

KHALEEJI BANK B.S.C.
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS

31 MARCH 2026

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	: Yusuf Abdulla Taqi – 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 Riyadh Eid Al Yaqoob Razi Al Merbati Salah Abdulla Sharif
Chief Executive Officer (till 31 March 2026)	: Sattam Algosaiabi
Acting Chief Executive Officer (appointed 1 April 2026)	: Abdulkarim Alzakari
Board Secretary	: Mohammed Abdulla Saleh
External Auditors	: KPMG Fakhro, Bahrain

KHALEEJI BANK B.S.C.

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

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 changes in owners' equity	6-7
Condensed consolidated statement of cash flows	8
Condensed consolidated statement of changes in off-balance-sheet assets under management	9
Notes to the condensed consolidated interim financial information	10-29



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1

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 2026 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 2026;
- the condensed consolidated statement of income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of comprehensive income for the three-month period ended 31 March 2026;
- the condensed consolidated statement of income and attribution related to quasi-equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in owners' equity for the three-month period ended 31 March 2026;
- the condensed consolidated statement of cash flows for the three-month period ended 31 March 2026;
- the condensed consolidated statement of changes in off-balance sheet assets under management for the three-month period ended 31 March 2026; 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 2026 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

7 May 2026

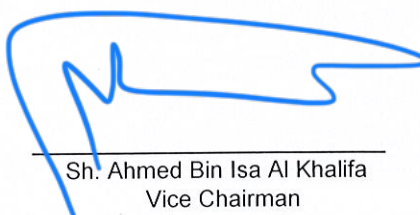
KHALEEJI BANK B.S.C.
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 March 2026

	Note	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
ASSETS			
Cash and bank balances		43,420	51,484
Placements with financial institutions		124,345	153,038
Investment in sukuk and other yielding investments	7	625,726	568,599
Financing contracts	8	806,571	830,206
Investment securities	9	17,448	17,453
Investment in real estate	10	45,295	45,933
Equity accounted investees	11	6,948	6,948
Other assets	12	21,883	23,243
Property and equipment		27,894	28,220
TOTAL ASSETS		1,719,530	1,725,124
LIABILITIES			
Placements from financial institutions		153,422	196,899
Placements from non-financial institutions and individuals		234,812	343,983
Term financing from financial institutions		313,455	222,005
Customers' current accounts		115,627	95,842
Other liabilities	13	21,750	28,674
TOTAL LIABILITIES		839,066	887,403
QUASI-EQUITY			
- From financial institutions		132,915	142,458
- From non-financial institutions and individuals		629,704	553,393
TOTAL QUASI-EQUITY	14	762,619	695,851
OWNERS' EQUITY			
Share capital	15	113,044	113,044
Statutory reserve		14,618	14,618
Treasury shares		(5,953)	(5,907)
Investment fair value reserve		(20,286)	(5,195)
Retained earnings		8,810	17,710
Equity attributable to Bank's shareholders		110,233	134,270
Non-controlling interest		7,612	7,600
TOTAL OWNERS' EQUITY		117,845	141,870
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		1,719,530	1,725,124

The Board of Directors approved the condensed consolidated interim financial information on 7 May 2026 and signed on its behalf by:



Yusuf Abdulla Taqi
Chairman




Sh. Ahmed Bin Isa Al Khalifa
Vice Chairman




Abdulkarim Alzakari
Acting Chief Executive Officer

KHALEEJI BANK B.S.C.
CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the three-months period ended 31 March 2026

	Note	Three months ended 31 March 2026 BD '000 (Reviewed)	Three months ended 31 March 2025 BD '000 (Reviewed)
Income from financing contracts		12,660	12,149
Income from placements with financial institutions		1,010	1,265
Income from sukuk and other yielding investments		7,789	5,213
Finance expense on placements from financial institutions, non-financial institutions and individuals		(5,291)	(5,760)
Finance expense on term financing from financial institutions		(3,283)	(3,036)
Net finance income		12,885	9,831
Income from investment securities, net		(14)	-
Income from investment in real estate, net	17	225	4,455
Fees and other income, net	18	952	783
TOTAL INCOME		14,048	15,069
Staff cost		1,882	2,506
Other operating expenses		2,609	2,768
TOTAL EXPENSES		4,491	5,274
Profit before impairment allowances and attribution to quasi-equity		9,557	9,795
Allowances for impairment and expected credit losses, net	19	(5,000)	(1,495)
Profit before attribution to quasi-equity		4,557	8,300
Less: Net profit attributable to quasi-equity		(6,989)	(5,057)
(LOSS) / PROFIT FOR THE PERIOD		(2,432)	3,243
Attributable to:			
Bank's shareholders		(2,444)	3,243
Non-controlling interest		12	-
		(2,432)	3,243
Earnings per share			
Basic and diluted earnings per share (fils)	20	(2.25)	3.00


 Yusuf Abdulla Taqi
 Chairman


 Sh. Ahmed Bin Isa Al Khalifa
 Vice Chairman


 Abdulkarim Alzakari
 Acting Chief Executive Officer

The accompanying notes 1 to 29 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the three-months period ended 31 March 2026**

