alBaraka

Empowering partnership
Driving progress **together**

ANNUAL REPORT
2025

Your Partner Bank

AT AL BARAKA GROUP AND ACROSS OUR BANKING SUBSIDIARIES, OUR VALUES COME FIRST, GUIDING US BEYOND CORPORATE GROWTH, PRODUCT OFFERINGS, AND DELIVERY TO BUILD A FUTURE SHAPED BY COLLABORATION AND PURPOSE.

Contents

Al Baraka Group B.S.C. (C) ("ABG" / the "Group") is licensed as an Investment Business Firm – Category 1 (Islamic Principles) by the Central Bank of Bahrain. It is a leading international Islamic financial group providing financial services through its banking subsidiaries in 13 countries offering retail, corporate, treasury and investment banking services, strictly in accordance with the principles of Islamic Shari'a.

The Group has a wide geographical presence with operations in Jordan, Egypt, Tunisia, Bahrain, Sudan, Turkey, South Africa, Algeria, Pakistan, Lebanon and Syria, in addition to two branches in Iraq and a representative office in Libya and provides its services in more than 600 branches. ABG's network serves a population totaling around one billion customers.

The authorized capital of ABG is US$ 2.5 billion.

Vision

To be a global leader in innovative participation finance, offering an agile ethical financial system built for the digital age.

Mission

To fulfill the financial needs of communities across the globe by conducting business through an ethical customer-centric approach tailored for the digital age, based on our core beliefs and aimed at sharing the mutual rewards with our partners in business success: our customers, our employees, our shareholders, and our communities at large.

Through its banking subsidiaries, ABG focuses on building genuine partnerships with customers, grounded in trust.

13

Al Baraka Group has a wide geographical presence in 13 countries.

600+

Al Baraka Group provides its services through more than 600 branches.

3

Al Baraka Group and its Units operates across three continents.

Financial Highlights

	2025	2024	2023	2022	2021 (Restated)
EARNINGS (US$ MILLIONS)					
Total Operating Income	**1,316**	1,090	1,140	1,139	993
Net Operating Income	**604**	486	598	617	524
Net Income	**357**	309	283	239	157
Net Income Attributable to Equity Holders of the Parent	**191**	157	144	143	94
Basic and Diluted Earnings per Share - US Cents*	**12.85**	10.09	8.94	9.06	5.17
FINANCIAL POSITION (US$ MILLIONS)					
Total Assets	**31,012**	26,187	25,263	24,982	27,793
Total Financing and Investments	**23,171**	19,256	18,982	19,403	20,983
Total Customer Accounts	**26,497**	22,274	21,331	21,555	24,391
Total Owners' Equity	**2,188**	1,997	1,969	1,967	2,001
Equity attributable to Parent's Shareholders & Sukuk Holders	**1,373**	1,245	1,253	1,263	1,358
CAPITAL (US$ MILLIONS)					
Authorised	**2,500**	2,500	2,500	2,500	2,500
Subscribed and Fully Paid-up	**1,227.2**	1,227.2	1,227.2	1,227.9	1,227.2
PROFITABILITY RATIOS					
Return on Average Owners' Equity	**17%**	16%	14%	12%	8%
Return on Average Parent's' Equity	**15%**	13%	11%	11%	7%
Return on Average Assets	**1.2%**	1.2%	1.1%	0.9%	0.6%
Operating Expenses to Operating Income	**54%**	55%	48%	46%	53%
FINANCIAL POSITION RATIOS					
Owners' Equity to Total Assets	**7%**	8%	8%	8%	7%
Total Financing and Investments as a Multiple of Equity (times)	**10.6**	9.6	9.6	9.9	10.5
Liquid Assets to Total Assets	**23%**	24%	23%	21%	27%
Net Book Value per Share (US$)*	**0.79**	0.69	0.70	0.70	0.80
OTHER INFORMATION					
Total Number of Employees	**11,074**	10,799	10,748	10,995	11,445
Total Number of Branches	**690**	679	661	650	673

* Adjusted for treasury and bonus shares.

5 years Financial Summary

(Restated for the year 2021)

US$ - MILLIONS

TOTAL ASSETS 31,012

2025	**31,012**
2024	26,187
2023	25,263
2022	24,982
2021	27,793

US$ - MILLIONS

TOTAL OWNERS' EQUITY 2,188

2025	**2,188**
2024	1,997
2023	1,969
2022	1,967
2021	2,001

US$ - MILLIONS

TOTAL CUSTOMER ACCOUNTS 26,497

2025	**26,497**
2024	22,274
2023	21,331
2022	21,555
2021	24,391

US$ - MILLIONS

TOTAL FINANCING & INVESTMENTS 23,171

2025	**23,171**
2024	19,256
2023	18,982
2022	19,403
2021	20,983

US$ - MILLIONS

TOTAL OPERATING INCOME 1,316

2025	**1,316**
2024	1,090
2023	1,140
2022	1,139
2021	993

US$ - MILLIONS

NET INCOME 357

2025	**357**
2024	309
2023	283
2022	239
2021	157

TOTAL NUMBER OF BRANCHES 690

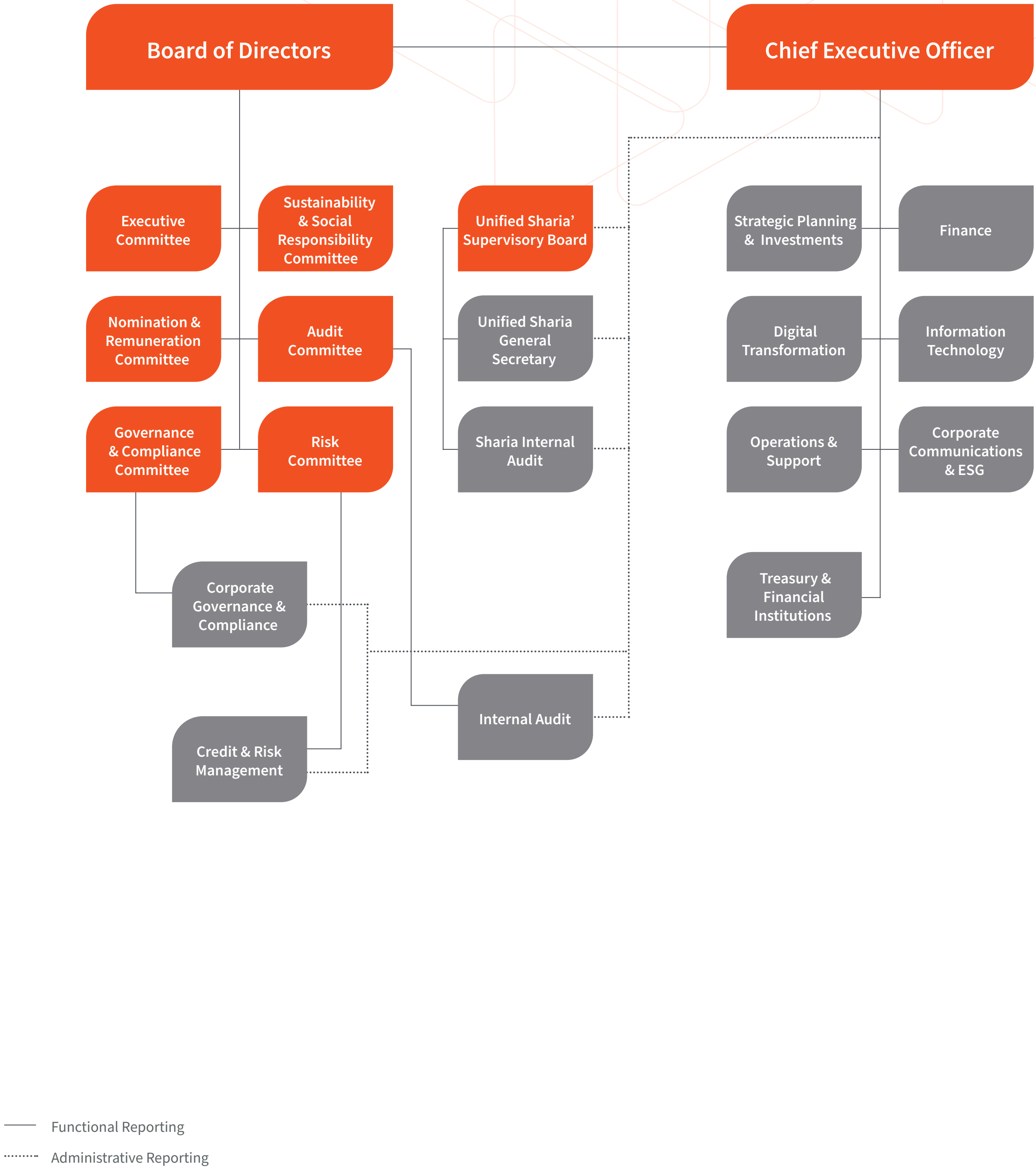
2025	**690**
2024	679
2023	661
2022	650
2021	673

TOTAL NUMBER OF EMPLOYEES 11,074

2025	**11,074**
2024	10,799
2023	10,748
2022	10,995
2021	11,445

With a future-focused mindset, Al Baraka Group is expanding its reach and creating new opportunities.

Group Organisation Chart



BOARD OF DIRECTORS

Shaikh Abdullah Saleh Kamel ▲
Chairman

Mr. Mohamed Ebrahim Alshroogi ■ ● ▲
Vice Chairman

Mr. Tawfig Shaker Mufti ● ●
Board Member

Mr. Houssem Ben Haj Amor ●
Board Executive Member & Group Chief Executive Officer

Dr. Khaled Abdulla Ateeq ■ ▲ ▲
Board Member

Mrs. Dalia Hazem Khorshid ■ ● ●
Board Member

Dr. Ziad Ahmed Bahaa Eldin ■ ● ●
Board Member

Mr. Saud Saleh Al Saleh ● ●
Board Member

Mr. Abdul Elah Abdul Rahim Sabbahi ● ●
Board Member

Mr. Fahd bin Ibrahim Al Mufarrij ■ ▲
Board Member

Mr. Masood Ahmed Al Bastaki ■ ● ●
Board Member

Mr. Naser Mohamed Al Nuwais ■ ● ▲
Board Member

Mr. Abdul Malek Mezher
Secretary to the Board

UNIFIED SHARI’A SUPERVISORY BOARD

Shaikh Dr. Saad Bin Nasser Al Shithry
Chairman

Shaikh Dr. Abdullatif Al Mahmood
Vice Chairman

Shaikh Abdulla Bin Sulieman Al Mannea
Member

Shaikh Dr. Al Ayachi Al Saddig Fiddad
Member

Mr. Yousif Hassan Khalawi ●
Member

Dr. Eltigani El Tayeb Mohammed
Secretary of the Unified Shari’a Board and Shari’a Officer

COMMITTEE NAME	COMMITTEE CHAIRMAN	COMMITTEE MEMBER
Board Executive Committee	▲	●
Board Audit Committee	▲	●
Board Nomination & Remuneration Committee	▲	●
Board Risk Committee	▲	●
Board Social & Sustainable Finance Committee	▲	●
Board Compliance and Governance Committee	▲	●
Independent Director		■

Executive Management

Mr. Houssem Ben Haj Amor
Board Executive Member & Group Chief Executive Officer

Mr. Azhar Aziz Dogar
Senior Vice President - Head of Credit and Risk Management

Mr. Mohammed Al-Alawi
Senior Vice President - Head of Internal Audit

Mr. Suhail Tohami
Senior Vice President - Head of Treasury & Financial Institutions

Dr. Mohamed Mustapha Khemira
Senior Vice President - Head of Strategic Planning and Investments

Mr. Abdul Malek Mezher
Senior Vice President - Group Head of Compliance, Governance & Board Affairs and MLRO

Mr. Ali Asgar Mandasorwala
Senior Vice President - Head of Finance

Mr. Mohsin Dashti
Senior Vice President - Head of Operations & Support

Mr. Mohammed Abdullatif Al Mahmood
First Vice President - Head of Internal Shari'a Audit

Mr. Mohamed Jamsheer
First Vice President - Head of IT

Dr. Eltigani El Tayeb Mohammed
Vice President Shari'a Officer - Secretary of the Unified Shari'a Board

Abdullah Saleh Kamel
Chairman

Sustained growth in financing and investment income

Al Baraka Group B.S.C. (c) delivered outstanding results in 2025, achieving an all-time high net income of US$ 357 million. This exceptional performance reflects the strength of our business model, the discipline of our execution, and the strategic advantage of our diversified geographic footprint.

The year demanded focus and decisive action, with higher funding costs, currency devaluations, and elevated inflation placing pressure on operating conditions across several markets. The Group responded by sharpening its focus on expanding low-cost CASA deposits, enforcing strict budgetary control, optimizing the use of resources, and implementing targeted operational restructuring where needed. Combined with continued volume growth, these measures enabled the Group to maintain momentum and deliver our strongest year on record.

Financial Performance

Al Baraka Group's total operating income reached US$ 1.3 billion in 2025, compared to US$ 1.1 billion in 2024. Net income for the year amounted to US$ 357 million, versus US$ 309 million in 2024, demonstrating the Group's ability to sustain strong profitability despite a more complex operating environment. Net income attributable to the equity holders of the parent reached US$ 191 million in 2025, compared to US$ 157 million the previous year. Basic and diluted earnings per share stood at US$ cents 12.85 in 2025, compared to US$ cents 10.09 in 2024.

The Group's performance was driven by sustained growth in financing and investment income, continued improvements in asset quality, and disciplined cost management. Supported by diversified income streams and prudent risk management, the Group delivered balanced contributions across its network while maintaining strong financial fundamentals.

TOTAL
OPERATING INCOME
US$ 1.3
Billion

NET INCOME
US$ 357
Million

Building on this momentum, the Group further strengthened its financial position by optimizing its funding mix, with a sustained focus on expanding low-cost CASA deposits and deploying resources more efficiently. This disciplined approach supported effective cost control and enabled the Group to continue delivering consistent value for customers and shareholders.

Operational growth remained robust across key markets in 2025, with Egypt emerging as a major contributor and Turkey together with Jordan leading in overall business volumes. These drivers helped deliver the Group's remarkable results, surpassing the record performance achieved in 2024, underpinned by balance sheet growth and prudent cost management.

Governance and Oversight

Throughout the year, the Board maintained close oversight of the Group's strategic priorities, with a clear focus on risk management, digital transformation, and operational efficiency. Regular engagement with management on key risk indicators, progress against digital initiatives, and performance against Group-wide KPIs ensured alignment with our long-term objectives and supported effective decision-making across the Group.

This oversight directly informed several structural and governance initiatives aimed at strengthening execution and collaboration across the Group. These included cross-border account opening initiatives at the Unit level, expansion of inter-Group trade finance activities, enhancements to subsidiary governance frameworks, and continued automation and digitalization across operations. Strong Sharia governance remained a central pillar of the Group's operating model, supporting stability, confidence, and trust across all markets.

Maintaining a robust capital and liquidity position remained a key priority, with capital adequacy ratios maintained well above regulatory requirements, supported by diversified funding sources and sound liquidity management practices. During the year, the Group also continued to strengthen governance, compliance, leadership development and succession planning, with closer oversight of subsidiaries and more structured succession planning for senior management roles.

