GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 June 2025

Commercial registration	:	44136 (registered with Central Bank of Bahrain as an Islamic wholesale Bank)
Registered Office	:	2nd Floor, Harbor House Building Number 1436 Block: 346, Road: 4626 Manama, Kingdom of Bahrain Telephone +973 17538538
Directors	:	Abdulmohsen Rashed Alrashed, Chairman Ghazi Faisal Ebrahim Alhajeri, Vice Chairman Hisham Ahmed Alrayes Ali Murad Darwish Al Ketbi Fawaz Talal Al Tamimi Rashid Nasser Al Kaabi Abdulaziz Abdulhamid Albassam Abdulla Jehad Alzain H.H Shaikha Minwa Bint Ali Bin Khalifa Al Khalifa
Chief Executive Officer	:	Hisham Ahmed Alrayes
Auditors	:	KPMG Fakhro

GFH FINANCIAL GROUP BSC

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

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

To the Board of Directors of
GFH Financial Group BSC
Kingdom of Bahrain

Introduction

We have reviewed the accompanying 30 June 2025 condensed consolidated interim financial information of GFH Financial Group BSC (the "Bank") and its subsidiaries (together the "Group"), which comprises:

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

KPMG

13 August 2025

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025 US$ 000's

	Note	**30 June 2025 (reviewed)**	31 December 2024 (audited)	30 June 2024 (reviewed)
ASSETS				
Cash and bank balances		285,987	459,966	290,253
Treasury portfolio	8	5,779,900	4,851,634	4,768,073
Financing contracts	9	2,469,015	2,058,157	1,795,753
Real estate investments	10	1,576,114	1,391,135	1,244,496
Co-investments	11	283,070	260,164	278,371
Proprietary investments	12	884,050	779,368	1,183,067
Receivables and other assets	13	1,030,787	1,173,386	1,046,358
Property and equipment		55,673	57,215	282,243
TOTAL ASSETS		**12,364,596**	11,031,025	10,888,614
LIABILITIES				
Clients' funds		201,770	204,192	148,596
Placements from financial institutions		2,710,346	2,444,459	1,939,146
Placements from non-financial institutions and individuals'		1,101,281	1,392,804	1,183,290
Customer current accounts		234,163	308,540	474,507
Term financing	14	2,641,963	2,149,758	1,981,348
Other liabilities	15	384,530	435,364	404,165
TOTAL LIABILITIES		**7,274,053**	6,935,117	6,131,052
QUASI EQUITY	16	**3,956,843**	2,980,817	3,606,931
OWNERS' EQUITY				
Share capital		1,015,637	1,015,637	1,015,637
Treasury shares		(93,346)	(90,692)	(85,705)
Statutory reserve		59,368	59,368	47,518
Investment fair value reserve		(40,680)	(40,546)	(39,270)
Other reserve		(14,381)	(26,189)	(16,020)
Retained earnings		61,401	56,918	41,821
Share grant reserve		14,604	6,440	5,440
Total equity attributable to shareholders of the Bank		**1,002,603**	980,936	969,421
Non-controlling interests		131,097	134,155	181,210
TOTAL OWNERS' EQUITY		**1,133,700**	1,115,091	1,150,631
TOTAL LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY		**12,364,596**	11,031,025	10,888,614

The Board of Directors approved the condensed consolidated interim financial information on 13 August 2025 and signed on its behalf by:

Abdulmohsen Rashed Alrashed
Chairman

Hisham Alrayes
Chief Executive Officer & Board member

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF INCOME
For the six months period ended 30 June 2025 US$ 000's

	Note	Six months ended		Three months ended	
		30 June 2025 (reviewed)	30 June 2024 (reviewed)	**30 June 2025 (reviewed)**	30 June 2024 (reviewed)
Investment banking income					
Deal related income		64,585	59,902	17,586	26,670
Asset management		31,994	28,226	12,204	15,300
		96,579	88,128	**29,790**	41,970
Commercial banking income					
Income from financing		67,441	62,394	35,215	31,187
Treasury and investment income		37,309	49,293	20,128	23,135
Fee and other income		15,905	15,463	2,044	7,522
Commercial banking finance cost		(41,336)	(54,607)	(19,607)	(28,060)
		79,319	72,543	**37,780**	33,784
Treasury and Proprietary Investments					
Finance and treasury portfolio income, net		144,111	89,070	81,675	48,487
Direct investment income, net		59,750	79,149	58,820	19,531
Income from co-investments		26,643	14,696	20,433	7,883
Share of profit from equity-accounted investees		(286)	12,589	(3,181)	5,556
Income from sale of assets		22,931	46,850	-	36,727
Leasing and operating income		16,113	14,147	8,706	9,275
Other income		4,242	1,713	3,056	832
Finance expenses - Repo and FI		(92,337)	(86,655)	(50,958)	(34,788)
		181,167	171,559	**118,551**	93,503
Total income		**357,065**	332,230	**186,121**	169,257
Finance expense - Term financing and others		44,960	33,448	21,018	19,666
Impairment allowances	17	7,934	18,605	2,110	4,819
Other expenses		128,456	111,814	68,778	50,202
Total expenses		**181,350**	163,867	**91,906**	74,687
Profit for the period before attribution to quasi equity		**175,715**	168,363	**94,215**	94,570
Less: Net profit attributable to quasi-equity		**(105,999)**	(100,466)	**(55,192)**	(57,016)
Profit for the period		**69,716**	67,897	**39,023**	37,554
Profit attributable to:					
Shareholders of the Bank		67,239	60,747	37,100	33,612
Non-controlling interests		2,477	7,150	1,923	3,942
		69,716	67,897	**39,023**	37,554
Earnings per share					
Basic and diluted earnings per share (US cents)	18	**1.93**	1.71	**1.06**	0.93

