

ALUBAF Arab International Bank B.S.C. (c)

**INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 March 2025 (REVIEWED)

REVIEW REPORT TO THE BOARD OF DIRECTORS OF ALUBAF ARAB INTERNATIONAL BANK B.S.C. (c)

Introduction

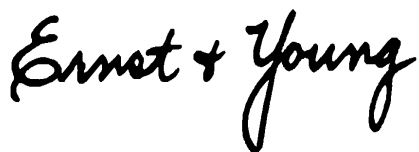
We have reviewed the accompanying interim condensed consolidated financial statements of ALUBAF Arab International Bank B.S.C. (c) (the "Bank") and its subsidiary (together the "Group") as at 31 March 2025, comprising the interim consolidated statement of financial position as at 31 March 2025 and the related interim consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the three-month period then ended and explanatory notes. The Bank's Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting ('IAS 34'). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed 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 International Standards on Auditing 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



5 May 2025
Manama, Kingdom of Bahrain

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

		(Reviewed) 31 March 2025 US\$'000	(Audited) 31 December 2024 US\$'000
	Notes		
ASSETS			
Cash and balances with Central Bank and other banks	3	536,446	524,811
Deposits with banks and other financial institutions		419,159	747,932
Investment held for trading		1,983	14,436
Investment in fund		15,264	15,427
Investment securities	4	276,422	270,489
Loans and advances	5	125,839	156,387
Investment property		11,734	11,734
Property, equipment and software		5,885	6,046
Interest receivable		13,519	18,660
Other assets		1,010	1,240
TOTAL ASSETS		1,407,261	1,767,162
LIABILITIES AND EQUITY			
Liabilities			
Deposits from banks and other financial institutions		657,602	786,830
Due to banks and other financial institutions		123,647	204,470
Due to customers		235,516	396,178
Interest payable		6,074	4,585
Other liabilities		12,859	12,657
Total liabilities		1,035,698	1,404,720
Equity			
Share capital		250,000	250,000
Statutory reserve		35,549	35,549
Retained earnings		68,659	65,984
Fair value reserve		(2,645)	(4,091)
Proposed dividend	8	20,000	15,000
Total equity		371,563	362,442
TOTAL LIABILITIES AND EQUITY		1,407,261	1,767,162



Anthony C. Mallis
Vice Chairman



Khaled AlGonsel
Chairman

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Three months ended 31 March 2025

	Note	<i>Three months ended</i>	
		<i>31 March</i>	<i>(Reviewed)</i>
		2025	2024
		US\$'000	US\$'000
Interest income		19,518	17,182
Interest expense		(8,477)	(8,299)
Net interest income		11,041	8,883
Fee and commission income		542	366
Trading (loss) income - net		(4)	2
Unrealised loss on investment in fund		(163)	-
Foreign exchange gain - net		76	26
Other income		56	230
Operating income		11,548	9,507
Provision reversal (charge) for expected credit losses - net	6	1,407	(3,148)
Net operating income		12,955	6,359
Staff costs		(2,751)	(2,562)
Depreciation		(161)	(175)
Other operating expenses		(1,314)	(1,024)
Operating expenses		(4,226)	(3,761)
Profit for the period before taxation		8,729	2,598
Taxation	9	(1,054)	-
NET PROFIT FOR THE PERIOD		7,675	2,598



Anthony C. Mallis
Vice Chairman



Khaled AlGonsel
Chairman

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three months ended 31 March 2025

		<i>Three months ended</i>	
		<i>31 March</i>	
		<i>(Reviewed)</i>	
		2025	2024
<i>Note</i>		US\$'000	US\$'000
NET PROFIT FOR THE PERIOD		7,675	2,598
Other comprehensive gain:			
<i>Other comprehensive gain to be reclassified to profit or loss in subsequent periods:</i>			
Unrealised fair value gain on investments classified as fair value through other comprehensive income (FVOCI) - net	4	1,259	1,975
<i>Other comprehensive gain (loss) classified to profit or loss during the period:</i>			
Changes in allowance for expected credit losses on FVOCI investments	4	187	(227)
Other comprehensive gain for the period		1,446	1,748
Total comprehensive income for the period		9,121	4,346