Outlook

Building on the progress achieved in 2025, the Board's focus in 2026 will be on scaling up end-to-end digital products and services, enhancing customer experience, and improving operational efficiency. By harnessing advanced technologies, including artificial intelligence, the Group aims to drive smarter operations, accelerate automation, and lift productivity, while strengthening non-financing revenue streams to support more resilient growth.

As the Group undertakes this next phase of transformation, sustainability and social responsibility remain integral to our long-term vision. Continued progress across our ESG agenda and related initiatives reflects our continued commitment to ethical practices and nurturing the communities we serve.

In concluding, I would like to express my sincere gratitude to our shareholders, customers, and employees for their ongoing support; I would also like to thank the Unified Shari'a Supervisory Board, the Central Bank of Bahrain, the Ministry of Industry and Commerce and all the regulatory authorities of our subsidiaries for their wise guidance over the past year. We remain committed to upholding the values set by our founding father, Shaikh Saleh Abdullah Kamel, May Allah Almighty have mercy on him. Together, we will continue our journey of excellence in Islamic finance.

May the peace, mercy, and blessings of Allah be upon you.

On behalf of the Board of Directors,

Abdullah Saleh Kamel
Chairman

Transforming digital channels across all Units

Houssem Ben Haj Amor
Group Chief Executive Officer

I am proud to reflect on Al Baraka Group's (ABG) performance during 2025, a year marked by external challenges and strategic achievements. The operating environment remained shaped by inflationary pressures, foreign exchange volatility, and tightening regulatory frameworks, which tested the resilience and adaptability of financial institutions across the region. Against this backdrop, ABG delivered solid performance while continuing to strengthen the foundations for future growth, reflecting steady progress against our strategic priorities.

Income generated from financing and investments remained a core driver of results, reflecting our disciplined approach to growth. As each of our subsidiaries (Units) faced distinct market conditions, we implemented tailored strategies that balanced growth opportunities with prudent risk management. This flexibility allowed ABG to respond swiftly to evolving circumstances while preserving capital, mitigating risk, and ensuring long-term sustainability.

In 2025, we drove operational progress forward by transforming digital channels across all Units. Introducing Group-wide UI/UX standards and guidelines aligned with international best practices, gave us a consistent, scalable foundation, improving customer experiences at every touchpoint. Building on this momentum, we began exploiting the potential of Artificial Intelligence, launching policy frameworks, and pilot projects involving generative and agentic AI applications. These initiatives positioned the Group to leverage AI more broadly, unlocking smarter operations, faster innovation, and more responsive service for our customers.

The benefits of these digital initiatives are already visible, with measurable improvements in customer engagement and operational efficiency. Digital onboarding grew significantly across markets, allowing customers to open accounts and complete transactions entirely digitally. Adoption of digital financial transactions continued to increase year-on-year, reflecting both higher adoption and greater customer confidence in our platforms.

TOTAL ASSETS

US$ 31.01 Billion

NET INCOME ATTRIBUTABLE TO THE EQUITY HOLDERS

US$ 191 Million

Alongside this, Pakistan widened access to banking through NextGen Banking digital propositions for youth, academia, and women. South Africa focused on improving internal efficiency by extending automation and robotics across payments and core processes, while Turkey introduced paperless transactions for credit approvals and supplementary card applications, reducing reliance on physical documentation across key operations.

In some markets, fully digital sales now generate incremental revenue without human intervention, reflecting the scalability of our technology and the tangible impact of our operational improvements. At the same time, open banking initiatives, particularly in Turkey, are creating new pathways for connectivity and innovation, with account aggregation and the award-winning Albaraka Türk API Portal enabling third parties to develop solutions that extend our service offerings and deliver smoother, more integrated experiences for customers. These developments reflect a shift toward a more agile, technology-driven approach to banking, enhancing our capabilities, extending our reach, and positioning the Group to deliver sustained value across markets.

Building on these technological and operational advances, the Group maintained a strong focus on financial stability and operational efficiency throughout the year. Capital ratios remained well above regulatory requirements, supported by a loyal customer base. Procurement practices were optimized, automation was expanded, and budgetary controls strengthened, driving improved efficiency and better resource allocation across all Units. These measures, combined with targeted operational improvements, allowed the Group to strengthen performance further and position itself for accelerated growth in the future.

As a result of these efforts, total net income increased by 16%, reaching US$ 357 million in 2025, compared to US$ 309 million in 2024. Net income attributable to the equity holders of the parent company rose by 21% to US$ 191 million, compared to US$ 157 million in 2024. Basic earnings per share reached US Cents 12.85 in 2025, compared to US Cents 10.09 in 2024.

Total assets grew by 18%, reaching US$ 31.01 billion by the end of 2025, compared to US$ 26.19 billion at the end of 2024. Return on equity stood at 17.1% in 2025, while return on assets reached 1.2%, compared with 15.6% and 1.2%, respectively, in 2024.

Sustainability and ESG continued to guide our operations in 2025, shaping day-to-day initiatives as well as broader priorities. Across Units, sustainability, inclusion, and efficiency were reflected in practical steps that improved how customers and employees interact with the Bank. In Bahrain, fully paperless KYC processes simplified onboarding and reduced the need for printed documentation. Egypt strengthened its environmental engagement through partnerships with the Cool Up Programme and the International Climate Initiative, linking local activity to wider climate efforts.

ESG efforts were further reinforced through the fourth annual Al Baraka Day, which brought employees together across markets around community-focused activities. Initiatives ranged from tree planting campaigns to awareness programs and virtual training sessions, strengthening social engagement while encouraging a shared sense of responsibility.

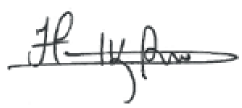
Together, these initiatives supported a more consistent approach to ESG across the Group. In 2025, the Group published its first ESG report in line with the Central Bank of Bahrain's rulebook, providing a clearer structure for how sustainability considerations are addressed across markets. Taken as a whole, these developments show how ESG continues to shape the way the Group operates, supports its communities, and delivers value to customers and employees.

Looking ahead, the lessons of 2025 will shape our strategic priorities for 2026. We see huge potential in AI and digital technologies to transform operational efficiency, enhance customer experience, and enable innovation across our banking and investment businesses. Inter-Group initiatives will be expanded to unlock more synergies between Units, while CASA mobilization will remain a key area of focus to optimize funding costs and support the development of fee-based income opportunities at the Unit level. Bank-assurance offerings will also be more deeply integrated across markets to provide diversified, sustainable revenue streams. Our goal is to ensure that all Units can adapt to specific market environment while remaining aligned with the Group's objectives.

Alongside growth and efficiency, ABG continues to strengthen its leadership in Islamic finance, leveraging our sector expertise, robust governance frameworks, and advanced technological capabilities to maintain a competitive advantage. The combination of market knowledge and innovative practices ensures that we can meet evolving customer needs, capture emerging opportunities, and deliver long-term value to stakeholders.

The achievements of 2025 would not have been possible without the dedication and professionalism of our employees. I extend my sincere gratitude to the Board of Directors, Unified Shari'a Supervisory Board, management teams, and staff across all Units for their continued commitment and resilience.

I also thank our shareholders for their continued trust and confidence, as well as our customers and partners for their ongoing support, which remain essential to our ongoing success. Together, we are well-positioned to continue building a sustainable and resilient Group that can adapt to future challenges while creating lasting value.



Houssem Ben Haj Amor
Group Chief Executive Officer

Unrivalled expertise and technological excellence across 13 operating divisions worldwide.

13

Al Baraka Group has a wide geographical presence in 13 countries.

600+

Al Baraka Group provides its services through more than 600 branches.

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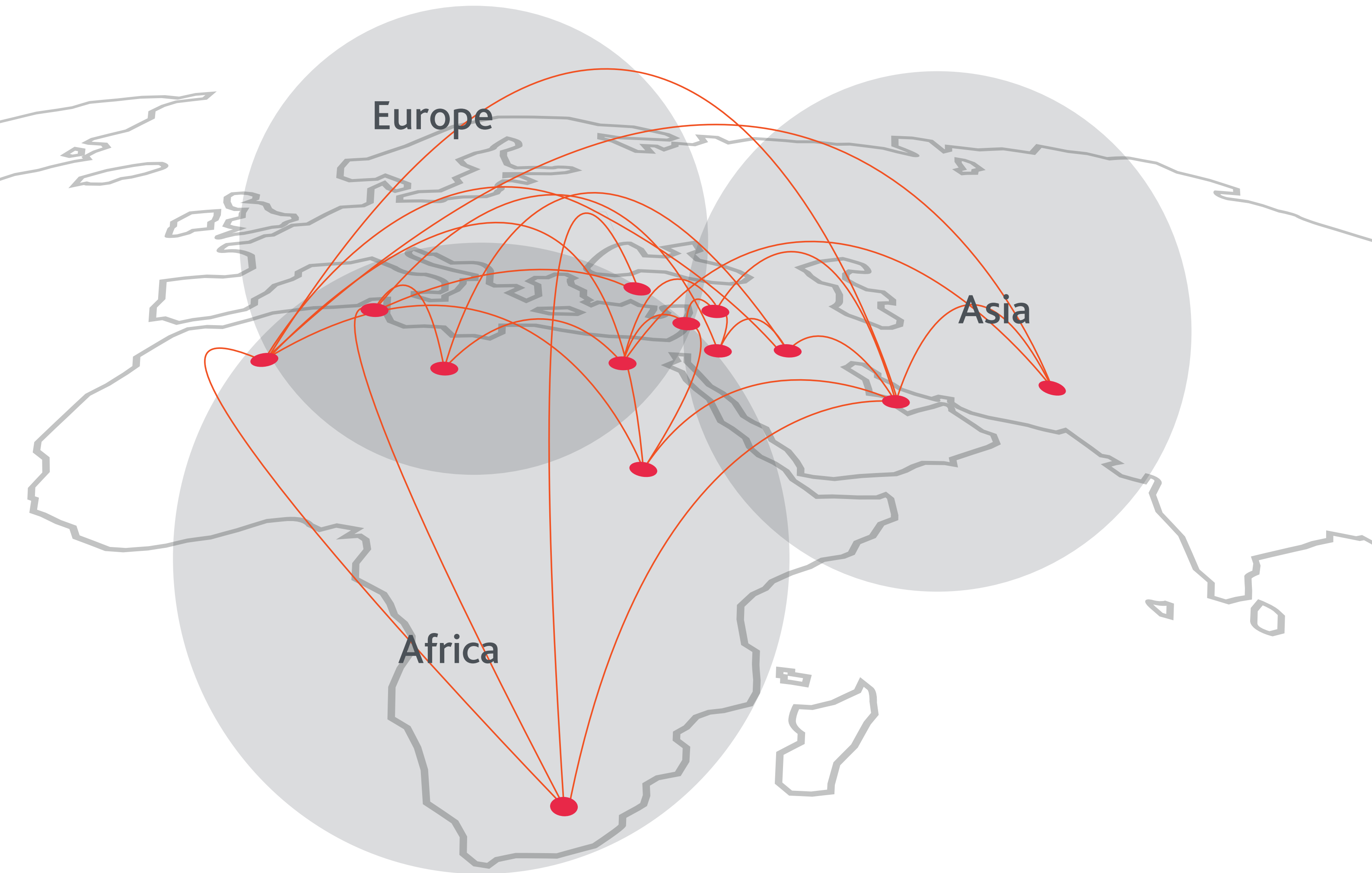
Al Baraka Group and its Units operates across three continents.


Europe
Asia
Africa

Türkiye

Al Baraka Türk Participation Bank

Date of Establishment
1985

Number of Branches
225

Unit Head	Mr. Malek Khodr Temsah
Title	Board Member and General Manager
Address	İnkılap Mahallesi, Dr. Adnan Büyükdeniz Caddesi, No. 6, 34768 Ümraniye, Istanbul, Türkiye
Tel	+90 216 666 01 01
Fax	+90 216 666 16 00
Website	albaraka.com.tr

The Turkish economy entered a phase of gradual normalization in 2025 following a period of sustained monetary tightening. While economic activity moderated, it remained resilient, driven primarily by investment spending and steady household consumption. Cautious monetary policy by the Central Bank of the Republic of Türkiye (CBRT) during first part of the year resulted in a downward trend in inflation, which declined to 31.1% in November 2025 from 44.4% at year-end 2024. Inflation continued to ease during 2025, allowing the CBRT to begin a gradual reduction in interest rates later in the year.

On the banking front, the operating environment was defined by policies aimed at combating inflation, strengthening monetary transmission, and supporting the liraisation process. This saw the successful phase-out of the FX-protected deposit (KKM) scheme, which reached near-zero levels by 2025, while tightening foreign-currency exposures aimed at long-term financial stability. In turn, credit growth was managed through sector-specific macroprudential limits, while external balances weakened during the year amid higher gold imports and modest export performance.

On this backdrop, Al Baraka Türk Participation Bank continued to strengthen its financial and operational performance. Total assets increased from TRY 307.3 billion (US$ 8.8 billion) in 2024 to TRY 462.2 billion (US$ 10.9 billion), representing a 50% increase. Operating assets grew by 52%, rising from TRY 207.9 billion (US$ 6.0 billion) in 2024 to TRY 316.5 billion (US$ 7.5 billion) in 2025. Total operating income increased by 45% year-on-year to TRY 20.3 billion. Net income reached TRY 5.8 billion in 2025 which was 20% higher than last year . Asset quality remained sound, with the non-performing asset ratio at 1.4%, remaining below the sector average, while the provision coverage ratio stood at 75%.

The Bank also marked major digital transformation and regional synergy milestones during 2025. A key achievement was the advancement of the Group's trade finance initiative through the onboarding of a new corporate client referred by Al Baraka Algeria, which helped generated new letters of credit business. This was complemented by stronger engagement with Al Baraka Egypt, supporting Turkish investors entering the Egyptian market.

On the digital front, engagement reached 92%, supporting a major milestone as the Bank surpassed one million active customers. This momentum was mirrored in the Bank's product performance, where retail financing expanded by 59% and financial leasing emerged as a primary growth driver, expanding more than threefold to approximately TRY 24 billion. To further drive efficiency and innovation, the Bank rolled out end-to-end e-signature capabilities and API-based partnerships, while integrating artificial intelligence for document and signature verification to support its transition toward a fully paperless banking environment.

Jordan

Jordan Islamic Bank

Date of Establishment
1978

Number of Branches
105

Unit Head	Dr. Hussein Said Saifan
Title	General Manager
Address	P.O. Box 926225 Amman 11190 Jordan
Tel	+96 26 5670000
Fax	+96 26 566 6326
Website	jordanislamicbank.com

Jordan's economy demonstrated steady progress in 2025, underpinned by a stable macroeconomic environment and ongoing fiscal reforms. Domestic activity remained resilient, supported by increases in tourism revenues and workers' remittances, while inflation remained well-contained at an average of 1.85%. Despite moderate growth in public debt driven by external pressures and ongoing fiscal needs, the government's commitment to structural reforms continued to create a supportive environment for private sector participation.

The banking sector continued to expand throughout 2025, with indicators reflecting steady balance sheet growth. As at end-2025, total banking sector assets increased by 6% to reach JD 74.1 billion, while sector deposits grew by approximately 7.1% to JD 50 billion. Credit facilities across the sector also rose by 3.7% to JD 36.1 billion, underscoring the sector's continued role in financing economic activity.