	Three months ended 31 March 2026 BD '000 (Reviewed)	Three months ended 31 March 2025 BD '000 (Reviewed)
(Loss) / profit for the period	(2,432)	3,243
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	(15,130)	253
- Fair value changes on equity investments carried at fair value through other comprehensive income	9	28
- Less: Attributable to quasi-equity	30	(58)
Total other comprehensive income for the period	(15,091)	223
Total comprehensive income	(17,523)	3,466
Attributable to:		
Bank's shareholders	(17,535)	3,466
Non-controlling interest	12	-
	(17,523)	3,466

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

For the three-months period ended 31 March 2026

	Three months ended 31 March 2026 BD '000 (Reviewed)	Three months ended 31 March 2025 BD '000 (Reviewed)
Profit before impairment allowances and attribution to quasi-equity	9,557	9,795
Adjusted for:		
Less: Income not attributable to quasi-equity	(1,163)	(5,238)
Add: Finance expense on due to FIs and non-FIs	8,574	8,796
Add: Expenses not attributable to quasi-equity	4,491	5,274
Less: Institution's share of income for its own/ share of investments	(14,558)	(12,642)
Less: Allowances for impairment and expected credit losses, net – attributable to quasi-equity	962	611
Total income available for quasi-equity holders	7,863	6,596
Profit equalization reserve – net movement	-	-
Total income attributable to quasi-equity holders	7,863	6,596
Less: Mudarib's share	(780)	(1,312)
Less: Wakala incentive	(94)	(227)
Net income attributable to quasi-equity	6,989	5,057
Investment risk reserve - net movement	-	-
Profit attributable to quasi-equity	6,989	5,057
Add: Other comprehensive income that may subsequently be classified to statement of income – attributable to quasi-		
Total comprehensive income – attributable to quasi-equity	6,959	5,115
Less: Other comprehensive income not subject to immediate distribution	30	(58)
Total comprehensive income subject to immediate distribution	6,989	5,057

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three-months period ended 31 March 2026

	Equity attributable to Bank's shareholders					Non-controlling interest	Total owners' equity	
	Share capital	Statutory reserve	Treasury shares	Investment fair value reserve	Retained earnings			Total
	BD '000	BD '000	BD '000	BD '000	BD '000			BD '000
31 March 2026 (Reviewed)								
Balance at 1 January 2026	113,044	14,618	(5,907)	(5,195)	17,710	134,270	7,600	141,870
(Loss) / profit for the period	-	-	-	-	(2,444)	(2,444)	12	(2,432)
Other comprehensive income	-	-	-	(15,091)	-	(15,091)	-	(15,091)
Total comprehensive income for the period	-	-	-	(15,091)	(2,444)	(17,535)	12	(17,523)
Transfer to Zakah fund	-	-	-	-	(30)	(30)	-	(30)
Dividend declared for 2025 (note 21b)	-	-	-	-	(6,512)	(6,512)	-	(6,512)
Parent's contribution towards staff incentive scheme	-	-	-	-	86	86	-	86
Purchase of treasury shares	-	-	(46)	-	-	(46)	-	(46)
Balance at 31 March 2026	113,044	14,618	(5,953)	(20,286)	8,810	110,233	7,612	117,845

The accompanying notes 1 to 29 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three-months period ended 31 March 2026

	Equity attributable to Bank's shareholders					Non-controlling interest	Total owners' equity	
	Share capital	Statutory reserve	Treasury shares	Investment fair value reserve	Retained earnings			Total
	BD '000	BD '000	BD '000	BD '000	BD '000			BD '000
31 March 2025 (Reviewed)								
Balance at 1 January 2025	113,044	13,460	(6,254)	(5,816)	13,626	128,060	587	128,647
Profit for the period	-	-	-	-	3,243	3,243	-	3,243
Other comprehensive income	-	-	-	223	-	223	-	223
Total comprehensive income for the period	-	-	-	223	3,243	3,466	-	3,466
Transfer to Zakah fund	-	-	-	-	(828)	(828)	-	(828)
Dividend declared for 2024	-	-	-	-	(5,414)	(5,414)	-	(5,414)
Parent's contribution towards staff incentive scheme	-	-	-	-	65	65	-	65
Balance at 31 March 2025	113,044	13,460	(6,254)	(5,593)	10,692	125,349	587	125,936

The accompanying notes 1 to 29 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**For the three-months period ended 31 March 2026**