Abdulmohsen Rashed Alrashed
Chairman

Hisham Alrayes
Chief Executive Officer & Board member

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months period ended 30 June 2025 US$ 000's

	Six months ended		Three months ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)	**30 June 2025 (reviewed)**	30 June 2024 (reviewed)
Profit for the period	**69,716**	67,897	**39,023**	37,554
Other comprehensive income (OCI)				
Items that are or may be reclassified subsequently to statement of income				
Fair value changes on debt investments carried at fair value through OCI	(6,548)	6,013	2,433	3,035
Fair value changes on equity investments carried at fair value through OCI	17,881	(3,977)	11,845	(5,545)
Attributable to quasi-equity	(292)	(290)	-	(427)
Total other comprehensive income for the period	11,041	1,746	14,278	(2,937)
Total comprehensive income for the period	**80,757**	69,643	**53,301**	34,617
Total comprehensive income attributable to:				
Shareholders of the Bank	78,913	67,307	51,706	31,403
Non-controlling interests	1,844	2,336	1,595	3,214
	80,757	69,643	**53,301**	34,617

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY
For the six months period ended 30 June 2025

US$ 000's

	Six months ended		Three months ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)	**30 June 2025** (reviewed)	30 June 2024 (reviewed)
Net operating income attribution to quasi equity	**175,715**	168,363	**94,215**	94,570
Adjusted for:				
Less: income not attributable to quasi-equity	(193,449)	(152,463)	(116,390)	(76,707)
Add: Profit expense on due to banks and non-banks	46,466	60,944	23,136	30,496
Add: expenses not attributable to quasi-equity	146,446	157,952	87,899	72,335
Less: institution's share of income for its own/ share of investments	(67,260)	(79,968)	(34,210)	(38,944)
Less: allowance for impairment allowances attributable to quasi-equity	830	5,570	(791)	3,289
Total income available for quasi-equity holders	**108,748**	160,398	**53,859**	85,039
Profit equalization reserve – net movement	-	-	-	-
Total income attributable to quasi-equity holders (adjusted for reserves)	**108,748**	160,398	**53,859**	85,039
Less: Mudarib's share	(6,472)	(5,074)	(2,992)	(1,850)
Less: Wakala fees	3,723	(54,858)	4,325	(26,173)
Net income attributable to quasi-equity	**105,999**	100,466	**55,192**	57,016
Investment risk reserve -net movement	-	-		-
Profit distributable to quasi-equity	**105,999**	100,466	**55,192**	57,016
Other comprehensive income that may subsequently be classified to statement of income	29	290	183	427
Total comprehensive income – attributable to quasi-equity	**106,028**	100,756	**55,375**	57,443
Add: Other comprehensive income not subject to immediate distribution	(29)	(290)	(183)	(427)
Net profit attributable to quasi-equity	**105,999**	100,466	**55,192**	57,016

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the six months period ended 30 June 2025

US$ 000's

	Attributable to shareholders of the Bank									Non-Controlling Interests (NCI)	Total owners' equity
	Share capital	Treasury shares	Statutory reserve	Cashflow hedge reserve	Other reserve	Investment fair value reserve	Retained earnings	Share grant reserve	Total		
30 June 2025 (reviewed)											
Balance at 1 January 2025	1,015,637	(90,692)	59,368	-	(26,189)	(40,546)	56,918	6,440	980,936	134,155	1,115,091
Profit for the period	-	-	-	-	-	-	67,239	-	67,239	2,477	69,716
Other comprehensive income	-	-	-	-	11,808	(134)	-	-	11,674	(633)	11,041
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**11,808**	**(134)**	**67,239**	**-**	**78,913**	**1,844**	**80,757**
Issue of shares under incentive scheme (net)	-	-	-	-	-	-	-	8,164	8,164	-	8,164
Transfer to zakah and charity fund	-	-	-	-	-	-	(1,500)	-	(1,500)	-	(1,500)
Dividends declared for 2024	-	-	-	-	-	-	(61,000)	-	(61,000)	-	(61,000)
Sale of treasury shares	-	96,833	-	-	-	-	(256)	-	96,577	-	96,577
Purchase of treasury shares	-	(99,487)	-	-	-	-	-	-	(99,487)	-	(99,487)
Reduction in NCI on account of dividend payment	-	-	-	-	-	-	-	-	-	(4,902)	(4,902)
Balance at 30 June 2025	**1,015,637**	**(93,346)**	**59,368**	**-**	**(14,381)**	**(40,680)**	**61,401**	**14,604**	**1,002,603**	**131,097**	**1,133,700**

The accompanying notes 1 to 24 form an integral part of the condensed consolidated interim financial information.