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three months ended 31 March 2025

		Three months ended 31 March (Reviewed)	
		2025	2024
	Note	US\$'000	US\$'000
OPERATING ACTIVITIES			
Profit for the period before taxation		8,729	2,598
Adjustments for:			
Provision (reversal) charge for expected credit losses - net	6	(1,407)	3,148
Depreciation		161	175
Amortisation of investments carried at amortised cost		174	361
Trading loss (income) - net		4	(2)
Unrealised loss on investment in fund		163	-
Amortisation of loans and advances carried at amortised cost		(214)	(245)
Operating profit before changes in operating assets and liabilities		7,610	6,035
Changes in operating assets and liabilities:			
Balances with Central Bank		(41,290)	20,018
Deposits with banks and other financial institutions		9,811	37,502
Loans and advances		32,415	13,849
Interest receivable and other assets		5,371	2,896
Deposits from banks and other financial institutions		(129,228)	54,083
Due to banks and other financial institutions		(80,823)	(40,994)
Due to customers		(160,662)	(623)
Interest payable and other liabilities		521	3,709
Net cash (used in) from operating activities		(356,275)	96,475
INVESTING ACTIVITIES			
Purchase of investments classified as held for trading		-	(15,509)
Purchase of investment securities		(9,799)	(7,502)
Proceeds from disposal / maturity of investments classified as held for trading		12,449	6,595
Proceeds from disposal / maturity of investment securities		5,000	8,000
Purchase of property, equipment and software		-	(4)
Net cash from (used in) investing activities		7,650	(8,420)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(348,625)	88,055
Cash and cash equivalents at beginning of the period		738,931	168,039
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD		390,306	256,094
Cash and cash equivalents comprise:			
Cash and balances with Central Bank and other banks with original maturities of 90 days or less - net		3,196	6,084
Deposits with banks and other financial institutions with original maturities of 90 days or less		387,110	250,010
	3	390,306	256,094

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

ALUBAF Arab International Bank B.S.C. (c)

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three months ended 31 March 2025

	<i>Share capital US\$'000</i>	<i>Statutory reserve US\$'000</i>	<i>Retained earnings US\$'000</i>	<i>Fair value reserve US\$'000</i>	<i>Proposed dividend US\$'000</i>	<i>Total US\$'000</i>
Balance as at 1 January 2025	250,000	35,549	65,984	(4,091)	15,000	362,442
Net profit for the period	-	-	7,675	-	-	7,675
Other comprehensive income for the period	-	-	-	1,446	-	1,446
Total comprehensive income for the period	-	-	7,675	1,446	-	9,121
Increase in proposed dividend (note 8)	-	-	(5,000)	-	5,000	-
At 31 March 2025	250,000	35,549	68,659	(2,645)	20,000	371,563
Balance as at At 1 January 2024	250,000	32,549	53,984	(6,139)	12,500	342,894
Net profit for the period	-	-	2,598	-	-	2,598
Other comprehensive income for the period	-	-	-	1,748	-	1,748
Total comprehensive income for the period	-	-	2,598	1,748	-	4,346
Dividend (note 8)	-	-	-	-	(12,500)	(12,500)
At 31 March 2024	250,000	32,549	56,582	(4,391)	-	334,740

The attached notes 1 to 12 form part of these interim condensed consolidated financial statements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

1 CORPORATE INFORMATION

ALUBAF Arab International Bank B.S.C. (c) (the "Bank") is a closed Bahraini joint stock company incorporated in the Kingdom of Bahrain and registered with the Ministry of Industry and Commerce under Commercial Registration (CR) number 12819. The Bank operates under a wholesale banking license issued by the Central Bank of Bahrain (the "CBB"). The Bank's registered office is Building 854, Road 3618, Avenue 436, Alubaf Tower, Al-Seef District, PO Box 11529, Manama, Kingdom of Bahrain.

The Bank is majority owned by Libyan Foreign Bank, a bank registered in Libya.

The Bank has incorporated a special purpose vehicle (the "SPV") namely 'Bahrain Real Estate Development Company' in Jordan for the purpose of registration of land on behalf of the Bank. These interim condensed consolidated financial statements include the operating results of the Bank and its wholly owned SPV (together the "Group").