	Three months ended 31 March 2026 BD '000 (Reviewed)	Three months ended 31 March 2025 BD '000 (Reviewed)
OPERATING ACTIVITIES		
(Loss) / profit for the period	(2,432)	3,243
Adjustments:		
Depreciation	610	413
Finance expenses on term financing	3,283	3,036
Allowances for impairment and expected credit losses, net	5,000	1,495
Amortization of premium / discount on sukuk and other yielding investments, net	147	572
Foreign exchange revaluation, net	(567)	(343)
Amortization of right-of-use assets	135	101
Gain on sale of investment in sukuk and other yielding investments	-	(8)
Gain on sale of investment in real estate	-	(4,336)
Operating profit before changes in operating assets and liabilities	6,176	4,173
Mandatory reserve with Central Bank of Bahrain	(1,189)	394
Financing contracts	23,635	(33,359)
Other assets	1,225	(1,260)
Customers' current accounts	19,785	(6,266)
Other liabilities	(7,350)	1,853
Placements from financial institutions	(43,477)	(29,117)
Placements from non-financial institutions and individuals	(109,171)	(80,193)
Quasi-equity	66,768	98,948
Net cash used in operating activities	(43,598)	(44,827)
INVESTING ACTIVITIES		
Purchase of sukuk and other yielding investments	(74,520)	(22,620)
Proceeds from sale / redemption of sukuk and other yielding investments	1,885	63,662
Purchase of property and equipment, net	(68)	(52)
Net movement in margin call	(12,090)	98
Net cash (used in) / generated from investing activities	(84,793)	41,088
FINANCING ACTIVITIES		
Drawdown / (repayment) of term financing, net	88,202	(32,291)
Finance expenses paid on term financing	(3,283)	(3,036)
Payments of lease liabilities	(97)	(29)
Dividends paid	(6,512)	(5,414)
Net cash generated from / (used in) financing activities	78,310	(40,770)
Net decrease in cash and cash equivalents	(50,081)	(44,509)
Cash and cash equivalents at beginning of the period	159,516	138,904
Cash and cash equivalents at end of the period	109,435	94,395
Cash and cash equivalents comprises:*		
Cash and bank balances (excluding CBB reserve)	6,991	25,332
Placement with financial institutions with original maturities of 90 days or less (excluding margin call account)	102,444	69,063
	109,435	94,395

*Cash and cash equivalents is net of the expected credit loss of BD 29 thousand (31 March 2025: BD Nil thousand).

The accompanying notes 1 to 29 form an integral part of this condensed consolidated interim financial information.

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

For the three-months period ended 31 March 2026

Investment in real estate	Three months ended 31 March 2026 BD '000 (Reviewed)	Three months ended 31 March 2025 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

KHALEEJI BANK B.S.C.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the three-months period ended 31 March 2026**

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 2025: 82.95%) of the ordinary shares of the Bank are held by GFH Bank BSC ("GFH") (formerly known as GFH Financial Group BSC) (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").

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 2025. 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 2025.

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 2025 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 2025.

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 2025, except for those arising from adoption of the following standards and amendments to standards effective from 1 January 2026.

I. Relevant new standards, amendments, and interpretations effective for annual periods beginning on or after 1 January 2026**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 is effective for the financial reporting periods beginning on or after 1 January 2026.

The Group did not have a significant impact on the adoption of this standard.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Relevant new standards, amendments, and interpretations effective for annual periods beginning on or after 1 January 2026 (Continued)

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 is effective for the financial reporting periods beginning on or after 1 January 2026.

The Group did not have any significant impact 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.

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 is effective for the financial periods beginning on or after 1 January 2026.

The Group did not have any significant impact 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 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.

The Group did not have a significant impact on the adoption of this standard.

II. Relevant new standards, amendments, and interpretations issued but not yet effective

1) FAS 50 - Financial reporting for Islamic Investment institutions (including investment funds)

This standard replaces FAS 14 – Investment Funds and updates the financial reporting framework for Islamic investment institutions.

Key enhancements include alignment with revised FAS 1 and the AAOIFI Conceptual Framework, removal of the separate statement of portfolio investments (now included in the notes), elimination of the cash equivalent value concept, and introduction of quasi equity accounting principles.

The standard also provides guidance for Islamic investment institutions (IIIs) with multiple virtual entities or sub funds, introduces requirements on NAV differential, removes earlier governance and stakeholder reporting requirements, and grants exemptions from consolidation or equity accounting based on the unique business model and investment intent of the III.

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt. The Group does not expect any significant impact when they adopt this standard.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

II. Relevant new standards, amendments, and interpretations issued but not yet effective (Continued)

2) FAS 51 - Participatory Ventures

FAS 51 replaces FAS 3 (Mudaraba Financing) and FAS 4 (Musharaka Financing), it provides guidance for accounting in the books of the working partner and the venture. The scope of this standard is expanded to include additional venture types, for example, Running Musharaka, Diminishing Musharaka and restricted Mudaraba.

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt. The Group does not expect any significant impact when they adopt this standard.

3) FAS 52 - Deferred Delivery Sales: Salam and Istisna

The replaces FAS 7 "Salam and Parallel Salam" and FAS 10 "Istisna'a and Parallel Istisna'a". This standard introduces guidance for accounting in the book of buyers and sellers including the treatment of parallel Salam and Istisna. This standard is aligned with the requirements of FAS 30 "Impairment, credit losses and onerous commitments".

This standard is effective for the financial periods beginning on or after 1 January 2027, with an option to early adopt. The Group does not expect any significant impact when they adopt this standard.

4) Withdrawal of FAS 26 – Investment in Real Estate and Related Transitional Provisions

AAOFI issued a guidance relating to withdrawal of FAS 26 – Investment in Real Estate and related transitional provisions ("Guidance"). Following the withdrawal, investment in real estate shall be accounted for in accordance with IAS 40– Investment property.

This guidance is effective for the periods beginning on or after 1 January 2027 and with an option to early adopt.

The Group is assessing the impact of adopting this standard; however, no material impact is currently anticipated.

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 2025.

5 SIGNIFICANT ACCOUNTING 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 2025 except for the below:

Since 28 February 2026, the geopolitical situation in the Middle East has intensified and continues to evolve, resulting in increased uncertainty in the economic environment across the region, including the Kingdom of Bahrain.