Within this environment, Jordan Islamic Bank continued to reinforce its leadership, maintaining its position as the third-largest institution by total assets, the second-largest by customer accounts, and the market leader in Islamic-banking in terms of assets and retail financing. With the largest Islamic footprint in the country, the Bank serves more than 1.3 million customers through a network of 86 branches, 17 offices, and 332 ATMs.

Total assets at the year-end reached US$ 9.6 billion, compared to US$ 8.6 billion in 2024. Customer accounts increased by 11% to US$ 8.4 billion from US$ 7.6 billion in 2024 and total financing and investments increased by 13% to reach US$ 7.8 billion. The total operating income was US$ 304.5 million, reflecting a 16% growth compared to US$ 262.5 million in 2024. The net operating income, after expenses, amounted to US$ 178.4 million, showing a 27% change from US$ 140.2 million in 2024. After deducting the provisions, The net income reached US$ 100.3 million, representing an 8% increase compared to US$ 93.2 million in 2024.

Throughout 2025, the Bank remained focused on strengthening its brand, deepening customer engagement, and enhancing operational efficiency. The Bank expanded in priority segments through Pearl, its premium offering for affluent clients, while continuing to grow the Ajyal youth and family segment. Branch modernization and the continued centralization of routine operations supported a shift toward higher-value activities, allowing front-line teams to focus more on sales and relationship management.

Digital transformation remained an important focus for the Bank, and the year saw progress across several channels and services. New corporate cash-deposit machines were introduced, Google Pay was integrated, and a WhatsApp chatbot was launched to improve accessibility. Enhancements to mobile banking included CliQ functionality, Hajj Sukuk services, and expanded credit-card features, supporting a more seamless experience for customers.

One of the year's most significant achievements was embedding the Group's inter-group trade finance initiative into the Bank's corporate banking objectives and actively translating it into client engagement across ABG Units. This approach delivered tangible growth in credit facilities and deposits, while expanding client participation in cross-Unit trade transactions. Collaboration with other ABG Units supported deal referrals, coordinated execution, and wider reach across markets.

Jordan Islamic Bank's performance in 2025 was recognized through several awards, including Best Islamic Bank in Jordan from Euromoney and Middle East Business Intelligence and Global Finance Magazine, as well as recognition for leadership in financial inclusion from The Banking Executive. These acknowledgements reflected the Bank's strong competitive position as it pursued disciplined growth and contributed to Jordan's broader economic and financial-sector development.

Egypt

Al Baraka Bank Egypt

Date of Establishment
1980

Number of Branches
43

Unit Head	Mr. Hazem Hegazy
Title	Vice Chairman & CEO
Address	Plot 29, Road 90, City Center, First Sector, 5th Settlement, New Cairo, P.O. Box: 84, 5th Settlement, Cairo, Egypt
Tel	+202 281 03555
Fax	+202 281 03501, +202 281 03502
Website	albaraka.com.eg

Egypt's economy showed strong signs of recovery in 2025, bolstered by ongoing structural reforms and substantial external support, including a US$ 8 billion IMF program and approximately US $24 billion in new financing from the UAE as part of a broader US$ 35 billion Ras El Hekma investment package. Non-oil manufacturing, tourism, and information and communications technology were key contributors to growth, while private investment also rose significantly.

Inflation rose modestly during the second half of the year, driven largely by higher fuel prices, interrupting the broader disinflation trend observed in late 2023 and early 2024. However, market expectations continued to point to gradual moderation over the 2025/26 fiscal year, supported by a more stable exchange rate and ongoing monetary tightening. These dynamics were reflected in Fitch Ratings affirming the sovereign rating at 'B' with a Stable Outlook in October 2025.

The operating environment and regulatory framework continued to evolve in 2025 as the Central Bank of Egypt introduced new rules for foreign exchange companies to strengthen oversight and combat illicit activity. The framework tightened licensing requirements and supervision while mandating electronic monitoring and stricter reporting of suspicious transactions, supporting broader efforts to reinforce transparency and confidence in the financial system.

Digital governance also progressed with the development of the Hawia application, a certified digital identity platform launched under the supervision of the Central Bank, which supports electronic banking and government transactions as part of Egypt's wider financial inclusion agenda.

Against this backdrop, Al Baraka Bank Egypt delivered resilient financial performance, leveraging its strong fundamentals and loyal customer base. Total assets stood at EGP 146.5 billion (US$ 3.1 billion) compared with EGP 128.2 billion (US$ 2.5 billion) last year. Customer accounts totalled EGP 121.9 billion (US$ 2.6 billion) versus EGP 106.4 billion (US$ 2.1 billion) in 2024, while operating assets (financing and investments) amounted to EGP 125.3 billion (US$ 2.6 billion) compared with EGP 104.2 billion (US$ 2.0 billion) the previous year. Total operating income for 2025 was EGP 8.9 billion (US$ 180.1 million), compared with EGP 7.0 billion (US$ 161.1 million) in 2024. Net operating income was EGP 6.0 billion (US$ 122.0 million) versus EGP 4.7 billion (US$ 107.8 million) a year earlier. Total net income reached EGP 3.6 billion (US$ 74.2 million) compared with EGP 2.7 billion (US$ 63.1 million) in 2024.

The Bank's achievements in 2025 reflected a broader strengthening of its commercial and operational foundations as it expanded its presence in key segments and advanced several initiatives. The Bank played a more prominent role in syndicated finance, with 15 transactions signed during the year, alongside the acquisition of Amlak Finance Egypt SAE, acquired from Amlak Finance PJSC (UAE), which extended the Bank's capabilities in mortgage financing.

One of the most significant achievements in 2025 was scaling inter-group trade finance transactions and making cross-Unit execution a repeatable way of doing business. The combination of webinars and targeted inter-group deals translated into higher volumes, faster turnaround, and wider client reach. Strong coordination with other ABG Units ensured transactions were structured properly, risks were aligned early, and execution stayed on track. This materially strengthened the integrated client offering and reinforced ABG's position as a unified partner for regional trade finance solutions.

Additionally, the introduction of custody services added an important new dimension to the investment offering, while treasury operations benefited from reallocating legacy holdings into higher-yield instruments and establishing relationships with major global financial institutions.

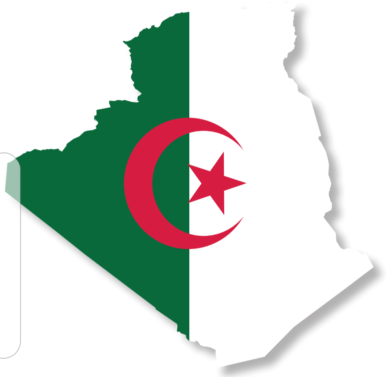
The year also saw progress in sustainability through the publication of a second GRI-aligned report and continued product innovation, including new SME programs, updated retail solutions, and the launch of a gold investment fund, all of which supported a more diversified and customer-focused growth trajectory.

Algeria

Bank Al Baraka D'Algerie S.P.A.

Date of Establishment
1991

Number of Branches
34



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Algeria's economy continued to stabilize in 2025 as steady growth and easing inflation created a more predictable environment for policy implementation and financial-sector activity. Demand remained resilient and non-hydrocarbon output continued to expand, helping growth extend beyond the energy sector.

Regulatory changes introduced during the year, which included updated rules on the valuation of financial securities, the presentation of financial statements, and the accounting treatment of Islamic banking transactions, helped advance and support the banking sector's operating environment.

Moreover, a revised framework for digital banks and payment service providers was introduced while monetary policy was updated to better support market liquidity through reductions in the reserve-requirement ratio and refinancing rates. Alongside these developments, preparations advanced for Algeria's first sovereign sukuk issuance, reflecting the growing role of Islamic banking and the introduction of new instruments supporting liquidity management.

Al Baraka Bank Algeria continued to build on this environment and strengthen its position as a leading Islamic bank. The Bank remained committed to increasing its financing portfolio by more than 25% annually, improving revenues from market operations by over 30% and growing net income by more than 20%, while working to reduce its non-performing-asset ratio toward 8%.

Financial performance reflected the Bank's strategic focus. By December 2025, total assets increased by 37%, supported by higher financing volumes and stronger cash positions. Total financing and investments rose by 57%, and customer accounts grew by 38%, contributing to a stable funding base. Operating income increased by 36% and net operating income by 80%, reflecting improved profitability from core activities. Net income grew by 44% despite higher provisioning.

The Bank achieved several key milestones during the year. Centralization of trade-finance back-office activities improved efficiency and allowed branches to concentrate on commercial roles. This was complemented by the completion of the first phase of a commercial performance-management system, which contributed to the overall growth in outstanding financing. The Bank also modernized its call center to strengthen customer support and advanced testing for remote account opening through mobile channels.

Digital transformation remained an important priority in 2025. Progress continued on the albarakaPay mobile platform, as well as on the IOB share-trading solution and the E-Tamweel digital-financing platform. The Bank also launched key projects to support its 2026–2028 strategy, including work on organizational enhancements and a performance-based remuneration framework designed to improve commercial effectiveness.

The Bank made a strong contribution to the Group's inter-group Trade Finance initiative by generating solid business volumes, attracting new prospects and allocating more transactions to other Group Units. During the year, the bank allocated USD 110 million of inter-group flows and, through a strategic partnership with Al Baraka Egypt, secured a guarantee for a major industrial group that supported new financing exceeding USD 25 million.

Bahrain

Al Baraka Islamic Bank B.S.C. (C)

Date of Establishment
1984

Number of Branches
4

Unit Head	Dr. Adel Salem
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Bahrain’s economic outlook in 2025 remained positive, supported by continued diversification and steady non-oil growth. Real GDP expanded by 4.0% year-on-year in Q3 2025, driven by non-oil sector growth of 3.1%, with non-oil activities accounting for around 85% of real GDP. Inflation remained low and broadly stable during the year, while ongoing fiscal consolidation efforts under the Fiscal Balance Program and a strengthening external position continued to support macroeconomic stability despite regional geopolitical pressures.

The operating environment for banks in 2025 was shaped by further regulatory and digital-governance developments. Key changes included the introduction of the Stablecoin Issuance and Offering (SIO) regulatory framework, expanded use of supervisory technology (SupTech) to support real-time compliance monitoring, and updated digital identity and eKYC requirements mandating reliance on EKEY-B through Benefit. These measures reinforced transparency, strengthened oversight, and supported Bahrain’s broader fintech and digital-economy objectives.

The year marked a clear turning point in Al Baraka Islamic Bank’s (AIB) financial performance with ongoing balance-sheet restructuring, tighter cost discipline, and renewed focus on core activities delivering measurable improvements in the bank’s performance and operational foundations. Accordingly, consolidated losses were reduced by 61%, while losses in Bahrain operations declined by 59%. Total consolidated assets reached approximately USD 2.90 billion, exceeding budget expectations, while Bahrain operations’ asset base increased to USD 1.90 billion, compared with USD 1.70 billion at the end of 2024.

The Bank’s funding profile strengthened during the year, supported by growth in core deposits and diversification of interbank funding. Participation in sovereign sukuk remained a key contributor to balance-sheet growth in Bahrain, complemented by a gradual recovery in financing activity following the completion of portfolio consolidation and strategic realignment. Asset quality also improved significantly, with impaired assets reduced through write-offs alongside recoveries and regularization of exposures.

Reflecting these developments, the Bank ended the year with total assets of US$ 1.9 billion, representing a 12% increase from US$ 1.7 billion in 2024. Customer accounts stood at US$ 1.6 billion at the end of 2025, a 14% increase compared with US$ 1.4 billion in the previous year, while operating assets amounted to US$ 1.7 billion at the end of 2025, reflecting a 15% increase from US$ 1.5 billion in 2024.

Total operating income reached US$ 28.0 million for the full year 2025, representing a 152% increase compared with US$ 11.1 million in 2024. The Bank recorded a net operating loss of US$ 11.9 million for the full year 2025, compared with a net operating loss of US$ 31.4 million in the prior year, resulting in a net loss of US$ 13.9 million as compared to a net loss of US$ 33.8 million in 2024. This performance was delivered alongside the Bank’s ongoing focus on strengthening funding resilience and maintaining disciplined balance sheet management.

Strategically, the Bank advanced its digital and operational transformation agenda in 2025. A new foundation was established for both retail and corporate digital platforms, designed to enhance scalability through modular architecture and strategic partnerships. Operational efficiency initiatives also progressed across retail, operations, IT, and digital functions. These included fully paperless KYC processes, automation of control reports and profit-rate updates, redesigned credit and financing applications, and expanded use of robotic process automation (RPA) across account servicing, reporting, and limit management. Moreover, IT enhancements focused on strengthening resilience and scalability through upgrades to disaster recovery and business continuity arrangements, open-banking enablement for corporate customers, SWIFT MX implementation, and migration to cloud-based systems.

The ABG inter-group trade finance initiative brought subsidiaries closer to the Group’s shared objectives and became a driver of new trade finance and broader business opportunities. Activity included regular intragroup trade webinars, which provided a practical platform to connect directly with customers. The Trade Finance portal also served as a central reference point for information on importers, exporters, industries, and traded products in Bahrain. The initiative’s impact was especially visible in Export LC volumes originating from Pakistan and Algeria, which increased by over 600% in 2025 compared to 2024.

Alongside this, the Bank continued to strengthen its broader customer proposition through targeted product development during the year. New offerings included enhanced services for World Elite cardholders, debit-card and ATM-based digital services, instalment payment plans, and expanded digital self-service functionality.

Looking ahead, the Bank aims to further deepen customer relationships and reinforce its competitive position within Bahrain’s evolving Islamic banking landscape through disciplined growth, further digital adoption, continued balance-sheet strengthening, and sustainable recovery.

Pakistan

Al Baraka Bank (Pakistan) Limited

Date of Establishment
2010

Number of Branches
196

Unit Head	Mr. Muhammad Atif Hanif
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Pakistan's economy showed steady progress in 2025, supported by tighter macroeconomic discipline, improving confidence, and a gradual recovery across key sectors. Although widespread floods weighed on growth, activity remained resilient as unemployment eased modestly and domestic demand supported momentum. After two years of restrictive monetary policy, policy rates were reduced later in the year as inflationary pressures moderated. Fiscal conditions also improved, with authorities targeting a primary surplus for FY2025/26. Stronger inflows and prudent policy measures were accompanied by higher foreign exchange reserves at the State Bank of Pakistan, alongside an upgrade in the sovereign credit rating.

Pakistan's financial sector remained stable in 2025, supported by consistent policy implementation and strengthened oversight. The system remained sound and adequately capitalized, with credit to the private sector expanding and liquidity conditions improving as reserves were rebuilt. Prudential reforms progressed under the authorities' economic program, alongside efforts to deepen the foreign-exchange market and strengthen crisis-management frameworks.

Market standing improved further as Al Baraka Bank Pakistan consolidated a leading position in the private Hajj sector, managing an estimated 61% share of this segment. Its national credit rating was upgraded to AA-, while its composite risk rating was raised to Moderate, reinforcing its role within Pakistan's Islamic banking landscape. The Bank also continued to expand its presence across retail, corporate and institutional channels, supported by its long-standing affiliation with Al Baraka Group's regional network.