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2025 were authorised for issue in accordance with a resolution of the Bank's Board of Directors on 5 May 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Group for the three-month period ended 31 March 2025 are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34"). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2025.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025.

2.2 Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Bank and its SPV as at 31 March 2025. The reporting dates of the SPV and the Bank are identical and the SPV's accounting policies conform to those used by the Bank for like transactions and events in similar circumstances.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Specifically, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a) Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- b) Derecognises the carrying amount of any non-controlling interest;
- c) Derecognises the cumulative transaction differences, recorded in equity;
- d) Recognises the fair value of consideration received;
- e) Recognises the fair value of any investment retained;
- f) Recognises any surplus or deficit in the consolidated statement of income; and
- g) Reclassifies the parent's share of a component previously recognised in OCI to consolidated statement of income or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

2.3 New and amended standards and interpretations effective as of 1 January 2025

The following new amendments to the accounting standards became effective in 2025 and have been adopted by the Group in preparation of these interim condensed consolidated financial statements as applicable. Further, the Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

3 CASH AND BALANCES WITH CENTRAL BANK AND OTHER BANKS

	(Reviewed) 31 March 2025 US\$'000	(Audited) 31 December 2024 US\$'000
Cash and balance with bank	20	14
Money at call and short notice with other banks	6,717	36,272
Treasury bills - balances with Central Bank	533,250	491,955
Provision for expected credit losses	(3,541)	(3,430)
Cash and balances with central bank and other banks	536,446	524,811
Treasury bills - balances with Central Bank with original maturities of more than 90 days	(533,250)	(491,955)
Deposits with banks and other financial institutions with original maturities of 90 days or less	387,110	706,075
Cash and cash equivalents	390,306	738,931

As at 31 March 2025, exposure classified in stage 3 amounted to US\$ 3,538 thousand (31 December 2024: US\$ 3,422 thousand). The remaining exposures are classified within Stage 1.

Movement in provision for expected credit losses were as follows:

	31 March 2025 (Reviewed)			
	Stage 1: 12-month ECL US\$'000	Stage 2: Lifetime ECL not credit- impaired US\$'000	Stage 3: Lifetime ECL credit- impaired US\$'000	Total ECL US\$'000
Balance at 1 January	8	-	3,422	3,430
Provided during the period	2	-	-	2
Reversals during the period	(7)	-	-	(7)
	(5)	-	-	(5)
Exchange movement	-	-	116	116
At 31 March	3	-	3,538	3,541

	31 March 2024 (Reviewed)			
	Stage 1: 12-month ECL US\$'000	Stage 2: Lifetime ECL not credit- impaired US\$'000	Stage 3: Lifetime ECL credit- impaired US\$'000	Total ECL US\$'000
Balance at 1 January	2	1	3,644	3,647
Provided during the period	-	-	-	-
Reversals during the period	(1)	-	-	(1)
	(1)	-	-	(1)
Exchange Movement	-	-	(96)	(96)
At 31 March	1	1	3,548	3,550

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

4 INVESTMENT SECURITIES

	31 March 2025 (Reviewed)		
	<i>FVOCI</i>	<i>Amortised cost</i>	<i>Total</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Quoted investments			
- Sovereign debt securities	176,367	72,997	249,364
- Banks and Corporate debt securities	21,213	6,054	27,267
Total quoted investments	197,580	79,051	276,631
Provision for expected credit losses on investment securities at amortised cost	-	(209)	(209)
Total investment securities	197,580	78,842	276,422
31 December 2024 (Audited)			
	<i>FVOCI</i>	<i>Amortised cost</i>	<i>Total</i>
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Quoted investments			
- Sovereign debt securities	165,325	78,166	243,491
- Banks and Corporate debt securities	21,197	6,059	27,256
Total quoted investments	186,522	84,225	270,747
Provision for expected credit losses on investment securities at amortised cost	-	(258)	(258)
Total investment securities	186,522	83,967	270,489

Note 4.1

A reconciliation of changes in gross carrying amounts of investment securities at FVOCI and investment securities at amortised cost by stage is as follows:

	31 March 2025			Total
	Stage 1:	Stage 2:	Stage 3:	
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Investment securities at FVOCI				
At 1 January	163,916	22,606	-	186,522
Investments purchased	9,799	-	-	9,799
Fair value movement	1,124	135	-	1,259
At 31 March	174,839	22,741	-	197,580

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

4 INVESTMENT SECURITIES (continued)

	31 March 2024			
	Stage 1:	Stage 2:	Stage 3:	Total
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Investment securities at FVOCI				
At 1 January	89,772	58,194	2,569	150,535
Investments purchased	7,502	-	-	7,502
Transfers between stages	14,813	(14,813)	-	-
Fair value movement	(484)	2,060	399	1,975
At 31 March	111,603	45,441	2,968	160,012
	31 March 2025 (Reviewed)			
	Stage 1:	Stage 2:	Stage 3:	Total
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Investment securities at amortised cost				
At 1 January	74,215	10,010	-	84,225
Investments matured	(5,000)	-	-	(5,000)
Amortisation of premium / discount - net	(169)	(5)	-	(174)
At 31 March	69,046	10,005	-	79,051
	31 March 2024 (Reviewed)			
	Stage 1:	Stage 2:	Stage 3:	Total
	US\$ 000	US\$ 000	US\$ 000	US\$ 000
Investment securities at amortised cost				
At 1 January	90,695	24,587	-	115,282
Investments matured	(3,000)	(5,000)	-	(8,000)
Amortisation of premium / discount - net	(324)	(37)	-	(361)
At 31 March	87,371	19,550	-	106,921

Note 4.2

Movements in provision for expected credit losses of FVOCI investments were as follows:

	FVOCI			
	31 March 2025 (Reviewed)			
	Stage 1:	Stage 2:	Stage 3:	
	ECL	Lifetime ECL	Lifetime ECL	
	not credit-	credit-		
	impaired	impaired		
	ECL	ECL		
	US\$ 000	US\$ 000	US\$ 000	Total
				US\$ 000
Balance at 1 January	378	727	-	1,105
Provided during the period	299	-	-	299
Reversals during the period	(22)	(90)	-	(112)
	277	(90)	-	187
At 31 March	655	637	-	1,292

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

4 INVESTMENT SECURITIES (continued)

	FVOCI			
	31 March 2024 (Reviewed)			
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	US\$ '000
	ECL	not credit-	credit-	Total
	US\$ 000	impaired	impaired	US\$ 000
Balance at 1 January	91	1,753	2,817	4,661
Transfer to Stage 1	77	(77)	-	-
Provided during the period	-	-	-	-
Reversals during the period	(76)	(151)	-	(227)
	1	(228)	-	(227)
At 31 March	92	1,525	2,817	4,434

Movements in provision for expected credit losses of 'amortised cost' investments were as follows:

At 31 March 2025, interest in suspense amounted to nil (31 March 2024: US\$ 616 thousand).

	<i>Amortised cost</i>		
	<i>31 March 2025 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Total ECL</i> <i>US\$ '000</i>
	<i>12-month</i> <i>ECL</i> <i>US\$ '000</i>	<i>Lifetime ECL</i> <i>not credit-</i> <i>impaired</i> <i>US\$ '000</i>	
Balance at 1 January	163	95	258
Reversals during the period	(13)	(36)	(49)
At 31 March	150	59	209

	<i>Amortised cost</i>		
	<i>31 March 2024 (Reviewed)</i>		
	<i>Stage 1:</i>	<i>Stage 2:</i>	<i>Total ECL</i> <i>US\$ '000</i>
	<i>12-month</i> <i>ECL</i> <i>US\$ '000</i>	<i>Lifetime ECL</i> <i>not credit-</i> <i>impaired</i> <i>US\$ '000</i>	
Balance at 1 January	407	331	738
Provided during the period	2	-	2
Reversals during the period	(24)	(126)	(150)
	(22)	(126)	(148)
At 31 March	385	205	590

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

5 LOANS AND ADVANCES

Loans and advances are stated net of provision for loan losses.

