-	2,036
Placements with financial institutions	-	-	-	-	-
Financing contracts	-	-	471	907	1,378
Investment in associates	-	11,441	-	-	11,441
Other assets	3,158	-	-	389	3,547
Liabilities and Quasi-equity					
Placements from financial institutions	20,078	-	-	-	20,078
Financing from financial institutions	61,660	-	-	-	61,660
Placements from non-financial institutions and individuals	-	-	640	865	1,505
Customers' current accounts	-	653	1,798	57	2,508
Other liabilities	6,599	-	431	-	7,030
Quasi-equity	-	-	287	1,240	1,527
Off Balance sheet					
Profit rate swap - notional amount	80,131	-	-	-	80,131
30 June 2024 (reviewed)					
	Shareholders BD'000	Associates and joint ventures BD'000	Directors and related entities BD'000	Senior management BD'000	Total BD'000
Income					
Income from financing contracts	-	-	10	9	19
Income from investment in Sukuk	1,090	-	-	-	1,090
Placements with financial institutions	595	-	-	-	595
Share of results of associates, net	-	42	-	-	42
Other income	(1,023)	-	-	-	(1,023)
Net income attributable to quasi-equity	-	-	(1)	(46)	(47)
Expense on placements from financial institutions	(572)	-	-	-	(572)
Expense on placements from non-financial institutions and individuals	-	-	(10)	(13)	(23)
Expense on financing from financial institutions	(2,552)	-	-	-	(2,552)
Expenses					
Staff costs	-	-	-	(1,494)	(1,494)
Other expenses	-	-	(302)	-	(302)
Compensation of the key management personnel is as follows:					
	Six months ended				
	30 June				
	2025	2024			
	BD'000	BD'000			
Short term employee benefits	1,169	1,366			
Other long term benefits	118	128			
	1,287	1,494			

20 FINANCIAL INSTRUMENTS**Fair value hierarchy**

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

Fair values of quoted securities/Sukuk are derived from quoted market prices in active markets, if available. For unquoted securities/Sukuk, fair value is estimated using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

In case of financing assets, the average profit rate of the portfolio is in line with current market rates for similar facilities and hence after consideration of adjustment for prepayment risk and impairment charges it is expected that the current value would not be materially different from fair value of these assets. Quoted shares of BD 991 thousand (31 December 2024: nil) are treated as Level 1 investments. Unquoted shares and unquoted managed funds of BD 20,222 thousand (31 December 2024: BD 20,367 thousand) are treated as Level 3 investments. During the period fair value movement of BD 66 thousand (31 December 2024: BD nil) was charged to income statement and BD 143 thousand fair value loss was reported in the fair value reserve (31 December 2024: BD 69 thousand fair value gain). The estimated fair value of the Bank's other financial instruments are not significantly different from their carrying values due to their short-term nature.

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

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

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

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

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

	Level 1 BD'000	Level 2 BD'000	Level 3 BD'000	Total BD'000
30 June 2025				
Investment securities				
Quoted shares	991	-	-	991
Unquoted shares	-	-	19,786	19,786
Unquoted managed funds	-	-	436	436
Other liabilities	-	1,518	-	1,518
Total	991	1,518	20,222	22,731
	<i>Level 1</i> <i>BD'000</i>	<i>Level 2</i> <i>BD'000</i>	<i>Level 3</i> <i>BD'000</i>	<i>Total</i> <i>BD'000</i>
31 December 2024				
Investment securities				
Unquoted shares	-	-	19,931	19,931
Unquoted managed funds	-	-	436	436
Other assets	-	2,135	-	2,135
Total	-	2,135	20,367	22,502

Transfers between Level 1, Level 2 and Level 3

During the six-months period ended 30 June 2025 there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurement.

21 SEGMENTAL INFORMATION

For management purposes, the Group is organised into three major business segments;

Corporate	Principally handling equity of corporate investment accountholders', corporate current accounts, and providing Islamic financing facilities to corporate customers.
Retail	Principally handling equity of individual retail customers' investment accountholders', retail current accounts, and providing Islamic financing facilities to individual customers.
Investment	Principally handling equity of banks' and financial institutions' investment accountholders, providing money market, trading and treasury services as well as the management of the Group's investment activities. Investment activities involve handling investments in local and international markets and investment in properties.

These segments are the basis on which the Group reports its primary segment information. Transactions between segments are conducted at estimated market rates on an arm's length basis. Transfer charges are based on a pool rate which approximates the cost of funds.