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
For the six months period ended 30 June 2025 *(continued)*

US$ 000's

	Attributable to shareholders of the Bank										
	Share capital	Treasury shares	Statutory reserve	Cashflow hedge reserve	Other reserve	Investment fair value reserve	Retained earnings	Share grant reserve	Total	Non-Controlling Interests (NCI)	Total owners' equity
30 June 2024 (reviewed)											
Balance at 1 January 2024	1,015,637	(125,525)	47,518	(2,135)	(13,612)	(46,103)	105,831	7,930	989,541	84,821	1,074,362
Profit for the period	-	-	-	-	-	-	60,747	-	60,747	7,150	67,897
Other comprehensive income	-	-	-	2,135	(2,408)	6,833	-	-	6,560	(4,814)	1,746
Total comprehensive income for the period	-	-	-	2,135	(2,408)	6,833	60,747	-	67,307	2,336	69,643
Issue of shares under incentive scheme (net)	-	-	-	-	-	-	-	(2,490)	(2,490)	-	(2,490)
Transfer to zakah and charity fund	-	-	-	-	-	-	(7,037)	-	(7,037)	-	(7,037)
Dividends declared for 2023	-	-	-	-	-	-	(61,000)	-	(61,000)	-	(61,000)
Sale of treasury shares	-	174,422	-	-	-	-	(20,941)	-	153,481	-	153,481
Purchase of treasury shares	-	(134,602)	-	-	-	-	-	-	(134,602)	-	(134,602)
Additional NCI without a change in control	-	-	-	-	-	-	(35,779)	-	(35,779)	124,650	88,871
Sale of shares in subsidiary	-	-	-	-	-	-	-	-	-	(37,937)	(37,937)
Reduction in NCI due to additional stake in subsidiary (note 1)	-	-	-	-	-	-	-	-	-	(4,947)	(4,947)
Additional NCI on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	12,287	12,287
Balance at 30 June 2024	1,015,637	(85,705)	47,518	-	(16,020)	(39,270)	41,821	5,440	969,421	181,210	1,150,631

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the six months period ended 30 June 2025 US$ 000's

	30 June 2025 (reviewed)	30 June 2024 (reviewed)
OPERATING ACTIVITIES		
Profit for the period	69,716	67,897
Adjustments for:		
Treasury and proprietary investments	(273,504)	(258,214)
Foreign exchange gain / (loss)	(3,584)	2,608
Finance expense	212,756	275,176
Impairment allowances	7,934	18,605
Depreciation and amortisation	4,775	6,333
	18,093	112,405
Changes in:		
Placements with financial institutions (original maturities of more than 3 months)	(34,209)	68,074
Receivables and Other assets	(233,256)	(214,592)
CBB Reserve and restricted bank balance	(10,235)	(4,974)
Financing contracts	(328,193)	(145,944)
Clients' funds	(2,422)	(57,626)
Customer current accounts	(74,377)	270,810
Quasi equity	976,026	155,925
Other liabilities	84,107	(236,903)
Net cash generated from / (used in) operating activities	**395,534**	(52,825)
INVESTING ACTIVITIES		
Payment for purchase of equipment, net	(1,972)	(2,973)
(Purchase) / Sale of real estate investments	(17,571)	63,016
(Purchase) / Sale of proprietary investments, net	(32,794)	-
Sale / (Purchase) of treasury portfolio, net	(669,715)	(8,500)
Cash acquired on acquisition of subsidiary	-	5,584
Cash paid on acquisition of additional stake in subsidiary	-	(4,000)
Dividends received from proprietary investments and co-investments	41,954	28,790
Net cash (used in) / generated from investing activities	(680,098)	81,917
FINANCING ACTIVITIES		
Term financing (repaid) / availed, net	492,228	(75,872)
Placements from financial institutions	265,887	(384,071)
Placements from non-financial institutions and individuals	(291,523)	223,240
Finance expense paid	(151,899)	(244,051)
Dividends paid	(73,048)	(58,865)
(Purchase) / Sale of treasury shares, net	(2,654)	39,827
Net cash generated from / (used in) financing activities	**238,991**	(499,792)
Net increase / (decrease) in cash and cash equivalents during the period	**(45,573)**	**(470,700)**
Cash and cash equivalents at 1 January	**1,164,385**	1,687,727
Cash and cash equivalents at 30 June *	**1,118,812**	1,217,027
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB reserve balance and restricted cash)	199,605	209,130
Placements with financial institutions (original maturities of 3 months or less)	919,207	1,007,897
	1,118,812	1,217,027

* net of expected credit loss of US$ 40 thousands (30 June 2024: US$ 26 thousands).

GFH FINANCIAL GROUP BSC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE-SHEET INVESTMENT ACCOUNTS
For the six months period ended 30 June 2025 US$ 000's

30 June 2025 (Reviewed)

Opening Balance	Additions	Income	Wakala Fee	Distributions/ Withdrawal	NAV Movement	Closing Balance
1,685,279	365,819	75,755	(23,615)	(318,090)	30,498	1,815,646
1,685,279	**365,819**	**75,755**	**(23,615)**	**(318,090)**	**30,498**	**1,815,646**

30 June 2024 (Reviewed)

Opening Balance	Additions	Income	Wakala Fee	Distributions/ Withdrawal	NAV Movement	Closing Balance
1,029,921	289,685	70,195	(26,892)	(107,792)	(145,003)	1,110,114
1,029,921	**289,685**	**70,195**	**(26,892)**	**(107,792)**	**(145,003)**	**1,110,114**

Off-Balance-Sheet investment account represents funds managed under discretionary wakala contracts (Note 23)

For the six months period ended 30 June 2025 US$ 000's

1 REPORTING ENTITY

GFH Financial Group BSC ("the Bank") was incorporated in 1999 in the Kingdom of Bahrain under Commercial Registration No. 44136 and operates under an Islamic Wholesale Investment Banking license issued by the Central Bank of Bahrain ("CBB"). The Bank's shares are listed on the Bahrain, Kuwait, Dubai and Abu Dhabi Financial Market Stock Exchanges. The Bank's sukuk certificates are listed on London Stock Exchange. The Bank's activities are regulated by the CBB. The principal activities of the Bank include investment advisory services and investment transactions which comply with Islamic rules and principles determined by the Bank's Shari'a Supervisory Board.