	31 March 2025 (Reviewed)			
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	
	US\$ 000	impaired	impaired	Total
		US\$ 000	US\$ 000	US\$ 000
Letters of credit - financing and discounting	50,886	-	33,490	84,376
Commercial loans	44,070	-	33,271	77,341
Sovereign loans	18,729	-	-	18,729
	113,685	-	66,761	180,446
Provision for expected credit losses	(1,304)	-	(53,303)	(54,607)
	112,381	-	13,458	125,839
	31 December 2024 (Audited)			
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	
	US\$ 000	impaired	impaired	Total
		US\$ 000	US\$ 000	US\$ 000
Letters of credit - financing and discounting	75,113	-	35,490	110,603
Commercial loans	47,267	-	32,181	79,448
Sovereign loans	21,946	-	-	21,946
	144,326	-	67,671	211,997
Provision for expected credit losses	(957)	-	(54,653)	(55,610)
	143,369	-	13,018	156,387

Movements in provision for expected credit losses were as follows:

	31 March 2025 (Reviewed)			
	Stage 1:	Stage 2:	Stage 3:	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit-	credit-	Total ECL
	US\$ '000	impaired	impaired	US\$ '000
		US\$ '000	US\$ '000	
Balance at 1 January	957	-	54,653	55,610
Provided during the period	685	-	-	685
Reversals during the period*	(338)	-	(2,000)	(2,338)
	347	-	(2,000)	(1,653)
Exchange movement	-	-	650	650
At 31 March	1,304	-	53,303	54,607

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

5 LOANS AND ADVANCES (continued)

	31 March 2024 (Reviewed)		
	Stage 1:	Stage 2:	Stage 3:
	12-month	Lifetime ECL	Lifetime ECL
	ECL	not credit-	credit-
	US\$ '000	impaired	impaired
		US\$ '000	US\$ '000
			Total ECL
			US\$ '000
Balance at 1 January	1,909	8,562	41,324
Transfer to Stage 2	-	(8,511)	8,511
Provided during the period	604	-	3,206
Reversals during the period	(211)	(51)	-
	393	(8,562)	11,717
Exchange movement	-	-	(36)
At 31 March	2,302	-	53,005

* During the three month period ended 31 March 2025, the Group received a cash recovery of US\$ 2,000 thousand in lieu of partial settlement of a fully provided financing facility (31 March 2024: nil).

At 31 March 2025, interest in suspense on past due loans that are impaired amounted to US\$ 34,329 thousand (31 March 2024: US\$ 33,041 thousand).

6 PROVISION REVERSAL (CHARGE) FOR EXPECTED CREDIT LOSSES

	Three months ended	
	(Reviewed)	
	31 March	31 March
	2025	2024
	US\$'000	US\$'000
Charge for (reversal of) expected credit losses on:		
Balances with Central Banks and other banks - net	5	1
Deposits with banks and other financial institutions - net	3	(13)
Investment securities - net	(138)	375
Loans - net	1,653	(3,548)
Off balance sheet exposures - net	(116)	37
	1,407	(3,148)

7 COMMITMENTS AND CONTINGENT LIABILITIES**Credit related commitments and contingencies**

	(Reviewed)	(Audited)
	31 March	31 December
	2025	2024
	US\$'000	US\$'000
Letters of credit	31,960	23,853
Loan commitment	-	10,000
	31,960	33,853

As at 31 March 2025, exposure classified in stage 2 amounted to US\$ 956 thousand (31 December 2024: nil). The remaining exposures are classified within Stage 1. Further, provision against off balance sheet exposures amounting to US\$ 201 thousand (31 December 2024: US\$ 85 thousand) is classified under other liabilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

8 DIVIDEND

Based on approval from the shareholders at the Annual General Assembly Meeting held on 13 March 2025, the proposed dividend was increased to US\$ 20 million i.e. US\$ 4 per share. (31 March 2024: US\$ 12.5 million i.e. US\$ 2.5 per share).

9 TAXATION

Tax expense for the period was as follows:

	<i>Three months ended (Reviewed)</i>	
	31 March 2025 US\$'000	31 March 2024 US\$'000
Domestic minimum top-up tax	1,054	-

The Group is within the scope of the Organisation for Economic Co-operation and Development (OECD) Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS) Pillar 2 model rules, under which multinational entities (MNE Group) whose revenue exceeds EUR 750 million are liable to pay corporate income tax at a minimum effective tax rate of 15% in each jurisdiction they operate.