Total Bank assets reached PKR 309.3 billion as of end of December 2025, compared with PKR 271.4 billion in 2024, while total deposits amounted to PKR 262.3 billion as of end of December 2025, relative to PKR 228.2 billion in the previous year. Customer accounts also increased meaningfully during the year, supported by stronger retail engagement and expanded digital accessibility. The Bank continued to optimize its funding structure by focusing on low-cost deposit mobilization. Current and Savings Account (CASA) ratio improved significantly, rising to 78% as of December 2025 from 76% at year-end 2024.

Total operating income also declined to PKR 14.9 billion (US$ 52.9 million), compared with PKR 18.5 billion (US$ 66.2 million) which is mainly due to the significant reduction in rates, and net operating income reached PKR 3.4 billion (US$ 11.9 million) in 2025, versus PKR 8.5 billion (US$ 30.7 million) in 2024. Net income totaled PKR 2.0 billion (US$ 7.2 million), compared with PKR 3.8 billion (US$ 13.6 million) a year earlier. Against this backdrop, the Bank paid its first-ever cash dividend in 2025, marking a significant milestone in shareholder returns, and maintained strong momentum in fee-based income, treasury activity, and trade-related.

Inter-franchise trade finance activity contributed to momentum in 2025. A key achievement was the product-focused Inter-Franchise Trade Finance Webinar featuring Sialkot's sports goods and sportswear sector, which shifted the initiative to a commercially relevant, product-led model and supported the onboarding of Pakistan's largest exporter of sports goods, including approval and full disbursement of a PKR 500 million credit line. Coordination between Corporate Banking teams in Pakistan and Egypt strengthened cross-Unit collaboration and trade connectivity, enabling the mutual onboarding of one of Egypt's largest multinational conglomerates and an SBLC-backed disbursement of approximately US$ 7 million from an AA-rated global bank.

Digital transformation remained a major area of focus, with several key initiatives undertaken. The Al Baraka Digital Hub introduced new propositions for youth, academia, and women, alongside enhanced debit-card solutions and expanded point-of-sale and QR-payment capabilities. Improvements across mobile, online and ATM channels helped lift digital migration to 81% of transactions in the third quarter, compared with 51% at the end of 2024, underscoring the shift toward multi-channel engagement.

Operational resilience was reinforced by major information-technology initiatives. The Bank deployed HPE Synergy core hardware, prepared for the relocation of its primary data center to a dedicated facility, and shifted its disaster-recovery site to a new center to strengthen system continuity. Complementary enhancements to the inter-franchise mobile-trade platform, along with upgrades to integration and project-management systems, supported more efficient execution as the Bank advanced its strategic priorities.

Tunisia

Al Baraka Bank Tunisia

Date of Establishment
1983

Number of Branches
44

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Tunisia’s economy continued to recover in 2025, supported by stronger activity in agriculture, construction, and tourism. Inflation also eased over the year, helping create a more stable backdrop for households and businesses, even as external pressures continued to shape overall conditions.

While the recovery gained traction, external balances remained under pressure, with higher imports widening the current account deficit despite stronger tourism and remittances. Foreign investment helped support external stability, and fiscal performance strengthened compared with the previous year, although public debt remained elevated and continued to influence policy priorities.

The operating environment in 2025 was shaped by fiscal measures outlined in the 2026 Finance Law Project to stabilize public finances and support investment. The Law maintained the 4 % tax on bank profits and introduced new wealth-tax provisions, while higher domestic borrowing and an exceptional Central Bank loan underscored ongoing financing pressures a cautious operating climate for financial institutions.

Banking sector conditions evolved within a tighter regulatory environment in 2025 as the Central Bank advanced a wide-ranging reform agenda. Circular 2025-08 strengthened capital adequacy requirements, introduced full implementation of IFRS 9, and enhanced risk-management practices to support financial stability. Liquidity pressures also persisted across the sector, reinforcing banks’ reliance on prudent balance-sheet management throughout the year.

As of December 2025, Al Baraka Bank Tunisia’s total assets increased by 17%, reaching US$ 926 million compared to US$ 788 million last year. Total financing and investments rose by 18% to US$ 814 million. Total customer accounts increased by 17%, amounting to US$ 780 million versus US$ 666 million in the previous period, reflecting tight liquidity in dinars and heightened market competition. Total operating income increased by 16% to US$ 54.8 million, while net operating income rose by 22% to US$ 25.9 million despite the costs and depreciation associated with the new headquarters in 2025. Net income increased by 9% to reach US$ 15.6 million.

The Bank advanced its commercial strategy in 2025 with the opening of two new branches in strategic locations and the relocation of its headquarters to a more prominent business district. Growth in customer activity continued throughout the year, supported by the opening of 4,707 new accounts across key segments. The launch of the Taxit card also broadened the Bank’s offering and reinforced its role in retail and payments services.

Inter-group trade finance activity also became more commercially relevant during the year and contributed to business development momentum. Clients increasingly engaged the Bank to support the development of their activities through other Units, reflecting growing confidence in the Group’s ability to deliver cross-border solutions. This traction was reinforced through the year-end webinar, which generated concrete client interest and follow-on business leads, strengthening the Bank’s commercial base heading into 2026.

Operational progress reflected continued investment in digital and process enhancements. The Bank advanced preparations for the Temenos Payment Hub to support the transition to ISO 20022 and promoted new Sharia-compliant solutions through its internal innovation hackathon. Its digital capabilities were enhanced further as the Banecti mobile application was named Product of the Year for the third consecutive year.

The Bank’s strategic priorities for 2026 include strengthening its digital capabilities, enhancing customer engagement, and supporting sustainable balance-sheet growth. Continued investment in payment-system upgrades will support broader efforts to modernize channels and enhance service quality across the branch network. The Bank also aims to expand its presence in key regional markets while pursuing initiatives that support financial inclusion.

South Africa

Al Baraka Bank Limited -South Africa

Date of Establishment
1989

Number of Branches
9

Unit Head	Mr. Shabir Chohan
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South Africa’s economy demonstrated resilience in 2025, supported by firmer investor sentiment and gradual gains across several productive sectors. Growth remained modest but positive, underpinned by stronger activity in mining, agriculture, and services, while domestic demand strengthened and private consumption recovered.

This improvement was also reflected in broader indicators through the year. Fixed investment rose after several quarters of decline, and financial-market sentiment improved as South Africa received its first sovereign credit-rating upgrade in two decades, from BB- to BB from the Standard & Poor’s rating agency. The Rand also outperformed many emerging-market currencies, supporting a more constructive investment landscape, while activity also strengthened in trade, catering, and accommodation.

The banking sector remained stable in 2025, supported by firm supervisory oversight and the system’s capacity to extend credit despite heightened global uncertainty. Prudential reforms advanced through enhancements to crisis-management tools and the phased introduction of a countercyclical capital buffer, while the Financial Sector Conduct Authority and the Prudential Authority issued a joint standard on cybersecurity and cyber resilience. Continued improvements in the payments’ environment and the country’s removal from the Financial Action Task Force grey list further strengthened confidence.

In line with these developments, Al Baraka Bank South Africa’s total operating income for 2025 was ZAR 639.7 million (US$ 35.8 million), reflecting a 5% change compared with ZAR 609.5 million (US$ 33.3 million) in 2024. Net operating income amounted to ZAR 266.0 million (US$ 14.9 million), representing a 4% decrease from ZAR 277.2 million (US$ 15.1 million) in 2024. Total net income reached ZAR 188.4 million (US$ 10.5 million), compared with ZAR 200.5 million (US$ 10.9 million) in 2024. Total assets stood at ZAR 10.4 billion (US$ 625.7 million), customer accounts at ZAR 8.9 billion (US$ 532.7 million) and operating assets at ZAR 9.7 billion (US$ 584.5 million), compared with ZAR 9.8 billion (US$ 520.4 million), ZAR 8.4 billion (US$ 445.8 million) and ZAR 9.0 billion (US$ 480.1 million) respectively in 2024.

The Bank advanced its strategic priorities in 2025 by broadening its product offering and deepening support for customers across key segments. Key initiatives included introducing PayShap instant payments, a new foreign currency account (Vivere), enhancements to its Takaful insurance range, updating vehicle-finance terms, and the rollout of cardless cash-deposit ATMs to strengthen engagement across its retail and corporate client base.

Trade finance also advanced during the year, with two related achievements supporting the Group’s inter-Unit trade finance activity. The Bank successfully developed its Export LC product, opening a market segment that had not previously been explored and supporting increased trade with other ABG Units, particularly given South Africa’s position as a major exporter to the Middle East.

This progress was supported through practical cooperation across the Group. Al Baraka Bahrain demonstrated its iMal processes for receiving export LCs, which reduced the development work required on the Bank’s side, while Al Baraka Turk encouraged its clients to engage with the Bank to open accounts, supporting the successful processing of its first inter-franchise export transaction in 2025.

The Bank also strengthened its operational and technological foundations during the year. Core systems were enhanced through upgrades to the Oracle database and new storage infrastructure, while the disaster recovery center was relocated to a dedicated facility to improve resilience. These developments supported ongoing efforts to modernize internal platforms and maintain stable and reliable service across all customer channels.

Al Baraka Bank South Africa closed the year with a stronger franchise shaped by its expanded product set, improved operational capabilities, and continued commitment to Shariah-compliant banking. The Bank’s focus on service quality, customer engagement and institutional development strengthened its role in South Africa’s evolving financial landscape and supported continued progress in its strategic agenda.

Sudan

Al Baraka Bank Sudan

Date of Establishment
1984

Number of Branches
30*

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Sudan’s economy continued to face challenges in 2025 as the ongoing conflict weighed heavily on national activity and disrupted normal commercial flows. Economic conditions remained difficult, with sharp currency depreciation, persistently high inflation, and a notable decline in exports limiting the pace of recovery. The government focused its efforts on expanding agricultural activity in secure areas, rehabilitating damaged infrastructure, and gradually reviving industrial and service sectors, including the partial restoration of banking operations in Khartoum State.

The Bank concentrated on restoring essential services, reopening closed locations where security permitted, and rebuilding relationships in communities affected by prolonged disruption. Three previously closed branches were reopened in stable cities and plans advanced to open two additional branches while rehabilitating other sites in Khartoum for phased reopening. These steps were supported by a wider effort to rebuild customer trust, strengthen governance, and improve the performance of non-performing financing.

Financial results reflected the challenging operating environment. As of December YTD, total assets reached to US$73.3 million. Financing and investment balances reached to US$15.9 million in 2025, while customer accounts reached to US$42.7 million as branch closures and economic pressures continued to affect liquidity. Total operating income reached to US$14.1 million, net operating income reached to US$7.9 million, and net income reached to US$4.0 million by the end of 2025.

Despite these pressures, the Bank continued to advance initiatives aimed at restoring operational stability and preparing for longer-term recovery. Key projects included the successful establishment and testing of a new cloud-based disaster recovery site and restoring its Domain Controller system by deploying replicated controllers across three branches. These efforts were supplemented by the development of a Business Process Management System, which supports automated approval workflows, and by the launch of the migration project from legacy SWIFT MT messages to the ISO 20022 standard.

Strategic priorities for 2026 reflect the need to rebuild scale and reinforce the foundations of the business. The Bank aims to continue reopening branches, expanding digital channels, enhancing electronic payment systems, and improving capital adequacy and operational efficiency.

** Total number of branches are 30 while the operating branches are 12 only.*

Libya

Al Baraka Group (Representative Office)

Date of Establishment
2011

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Libya's economy showed signs of a strong rebound in 2025, supported by expectations of higher oil production and steady domestic demand. Non-oil activity also strengthened during the year, reflecting the gradual impact of reconstruction spending, and improving private consumption, which helped support broader economic momentum.

Inflation remained relatively contained, although exchange rate adjustments continued to affect the cost of imported goods. The broader macro picture remained shaped by structural and fiscal pressures, including continued deficits, high public spending, and the continued challenge of operating without a unified national budget.

The financial environment continued to evolve within a tightening regulatory framework as the Central Bank of Libya (CBL) worked to strengthen liquidity management and reinforce governance standards. The statutory reserve requirement was set at 30% to support stability across the sector, regulatory ratios were raised, and additional liquidity absorbing tools were introduced to help formalize the foreign exchange market and preserve confidence in the payment system.

Libyan banks operated in a challenging setting marked by liquidity constraints, restricted access to foreign exchange, and the phased introduction of new supervisory measures. Credit remained limited for many businesses and relied largely on Islamic finance structures, while cybersecurity and digital-infrastructure gaps added to operational pressures across the sector.

Established in 2011, ABG's Libyan representative office continued to support the development and strengthening of business relationships between ABG and major Libyan financial institutions and the CBL. It achieved meaningful progress on such front during the year by securing agreements with five commercial banks to route the majority of their letters of credit through Al Baraka's partner institutions.

REGULATION

Al Baraka Group (ABG) was established and registered on June 27, 2002, under a license from the Central Bank of Bahrain (CBB). Its first financial year began in 2003, consolidating the financial results of all subsidiary banks according to AAOIFI accounting standards. The Group issued its first consolidated report as of December 31, 2003, in USD. During this stage, control over the subsidiaries was maintained through ownership and management agreements, supported by legal departments and consultants.

In 2006, the Group launched an IPO, raising over $630 million USD and becoming publicly listed on the Bahrain Bourse (formerly Bahrain Stock Exchange) and Nasdaq Dubai (formerly DIFX). Trading on both markets began in September 2006, with founders retaining a 55% stake while 45% was floated on the markets.

In 2017, the Group successfully issued $400 million in Tier-1 Islamic Sukuk, which was subsequently listed on the Irish Stock Exchange for trading. In 2022, the Group transitioned from a “Wholesale Bank” to an “Investment Business Firm – Category 1 (Islamic Principles)” under the regulation of the CBB. Following this, the Group delisted from both markets, based on shareholder resolutions at an Extraordinary General Meeting (EGM), and became a private company with a diversified shareholder portfolio in 2024.

Despite these changes, the Group continues to serve its customers through a network of banks operating in 13 countries with over 600 branches, providing trusted financial services tailored to meet their needs.

ABG views a disciplined corporate governance and risk management culture as a fundamental prerequisite to effective management of the Group to achieve strong yet sustainable financial returns and build consistent shareholder value. The adoption and maintenance, through continual and vigilant review, of the highest standards of corporate governance and risk management have thus been key to building a strong, ethical, responsible organisation. This has been essential for establishing a strong governance structure under which the functions, roles, and responsibilities are clearly delineated between the Board of Directors, Board Committees and Executive Management, officers, and staff of the organisation.

THE BOARD OF DIRECTORS

The Board of Directors (the “Board”) is responsible for the establishment and oversight of the Group’s business strategy and priorities, for setting its high-level policies and for overall management; and is accountable to the shareholders for the financial and operational performance of the Group. It is responsible for raising and allocating capital, monitoring the Executive Management and its conduct of the Group’s operations, making critical business decisions, and building long-term shareholder value. The Board, through approving and monitoring the Group’s risk appetite, and identifying and guarding against the longer-term strategic threats to the business, ensures that the Group manages risk effectively.