The condensed consolidated interim financial information for the six months ended 30 June 2025 comprise the financial information of GFH Financial Group BSC (GFH or the "Bank") and its subsidiaries (together referred to as "the Group").

Proposed Dividend

The Board of Directors has approved an interim cash dividend upto US$ 20 million, equivalent to 2 % of the nominal value per share (US$ 0.005), subject to regulatory approvals.

The following are the principal subsidiaries consolidated in the condensed consolidated interim financial information.

Investee name	Country of incorporation	Effective ownership interests as at 30 June 2025	Activities
GFH Partners Ltd	United Arab Emirates	100%	Investment management
GFH Capital S.A.	Saudi Arabia	100%	Investment management
TEI Holdings	Cayman Islands	50.1%	Mobile E- Commerce
Ain El Aouda Properties W.L.L.	Morocco	50%	Real Estate Management
C.Y. Holdings	Kingdom of Bahrain	80%	Real Estate Management
Khaleeji Bank BSC		82.95%	Islamic retail bank
GFH Equities BSC (c)		76.63%	Investment management

The Bank has other investment holding companies, SPV's and subsidiaries, which are set up to supplement the activities of the Bank and its principal subsidiaries.

2 BASIS OF PREPARATION

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"). In line with the requirements of AAOIFI and the Central Bank of Bahrain (CBB) rule book, for matters not covered under AAOIFI standards the group uses guidance from the relevant IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

These condensed consolidated interim financial information are reviewed and not audited. 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

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 period ended 31 December 2024.

As a result of the adoption of FAS 1 revised certain prior year figures have been represented and regrouped to be consistent with the current year presentation. Such grouping did not affect previously reported net profit, total assets, total liabilities and total equity of the Group. Further, the Group has elected to present statement of income and a statement of other comprehensive income as two separate statements.

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

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

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

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

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

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

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:
• The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
• An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

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

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

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

(iii) 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.

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

5 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.

Regulatory ratios

a. Net stable funding Ratio (NSFR)
NSFR as a percentage is calculated as "Available stable funding" divided by "Required stable funding".

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5 FINANCIAL RISK MANAGEMENT (continued)

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

As at 30 June 2025

No.	Item	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):						
1	Capital:	976,178			40,154	1,016,333
2	Regulatory Capital	-	-	-	-	-
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	Stable deposits	-	170,576	47,378	630	207,686
6	Less stable deposits	-	2,535,958	795,253	279,983	3,278,072
7	Wholesale funding:					
8	Operational deposits	-	-	-		
9	Other Wholesale funding	-	4,991,602	808,804	1,258,464	6,155,308
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities		-	-	-	
12	All other liabilities not included in the above categories	-	139,618	-	279,953	279,953
13	Total ASF					10,937,352
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					111,320
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/ securities:		1,319,149		1,135,302	1,162,879
17	Performing financial to financial institutions by level 1 HQLA	-	-	-	-	-
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	49,016	31,570	1,018,064	905,647
19	Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	241,734	282,037	682,937	705,794

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5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities		1,114,428	213,741	538,634	1,202,719
24	Other assets:	-	-	-	-	-
25	Physical traded commodities, including gold					-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR Shari'a-compliant hedging assets		-	-	-	7,841
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		-	-	-	-
29	All other assets not included in the above categories	3,510,055	-	-	-	3,510,055
30	OBS items		-	-	-	101,672
31	Total RSF		2,750,426	-	3,374,937	7,710,537
32	NSFR(%)					142%

As at 31 December 2024

No.	Item	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):						
1	Capital:					
2	Regulatory Capital	970,191	-	-	37,669	1,007,860
3	Other Capital Instruments	-	-	-	-	-

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5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
4	Retail deposits and deposits from small business customers:					
5	Stable deposits		65,905	29,479	867	91,481
6	Less stable deposits	-	2,545,891	707,728	94,156	3,022,413
7	Wholesale funding:					
8	Operational deposits					
9	Other Wholesale funding	-	4,192,610	626,516	1,228,072	5,314,678
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities					
12	All other liabilities not included in the above categories	-	493,681	-	31,852	31,852
13	Total ASF					9,468,285
Required Stable Funding (RSF):						
14	Total NSFR high-quality liquid assets (HQLA)					96,049
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/ securities:		1,327,483		1,089,511	1,125,207
17	Performing financial to financial institutions by level 1 HQLA	-	-	-	-	-
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	83,116	-	1,221,817	1,080,103
19	Performing financing to non- financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	353,642	97,683	456,441	522,349
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-

For the six months period ended 30 June 2025 US$ 000's

5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	700,060	-	487,126	837,156
24	Other assets:	-	-	-	-	-
25	Physical traded commodities, including gold	-				-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts contracts and contributions to default funds of CCPs		-	-	-	-
27	NSFR Shari'a-compliant hedging assets		-		-	3,536
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted		-		-	-
29	All other assets not included in the above categories	3,354,998	-		-	3,354,998
30	OBS items		-		-	97,366
31	Total RSF		2,464,301	97,683	3,254,896	7,116,764
32	NSFR(%)					133%

b Liquidity Coverage Ratio (LCR)

LCR is computed as a ratio of Stock of High-Quality Liquid Assets (HQLA) over the Net cash outflows over the next 30 calendar days.