Segment information is disclosed as follows:

	<i>For the six months ended 30 June 2025 (Reviewed)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Total net income	1,679	12,652	18,947	33,278
Total expenses	(2,975)	(10,502)	(1,529)	(15,006)
Allowances for expected credit losses, net	(3,295)	(1,629)	(160)	(5,084)
Profit / (Loss) for the period	(4,591)	521	17,258	13,188

Other information

	<i>30 June 2025 (Reviewed)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Segment assets	355,415	718,521	531,954	1,605,890
Segment liabilities, quasi-equity and owners' equity	455,631	767,158	383,101	1,605,890

	<i>For the six months ended 30 June 2024 (Reviewed)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Total net income	3,213	12,350	5,070	20,633
Total expenses	(3,006)	(10,595)	(1,361)	(14,962)
Allowances for expected credit losses, net	(2,011)	(1,190)	(157)	(3,358)
Profit / (Loss) for the period	(1,804)	565	3,552	2,313

Other information

	<i>31 December 2024 (Audited)</i>			
	<i>Corporate</i>	<i>Retail</i>	<i>Investment</i>	<i>Total</i>
	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>	<i>BD'000</i>
Segment assets	368,588	703,172	470,174	1,541,934
Segment liabilities, quasi-equity and owners' equity	476,170	705,509	360,255	1,541,934

The Group operates solely in the Kingdom of Bahrain and, as such, no geographical segment information is presented.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

22 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the period attributable to the shareholder 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.

	Six months ended 30 June		Three months ended 30 June	
	2025 (Reviewed)	2024 (Reviewed)	2025 (Reviewed)	2024 (Reviewed)
Profit for the period attributable to the shareholders of the bank bank for basic and diluted earnings per share computation	13,188	2,313	3,186	1,282
Less: Profit distribution on AT 1 Capital	(1,901)	(1,906)	(1,901)	(1,906)
Profit/(loss) for the period attributable to the shareholders of the bank for basic and diluted earnings per share computation	11,287	407	1,285	(624)
Weighted average number of shares outstanding during the period, net of treasury shares (thousand)	1,055,190	1,054,604	1,055,190	1,054,604
Basic and diluted earnings per share (fils)	10.70	0.39	1.22	(0.59)

AT1 Profits are paid annually and hence not adjusted every quarter. Accordingly, the quarterly EPS may not be indicative of the annual measure.

23 NET STABLE FUNDING RATIO

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 will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. 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.

The NSFR is calculated in accordance with the Liquidity Risk Management Module guidelines issued by CBB and its effective from 31 December 2019. The minimum NSFR ratio as per CBB is 100%.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

23 NET STABLE FUNDING RATIO (continued)

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

Item	Unweighted Values (before applying factors)				BD'000
	No Specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total Weighted Value
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	159,821	-	-	12,168	171,989
Other Capital Instruments	-	-	-	-	-
Retail Deposits and deposits from small business customers:					
Stable Deposits	-	273,818	4,870	36	264,790
Less stable deposits	-	390,683	56,847	11,570	414,346
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	527,450	74,700	61,002	209,327
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	1,518	-	-	-	-
All other liabilities not included in the above categories	-	42,154	-	-	-
Total ASF	161,339	1,234,105	136,417	84,776	1,060,452
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	314,653	-	19,289	-	22,490
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
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	-	28,561	611	73,364	77,954
Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	249,124	102,636	724,819	706,326
- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
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 contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	98,153	-	-	5,425	103,579
OBS items	104,940	-	-	-	5,247
Total RSF	517,746	277,685	122,536	803,608	915,596
NSFR (%)					115.8%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 June 2025

23 NET STABLE FUNDING RATIO (continued)

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

Item	No Specified maturity	Unweighted Values (before applying factors)			BD'000
		Less than 6 months	More than 6 months and less than one year	Over one year	Total Weighted Value
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	151,818	-	-	11,571	163,388
Other Capital Instruments	-	-	-	-	-
Retail Deposits and deposits from small business customers:					
Stable Deposits	-	264,311	4,841	24	255,719
Less stable deposits	-	380,809	42,897	11,281	392,616
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	474,543	105,385	72,201	249,072
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	32,352	-	-	-
Total ASF	151,818	1,152,015	153,123	95,077	1,060,795
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	228,368	-	78,612	-	47,965
Deposits held at other financial institutions for operational purposes	-	-	-	-	-
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	-	72,259	781	65,401	76,630
Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	210,136	68,889	721,429	703,368
- With a risk weight of less than or equal to 35% as per the Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
Securities/ sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
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	2,135	-	-	-	2,135
NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above categories	101,986	-	-	2,036	104,021
OBS items	113,685	-	-	-	5,684
Total RSF	446,174	282,395	148,282	788,866	939,803
NSFR (%)					112.9%