The Board is also responsible, inter alia, for:

- setting and reassessing periodically the Group’s corporate goals and objectives;
- establishing policies to further the achievement of the Group’s corporate goals and objectives;
- establishing and regularly reviewing the management structure and responsibilities, and monitoring the effectiveness of the Executive Management, including its ability to plan and execute strategies;
- establishing, along with senior management and the chief risk officer, the Group’s risk appetite, considering the Group’s strategy, competitive and regulatory landscape, the Group’s long-term interests, risk exposure and ability to manage risk effectively, and overseeing the Group’s adherence to the risk appetite statement, risk policy and risk limits;
- engaging actively in the affairs of the Group, keeping up with material changes in the Group’s business and the external environment and acting in a timely manner to protect the long-term interests of the Group;
- holding the Executive Management accountable for results;
- putting in place adequate policies and processes for approving budgets, and reviewing performance against those budgets and against key performance indicators;
- ensuring that an adequate, effective, comprehensive and transparent corporate governance framework is in place;
- establishing and approving policies and procedures designed to ensure ethical behaviour and compliance with laws and regulations, auditing and accounting standards and the Group’s own corporate governance policy;
- ensuring that ABG and its subsidiaries’ operations are supported by an appropriate control environment, i.e. that internal audit, compliance, risk management and finance and reporting functions, are well resourced and structured;
- ensuring that the Group’s operations are supported by a reliable, sufficient and well-integrated information system;
- recognizing and communicating to the Executive Management the importance of the internal audit function at ABG and its subsidiaries, periodically reviewing internal control procedures, and taking measures to enhance the function of internal audit and to act in a timely and effective manner on its findings;
- approving the writing off of credit facilities and investments where appropriate, in accordance with the Group’s policies and procedures;
- ensuring that an Anti-Money Laundering framework is in place to manage money laundering risk throughout the Group;
- approving, and overseeing the implementation of the Group’s governance framework, risk management framework and all policies, and reviewing the relevant parts of these as well as reviewing key controls in case a new business activity is considered, or in case of material changes to the Group’s size, complexity, business strategy, markets or regulatory requirements, or the occurrence of a major failure of controls;
- ensuring that the Anti-bribery and Corruption programme is implemented throughout the Group;
- approving strategic investments by ABG and its subsidiaries;
- monitoring potential conflicts of interest and preventing abusive related party transactions;
- approving material transactions outside the normal course of business or in excess of the limits of approval authority delegated to the Executive Management;
- ensuring the preparation of financial statements, which accurately disclose the Group’s financial position, on a regular and consistent basis, and for reviewing and approving for dissemination its periodic financial statements and annual reports;

THE BOARD OF DIRECTORS (continued)

- approving all significant changes in the Group's accounting and reporting policies;
- ensuring compliance at all times with all relevant requirements of Shari'a ("Sharia" or "Shari'a") and Islamic Accounting Standards, issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI);
- ensuring that the Group establishes and maintains an approved employee Code of Conduct and is in compliance with it;
- ensuring that the control environment maintains necessary client confidentiality, and that clients' rights and assets are properly safeguarded;
- ensuring that the Group's Social and Sustainable Finance objectives are attained;
- ensuring that the Senior Management maintains an effective and transparent relationship with the CBB;
- convening and preparing the agenda for shareholder meetings;
- ensuring equitable treatment of all shareholders including minority shareholders;
- considering the legitimate interests of shareholders and other relevant stakeholders in their decision-making process;
- ensuring that there is representation of women on the Group's Board of Directors in accordance with the directives of the Ministry of Industry & Commerce and disclosure in the Corporate Governance report for each fiscal year the percentage component of the Board membership duly classified according to gender (and the lack of or under-representation of any single gender), and non-compliance of the directives in any manner whatsoever;
- performing any other functions required by the Board of Directors under applicable laws and regulations;
- ensuring that no individual or group of directors dominates the Board's decision-making and no individual or group has unfettered powers of decision;
- at minimum, approving the selection and overseeing the performance of the chief executive officer (CEO), chief financial officer and heads of the risk management, compliance and internal audit functions; and
- Actively overseeing the remuneration system's design and operation for approved persons and monitoring and reviewing executive compensation and assessing whether it is aligned with the Group's remuneration policy, risk culture and risk appetite.

In its regular review of the Group's strategy, the Board reviews the Group's business plans and the inherent level of risk in those plans. It also assesses the adequacy of capital to support the business risks of the Group; sets performance objectives; and oversees major capital expenditures, divestitures, and acquisitions.

The Board of Directors is responsible for the Group's internal control system, its effectiveness, and defining standards of accountability to help Executive Management achieve corporate objectives. The Board ensures that senior management implements the systems, controls, processes, and procedures framework in line with board policies and the Group's organisational structure. It also regularly assesses this framework to ensure it aligns with the Group's business needs and associated risks.

Established procedures for identifying, evaluating, and managing significant risks are regularly reviewed by the Board. The Group's internal control system ensures accountability through a documented and auditable trail. This system supports effective and efficient operations, compliance with applicable laws and regulations, and risk management to minimise material errors, losses, and fraud. In meeting its responsibility to ensure efficient governance in all matters related to ABG, the Board has established a written compliance policy governing the Group's compliance with all laws and regulations; in particular those enunciated by the Central Bank of Bahrain (CBB) and other local regulators.

The Board is also responsible for upholding the highest ethical standards in the conduct of business activities and expects all employees, directors, and associated persons of the Group to abide by the policies and laws including those stipulated by the Bahrain Penal Code. The Board has delegated responsibility for monitoring compliance to the Group Chief Executive Officer in coordination with the Board Compliance & Governance Committee.

This responsibility is carried out through a dedicated Compliance Department, with a mandate to cover all aspects of compliance including: formulation of effective policies and processes for the management of the Group's compliance risk; assisting Executive Management and staff in managing risk; advising on laws and regulations and applicable compliance standards; disseminating compliance policies and providing guidelines to ABG staff members; ensuring an effective compliance methodology; providing periodical reports to the Board in connection with compliance controls; and establishing operational controls and a robust Know Your Customer (KYC), Anti-Money Laundering (AML) and Anti-bribery and Corruption programme ("ABC Programme") frameworks. ABG is continuously enhancing its compliance framework and that of each of its subsidiaries.

The CBB has issued revised requirements of Module HC of its Rulebook under Volume 4, which are met by ABG with respect to corporate governance principles. These requirements are in line with the principles relating to the Corporate Governance Code issued by the Ministry of Industry & Commerce of the Kingdom of Bahrain, international best practice corporate governance standards set by bodies such as the Basel Committee for Banking Supervision, and related high-level controls and policies. ABG conducts annually detailed internal assessments to ensure compliance with these requirements and, in the event that any shortfall is identified, sets specific milestones for implementation of measures to address the shortfall. The CBB, ABG's shareholders, the Board of Directors and the Executive Management are all kept fully aware of such shortfalls, if any, and the measures taken.

ABG continuously ensures that the Group's minority shareholders are well represented on the Board of Directors through the independent directors (who constitute the majority of the Board of Directors), who have additional responsibility to protect of the rights of minority shareholders.

The Board of Directors meets regularly (at least four times a year) and has a formal schedule of matters reserved for it, considering key aspects of the Group's affairs referred to it for decision. The Board reviews the Group's strategy and financial plans, all proposed material changes to the Group's policies, structure and organisation, reports provided to it on the operations of the Group (with emphasis on organisational, risk management and information technology development) and the performance of the Executive Management.

THE BOARD OF DIRECTORS (continued)

All Directors attend all Board meetings whenever possible and, in any event, not less than 75% of meetings in any year, and they maintain informal contact among themselves between meetings. The Chairman is responsible for leadership of the Board and for its efficient functioning. He ensures that all members receive an agenda, minutes of prior meetings, and background information in writing before each Board meeting and between meetings when necessary. The Board and its Committees are supplied with full and timely information to enable them to discharge their responsibilities. In this respect, the Board, its Committees, and all Directors individually have access to the Executive Management, external legal or other professional consultants and advisors at the Group's expense, and to the Board Secretary, who is responsible for ensuring that the Board procedures and applicable rules and regulations are observed. The Board encourages participation by members of the Executive Management at Board meetings, if appropriate, regarding matters, which the Board is considering and where the Group Chief Executive Officer believes management should have exposure to the Board.

Under ABG's Articles of Association, the Board of Directors shall consist of no fewer than five and no more than 13 members. Members of the Board of Directors hold office for a three-year renewable term, although the term of office may be extended at the request of the Board for a period not exceeding six months with the approval of the Minister of Industry & Commerce of the Kingdom of Bahrain.

There is no maximum age limit at which a Director must retire from the Board of Directors. Each Director's membership of the Board shall terminate upon the expiry of his/her term, or upon the resolution of the shareholders in General Meeting, or as a result of one of a number of specified events or circumstances, including:

- The original appointment being found to be contrary to the provisions of the Commercial Companies Law (CCL) or ABG's Articles of Association;
- If the member loses any of the qualifying conditions referred to in Article 240 of the CCL;
- If the member abuses his position in carrying on a business that is in competition with ABG or if he causes actual damage to it;
- If the member fails to attend three consecutive Board meetings without presenting a lawfully excused notification in writing to the Board, and the Board shall resolve on this matter as it may deem fit;
- If the member resigns or withdraws from his/her office, provided the foregoing shall be done in an opportune time, otherwise he shall be liable to pay damages to ABG;
- Death of the member; and
- If the member occupies any other office at ABG for which he/she would receive remuneration other than that which the Board of Directors may decide from time to time to remunerate its occupier because of the executive nature of his/her duties.

When an announcement is made requesting nominations for the position of membership of the Board of Directors to replace those members whose three-year term is due to expire, such nominations must be submitted to the Chairman of the Board, within the time frame provided in the announcement, then to the Board Nomination and Remuneration Committee for it to make its recommendations to the Board. As part of the nomination process, each nomination must comply with local rules and regulations, and must be submitted for approval to the CBB in order to ensure compliance with the CBB's "Fit and Proper" criteria. The names of all nominated individuals approved by the CBB are then submitted to the shareholders at the next AGM for consideration and election. Election of ABG Directors takes place in accordance with the rules and procedures set out in the CCL and ABG's Articles of Association.

In line with corporate governance best practice, there is a succession plan for the Executive Management. This is reviewed annually and submitted to the CBB.

Each new Director elected to the Board receives a written appointment letter, detailing the powers, duties, responsibilities and obligations of that Director, and other relevant terms and conditions of his appointment.

As of December 31st 2025, there were 12 Directors on the Board. They have varied backgrounds and experiences and are, individually and collectively, responsible for performing the responsibilities of the Board, and for exercising independent and objective judgement. No individual Director or group of Directors has unfettered powers of decision making or dominates the Board's decision making. The majority of the Directors are non-executive and fully independent of management, and are individually responsible for scrutinizing and challenging management decisions and performance. The posts of Chairman, Vice Chairman and Group Chief Executive Officer are held by different Directors, and the Group Chief Executive Officer has separate, clearly defined responsibilities. The size and composition of the Board and its Committees are regularly assessed, while the effectiveness, contribution and independence of individual Directors are assessed annually in light of interests disclosed and conduct. The independence or non-independence of Directors is, likewise, reviewed annually.

All Directors are remunerated solely by means of an annual retainer fee and sitting fees paid for each meeting attended. Their travel expenses are also reimbursed as appropriate.

The Board of Directors has adopted a formal Code of Business Conduct and Ethics applicable to Directors and Executive Management, officers, employees and agents, consultants and others representing or acting for the Group. Details of the Code are provided in the Additional Public Disclosures section of this report. In line with international best practice and the CBB Rulebook, the Board has instituted corporate governance measures to ensure that the interests of the shareholders are protected, including the appointment to the Board of more than one third of Directors as independent Directors, as defined in the CBB Rulebook.

THE BOARD OF DIRECTORS (continued)

As of December 31st 2025 ABG had the following Board Composition, including classification for gender in accordance with the directives of the Ministry of Commerce & Industry *(for more details regarding the Board Composition please refer to page No 10 of this report):*

		Male	Female
Non-Executive Directors			
1. Shaikh Abdullah Saleh Kamel	Chairman	✓	
2. Mr. Tawfig Shaker Mufti		✓	
3. Mr. Saud Saleh Al Saleh		✓	
Independent Directors			
1. Mr. Mohamed Ebrahim Alshroogi	Vice Chairman	✓	
2. Dr. Khaled Abdulla Ateeq		✓	
3. Mrs. Dalia Hazem Khorshid			✓
4. Dr. Ziad Ahmed Bahaa-Eldin		✓	
5. Mr. Fahd bin Ibrahim Al Mufarrij		✓	
6. Mr. Masood Ahmed Al Bastaki		✓	
7. Mr. Naser Mohamed Al Nuwais		✓	
Executive Directors			
1. Mr. Houssem Ben Haj Amor	Group Chief Executive Officer	✓	
2. Mr. Abdul Elah Abdul Rahim Sabbahi		✓	
Total representation of genders on the Board of Directors	December 31st, 2025	92%	8%
	December 31st, 2024	92%	8%

BOARD COMMITTEES

The Board has put in place a number of Board Committees, membership of which is drawn from the Board membership and to which it has delegated specific responsibilities. The principal Board Committees are (as of December 31st 2025):

Board Executive Committee

The Board Executive Committee is chaired by Shaikh Abdullah Saleh Kamel (Non-Executive Director), and the other members are Mr. Mohamed Ebrahim Alshroogi (Vice Chairman, Independent Director), Mrs. Dalia Hazem Khorshid (Independent Director), Dr. Ziad Ahmed Bahaa-Eldin (Independent Director), Mr. Abdul Elah Abdul Rahim Sabbahi (Executive Director), and Mr. Houssem Ben Haj Amor - Group Chief Executive Officer (Executive Director). The Board Executive Committee comprises of a minimum of four Directors. The Board has delegated to the Board Executive Committee, under a formal written charter adopted by it, the responsibility to make recommendations to the Board, for the Board's approval, concerning the Group's overall strategies and business plan, or any significant change to them, or any major change to its capital or organisation structure, assets or investments.

Board Nomination and Remuneration Committee

The Board Nomination and Remuneration Committee is chaired by Mr. Mohamed Ebrahim Alshroogi (Independent Director), and its other members are Mrs. Dalia Hazem Khorshid (Independent Director) and Mr. Saud Saleh Al Saleh (Non-Executive Director). The Committee operates in accordance with a formal written charter adopted by it and meets at least twice a year and considers all material elements relating to remuneration policy, including, inter alia, the approval of the remuneration of the Directors, based on their attendance at Board and Committee meetings. It also recommends to the Board the level of remuneration of the Executive Management members and other ABG employees under an approved performance-linked incentive structure.

The Committee conducts an annual evaluation of the performance of the Board, Board Committees, and the Group Chief Executive Officer. When an issue relating to the personal interest of a Director is discussed in the Committee, the interested Director withdraws from the meeting and abstains from voting. The Committee is responsible for identifying persons qualified to become members of the Board or the Group Chief Executive Officer, the Chief Financial Officer, the Board Secretary, and other executive officers considered appropriate (except for the Head of the Internal Audit Department, Head of Risk Management, and Head of Compliance, who must be recommended by other committees in accordance with Central Bank of Bahrain rule book), and for making recommendations accordingly. It is also responsible for inducting, educating and orientating new Directors, and for conducting seminars and other training programmes from time to time for members of the Board.