	Average balance	
	30 June 2025 (reviewed)	31 December 2024 (audited)
Stock of HQLA	530,202	611,954
Net cashflows	341,379	314,670
LCR %	155%	194%
Minimum required by CBB	100%	100%

For the six months period ended 30 June 2025 US$ 000's

5 FINANCIAL RISK MANAGEMENT (continued)

c. Capital Adequacy Ratio

	30 June 2025 (reviewed)	31 December 2024 (audited)
CET 1 Capital before regulatory adjustments	995,492	989,543
Less: regulatory adjustments	-	-
CET 1 Capital after regulatory adjustments	**995,492**	989,543
T 2 Capital adjustments	40,154	37,669
Regulatory Capital	**1,035,646**	1,027,212
Risk weighted exposure:		
Credit Risk Weighted Assets	5,503,758	5,317,410
Market Risk Weighted Assets	103,084	130,673
Operational Risk Weighted Assets	597,099	584,364
Total Regulatory Risk Weighted Assets	**6,203,941**	6,032,447
Investment risk reserve (30% only)	2	2
Profit equalization reserve (30% only)	3	3
Total Adjusted Risk Weighted Exposures	**6,203,936**	6,032,442
Capital Adequacy Ratio (CAR)	16.69%	17.03%
Tier 1 Capital Adequacy Ratio	**16.05%**	16.40%
Minimum CAR required by CBB	12.50%	12.50%

6 SEASONALITY

Due to the inherent nature of the Group's business (investment banking, commercial banking and treasury and proprietary), the six-months results reported in this condensed consolidated interim financial information may not represent a proportionate share of the overall annual results.

7 COMPARATIVES

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

For the six months period ended 30 June 2025 US$ 000's

8 TREASURY PORTFOLIO

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Placements with financial institutions	1,154,197	990,666	1,011,100
Profit rate swap and foreign currency forwards	6,467	3,533	896
Equity type investments			
At fair value through comprehensive income			
Quoted sukuk	31,436	32,318	32,889
At fair value through income statement			
Structured notes*	804,766	276,435	437,723
Quoted fund	20,027	28,213	26,347
Debt type investments			
At fair value through comprehensive income*			
Quoted sukuk	752,979	1,144,013	791,535
At amortised cost			
Quoted sukuk*	3,024,940	2,398,462	2,487,772
Unquoted sukuk	4,485	5,557	4,546
Less: Impairment allowances **	(19,397)	(27,563)	(24,735)
	5,779,900	4,851,634	4,768,073

*Short-term and medium-term facilities of US$ 2,145,592 thousand (31 December 2024: US$ 1,605,433 thousand) are secured by quoted sukuk of US$ 3,490,276 thousand (31 December 2024: US$ 2,571,205 thousand) and structured notes of US$ 804,766 thousand (31 December 2024: US$ 276,435 thousand).

**ECL of US $ 6,463 thousand was utilized during the period.

9 FINANCING CONTRACTS

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Murabaha*	1,689,854	1,455,942	1,290,801
Mudharaba	6,045	18,083	20,862
Ijarah assets	827,901	641,023	550,890
	2,523,800	2,115,048	1,862,553
Less: Impairment allowances	(54,785)	(56,891)	(66,800)
	2,469,015	2,058,157	1,795,753

*Murabaha financing receivables are net of deferred profits of US$ 72,480 thousands (31 December 2024: US$ 41,692 thousands).

For the six months period ended 30 June 2025 US$ 000's

9 FINANCING CONTRACTS (continued)

The movement on financing contracts and impairment allowances is as follows:

Financing contracts	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Financing contracts (gross)	2,131,513	215,090	177,077	2,523,680
Expected credit loss	(3,757)	(12,339)	(38,689)	(54,785)
Financing contracts (net)	**2,127,756**	**202,751**	**138,388**	**2,468,895**

Impairment allowances	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
At 1 January 2025	3,034	12,230	41,627	56,891
Net movement between stages	(2,228)	64	2,164	-
Net charge for the period	2,951	45	3,096	6,092
Write-offs	-	-	(8,198)	(8,198)
At 30 June 2025 (reviewed)	**3,757**	**12,339**	**38,689**	**54,785**

31 December 2024 (audited)	Stage 1	Stage 2	Stage 3	Total
Financing contracts (gross)	1,753,546	208,446	153,056	2,115,048
Expected credit loss	(3,034)	(12,230)	(41,627)	(56,891)
Financing contracts (net)	1,750,512	196,216	111,429	2,058,157

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2024	4,788	18,310	41,180	64,278
Net transfers	12,021	(14,093)	2,072	-
Net charge for the year	(13,775)	8,013	7,373	1,611
Write-off	-	-	(8,998)	(8,998)
At 31 December 2024	3,034	12,230	41,627	56,891

30 June 2024 (reviewed)	Stage 1	Stage 2	Stage 3	Total
Financing contracts (gross)	1,485,710	233,902	142,941	1,862,553
Expected credit loss	(7,652)	(10,178)	(48,970)	(66,800)
Financing contracts (net)	1,478,058	223,724	93,971	1,795,753

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	4,788	18,310	41,180	64,278
Net movement between stages	5,372	(7,308)	1,936	-
Net charge for the period	(2,508)	(824)	7,198	3,866
Write-offs	-	-	(1,344)	(1,344)
At 30 June 2024	7,652	10,178	48,970	66,800

For the six months period ended 30 June 2025 US$ 000's

10 REAL ESTATE INVESTMENTS

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Investment Property			
Land	478,424	493,792	448,694
Building	174,743	178,042	124,305
	653,167	671,834	572,999
Development Property			
Land	310,324	167,140	165,727
Building	612,623	552,161	505,770
	922,947	719,301	671,497
	1,576,114	1,391,135	1,244,496

11 CO-INVESTMENTS

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
At fair value through OCI			
Unquoted equity securities	302,518	279,612	270,584
At fair value through statement of income			
Unquoted equity securities	9,394	9,394	9,393
Fair Value changes	(28,842)	(28,842)	(1,606)
	283,070	260,164	278,371

During the period US$1,631 thousand was recycled from investment fair value reserve to Statement of Income.