The Kingdom of Bahrain issued Decree-Law no (11) of 2024 (the "Law") on 1 September 2024 introducing DMTT effective from the year 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. This was followed by Executive regulations issued on 15 December 2024 under decision no (172) of 2024. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax of all the constituent entities of the MNE Group operating in Kingdom of Bahrain. The Group has performed a preliminary assessment of and estimated in consultation with a tax specialist the top-up tax charge in line with the regulations and based on OECD guidance. As of the reporting date the registration process is still ongoing and as the regulatory framework continues to evolve and implementation guidance is further clarified. The Group continues to monitor the developments and assess the impact of evolving Pillar 2 tax regulations on its future financial performance and resultant tax obligations.

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties represent shareholders, directors and key management personnel of the Bank, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Transactions with related parties included in the interim consolidated statement of financial position and interim consolidated statement of profit or loss are as follows:

	(Reviewed) 31 March 2025 US\$'000	(Audited) 31 December 2024 US\$'000
Interim consolidated statement of financial position		
Assets		
Balances with banks	1,082	1,027
Deposits with banks and other financial institutions	-	4,161
Loans and advances	4,302	4,161
Interest receivable	13	12
Other assets	68	95

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES (continued)

	<i>(Reviewed)</i> 31 March 2025 US\$'000	<i>(Audited)</i> 31 December 2024 US\$'000
Interim consolidated statement of financial position (continued)		
Liabilities		
Deposits from banks and other financial institutions *	476,803	552,920
Due to banks and other financial institutions	3,674	4,991
Interest payable	4,769	3,917
Other liabilities	1,316	1,284
Contingent liabilities		
Letters of credit	17,261	6,580

* Deposits from banks and other financial institutions include pledged cash collateral deposits amounting to US\$ 150 million (31 December 2024: US\$ 150 million) from the major shareholder of the Group for foreign trade business that the Group will receive from certain banking entities.

	<i>Three months ended</i> <i>(Reviewed)</i> 31 March 2025 US\$ '000	<i>31 March</i> <i>2024</i> <i>US\$ '000</i>
Interim consolidated statement of profit or loss		
Interest income	104	82
Interest expense	5,883	7,561
Fee and commission income - net	54	61
Compensation paid to the Board of Directors and key management personnel		
Short term benefits*	786	777
End of service benefits	67	68
	853	845

*Includes sitting fees of US\$ 62 thousand (31 March 2024: US\$ 62 thousand), reimbursement of travel, accommodation paid to the members of Board of Directors and other meeting expenses amounting to US\$ 34 thousand (31 March 2024: US\$ 50 thousand).

11 FINANCIAL INSTRUMENTS

Fair value is the 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

11 FINANCIAL INSTRUMENTS (continued)***Fair value hierarchy***

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

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

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

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

Fair value hierarchy - financial instruments measured at fair value

The following table provides the fair value measurement hierarchy of the Group's financial instruments measured at fair value:

At 31 March 2025 (Reviewed)

	<i>Level 1</i> <i>US\$ '000</i>	<i>Level 2</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Investments classified as fair value through - other comprehensive income	197,580	-	197,580
Investment in fund	-	15,264	15,264
Investments held for trading	1,983	-	1,983
	199,563	15,264	214,827

At 31 December 2024 (Audited)

	<i>Level 1</i> <i>US\$ '000</i>	<i>Level 2</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Investments classified as fair value through - other comprehensive income	186,522	-	186,522
Investment in fund	-	15,427	15,427
Investments held for trading	14,436	-	14,436
	200,958	15,427	216,385

The Group has no financial instruments measured at fair value qualifying for level 3 of the fair value hierarchy as at 31 March 2025 and as at 31 December 2024.

Transfers between level 1, level 2 and level 3

During the three month period ended 31 March 2025 and 2024 respectively, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into or out of the level 3 fair value measurement.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

11 FINANCIAL INSTRUMENTS (continued)***Financial instruments not measured at fair value - comparison of fair value to carrying value***

The following table provides details of the Group's financial instruments carried at amortised cost where the fair value is different from its carrying value. Management has assessed that the fair values of other financial instruments other than those disclosed below to approximate their carrying values as of 31 March 2025 and 31 December 2024.