Board Audit Committee

The Board Audit Committee is chaired by Mr. Fahd bin Ibrahim Al Mufarrij (Independent Director). Other members are Mr. Naser Mohamed Al Nuwais (Independent Director), and Mr. Tawfig Shaker Mufti (Non-Executive Director). The Committee is governed by a formal written Charter, adopted by it and approved by the Board. The Committee meets formally at least four times a year. External auditors attend at least one meeting annually; Moreover, external auditors have unrestricted access to the Committee and its Chairman throughout the year.

BOARD COMMITTEES (continued)

The Board of Directors has delegated to the Board Audit Committee the responsibility for ensuring that an effective internal auditing and continuous internal controls monitoring environment, and a sound system of accounting and financial control are in place. The Committee achieves this through regular review of internal audit reporting, external auditors' management letters, central banks' inspection reports, and the Group's accounting and financial policies and practices, financial reporting and disclosure controls and procedures, and the adequacy and effectiveness of the internal control procedures at the Head Office and at ABG's subsidiaries. The Committee considers all matters relating to financial control and reporting, internal and external audits and their scope and results, risk management and compliance with regulatory and legal requirements and accounting standards. It also considers and approves the annual audit plans, ensures coordination between the internal and external auditors, monitors the independence, qualifications, effectiveness and performance of the external auditors, and makes recommendations to the Board regarding the appointment, retirement and remuneration of the external auditors and the appointment of the Head of the Group's Internal Audit Department.

The Committee reviews the Group's annual and interim financial statements to recommend their approval to the Board of Directors, the adequacy of provisions and any reports by external consultants on specific investigative or advisory engagements.

The Committee ensures that there are control systems in place which are appropriate to the business of the Group and the information needs of the Board. These include systems and functions for identifying and monitoring risk, the financial position of the Group and compliance with applicable laws, regulations and best banking practice. The Committee ensures that all such information is produced on a timely basis. The various internal controls and processes are subject to independent review by the Group's Internal Audit Department, which reports directly to the Committee, as stated above, and external auditors and regulators as appropriate. Management letters and other issues of importance raised by external auditors, and inspection reports issued by the CBB's inspectors, or inspectors of any other applicable authorities where ABG or its subsidiaries operate, are reviewed by the Committee once issued. Acting on behalf of the Board, the Committee ensures that appropriate corrective action is taken.

The Board has adopted a 'whistleblower' programme, allowing employees to confidentially raise concerns about possible improprieties in financial or legal matters. Under the programme, concerns may be communicated directly to any member of the Board Audit Committee or, alternatively, to an identified officer or employee who, in turn, reports the matter to the Committee.

Board Risk Committee

The Board Risk Committee is chaired by Dr. Khaled Abdulla Ateeq (Independent Director), with its other members being Mr. Masood Ahmed Al Bastaki (Independent Director) and Mr. Tawfig Shaker Mufti (Non-Executive Director).

The Board Risk Committee meets formally at least twice a year but may meet more frequently at the request of the Chairman of the Committee. It can call for the attendance of the Group Chief Executive Officer, Chief Risk Officer and other senior executives of the Group at any of its meetings.

The Group's risk appetite is determined by the Board, based on the recommendations of the Board Risk Committee. The Board Risk Committee is responsible for setting acceptable levels of risks to which the Group may be exposed, for approving management's strategy for the managing of risk and for ensuring that all necessary steps are taken by management to identify, measure, monitor and control risk. The Committee's objective is to oversee the Group's risk management systems, practices and procedures, as well as to ensure effective risk identification, management and compliance with internal guidelines and external requirements. The Committee reviews issues identified by the Internal Audit and Compliance departments of ABG and/or any of its subsidiaries, such as weaknesses or breakdowns in controls.

Board Compliance & Governance Committee

The Board Compliance & Governance Committee is chaired by Dr. Khaled Abdulla Ateeq (Independent Director) and its other members are Mr. Masood Ahmed Al Bastaki (Independent Director) and Dr. Ziad Ahmed Bahaa-Eldin (Independent Director) in addition to Mr. Yousif Hassan Khalawi, who represents the Unified Shari'a Supervisory Board. The Committee meets at least 4 times a year but may meet more frequently at the request of the Chairman.

The Committee's role is to ensure a robust compliance, AML and corporate governance framework and a strong compliance culture across the Group, including ensuring efficient procedures, processes and controls for Anti- money Laundering, Countering Financing of Terrorism, International Sanctions and Foreign Account Tax Compliance Act and Common Reporting Standards. It periodically reviews the governance controls and systems to uncover any weakness, if any, which can be addressed. As the Group is present in many countries, the Committee ensures that the respective local legal legislation and regulatory norms are well-abided with so that compliance standards are maintained at a high level and are compatible with those enunciated by international standards.

Board Social & Sustainable Finance Committee

The Board Social & Sustainable Finance Committee is chaired by Mr. Naser Mohamed Al Nuwais (Independent Director) and the other members are Mr. Abdul Elah Abdul Rahim Sabbahi (Executive Director) and Mr. Saud Saleh Al Saleh (Non-Executive Director).

The Committee leads the Al Baraka Social & Sustainable Finance Programme. It oversees the formulation of policies and strategies by the Executive Management, intended to make ABG and its subsidiaries a model Islamic banking group, offering banking and financial services in a sustainable and socially responsible manner and in conformity with the objectives of Shari'a.

The Committee aims to adhere to the spirit of Islamic finance that identifies Social & Sustainable Finance as a principal feature of Islamic banking and finance. The Committee demonstrates its commitment to the spirit of Social & Sustainable Finance inherent in Islamic finance by setting various quarterly and annual targets for the Executive Management.

All minutes and reports of meetings of the Committee are disseminated to all members of the Board of Directors.

BOARD COMMITTEES (continued)

Directors' Attendance of Meetings of the Board of Directors and its Committees Meetings in 2025

Name the Board/Committees		Board of Directors BOD		No. of Meetings in 2025			5	
No.	Member's Name	1st Meeting 19/02/2025	2nd Meeting 29/05/2025	3rd Meeting 20/08/2025	4th Meeting 19/11/2025	5th Meeting 16/12/2025	No. of Meetings Attended	%
1	Mr. Abdullah Saleh Kamel	✓	✓	✓	x	✓	4/5	80%
2	Mr. Mohamed Ebrahim Alshroogi	✓	✓	✓	✓	✓	5/5	100%
3	Mr. Tawfig Shaker Mufti	✓	✓	✓	✓	✓	5/5	100%
4	Mr. Houssem Ben Haj Amor	✓	✓	✓	✓	✓	5/5	100%
5	Dr. Khaled Abdulla Ateeq	✓	✓	✓	✓	✓	5/5	100%
6	Mrs. Dalia Hazem Khorshid	✓	✓	✓	✓	✓	5/5	100%
7	Dr. Ziad Ahmed Bahaaeldin	✓	✓	✓	✓	✓	5/5	100%
8	Mr. Saud Saleh Al Saleh	✓	✓	✓	✓	✓	5/5	100%
9	Mr. Abdul Ellah Sabbahi	✓	✓	✓	✓	✓	5/5	100%
10	Mr. Fahd Ibrahim AlMufarrij	✓	✓	✓	✓	✓	5/5	100%
11	Mr. Masood Ahmed AlBastaki	✓	✓	✓	✓	✓	5/5	100%
12	Mr. Naser Mohamed Al Nuwais	x	✓	✓	✓	✓	4/5	80%

Name the Board/Committees		Board Executive Committee (EXCOM)	No. of Meetings in 2025	1
No.	Member's Name	1st Meeting 26/11/2025	No. of Meetings Attended	%
1	Mr. Abdullah Saleh Kamel	✓	1/1	100%
2	Mr. Mohamed Ebrahim Alshroogi	✓	1/1	100%
3	Mr. Houssem Ben Haj Amor	✓	1/1	100%
4	Mrs. Dalia Hazem Khorshid	✓	1/1	100%
5	Mr. Abdul Ellah Sabbahi	✓	1/1	100%
6	Dr. Ziad Ahmed Bahaaeldin	✓	1/1	100%

Name the Board/Committees		Board Audit Committee		No. of Meetings in 2025			4
No.	Member's Name	1st Meeting 12/02/2025	2nd Meeting 19/05/2025	3rd Meeting 18/08/2025	4th Meeting 17/11/2025	No. of Meetings Attended	%
1	Mr. Fahd Ibrahim Al Muffarrij	✓	✓	✓	✓	4/4	100%
2	Mr. Naser Mohamed Al Nuwais	✓	✓	✓	✓	4/4	100%
3	Mr. Tawfig Shaker Mufti	✓	✓	✓	✓	4/4	100%

Name the Board/Committees		Board Nomination & Remuneration Committee (NRC)	No. of Meetings in 2025		2
No.	Member's Name	1st Meeting 13/02/2025	2nd Meeting 16/11/2025	No. of Meetings Attended	%
1	Mr. Mohamed Ebrahim Alshroogi	✓	✓	2/2	100%
2	Mrs. Dalia Hazem Khorshid	✓	✓	2/2	100%
3	Mr. Saud Saleh Al Saleh	✓	✓	2/2	100%

Name the Board/Committees		Risk Committee (BRC)			No. of Meetings in 2025		4
No.	Member's Name	1st Meeting 18/03/2025	2nd Meeting 26/05/2025	3rd Meeting 10/09/2025	4th Meeting 08/12/2025	No. of Meetings Attended	%
1	Dr. Khaled Abdulla Ateeq	✓	✓	✓	✓	4/4	100%
2	Mr. Masood Ahmed AlBastaki	✓	✓	✓	✓	4/4	100%
3	Mr. Tawfiq Shaker Mufti	✓	✓	✓	✓	4/4	100%

Name the Board/Committees		Social & Sustainable Finance Committee	No. of Meetings in 2025		2
No.	Member's Name	1st Meeting 17/06/2025	2nd Meeting 29/12/2025	No. of Meetings Attended	%
1	Mr. Naser Mohamed Al Nuwais	✓	✓	2/2	100%
2	Mr. Abdul Ellah Sabbahi	✓	✓	2/2	100%
3	Mr. Saud Saleh Al Saleh	x	✓	1/2	50%

Name the Board/Committees		Compliance & Governance Committee (CGC)			No. of Meetings in 2025		4
No.	Member's Name	1st Meeting 11/02/2025	2nd Meeting 28/05/2025	3rd Meeting 11/09/2025	4th Meeting 29/11/2025	No. of Meetings Attended	%
1	Dr. Khaled Abdulla Ateeq	✓	✓	✓	✓	4/4	100%
2	Mr. Masood Ahmed AlBastaki	✓	✓	✓	✓	4/4	100%
3	Dr. Ziad Ahmed Bahaaeldin	✓	x	✓	✓	3/4	75%
4	Mr. Yousif Khalawi	✓	✓	✓	✓	4/4	100%

BOARD OF DIRECTORS' PROFILES

Shaikh Abdullah Saleh Kamel
Chairman

Shaikh Abdullah Saleh Kamel is the Chairman of Dallah Al Baraka Holding Company, and the Chairman of the Board of Trustees of Saleh Abdullah Kamel Humanitarian Foundation. He also chairs Dallah Al Baraka Investment Holding Company, Dallah Real Estate, Umm Alqura for Development & Constructions Company (MASAR), Okaz Press and Publishing Corporation, the General Council for Islamic Banks and Financial Institutions, the Islamic Chamber of Commerce and Development, Federation of Saudi Chambers of Commerce and Makkah Chamber of Commerce and Industry. He previously held various executive positions at Dallah Al Baraka Holding Co, leading to the position of President and Chief Executive Officer.

With over 40 years of experience in key business positions, he is also involved in public and charitable initiatives through his membership in many organisations and associations. He has served the Jeddah Chamber of Commerce Board for two terms and is a member of the Friends of Saudi Arabia Association. Shaikh Abdullah Saleh Kamel is a Saudi national.

Mr. Mohamed Ebrahim AlShroogi
Vice Chairman

Mr. Mohamed Ebrahim AlShroogi is Vice Chairman of Al Baraka Group and serves on several prominent boards, including Wisayah (Saudi Aramco's Pension Fund), the GCC Board Directors Institute as Chairman, and Investcorp Financial Services as Chairman, in addition to being a Board Member of Investcorp Capital PLC Abu Dhabi.

Previously, Mr. AlShroogi was Co-Chief Executive Officer of the global investment group Investcorp, which he joined in 2009 as President of Gulf Business. During his tenure, he played a key role in the firm's recovery from the global financial crisis, led the expansion of Investcorp's Corporate Investment Franchise in the GCC and Turkey, and helped position the firm as one of the most active private equity investors in Saudi Arabia.

Before joining Investcorp, Mr. AlShroogi had a 33-year career at Citigroup, serving as Division Executive for the Middle East and North Africa region and CEO for the UAE. Among his many achievements, he established Citibank Bahrain as a major trading hub between Asia and Europe.

Mr. AlShroogi holds a degree from Kuwait University (1973) and completed the Executive Management Programme at Harvard Business School in 1988.

Mr. Tawfig Shaker Mufti
Board Member

With more than three decades of experience, Mr. Tawfig Shaker Mufti has built a distinguished career in leadership, finance, and governance across diverse industries. He has served as Group Treasurer for a leading multinational conglomerate in the Middle East and held senior roles including Chief Executive Officer and Board Member of several companies.

Throughout his career, Mr. Mufti has combined strategic vision with hands-on expertise in Corporate and Investment Banking, Private Banking, and Compliance. His earlier experience with one of the Big Five accounting firms, where he specialized in Corporate Finance and Financial Planning, provided a strong foundation for his multifaceted career.

Renowned for his ability to lead through change and drive organizational performance, Mr. Mufti continues to contribute his experience and insights to the business community. He holds a Bachelor of Science in International Business from the University of Bridgeport, Connecticut, USA.

Mr. Houssem Ben Haj Amor
Board Executive Member & Group Chief Executive Officer

Mr. Houssem Ben Haj Amor was appointed Board Executive Member and Group Chief Executive Officer of Al Baraka Group in October 2022, after serving as Acting CEO since July of the same year. He also serves as Chairman of Albaraka Türk Participation Bank and sits on the boards of the Group's subsidiaries in Jordan, Egypt, Algeria, and Bahrain. He is also a board member in Sunna Al Tamayouz and CIBAFI.

With 26 years of experience in banking and finance across the Middle East, North Africa, and Europe, Mr. Amor has held senior leadership positions at SHUAA Capital, Amlak Finance, and Al Baraka Group. Before becoming CEO, he served as Deputy CEO and Head of Business Development & Investments, leading strategic initiatives, product development, and treasury operations across the Group.

Under his leadership, Al Baraka Group has strengthened its regional presence, improved operational efficiency, and achieved record financial results, reflecting steady progress in the Group's transformation journey.

Dr. Khaled Abdulla Ateeq
Board Member

Dr. Khaled Abdulla Ateeq is the Chairman of Al Baraka Bank Sudan and a Board member of Al Baraka Turk Participation Bank and Al Baraka Islamic Bank Bahrain. He previously served as Chief Executive Officer of the Family Microfinance House in Bahrain and as Executive Director of Banking Supervision at the Central Bank of Bahrain, where he oversaw the licensing, inspection, and supervision of financial institutions, ensuring compliance with CBB regulations for banks operating or incorporated in Bahrain. He has also held senior positions at various financial institutions, including Deputy CEO at Venture Capital Bank.