12 PROPRIETARY INVESTMENTS

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Equity type investments			
At fair value through statement of income			
Unquoted securities	9,446	17,292	9,942
Listed securities	82,309	81,288	11,266
	91,755	98,580	21,208
At fair value through OCI			
Listed securities (at fair value)	-	17,324	20,035
Equity type Sukuk	446,707	442,207	940,382
Unquoted Equity securities	64,295	63,512	60,598
	511,002	523,043	1,021,015
Equity-accounted investees	285,405	160,791	142,810
Impairment allowance	(4,112)	(3,046)	(1,966)
	884,050	779,368	1,183,067

For the six months period ended 30 June 2025 US$ 000's

13 RECEIVABLES AND OTHER ASSETS

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Investment banking receivables	206,164	225,512	305,611
Receivable from equity-accounted investees	158,972	162,442	93,789
Financing to projects, net	6,366	4,923	11,695
Receivable on sale of real estate	141,909	149,944	132,747
Advances and deposits	90,998	69,281	71,938
Employee receivables	22,366	21,700	11,192
Profit on sukuk receivable	17,727	20,908	20,232
Lease rentals receivable	2,476	3,050	3,588
Goodwill and intangibles	76,557	83,812	70,523
Receivable from sale of investments	62,379	181,555	63,311
Prepayments and other receivables	266,736	271,265	284,749
Less: Impairment allowance	(21,863)	(21,006)	(23,017)
	1,030,787	1,173,386	1,046,358

14 TERM FINANCING

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Murabaha financing* (note 8)	2,181,941	1,625,186	1,738,485
Sukuk **	458,203	522,774	241,224
Other borrowings	1,819	1,798	1,639
	2,641,963	2,149,758	1,981,348

*Murabaha financing comprise:

*Short-term and medium-term facilities of US$ 2,145,592 thousand (31 December 2024: US$ 1,605,433 thousand) are secured by quoted sukuk of US$ 3,490,276 thousand (31 December 2024: US$ 2,571,205 thousand) and structured notes of US$ 804,766 thousand (31 December 2024: US$ 276,435 thousand).

** Sukuk
Represents outstanding unsecured sukuk certificates with a profit rate of 7.5% p.a. repayable by 2029. The outstanding sukuk also includes accrued profit of US$ 2,148 thousand.

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15 OTHER LIABILITIES

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Investment banking payables*	163,505	167,544	97,676
Accounts Payables	110,852	61,610	94,423
Unclaimed dividends	4,863	2,676	4,447
Payables to equity-accounted investees	2,572	56,347	51,415
Other accrued expenses and payables	11,655	52,474	37,538
Deferred Income	10,748	3,654	10,525
Payables towards purchase of investments	34,211	43,910	56,477
Zakah and Charity Fund	10,567	10,375	12,517
Employee related accruals	21,160	22,534	26,195
Mudaraba profit accrual	14,397	14,240	12,952
	384,530	435,364	404,165

*Represents amounts payable against assets acquired as part of investment banking deals along with payable for ongoing project related to the costs of SPVs. These payables are settled within 12 months on account of receipt of funds from Investment banking receivable and underlying SPVs.

16 QUASI EQUITY

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Placements and borrowings from financial institutions:			
Wakala	2,589,122	1,617,818	2,347,904
Mudaraba	1,367,721	1,362,999	1,259,027
	3,956,843	2,980,817	3,606,931

Funds are invested in the following assets:

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Balances with banks	137,099	154,385	71,061
CBB reserve account	85,658	84,769	80,321
Treasury portfolio	2,161,016	1,628,135	2,506,596
Financing contracts	1,523,742	1,039,024	832,775
Proprietary Investments	30,186	30,849	71,061
Real estate Investments	19,142	43,655	45,117
	3,956,843	2,980,817	3,606,931

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17 IMPAIRMENT ALLOWANCES, NET

	Six months ended		Three months ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)	**30 June 2025 (reviewed)**	30 June 2024 (reviewed)
Expected credit loss on:				
Bank balances	(10)	(39)	2	(36)
Treasury portfolio (note 8)	(1,703)	(1,343)	(1,150)	(365)
Financing contracts, net (note 9)	6,092	3,866	1,376	1,492
Impairment on proprietary investment (note 12)	1,066	1,052	533	518
Impairment on co-investment (note 11)	1,631	-	1,631	-
Impairment on other receivables (note 13)	858	15,069	(282)	3,210
	7,934	18,605	**2,110**	4,819

18 EARNINGS PER SHARE

The calculation of basic earnings per share has been based on the following profit attributable to the ordinary shareholders and weighted-average number of ordinary shares outstanding. The Group does not have any diluted potentially ordinary shares as of the reporting dates. Hence, the basic and diluted earnings per share is similar.