The Group is closely monitoring developments and has activated its business continuity and risk management protocols to mitigate the potential impact of any disruption on its operations and financial performance. The Group also continues to assess the potential business implications arising from these uncertainties, together with the effect of any support and relief measures introduced by regional governments and central banks.

Given the recent and rapidly evolving nature of the situation, the volatility and uncertainty inherent in forward-looking economic forecasts may not be fully reflected in the modelled ECL outcomes as at 31 March 2026. Accordingly, a higher degree of management judgement and estimation uncertainty was involved in determining ECL as at 31 March 2026. In particular, the Group performed a sensitivity analysis by changing the probability weightings assigned to the forward-looking macroeconomic scenarios used in the measurement of ECL to estimate the heightened uncertainty in the current environment. The scenario weightings applied in the sensitivity analysis by the Group are as follows:

Scenario	31-Mar-26	31-Dec-25	31-Mar-25
Best	5%	15%	15%
Base	50%	70%	70%
Worst	45%	15%	15%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Based on the sensitivity analysis, the Group considered management overlays to address model limitations and portfolio-specific risk characteristics not fully captured by the underlying modelled outcomes. The reported total ECL allowance represents management's best estimate at the reporting date based on available information. The situation remains fluid and the Group will continue to reassess the related impact as developments unfold.

Assessment of the carrying values of assets

As of 31 March 2026, management performed an assessment of the carrying values of the Group's financial and non-financial assets, including financing contracts, investments in sukuk and other yielding investments, Investment in securities and investment in real estate, for any indicators of impairment or the need for valuation adjustments arising from the current geopolitical environment. Based on the information available at the reporting date, management concluded that the carrying values of these assets remain appropriate and no additional adjustments were required in this condensed consolidated interim financial information.

The Group continues to closely monitor regional and global developments and will revise its assumptions, judgments and estimates, where necessary, as the situation evolves.

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 AND OTHER YIELDING INVESTMENTS

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Debt type instruments - at amortised cost		
- Quoted sukuk ¹	244,463	232,210
- Unquoted sukuk	1,317	1,317
- Other quoted yielding investments ^{1,3}	145,935	85,700
Less: expected credit losses allowance	(1,862)	(1,796)
Debt type instruments - at fair value through other comprehensive income		
- Quoted sukuk ^{1,2}	183,274	196,732
- Other quoted yielding investments ^{1,2,3}	23,450	25,287
Equity type instruments - at fair value through other comprehensive income		
- Quoted sukuk	29,149	29,149
	625,726	568,599

1. As of 31 March 2026, out of sukuk and other yielding investments of BD 595,249 thousand (31 December 2025: BD 539,929 thousand), BD 539,895 thousand (31 December 2025: BD 396,735 thousand) were pledged against term financing from financial institutions of BD 399,713 thousand (31 December 2025: BD 310,174 thousand).

2. Fair value loss reserve amounted to BD 19,547 thousand (31 December 2025: BD 4,635 thousand). The impairment expense on debt type instrument at fair value through other comprehensive income amounted to BD Nil thousand (31 March 2025: BD Nil thousand). The impairment expenses is recognised in the investment fair value reserve in the statement of changes in owners' equity.

3. Related to structured investments with exposure to sovereign entities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

8 FINANCING CONTRACTS

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Murabaha (net of deferred profit)*	529,841	522,737
Ijarah assets	297,812	324,213
Gross financing contracts	827,653	846,950
Less: Expected credit losses allowance	(21,082)	(16,744)
Financing contracts	806,571	830,206

*Murabaha financing assets are net of deferred profits of BD 27,906 thousand (31 December 2025: BD 29,277 thousand).

Movement of expected credit losses allowance is as follows:

31 March 2026 (Reviewed)

	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI* BD '000	Total BD '000
Gross financing contracts	721,049	57,278	47,820	1,506	827,653
Less: expected credit losses allowance					
At 1 January 2026	2,186	4,054	9,751	753	16,744
Net movement between stages	244	(337)	93	-	-
Net charge	(121)	19	3,687	753	4,338
Write-off	-	-	-	-	-
Settlements	-	-	-	-	-
Expected credit losses allowance at 31 March 2026	2,309	3,736	13,531	1,506	21,082
Financing contracts	718,740	53,542	34,289	-	806,571

31 December 2025 (Audited)

	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI* BD '000	Total BD '000
Gross financing contracts	739,815	59,298	46,331	1,506	846,950
Less: expected credit losses allowance					
At 1 January 2025	933	4,364	15,242	452	20,991
Net movement between stages	(592)	86	506	-	-
Net charge	1,845	(396)	2,799	301	4,549
Write-off	-	-	(5,291)	-	(5,291)
Settlements	-	-	(3,505)	-	(3,505)
Expected credit losses allowance at 31 December 2025	2,186	4,054	9,751	753	16,744
Financing contracts	737,629	55,244	36,580	753	830,206

* 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 0% (31 December 2025: 17.27%) compared to their original contractual outstanding amounts. On a cumulative basis, the impaired assets (Stage 3) are carried at 68.88% (31 December 2025: 73.65%) compared to their original contractual outstanding amounts.