With over 40 years of experience in Banking, Finance, Auditing, and Accounting, Dr. Ateeq began his career as an Assistant Professor at the University of Bahrain. He holds a PhD in Accounting from Hull University, U.K.

Mrs. Dalia Hazem Khorshid
Board Member

H.E. Dalia Khorshid is the Chief Executive Officer and Managing Director of Beltone Holding. With over 30 years of experience across banking, finance, and government, she has led landmark transactions and advised on major investments, private placements, and M&A deals in the region.

Her career spans both public and private sectors. She previously served as Egypt's Minister of Investment (2016–2017), where she introduced a comprehensive legislative reform programme, including new investment, bankruptcy, and capital market laws, and established Egypt's Supreme Investment Council and national IPO programme for state-owned enterprises.

Before her ministerial appointment, she spent over a decade at Orascom Construction Limited, serving as Executive Vice

BOARD OF DIRECTORS' PROFILES (continued)

President and Group Corporate Treasurer, leading multi-billion-dollar fundraising and project finance initiatives across several countries. Earlier, she held senior roles at Citibank and Commercial International Bank (CIB).

H.E. currently serves on the boards of SODIC, Al Baraka Banking Group (Bahrain and Algeria), Mirabank in Serbia, Cairo American College, and Endeavor Egypt. She holds a BA in Business Administration from the American University in Cairo and has completed executive programmes at Harvard Business School.

In recognition of her leadership, she has been featured in Forbes Middle East's Top 100 CEOs (2024), named among the Top 100 Most Powerful Businesswomen (2025), and honoured for her role in advancing green finance and sustainability initiatives.

Dr. Ziad Ahmed Bahaaeldin
Board Member

Dr. Ziad Ahmed Bahaaeldin is an Egyptian lawyer and expert on financial, investment and corporate law, governance, compliance, and economic legislation. He serves as the Managing Partner of Bahaa-Eldin Law Office (in Cooperation with BonelliErede), and is a founder and Senior Counsel for Thebes Consultancy.

He is the Non-Executive Chairman of Bank of Alexandria (Intesa Sanpaolo Group), and a non-executive member on the boards of directors of MTI Egypt, Sinai White Cement, Samcrete for Industrial Development, Basata Holding for Financial Payments, Badr Eldin Developments and Al Salam Hospital in Mohandesin.

Dr. Bahaaeldin previously held several prominent public positions in Egypt including Deputy Prime Minister for Economic Development and Minister of International Cooperation, Member of Parliament, and Chairman of the Financial Regulatory Authority and of the General Authority for Investment and Free Zones. He was also previously a member of the board of directors of the Central Bank of Egypt.

He is a weekly commentator in El-Masry El-Yom Newspaper. He taught law at Cairo University and was a visiting lecturer at the Schengen campus of the Peking University in China. He is a member of the Board of Trustees of both the Cairo Regional Centre for International Commercial Arbitration and the American University in Cairo.

He received his Ph.D. in Financial Law from the London School of Economics and Political Sciences, an LL.M. in International Business Law from King's College London, a BA in Economics from the AUC Cairo, and a Bachelor of Law from Cairo University. He is a graduate of the Jesuites French High School in Cairo.

Mr. Saud Saleh Al Saleh
Board Member

Mr. Saud Al Saleh is a Board Member of Emaar, The Economic City (ECC). He has held several prominent positions, including Head of the Board of Trustees of the Riyadh Economic Forum, Chairman of SAIB-BNP Paribas Assets Management Company, and Vice Chairman of American Express (Kingdom of Saudi Arabia) Limited (ASAL).

He has also served on the boards of Saudi Arabian General Investment Authority (SAGIA), General Organisation for Social Insurance (GOSI), Higher Education Fund, Saline Water Conversion Corporation (SWCC), Saudi Orix Leasing Company (SOLC), Boeing Industrial Technology Group L.P. (BITG), AMLAK International for Real Estate Development and Mortgage Finance and The Mediterranean & Gulf Cooperative Insurance & Reinsurance Co. (MEDGULF).

With 34 years of banking experience, Mr. Al Saleh began his career at the Arab National Bank in Riyadh. He then held managerial positions at Saudi Investment Bank, where he eventually became General Manager. Later, he was appointed to the position of General Secretary of the Supreme Economic Council of the Kingdom of Saudi Arabia at the ministerial level.

A Saudi national, he holds a Bachelor of Science degree in Business Administration from Portland State University, Oregon, USA and an M.A. in Economics from the University of Rhode Island, USA. He has also completed many advanced courses in the finance and legal fields.

Mr. Abdul Elah Abdul Rahim Sabbahi
Board Member

Mr. Abdul Elah Abdul Rahim Sabbahi is the Chief Executive Officer and a board member of Dar Saleh in the Kingdom of Saudi Arabia. He also sits on the boards of Dallah Albaraka Holding Company and Halwani Bros. Beyond these roles, he leads several financial institutions as Chairman, including Al Baraka Bank Tunisia, Al Baraka Bank Algeria, Société Al Buhaira de Development et d'Investissement, Best Lease, El Amana Takaful Company, and the International Tunisian Fair. Additionally, he holds board and chairmanship positions with several other international companies.

With more than 40 years of experience in international banking and business, Mr. Sabbahi spent the past three decades with the Dallah Albaraka Group in the Kingdom of Saudi Arabia, where he served as Executive Vice President of Finance and Human Resources. A Saudi national, he holds a Bachelor of Science degree in Accounting from King Abdulaziz University in Saudi Arabia.

Mr. Naser Mohamed Ali Al Nuwais
Board Member

Mr. Naser Mohamed Ali Naser Al Nuwais serves as the Chairman of the Board of Directors of Rotana Hotel Management Corporation PJSC and Aswaq Management & Services, a position he has held since the inception of Aswaq in 1999. Both companies are based in Abu Dhabi, UAE.

Previously, Mr. Al Nuwais was the Director General of the Abu Dhabi Fund for Development and held leadership roles, including as Chairman of the Arab Insurance Group in Manama, Bahrain, and a Board Member of Dana Gas in Sharjah, UAE, from 2009 to 2019. Other notable posts include Under Secretary of the Ministry of Finance and Industry of the UAE government in 1992.

With over 40 years of experience in business, insurance, and real estate development, Mr. Al Nuwais has earned multiple accolades for his contributions to the industry, including a Lifetime Achievement Award at the Arabian Hotel Investment Conference in 2011, the Pioneer in the Tourism Industry in the Arab World Award (Arab World Travel & Tourism Exchange - AWTTE) in 2003, and Hotel Innovator of the Year by DEPA Middle East Hotel Awards in 2004.

Mr. Al Nuwais holds a BA degree in Business & Public Administration from New York University in 1974.

BOARD OF DIRECTORS' PROFILES (continued)

Mr. Fahd bin Ibrahim Al Mufarrij
Board Member

Mr. Fahd bin Ibrahim Al Mufarrij has 31 years of experience and has held senior leadership roles across banking and finance. He previously served as a Board Member of Samba Financial Group, the Social Development Bank, the Saudi Moroccan Investment Company, and Yaqeen Capital. He has also held positions as Managing Director and Chief Executive Officer for several publicly listed companies and served as Director of Banking Supervision at the Central Bank of Saudi Arabia until 2012.

Throughout his career, Mr. Al Mufarrij has been an active member of high-profile committees, including the Basel Committee on Banking Supervision and the Basel Coordination Group, among other supervisory committees.

He has also participated in extensive executive training with international organizations such as the International Monetary Fund, the World Bank, the British Financial Services Authority, the Singapore Monetary Authority, the Toronto Centre for Executive Leadership, Harvard University, the Irish Management Institute, and others.

He holds a Bachelor's degree in Administrative Sciences from King Abdulaziz University.

Mr. Masood Ahmed Al Bastaki
Board Member

Mr. Masood Ahmed Al Bastaki is a Board Member at Al Baraka Islamic Bank Bahrain and an accomplished executive banker with more than 36 years of experience in Banking and International Business. His expertise spans Conventional Banking, Islamic Banking, and International Investment Banking and board member in Family Microfinance House.

Throughout his career, Mr. Al Bastaki has been involved in various banking activities across the Middle East, North Africa, the USA, and Latin America, as well as in Europe and Asia. He previously held key positions at prominent financial institutions, including, the Bank of Bahrain and Kuwait (BBK), ABC Islamic Bank, JPMorgan Chase Bank, BMI Bank and Venture Capital Bank. Notably, he served as Head of Financial Institutions at JPMorgan Chase Bank, Head of Islamic Banking Department at BMI Bank, and Chief Placement Officer at Venture Capital Bank. He is currently a Board Member of Family Microfinance House in Bahrain.

Beyond banking, Mr. Al Bastaki's experience extends through the aviation industry where he held the position of founding partner and CEO of Aerolease Aircraft and Equipment Leasing Company. He was also the Founding Partner and Managing Director of Two Seas Equity Consulting Company.

He holds a Bachelor's Degree in Business Administration and a Postgraduate Diploma in Business and Finance from the University of Bahrain.

UNIFIED SHARI'A SUPERVISORY BOARD

The Unified Shari'a Supervisory Board of Al Baraka Group ("Shari'a Board" or "USSB") is elected for a three year term by the shareholders based on recommendations from the Board of Directors. The USSB Board has a central authority for issuing fatwas and Shari'a decisions and monitoring fatwas issued by local Shari'a boards. The Shari'a Board has the following responsibilities:

- Overseeing the operations and activities of the Group to ensure compliance with Islamic Shari'a principles
- Monitoring and reviewing transactions to ensure full compliance with the Board's decisions
- Reviewing files, records, and group documents at any time. The Shari'a Board can also request any information deemed necessary and approves all relevant documents relating to new products and services including contracts, agreements, marketing and promotional material, or other legal documents used in the Group's operations.

The Shari'a Board operates in accordance with its internal regulations, which clarify its policies, procedures, and responsibilities. In carrying out its duties, the Shari'a Board has the right to communicate with the Board of Directors, the Executive Management, and the management and staff of the subsidiary Units in addition to reviewing and advising on Shari'a compliance in all products and services.

SHARI'A COMPLIANCE

ABG places great importance on Shari'a compliance, whether in the transactions of the ABG head office or of its subsidiaries. The compliance policy is in accordance with the Shari'a rules and principles stipulated in the standards of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) and the decisions of the Centralized Shari'a Supervisory Board. All Units of ABG are committed to complying with Shari'a standards issued by the AAOIFI, and fatwas and decisions circulated by the Shari'a Board to the extent that they do not conflict with local laws.

SHARI'A BOARD'S MEETINGS

The Shari'a Board meets at least 6 times a year. An annual retainer fee is paid to the members of the Board, in addition to a sitting fee for the members of the Board for each meeting attended, with compensation for travel expenses as required. No remuneration associated with the performance of the Group shall be paid to members of the USSB.

THE UNIFIED SHARI'A SUPERVISORY BOARD'S PROFILES

Shaikh Dr. Saad bin Nasser Al Shithry
Chairman

Shaikh Dr. Saad bin Nasser Al Shithry holds a PhD. from the College of Shari'a at Imam Muhammad bin Saud Islamic University in Riyadh. He is a Member of the Council of Senior Scholars in the Kingdom of Saudi Arabia and advisor to the Royal Court. Throughout his career at the College of Shari'a, he progressed from teaching assistant to lecturer, assistant professor, and then associate professor. Shaikh Dr. Al Shithry has also authored 65 books on comparative jurisprudence and the principles of jurisprudence, along with numerous scientific research papers.

THE UNIFIED SHARI'A SUPERVISORY BOARD'S PROFILES (continued)

Shaikh Dr. Abdullatif Mahmood Al Mahmood
Vice Chairman

Shaikh Dr. Abdullatif Mahmood Al Mahmood has a PhD in Shari'a Politics from Ez-Zitouna University's Higher Institute of Theology. He also earned a Master's degree in Comparative Jurisprudence and a Bachelor's degree in Shari'a from Al-Azhar University's College of Shari'a and Law, along with a Diploma in Education from Ain Shams University in Cairo. Dr. Al Mahmood served as Head of the Department of Arabic Language and Islamic Studies at the University of Bahrain from 2001 to 2004. Since 1985, he has been an Associate Professor of Islamic Studies at the university.

He is an active member of several Shari'a supervisory boards at Islamic financial institutions, including Bahrain Islamic Bank, Takaful International Company, and ABC Islamic Bank. He also serves on the Supreme Council for Islamic Affairs in Bahrain.

Shaikh Abdulla Bin Sulaiman Al Mannea
Member

Shaikh Abdulla Bin Sulieman Al Mannea holds a Master of Arts degree in Jurisprudence and Economics from the College of Finance in the Kingdom of Saudi Arabia. He is a member of the Permanent Committee for Scholarly Research and Ifta in the Kingdom of Saudi Arabia, a committee that includes several other prominent scholars. He is also a member of a number of prestigious Islamic jurisprudential councils, including the International Islamic Fiqh Academy in Jeddah and the Muslim World League Islamic Fiqh Academy in Makkah, Kingdom of Saudi Arabia. He previously held the position of Chief Justice of the Supreme Court of Makkah, and is a member of the Shari'a Council of the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in the Kingdom of Bahrain. He also holds memberships in several Shari'a councils at Islamic financial institutions in the Kingdom of Saudi Arabia and the GCC.

Shaikh Dr. Al Ayachi Al Saddig Fiddad
Member

Shaikh Dr. Al Ayachi Al Saddig Fiddad holds a range of qualifications from Umm Al-Qura University in Makkah Al-Mukarramah, including a PhD in Islamic Economics with honours, a Master's degree in the same specialty, and a Bachelor's degree in Islamic law, majoring in jurisprudence and fundamentals, from the university's College of Shari'a.

He has 28 years of experience with the Islamic Development Bank Group in Jeddah, where he held a number of positions within the Islamic Institute for Research and Training, most recently as Acting Director of the Consulting Services Division.

He has also been a member of several Shari'a councils, including the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) in Bahrain, the International Islamic Rating Agency, and the Themar Fund of United Gulf Company. In addition, he served as an expert advising the International Islamic Fiqh Academy in Jeddah. He is currently a member of the Shari'a Standards Committee of the Accounting and Auditing Organization for Islamic Financial Institutions.

Mr. Yousif Hassan Khalawi
Member

Mr. Yousif Hassan Khalawi is a specialist in Shari'a, its principles, and international law. Graduating with honours from the College of Shari'a at Imam Muhammad bin Saud Islamic University, he also received legal training at global law firms in Frankfurt, Geneva and London and later established a specialised legal group in London, which has branches in several countries. Mr. Khalawi has also held a teaching position at the College of Shari'a at Imam Muhammad bin Saud Islamic University in Riyadh.

Since 2000, he has established several Islamic portfolios and investment funds as well as numerous companies owned by investors across more than 70 countries. He serves on the boards of several global companies, including the Saudi Center for Commercial Arbitration, Riyadh. Additionally, he is a member of the Board of Trustees of the Accounting and Auditing Organization for Islamic Financial Institutions.

Dr. Eltigani El Tayeb Mohammed
Secretary of the Unified Sharia Board

Dr. El Tigani El Tayeb Mohammed has 16 years' experience in Islamic banking and finance, specializing in Islamic Banking law. He joined Al Baraka Group in November 2007. Dr. Mohammed is a Certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). He holds a Doctorate degree in the principles of Islamic jurisprudence from the University of Khartoum, Sudan. He previously served as a member of the Shari'a Board of Itqan Capital and was a professor at Sultan Zainal Abidin Religious College (KUSZA) and the International Islamic University (HUM) in Malaysia.