	Six months ended		Three months ended	
	30 June 2025 (reviewed)	30 June 2024 (reviewed)	**30 June 2025 (reviewed)**	30 June 2024 (reviewed)
Profit attributable to shareholders of the Bank	67,239	60,747	37,100	33,612
Weighted Average number of shares outstanding during the period	3,483,886	3,558,268	3,491,301	3,599,595
Earnings per share				
Basic and diluted earnings per share (US cents)	**1.93**	1.71	**1.06**	0.93

19 RELATED PARTY TRANSACTIONS

The significant related party balances and transactions as at 30 June 2025 are given below:

30 June 2025 (reviewed)	Related parties as per FAS 1				
	Equity-accounted investees	**Key management personnel**	**Significant shareholders / entities in which directors are interested**	**Assets under management (including special purpose and other entities)**	**Total**
Assets					
Treasury portfolio	446,314	-	-	-	**446,314**
Financing contracts	-	12,151	119,808	-	**131,959**
Real Estate Investments	-	-	-	-	**-**
Proprietary investments	446,707	-	6,058	14,310	**467,075**
Co-investments	-	-	-	283,070	**283,070**
Receivables and other assets	158,972	7,703	406	206,164	**373,245**

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19 RELATED PARTY TRANSACTIONS (continued)

30 June 2025 (reviewed)	**Related parties as per FAS 1**			**Assets under management (including special purpose and other entities)**	**Total**
	Equity-accounted investees	**Key management personnel**	**Significant shareholders / entities in which directors are interested**		
Liabilities					
Placements from financial,non-financial institutions and individuals	-	8,584	-	-	**8,584**
Current accounts	3	286	26,459	19,069	**45,817**
Other liabilities	2,572	13,858	-	163,505	**179,935**
Quasi equity	822	5,687	74,249	332	**81,090**
Income					
Investment banking	-	-	-	94,962	**94,962**
Commercial banking	-	-	-	-	
- *Income from financing*	-	300	2,684	-	**2,984**
- *Less: Finance expense*	-	133	1,663	-	**1,796**
Treasury and proprietary investments	-	-		-	**-**
Treasury and other income	2,032	-	5,965	31,738	**39,735**
Less: Quasi equity	21	82	2,708	8	**2,819**
Expenses					**-**
Operating expenses	-	(359)	-	125	**(234)**
Staff Cost	-	(6,331)	-	-	**(6,331)**
Finance Cost	-	-	(4,977)	-	**(4,977)**

31 December 2024 (audited)	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Equity-accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested		
Assets					
Treasury portfolio	521,440	-	-	57,842	579,282
Financing contracts	-	10,597	131,028	18,212	159,837
Real Estate Investments	-	-	142,670	-	142,670
Proprietary investment	442,207	-	6,058	-	448,265
Co-investment	-	-	-	260,164	260,164
Receivables and other assets	162,442	7,008	134,534	225,512	529,496

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19 RELATED PARTY TRANSACTIONS (continued)

31 December 2024 (audited)	Related parties as per FAS 1				
	Equity-accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested	Assets under management (including special purpose and other entities)	Total
Liabilities					
Placements from financial, non-financial institutions and individuals	-	6,469	2,772	-	9,241
Current account	1,854	928	36,305	17,950	57,037
Other liabilities	61,610	7,468	-	167,544	236,622
Quasi Equity	844	5,695	65,014	-	71,553
30 June 2024 (reviewed)					
Income					
Investment banking	726	-	-	88,965	89,691
Commercial banking					
- *Income from financing*	-	302	1,562	-	1,864
- *Less: Finance expense*	-	(135)	(8,141)	-	(8,276)
Treasury and proprietary investments	16,793	-	-	40,063	56,856
- *Less: Quasi equity*	(29)	(119)	(6,273)	(8)	(6,429)
Expenses					
Operating expenses	-	(345)	-	(167)	(512)
Staff Cost	-	(6,452)	(280)	-	(6,732)
Finance Cost	(12)	-	-	(3,462)	(3,474)

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20 SEGMENT REPORTING

The Group is organised into business units based on their nature of operations and independent reporting entities and has three reportable operating segments namely investment banking, commercial banking and treasury and proprietary.

	Investment banking	**Commercial banking**	**Proprietary and treasury**	**Total**
30 June 2025 (reviewed)				
Segment revenue	96,579	74,187	186,299	357,065
Segment expenses	(70,840)	(56,054)	(152,521)	(279,415)
Impairment allowance	-	(3,246)	(4,688)	(7,934)
Segment result	**25,739**	**14,887**	**29,090**	**69,716**
Segment assets	206,167	4,326,786	7,831,638	12,364,591
Segment liabilities	163,505	2,249,305	4,861,243	7,274,053
Quasi equity	-	1,735,312	2,221,531	3,956,843
Other segment information				
Proprietary investments (Equity-accounted investees)	-	17,285	268,121	285,406
Commitments	133,082	94,607	50,661	278,350

	Investment banking	Commercial banking	Proprietary and treasury	Total
30 June 2024 (reviewed)				
Segment revenue	88,128	65,188	178,914	332,230
Segment expenses	(57,767)	(47,089)	(140,872)	(245,728)
Impairment allowance	-	(4,470)	(14,135)	(18,605)
Segment result	30,361	13,629	23,907	67,897
31 December 2024 (audited)				
Segment assets	229,288	3,968,511	6,833,226	11,031,025
Segment liabilities	300,353	2,250,096	4,384,668	6,935,117
Quasi equity	-	1,377,179	1,603,638	2,980,817
Other segment information				
Proprietary investments (Equity-accounted investees)	-	17,285	143,506	160,791
Commitments	13,150	94,607	145,680	253,437

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21 COMMITMENTS AND CONTINGENCIES

The commitments contracted in the normal course of business of the Group:

	30 June 2025 (reviewed)	31 December 2024 (audited)	30 June 2024 (reviewed)
Undrawn commitments to extend finance	133,082	94,912	97,080
Financial guarantees	109,069	102,817	17,815
Capital commitment for infrastructure development projects	36,199	55,708	45,335
	278,350	253,437	160,230

Performance obligations
During the ordinary course of business, the Group may enter performance obligations in respect of its infrastructure development projects. It is the usual practice of the Group to pass these performance obligations, wherever possible, on to the companies that own the projects. In the opinion of the management, no liabilities are expected to materialise on the Group as at 30 June 2025 due to the performance of any of its projects.