As of 31 March 2026, the provision coverage ratio on non-performing financing contracts amounted to 123% (31 December 2025: 117%) after taking into account the estimated recoverable value of collateral held.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

9 INVESTMENT SECURITIES

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Equity type instruments:		
At fair value through other comprehensive income - Unquoted equity securities	17,448	17,453
	17,448	17,453

10 INVESTMENT IN REAL ESTATE

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Development property*	9,186	9,223
Investment property**	36,109	36,710
	45,295	45,933

* Includes Bank's share in real estate properties with carrying value of BD 1,852 thousand (31 December 2025: BD 1,852 thousand) for which the title deeds are registered in the name of a third party and are held in custody on behalf of the Bank for its beneficial interest.

** Includes Bank's share in real estate properties with carrying value of BD 25,511 thousand (31 December 2025: BD 26,000 thousand) for which the title deeds are registered in the name of a third party and are held in custody on behalf of the Bank for its beneficial interest.

11 EQUITY ACCOUNTED INVESTEEES

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
At beginning of the period	6,948	6,516
Share of result for the period	-	432
At end of the period	6,948	6,948

12 OTHER ASSETS

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Reposessed assets	1,794	1,794
Profit accrued on sukuk and other yielding investments	5,779	6,479
Receivable from customers*	9,703	10,703
Right-of-use assets **	1,145	1,280
Prepaid expenses	1,732	897
Due from investments	412	409
Other receivables	1,318	1,681
	21,883	23,243

*Pertains to receivables from customers of BD 4,600 thousand (31 December 2025: BD 4,600 thousand) 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 2026. However, beneficial interest has been transferred to the Bank. As at 31 March 2026, the Group has taken a provision against those receivables in the amount of BD 1,310 thousand (31 December 2025: BD 1,310 thousand).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

12 OTHER ASSETS (continued)

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

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Balance as at beginning of the period	1,280	1,069
Additional right-of-use assets for the period, net	-	627
Amortisation charge during the period	(135)	(416)
Balance as at end of the period	1,145	1,280

13 OTHER LIABILITIES

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Payable to investors	5,478	5,478
Mudaraba profit accrual	5,049	6,103
Net Ijarah liability ***	669	766
Advance received from customers	423	274
Zakah and charity payable*	1,187	1,155
Employee related accruals	1,088	2,187
Payable for Istisna'a contracts	27	27
Other payables and accrued expenses**	7,829	12,684
	21,750	28,674

*During the period ended 31 March 2026, BD 32 thousand (2025: BD 828 thousand) was transferred into the Zakah and charity fund and BD Nil (2025: BD 9 thousand) was utilised from the Zakah and charity fund.

**Includes expected credit losses allowance on commitments and financial guarantees of BD 37 thousand (31 December 2025: BD 29 thousand).

*** Below are further details related to the net ijarah liability:

	31 March 2026 (Reviewed)		
	Gross ijarah liability BD '000	Deferred ijarah BD '000	Net ijarah liability BD '000
Maturity analysis			
Less than one year	409	(5)	404
One to five years	283	(18)	265
Total	692	(23)	669

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

13 OTHER LIABILITIES (continued)

	31 December 2025 (Audited)		
	Gross ijarah liability BD '000	Deferred ijarah BD '000	Net ijarah liability BD '000
Maturity analysis			
Less than one year	422	(5)	417
One to five years	372	(23)	349
Total	794	(28)	766

14 QUASI-EQUITY

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
Participatory-based		
Mudaraba	763,273	696,475
Fair value reserve attributable to Quasi-equity	(654)	(624)
	762,619	695,851

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

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
CBB reserve account	36,355	35,166
Investment in sukuk and other yielding investments*	66,800	67,371
Financing contracts**	641,278	575,042
Investment securities	11,155	11,169
Investment in real estate	7,031	7,103
	762,619	695,851

*Expected credit losses allowance as at 31 March 2026 amounts to BD 449 thousand (BD 444 thousand 31 December 2025).

**Expected credit losses allowance as at 31 March 2026 amounts to BD 4,981 thousand (BD 4,467 thousand 31 December 2025).

The distribution of assets by ownership is as follows:

	31 March 2026 BD '000 (Reviewed)		31 December 2025 BD '000 (Audited)	
	Self	Quasi equity (jointly financed)	Self	Quasi equity (jointly financed)
Balances with banks	7,065	-	16,318	-
CBB reserve account	-	36,355	-	35,166
Placements with financial institutions	124,345	-	153,038	-
Investment in sukuk and other yielding investments	558,926	66,800	501,228	67,371
Financing contracts	165,293	641,278	255,164	575,042
Investment securities	6,293	11,155	6,284	11,169
Investment in real estate	38,264	7,031	38,830	7,103
Equity accounted investees	6,948	-	6,948	-
Other assets	21,883	-	23,243	-
Property and equipment	27,894	-	28,220	-
TOTAL	956,911	762,619	1,029,273	695,851

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

14 QUASI-EQUITY (continued)

The distribution of income by ownership is as follows:

	31 March 2026 BD '000 (Reviewed)		31 March 2025 BD '000 (Reviewed)	
	Self	Quasi equity (jointly financed)	Self	Quasi equity (jointly financed)
Income				
Income from financing contracts	4,312	8,348	9,315	2,834
Income from placements with financial institutions	1,010	-	149	1,116
Income from sukuk and other yielding investments	7,259	530	3,178	2,035
Finance expense on placements from financial institutions, non-financial institutions and individuals	(5,291)	-	(5,760)	-
Finance expense on term financing from financial institutions	(3,283)	-	(3,036)	-
Net finance income	4,007	8,878	3,846	5,985
Income from investment securities, net	-	(14)	-	-
Income from investment in real estate, net	225	-	4,455	-
Fees and other income, net	991	(39)	783	-
TOTAL INCOME	5,223	8,825	9,084	5,985
Staff cost	1,882	-	2,506	-
Other operating expenses	2,609	-	2,768	-
TOTAL EXPENSES	4,491	-	5,274	-
Profit before impairment allowances and attribution to quasi-equity	732	8,825	3,810	5,985
Allowances for impairment and expected credit losses, net	(4,038)	(962)	(2,106)	611
(Loss) / profit before attribution to quasi-equity	(3,306)	7,863	1,704	6,596
Group's share as a mudarib and wakil	874	(874)	1,539	(1,539)
(LOSS) / PROFIT FOR THE PERIOD	(2,432)	6,989	3,243	5,057

15 SHARE CAPITAL

Authorised:

3,000,000,000 ordinary shares of BD 0.100 each

Issued and fully paid up:

1,130,440,712 ordinary shares (2025: 1,130,440,712 shares) of BD 0.100 each

31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
300,000	300,000
113,044	113,044
113,044	113,044

16 COMMITMENTS AND CONTINGENCIES

Undrawn commitments to extend finance*
Financial guarantees

31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
72,383	64,862
40,246	40,026
112,629	104,888

* 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 charges of BD 7 thousand (2025: reversal of BD 20 thousand) has been reflected in relation to the credit risk on these for commitments and contingent liabilities.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

16 COMMITMENTS AND CONTINGENCIES (continued)

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 2026 BD '000 (Reviewed)	31 March 2025 BD '000 (Reviewed)
Gain on disposal of investment properties	-	4,336
Rental income on investment in real estate, net	225	119
	225	4,455

18 FEES AND OTHER INCOME, NET

	31 March 2026 BD '000 (Reviewed)	31 March 2025 BD '000 (Reviewed)
Fees income	137	351
Foreign exchange gain	567	384
Recovery of written-off assets	32	35
Other income	216	13
	952	783

19 ALLOWANCES FOR IMPAIRMENT AND EXPECTED CREDIT LOSSES, NET

	31 March 2026 BD '000 (Reviewed)	31 March 2025 BD '000 (Reviewed)
Balances and placements with banks and financial institutions	18	-
Financing contracts (note 8)	4,338	1,485
Investments in sukuk and other yielding investments (note 7)	66	(99)
Commitments and financial guarantees (note 16)	8	(20)
Investment in real estate	570	20
Other assets	-	109
	5,000	1,495

Movement on expected credit losses allowance in various stages during the period:

31 March 2026 (Reviewed)

	Stage 1 BD '000	Stage 2 BD '000	Stage 3 BD '000	POCI BD '000	Total BD '000
ECL balance at 1 January	2,699	4,054	12,754	753	20,260
Transfer to Stage 1	253	(235)	(18)	-	-
Transfer to Stage 2	(9)	9	-	-	-
Transfer to Stage 3	-	(111)	111	-	-
Net movement	244	(337)	93	-	-
Charge for the period (net)	(143)	131	3,688	753	4,429
Write-off	-	-	-	-	-
Settlement	-	-	-	-	-
ECL balance as at 31 March 2026	2,800	3,848	16,535	1,506	24,689

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

19 ALLOWANCES FOR IMPAIRMENT AND EXPECTED CREDIT LOSSES, NET (continued)

31 March 2026 (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
Balances and placements with banks and financial institutions	29	-	-	29
Financing contracts (note 8)	2,309	3,736	15,037	21,082
Investments in sukuk at amortised cost	544	-	1,318	1,862
Commitments and financial guarantees	31	-	6	37
Other assets	-	-	1,679	1,679
	2,913	3,736	18,040	24,689

Movement on expected credit losses allowance 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
Balances and placements with banks and financial institutions	-	-	-	-
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

* 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 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 2026 BD '000 (Reviewed)	31 March 2025 BD '000 (Reviewed)
(Loss) / profit for the period attributable to the shareholders of the Bank	(2,444)	3,243
(Loss) / profit for the period attributable to the shareholders of the Bank for basic and diluted earnings per share computation	(2,444)	3,243
Weighted average number of shares outstanding during the period, net of treasury shares (thousand)	1,085,354	1,082,853
Basic and diluted earnings per share (fils)	(2.25)	3.00

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 12 March 2026 resolved to declare dividends on all ordinary shares, excluding treasury shares, at a rate of 6% of the nominal value of the share, equivalent to 6 Fils per share, totaling BD 6,512 thousand which was effected during the period ended 31 March 2026.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

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 67,187 thousand (31 December 2025: BD 67,187 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 2026 (Reviewed)	Related parties				
	Associates	Director / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Assets					
Financing contracts	-	5,000	18,730	-	23,730
Investment in sukuk and other yielding investments	-	-	58,297	-	58,297
Investment securities	-	-	2,284	1,945	4,229
Equity accounted investees	6,948	-	-	-	6,948
Other assets	-	-	591	171	762
Liabilities and Quasi-equity					
Placement from financial institutions, non-financial institutions and individuals	-	3,367	26,114	-	29,481
Customers' current accounts	17	178	33,876	435	34,506
Other liabilities	-	660	-	-	660
Quasi-equity	309	3,056	156,200	125	159,690