At 31 March 2025 (Reviewed)

	Total fair value US\$ '000	Gross Carrying value US\$ '000
Investments at amortised cost	79,134	79,051
Loans and advances - sovereign loans	20,213	18,729
	99,347	97,780

At 31 December 2024 (Audited)

	Total fair value US\$ '000	Carrying value US\$ '000
Investments at amortised cost	83,932	84,225
Loans and advances - sovereign loans	23,418	21,946
	107,350	106,171

12 LIQUIDITY RATIOS***Liquidity Coverage Ratio***

The Group is subject to the Basel III liquidity ratios requirement, as stipulated by the regulator Central Bank of Bahrain, whereby the Bank is required to maintain a minimum of 100% Liquidity Coverage ratio (LCR).

The main objective of the Liquidity Coverage Ratio (LCR) is to promote the short-term resilience of the liquidity risk profile of banks by ensuring that they have sufficient level of high-quality liquid assets (HQLA) to survive a significant stress scenario lasting for a period of up to 30 days.

At 31 March 2025, the Group's LCR was well above the regulatory requirement and stood at 710% (31 December 2024: 408%). The Group's simple average of daily LCR computed on working days of the quarter was 607% (31 December 2024: 450%).

Net Stable Funding Ratio

The Group is subject to the Basel III liquidity ratios requirement, as stipulated by the regulator Central Bank of Bahrain, whereby the Bank is required to maintain a minimum of 100% Net Stable Funding ratio (NSFR).

The objective of the NSFR is to promote the resilience of the banking system by improving the funding profile of banks by ensuring they have a sufficient level of stable funding from stable sources and long term borrowing in relation to their assets and commitments, in order to reduce the risks of disruptions which might impact the bank's liquidity position.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2025

12 LIQUIDITY RATIOS (continued)

Net Stable Funding Ratio (continued)

The Groups NSFR was well above the regulatory requirement and stood at 171% as at 31 March 2025 (31 December 2024: 178%). The main drivers for robust Available Stable Funding (ASF) is its sizeable capital base, which contributes about 66% (31 December 2024: 55%) of total ASF and the remaining 34% (31 December 2024: 45%) of ASF constituted funding from deposits from financial institutions and non-financial corporate customers. Required Stable Funding (RSF), primarily comprised of short term deposit placements with Banks and other performing loans, which constituted about 42% (31 December 2024: 48%) of total RSF. High quality liquid assets (that comprised mainly of Bahrain government securities and other highly rated debt issuances) accounted for about 12% (31 December 2024: 11%) of the total RSF, while non-HQLA securities accounted for 29% (31 December 2024: 25%) of the total RSF.

The NSFR (as a percentage) is calculated as follows:

	<i>Unweighted Values (i.e. before applying relevant factors)</i>				31 March 2025	31 December 2024
					US\$ 000s	US\$ 000s
<i>Item</i>	<i>No specified maturity</i>	<i>Less than 6 months</i>	<i>More than 6 months and less than one year</i>	<i>Over one year</i>	<i>Total weighted value</i>	<i>Total weighted value</i>
Available Stable Funding (ASF):						
Capital:						
Regulatory Capital	371,660	-	-	-	371,660	362,133
Wholesale funding:						
Other wholesale funding	-	867,993	148,773	-	192,145	296,624
Other liabilities:						
All other liabilities not included in the above categories	-	18,324	408	-	-	-
Total ASF					563,805	658,757
Required Stable Funding (RSF):						
High-quality liquid assets (HQLA)					38,978	39,742
Performing loans and securities:						
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	438,591	40,053	31,192	117,007	150,771
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and public sector entities	-	-	-	26,227	22,293	25,029
Performing residential mortgages, of which: Securities/sukuk that are not in default and do not qualify as HQLA, including exchange- traded equities	-	10,975	18,329	97,042	97,138	92,560
Other assets:						
All other assets not included in the above categories	53,455	-	-	-	53,435	59,541
Off balance sheet items	31,960	-	-	-	1,598	1,693
Total RSF					330,449	369,336
NSFR (%)					171%	178%