Litigations, claims and contingencies
The Group has several claims and litigations filed against it in connection with projects promoted by the Bank in the past and with certain transactions. Further, claims against the Group entities also have been filed by former employees and customers. Based on the advice of the Bank's external legal counsel, the management is of the opinion that the Bank has strong grounds to successfully defend itself against these claims. Where applicable, appropriate provision has been made in the books of accounts. No further disclosures regarding contingent liabilities arising from any such claims are being made by the Bank as the directors of the Bank believe that such disclosures may be prejudicial to the Bank's legal position.

22 FINANCIAL INSTRUMENTS

Fair values
Fair value is an amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is a presumption that an enterprise is a going concern without any intention or need to liquidate, curtail materially the scale of its operations or undertake a transaction on adverse terms.

Fair value hierarchy
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).

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22 FINANCIAL INSTRUMENTS (continued)

The following table shows the valuation techniques used in measuring fair values, as well as the significant

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Structured notes	Fair value of underlying reference portfolio adjusted for embedded derivatives that protect downside risk and cap upside potential over the period of the contract.	Credit risk of counterparty and volatility assumptions for time to maturity	Ability of the Group to hold the structure note to maturity and impact of the value of embedded derivatives (strike prices and barriers for coupon and principal).
Unquoted Equity investments	Discounted cash flow	Marketability factor and Discount rate	Ability of Group to exit these investments and their impact on the overall value as these are unquoted investments.

The potential effect of change in assumptions used above would have the following effects.

	30 June 2025 (reviewed)		30 June 2024 (reviewed)	
	Statement of Income	**FVOCI**	Statement of Income	FVOCI
Equity instruments- marketability factor (±10%)	± 939	± 36,681	± 939	±33,118
Structure notes- impact on underlying value (±5%)	± 40,238	-	±21,886	-
Proprietary Investments- impact of change in value (±5%)	± 4,588	-	±1,060	-
Quoted Fund - impact on underlying value (±5%)	± 1,001	-	±1317	-

The table below analyses the financial instruments carried at fair value, by valuation method.

30 June 2025 (reviewed)	**Level 1**	**Level 2**	**Level 3**	**Total**
(i) Proprietary investments				
Investment securities carried at fair value through:				
statement of income	82,309	-	9,446	91,755
OCI	-	446,707	64,295	511,002
	82,309	**446,707**	**73,741**	**602,757**
(ii) Treasury portfolio				
Investment securities carried at fair value through:				
statement of income	-	831,260	-	831,260
OCI	784,415	-	-	784,415
	784,415	**831,260**	**-**	**1,615,675**
(iii) Co-investments				
Investment securities carried at fair value through				
statement of income	-	-	9,394	9,394
OCI	-	-	273,676	273,676
	-	**-**	**283,070**	**283,070**
	866,724	**1,277,967**	**356,811**	**2,501,502**

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22 FINANCIAL INSTRUMENTS (continued)

31 December 2024 (audited)	Level 1	Level 2	Level 3	Total
(i) Proprietary investments				
Investment securities carried at fair value through:				
statement of income	-	98,580	-	98,580
OCI	17,324	442,207	63,512	523,043
	17,324	540,787	63,512	621,623
(ii) Treasury portfolio				
Investment securities carried at fairvalue through:				
statement of income	-	308,181	-	308,181
OCI	1,176,331	-	-	1,176,331
	1,176,331	308,181	-	1,484,512
(iii) Co-investments				
Investment securities carried at fair value through				
statement of income	-	-	9,394	9,394
OCI	-	-	250,770	250,770
	-	-	260,164	260,164
	1,193,655	848,968	323,676	2,366,299

The following table analyses the movement in Level 3 financial assets during the period:

	30 June 2025 (reviewed)	31 December 2024 (audited)
At beginning of the period	323,676	320,261
Disposals at carrying value	-	(19,337)
Reclassification	9,446	(14,661)
Purchases	22,906	72,236
Fair value changes during the period	783	(34,823)
At end of the period	**356,811**	323,676

23 ASSETS UNDER MANAGEMENT AND CUSTODIAL ASSETS

The Group provides corporate administration, investment management and advisory services to its project companies, which involve the Group making decisions on behalf of such entities. Assets that are held in such capacity are not included in these consolidated financial statements. At the reporting date, the Group had assets under management of US$ 11,383 million (31 December 2024: US$ 10,744 million). During the period, the Group had charged management fees and performance fee amounting to US$ 31,994 thousand (30 June 2024: US$ 28,226 thousand).

Custodial assets comprise assets of the discretionary portfolio management ('DPM') accounts amounting to US$ 4,327,482 thousand (2024: US$ 3,304,293 thousand), of which US$ 1,815,646 thousand (2024: US$ 1,685,279 thousand) relate to the Group's investment products and the balance is deployed in the Group's treasury products.

24 DOMESTIC MINIMUM TOPUP TAX

The Ultimate Parent Entity of the MNE group is domiciled and operates in the Kingdom of Bahrain which has 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 not in scope for the Bahrain DMTT law or the OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules'). The reason for this conclusion is that it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, it does not expect to be subject to the Bahrain DMTT law and GloBE rules for the current fiscal year.