31 March 2026 (Reviewed) Three months ended	Related parties				
	Associates	Director / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	Total
	BD '000	BD '000	BD '000	BD '000	BD '000
Income					
Income from financing contracts	-	67	731	-	798
Income from Sukuk and other yielding investments	-	-	437	-	437
Income from investment securities	-	-	-	-	-
Share of results from equity accounted investees	-	-	-	-	-
Income from investment in real estate, net	-	-	-	-	-
Expenses					
Finance expense on placements from financial institutions, non-financial institutions and individuals	-	38	521	-	559
Net income attributable to quasi-equity	4	26	733	1	764
Staff cost	-	424	-	-	424
Other operating expenses	-	129	-	25	154

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

23 SIGNIFICANT RELATED PARTY TRANSACTIONS (continued)

31 December 2025 (Audited)	Related parties				Total
	Associates	Director / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	
	BD '000	BD '000	BD '000	BD '000	
Assets					
Financing contracts	-	4,509	86,591	-	91,100
Investment in sukuk and other yielding investments	-	-	58,297	-	58,297
Investment securities	-	-	2,284	-	2,284
Equity accounted investees	6,948	-	-	-	6,948
Other assets	-	-	153	-	153
Liabilities and Quasi-equity					
Placement from financial institutions, non-financial institutions and individuals	-	4,096	119,629	-	123,725
Customers' current accounts	243	879	21,537	-	22,659
Other liabilities	-	639	-	-	639
Quasi-equity	313	1,805	133,974	-	136,092

31 March 2025 (Reviewed) Three months ended	Related parties				Total
	Associates	Director / Key management personnel and shari'a board members	Parent / related entities / other significant shareholders / entities in which directors are interested	Assets under management (including special purpose entities)	
	BD '000	BD '000	BD '000	BD '000	
Income					
Income from financing contracts	-	52	293	-	345
Income from Sukuk and other yielding investments	-	-	437	-	437
Income from investment securities	-	-	-	-	-
Share of results from equity accounted investees	-	-	-	-	-
Other income	-	-	-	-	-
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

During the period ended 31 March 2026, the Bank paid BD 6,512 thousand (31 March 2025: BD 5,414 thousand) as dividend to its shareholders.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

24 SEGMENT INFORMATION

31 March 2026 (Reviewed)

	Corporate and Retail Banking BD '000	Investment Banking BD '000	Unallocated BD '000	Total BD '000
Segment revenue	22,198	424	-	22,622
Segment results	956	(496)	(2,892)	(2,432)
Segment assets	1,542,544	70,477	106,509	1,719,530

31 March 2025 (Reviewed)

	Corporate and Retail Banking BD '000	Investment Banking BD '000	Unallocated BD '000	Total BD '000
Segment revenue	23,748	117	-	23,865
Segment results	6,667	(96)	(3,328)	3,243

31 December 2025 (Audited)

	Corporate and Retail Banking BD '000	Investment Banking BD '000	Unallocated BD '000	Total BD '000
Segment assets	1,610,469	71,191	43,464	1,725,124

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 391,715 thousand (31 December 2025: BD 378,544 thousand) is BD 365,768 thousand as at 31 March 2026 (31 December 2025: BD 381,593 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 2026 (Reviewed)

	Level 1 BD '000	Level 2 BD '000	Level 3 BD '000	Total BD '000
Debt-type sukuk and other yielding investment at fair value through other comprehensive income	158,243	48,481	-	206,724
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	-	-	17,448	17,448
	158,243	77,630	17,448	253,321

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

25 *FINANCIAL INSTRUMENTS (Continued)*
b) Fair value hierarchy (Continued)

31 December 2025 (Audited)

	Level 1 BD '000	Level 2 BD '000	Level 3 BD '000	Total BD '000
Debt-type sukuk and other yielding investment at fair value through other comprehensive income	170,579	51,441	-	222,020
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	-	-	17,453	17,453
	170,579	80,590	17,453	268,622

The following table analyses the movement in Level 3 financial assets during the three month period ended 31 March 2026:

	31 March 2026 BD '000 (Reviewed)	31 March 2025 BD '000 (Reviewed)
At 1 January	17,453	20,895
Disposal	-	-
Movement in investment fair value reserve	-	28
Other movements	(5)	(14)
As at 31 March	17,448	20,909

During the three months period ended 31 March 2026 and 31 March 2025, there were no transfers between Level 1 and Level 2 fair value measurements.

c) *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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

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 2026, the Bank is required to maintain LCR greater than 100%. As of 31 March 2026, the Bank had LCR ratio of 296.8% (31 December 2025: 429.62%).

b. Net stable funding Ratio (NSFR)

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

The Consolidated NSFR calculated as per the requirements of the CBB rulebook, as of 31 March 2026 is as follows:

Item	Unweighted Values (i.e. before applying relevant factors)				Total weighted value BD '000
	No specified maturity	Less than 6 months	More than 6 months than one year	Over one year	
	BD '000	BD '000	BD '000	BD '000	
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	109,998	-	-	5,209	115,206
Other Capital Instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:					
Stable deposits	-	46,374	7,643	1,824	53,141
Less Stable deposits	-	301,374	140,084	32,660	429,972
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	964,473	71,202	15,720	230,077
Other liabilities:					
NSFR derivative liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	21,370	-	668	668
Total ASF	109,998	1,333,591	218,929	56,081	829,064

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

26 REGULATORY RATIOS (continued)

b. Net stable funding Ratio (NSFR) (continued)

Item	Unweighted Values (i.e. before applying relevant factors)				Total
	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	weighted value
	BD '000	BD '000	BD '000	BD '000	BD '000
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	659,351	-	-	-	28,232
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 financial institutions	-	48,164	-	-	7,225
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	75,709	45,068	549,044	503,548
with a risk weight of less than or equal to 35% as per the CBB Capital Adequacy ratio guidelines	-	-	-	117,640	76,466
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	109,353	71,079
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	44,176	32,811	-	58,505	110,310
Other Assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for Shari'a compliant hedging contracts funds and contributions to default 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	95,972	-	-	-	95,972
OBS items	118,010	-	-	-	5,901
Total RSF	917,509	156,684	45,068	716,902	822,267
NSFR%					100.83%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

26 REGULATORY RATIOS (continued)

b. Net stable funding Ratio (NSFR) (continued)

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

Item	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	
<u>Available Stable Funding (ASF):</u>					
Capital:					
Regulatory Capital	134,068	-	-	6,497	140,565
Other Capital Instruments	-	-	-	-	-
Retail deposits and deposits from small business customers:					
Stable deposits	-	42,563	3,264	234	43,770
Less Stable deposits	-	324,053	140,120	8,340	426,095
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	950,752	48,980	37,693	255,852
Other liabilities:					
NSFR derivative liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	27,586	-	766	766
Total ASF	134,068	1,344,954	192,364	53,530	867,048

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the three-months period ended 31 March 2026

26 REGULATORY RATIOS (continued)

b. Net stable funding Ratio (NSFR) (continued)

Item	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	
<u>Required Stable Funding (RSF):</u>					
Total NSFR high-quality liquid assets (HQLA)	588,854	-	-	-	26,247
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 financial institutions	-	113,036	-	-	16,955
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:					
with a risk weight of less than or equal to 35% as per the CBB Capital Adequacy ratio guidelines	-	72,419	74,585	461,437	465,723
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	72,806	47,324
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	44,181	18,135	-	58,522	102,992
Other Assets:					
Physical traded commodities, including gold	-	-	-	-	-
Assets posted as initial margin for Shari'a compliant hedging contracts funds and contributions to default 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	103,305	-	-	-	103,305
OBS items	106,421	-	-	-	5,321
Total RSF	842,761	203,590	74,585	710,631	844,480
NSFR%					102.67%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
For the three-months period ended 31 March 2026

26 REGULATORY RATIOS (continued)

c. Capital Adequacy Ratio

	31 March 2026 BD '000 (Reviewed)	31 December 2025 BD '000 (Audited)
CET 1 Capital before regulatory adjustments	109,998	134,068
Less: regulatory adjustments	-	-
CET 1 Capital after regulatory adjustments	109,998	134,068
T1 Capital	-	-
T 2 Capital adjustments	5,209	6,467
Regulatory Capital	115,207	140,535
Risk weighted exposure:		
Credit Risk Weighted Assets	416,683	517,344
Market Risk Weighted Assets	10,390	10,194
Operational Risk Weighted Assets	90,909	90,909
Total Regulatory Risk Weighted Assets	517,982	618,447
Investment risk reserve (30% only)	-	-
Profit equalization reserve (30% only)	-	-
Total Adjusted Risk Weighted Exposures	517,982	618,447
Capital Adequacy Ratio	22.24%	22.72%
Tier 1 Capital Adequacy Ratio	21.24%	21.68%
Minimum required by CBB	12.5%	12.5%

27 SUBSEQUENT EVENTS**CBB measures**

On 14 April 2026, the Central Bank of Bahrain introduced a number of support measures for the economy and the banking sector, including liquidity lines to retail banks against eligible securities, repayment deferrals of up to three months for eligible financing customers, extension of repurchase operation maturities, a reduction in the required cash reserve ratio, and a lowering of the minimum LCR and NSFR thresholds applicable to banks.

The Group continues to monitor these developments and is assessing the extent to which these measures may have an impact on its condensed consolidated interim financial information.

28 GLOBAL MINIMUM TAX

Khaleeji Bank B.S.C (the "Bank") is part of a multinational enterprise ("MNE") group whose parent, GFH, is domiciled and operates in the Kingdom of Bahrain. The tax authorities in the Kingdom of Bahrain have issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the MNE group for fiscal years commencing on or after 1 January 2025.

As per the group's assessment of applicability of the DMTT law, it has assessed and concluded that it is in scope for the Bahrain DMTT law or the OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') for financial year 2026. The reason for this conclusion is that the Parent had a total annual consolidated revenue exceeding EUR 750 million in the last two of the four preceding fiscal years. As a result, DMTT is applicable to GFH for period starting 1 January 2026 and as such Khaleeji Bank and its subsidiaries domiciled in Bahrain applied for registration with the National Bureau of Revenue ("NBR") on 30 April 2026, pending NBR approval.

29 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.