Attendance at the meetings of the Unified Shari'a Supervisory Board

The Shari'a Board held 6 meetings in 2025. Below are the details of membership and the number of meetings attended:

Name	Position	Number of meetings attended
Shaikh Dr. Saad bin Nasser Al Shithry	Chairman	5
Shaikh Dr. Abdullatif Mahmood Al Mahmood	Vice Chairman	6
Shaikh Abdulla Bin Sulieman Al Mannea	Member	6
Shaikh Dr. Al Ayachi Al Saddig Fiddad	Member	6
Shaikh Yousif Hassan Khalawi	Member	6

EXECUTIVE MANAGEMENT

The Board of Directors has delegated to the Group's Executive Management team the primary responsibility of implementing the strategy of the Group, identifying and evaluating significant risks to the business of the Group and for the design and operation of appropriate internal controls. Its other responsibilities include: ensuring that resolutions of the Board of Directors are carried out; ensuring that the Group operates at all times in accordance with the principles of Shari'a and that the decisions and recommendations of the Unified Shari'a Supervisory Board are carried out; providing the Board of Directors with analysis, assessments, and recommendations regarding the Group's activities and supplying the CBB with all information required under the CBB Law and relevant regulations. The Executive Management disseminates to the Group Units strategic and other central decisions taken at the parent level, and ensures the implementation of Group wide policies and common operational processes and procedures.

As of the end of 2025, the Executive Management Team consisted of the Group Chief Executive Officer, and the Heads of Credit & Risk Management, Internal Audit, Treasury & Financial Institutions, Corporate Communications & ESG, Strategic Planning & Investments, Shari'a Internal Audit, Group Compliance, Governance & Board Affairs and MLRO, Finance, Information Technology, Operations & Support, Shari'a Officer and Chief Digital Officer. The Executive Management exercises control via several committees with specific responsibilities, among which are:

Executive Management Committee

The Executive Management Committee's role is to secure the performance and execution of the strategic objectives of the Group, implementing the operational and other decisions of the Board of Directors in addition to any other matters that are delegated to the Group management by the Board of Directors or by the Group Chief Executive Officer. The Committee is chaired by the Group Chief Executive Officer with the remaining membership comprising of the Heads of Credit & Risk Management, Treasury & Financial Institutions, Finance, Compliance, Governance & Board Affairs and MLRO, Strategic Planning & Investments, Information Technology, Operations & Support, Corporate Communications & ESG, Shari'a Officer, Chief Digital Officer and Human Resources Manager; with Head of Internal Audit and Head of Shari'a Internal Audit as Observers.

Asset and Liability Committee

The committee's mandate is to monitor the structure of the Group's Head Office assets, liabilities, and off-balance sheet exposures to maximize shareholder value, safeguard and protect client assets, improve profitability, enhance capital, and protect against adverse financial conditions. Liquidity risk, profit rate risk, market risk and capital adequacy are monitored through the committee and decisions to mitigate such risks are executed by the Treasury and Financial Institutions Department.

The committee also ensures that the Group Head Office maintains adequate liquidity and appropriate funding arrangements to meet business needs, expansion plans and regulatory requirements.

The committee is chaired by the Group Chief Executive Officer and its members are the Head of Credit & Risk Management, Head of Treasury and Financial Institutions, Head of Strategic Planning & Investments and Head of Finance.

Head Office Credit Committee

The Head Office Credit Committee "HOCC" is the authority that approves Country and Financial Institution limits / credit exposures. The Committee is chaired by the Group Chief Executive Officer with the remaining membership being drawn from among the Executive Management, which includes the Head of Credit & Risk Management.

Non-Performing Assets & Provisions Committee

The Non-Performing Assets "NPA" & Provisions Committee mandate is to promote best banking practices for reviewing and monitoring different types of Credit Portfolios (i.e. Corporate, Commercial, SMEs, Retail, etc.) within ABG and its subsidiaries, with additional focus on the delinquent exposures, past due exposures, restructured exposures and related provisioning.

The Committee is chaired by the Group Chief Executive Officer and composed of several members of ABG's executive management which includes Head of Credit & Risk Management, Head of Finance and representatives from both Credit & Risk Management and Finance departments.

Digitalisation, IT & Information Security Committee

The Digitalisation, IT & Information Security Committee governs and oversees ABG's digitalisation, IT and information security strategies across the head office and subsidiaries, ensuring alignment with Group and local business objectives. It reviews and approves key projects, monitors cybersecurity, and standardizes IT tools. The Committee also supports digital transformation initiatives, while ensuring business continuity and modernizing core systems. Regular reporting to ABG's Board ensures strategic alignment and risk management.

The Committee is chaired by the Group Chief Executive Officer, with the remaining membership comprising of the Head of Credit and Risk Management, Head of Strategic Planning, Head of Finance, Head of Information Technology, the Chief Digital Officer, and the Chief Information Security Officer.

Zakat and Donations Committee

The Zakat and Donations Committee was formed based on the shareholders' authorization to the Executive Management to distribute the Zakat on their behalf. In accordance with the mandate assigned to this committee, the oversight and governance of donations also fall under its responsibilities. The management took into account several important considerations in forming this committee that will enhance governance mechanisms and maintain transparency in the distribution process assigned to it while adhering to Shari'a and procedural controls that provide strong oversight and standards characterized by integrity, transparency and sound management.

The committee is chaired by the Group Chief Executive Officer with additional members including the Shari'a Officer, representatives from the Compliance department, Treasury department & Finance department. In addition to an observer member from the Internal Shari'a Audit department.

Other Committees

The Executive Management also forms ad hoc committees, as and when required, to address specific initiatives in which the Group may be engaged from time to time.

EXECUTIVE MANAGEMENTS' PROFILES

Mr. Houssem Ben Haj Amor
Board Executive Member & Group Chief Executive Officer, Al Baraka Group

Mr. Houssem Ben Haj Amor was appointed Board Executive Member and Group Chief Executive Officer of Al Baraka Group in October 2022, after serving as Acting CEO since July of the same year. He also serves as Chairman of Albaraka Türk Participation Bank and sits on the boards of the Group's subsidiaries in Jordan, Egypt, Algeria, and Bahrain. He is also a board member in Sunna Al Tamayouz and CIBAFI.

With 26 years of experience in banking and finance across the Middle East, North Africa, and Europe, Mr. Amor has held senior leadership positions at SHUAA Capital, Amlak Finance, and Al Baraka Group. Before becoming CEO, he served as Deputy CEO and Head of Business Development & Investments, leading strategic initiatives, product development, and treasury operations across the Group.

Under his leadership, Al Baraka Group has strengthened its regional presence, enhanced operational efficiency, and achieved record financial results, reflecting steady progress in the Group's transformation journey.

Mr. Azhar Aziz Dogar
Senior Vice President – Head of Credit and Risk Management

Mr. Azhar Aziz Dogar has 31 years of banking experience spanning institutions like Citigroup, ABN AMRO and National Bank of Abu Dhabi across various business areas including corporate & institutional banking. He has held senior credit and risk management positions throughout his career, including Chief Risk Officer for DIB Capital (wholly owned subsidiary/ investment banking arm of Dubai Islamic Bank), Chief Risk Officer for SAMBA Capital in Saudi Arabia, and Chief Risk Officer for the National Bank of Abu Dhabi's (NBAD) corporate and investment banking division. Before joining Al Baraka Group, he served as the Chief Credit Officer for NBAD's Wholesale & International Banking division. He has also been a board member of Dubai Islamic Bank in Pakistan.

Mr. Azhar has worked across all three lines of defense in banking – risk taking, risk oversight, and risk assurance, working for both conventional and Islamic banks. He holds a Bachelor's degree from the University of Pennsylvania and a Master's degree in Economics from Brown University, where his thesis focused on Islamic Finance.

Mr. Mohammed Al-Alawi
Senior Vice President - Head of Internal Audit

Mr. Mohammed Alawi Al-Alawi has 28 years of external and internal audit experience, primarily with Islamic banks. He reports directly to the Audit Committee of ABG's Board of Directors and also acts as its Secretary. Additionally, he participates as an observer in Audit Committee meetings for ABG's subsidiaries. Before joining ABG, Mr. Al-Alawi served as Internal Audit Manager at Ithmaar Bank and previously worked for leading audit firms such as PricewaterhouseCoopers and Ernst & Young. Mr. Al-Alawi is a Fellow of the Association of Chartered Certified Accountants (FCCA), UK, and a member of the Institute of Chartered Accountants in England & Wales (ICAEW).

Mr. Suhail Tohami
Senior Vice President - Head of Treasury & Financial Institutions

Mr. Suhail Tohami has 28 years of experience in conventional and Islamic banking as well as a range of other businesses. He is directly responsible for managing ABG's liquidity, enhancing profitability, and managing cash flows while strengthening relationships with banks and other financial institutions. He is also responsible for the Group's business development, including coordination of trade finance initiatives across the Group's banking units.

He previously served as SVP - Head of Treasury & Placement at Seera Investments, Bahrain, where he spent almost 12 years having established, developed, and managed the Treasury department. In this role, he also managed Shareholder and Investor relations. Prior to Seera, he spent more than seven years at Bank of Bahrain and Kuwait (BBK), Bahrain, with exposure to all Treasury functions, including fixed income portfolio management, FX and interest-rate trading, and heading the money market and liquidity management function.

Mr. Tohami is a member of the CFA Institute and holds the Chartered Financial Analyst (CFA) designation. He also holds a Certified Public Accountant (CPA) qualification from the University of Illinois and is a member of the American Institute of Certified Public Accountants. Mr. Tohami holds an Executive MBA degree with distinction and first-class honors, and a Bachelor's degree in Accounting with distinction from the University of Bahrain.

Dr. Mohammed Mustapha Khemira
Senior Vice President – Head of Strategic Planning and Investments

Dr. Mohammed Mustapha Khemira has 29 years of experience, primarily in Islamic finance and banking services, in addition to management consulting and education. He joined the Strategic Planning Department at ABG in 2017 and was appointed Head of Strategic Planning in November 2019. In addition to his duties as Head of Strategic Planning and Investments, he currently represents ABG as a member of the Boards of Directors and related Board Committees of Al Baraka Bank Algeria, Al Baraka Bank Tunisia, and Al Baraka Bank Limited South Africa.

Prior to joining ABG, Dr. Khemira worked in various managerial positions with prominent global and GCC-based institutions. He served as the Head of Product Structuring and Sharia Coordination at Emirates Islamic Bank for more than eight years. Before that, he co-founded Taaleem PJSC and Beacon Education LLC in Dubai and served as Chief Operating Officer of Taaleem for a year. Earlier, he worked with McKinsey & Company for three years at the firm's Dubai office.

Dr. Khemira started his career in Islamic banking with Faysal Islamic Bank of Bahrain in the mid-1990s, where he served in various capacities, the last being Vice President, Corporate & Investment Banking. He holds a Ph.D. and an M.Sc. in Mechanical Engineering from the Massachusetts Institute of Technology (MIT) in Cambridge, USA, with a minor in Management. He completed his B.Sc. in Mechanical Engineering from the University of Minnesota, USA, in 1986.

In 2019, he successfully completed a Professional Certificate program from MIT in "Digital Transformation from AI and IoT to Cloud, Blockchain, and Cybersecurity."

EXECUTIVE MANAGEMENTS' PROFILES (continued)

Mr. Abdul Malek Mezher

Senior Vice President - Group Head of Compliance, Governance & Board Affairs and MLRO

Mr. Abdulmalek Mezher joined ABG in November 2019 and has 21 years of experience in Compliance, AML/CTF, Operational Risk, Corporate Governance, and Board Secretariat functions in the banking and asset management sectors. Before joining ABG, he worked for Alistithmar Capital, a subsidiary of the Saudi Investment Bank, as Head of Corporate Governance, Board Secretariat, and Affairs. Mr. Mezher serves on the Boards of ABG's subsidiaries in Bahrain, Pakistan, Sudan, and Syria.

Mr. Mezher holds a BA in Accounting from the University of Jordan alongside several professional certifications in Compliance, AML/CTF, and Governance. He also holds the International Corporate Governance Certificate (ICGC), the Governance, Risk, and Compliance Professional (GRCP) certification, and the Certified Shari'a Advisor & Auditor (CSAA) designation.

Mr. Ali Asgar Mandasorwala

Senior Vice President – Head of Finance

Mr. Ali Asgar Mandasorwala has 31 years of experience in finance and accounting, including more than two decades in the financial services sector across the UAE and Bahrain. He joined Al Baraka Group in 2008 and is a key member of the Group's Executive Management.

Mr. Mandasorwala leads and manages the Finance Department of the Group; oversees the financial operations of subsidiaries; and supports top management, the Board, and Board Committees on financial matters. In this role, he is responsible for budgets and budgetary control, and performance reporting to the ABG Board and Executive Management. He is also responsible for regulatory reporting to the Central Bank of Bahrain, financial statement preparation for the Group, and monitoring the financial performance of its subsidiaries.

Mr. Mandasorwala has played a crucial role in due diligence for subsidiary acquisitions and capital-raising initiatives at both the Group and subsidiary levels. His responsibilities also include implementing appropriate controls and processes in the Finance Department.

Before joining ABG, Mr. Mandasorwala was a Management Accountant (Derivatives & Hedge Funds) at the Abu Dhabi Investment Authority, UAE.

Mr. Mohsin Dashti

Senior Vice President – Head of Operations & Support

Mr. Mohsin Dashti has 23 years of experience in Islamic and investment banking as well as in auditing. He began his career with KPMG in 2002 in Audit and Advisory Services before joining Al Baraka Group in 2005 as part of the Finance Department. From 2007 to 2010, he worked at Seera Investment Bank in Financial Control. He has also served as a board member and audit committee member at Itqan Capital in the Kingdom of Saudi Arabia.

Mr. Dashti held several leadership roles at Al Baraka Group before being appointed as Head of the Operations & Support Department. Currently, he also serves as a board member at Al Baraka Capital for Islamic Financial Investments in Egypt.

He is a Fellow Chartered Certified Accountant (FCCA) from the United Kingdom, a Certified Islamic Public Accountant (CIPA) accredited by AAOIFI, and holds a Bachelor of Science degree in Accounting with honors from the University of Bahrain.

Mr. Mohammed Abdullatif Al Mahmood

First Vice President - Head of Internal Shari'a Audit

Mr. Mohammed Abdullatif Al Mahmood has 16 years of experience in Internal Shari'a Audit. He joined ABG in August 2007 and was responsible for establishing the Internal Shari'a Audit function and auditing its subsidiaries. He previously worked as a Research and Teaching Assistant at the University of Bahrain and practiced law at a local firm where he was licensed to appear before all Bahraini courts for over four years. Additionally, he was appointed as a member of a working group tasked with formulating an AAOIFI standard.

Mr. Al Mahmood is a Certified Shari'a Advisor and Auditor (CSAA) and holds a Master's degree in Islamic Jurisprudence and its Foundations from Jordan University as well as a Bachelor of Arts degree in Shari'a and Law from Al-Azhar University.

Mohammed Jamsheer

First Vice President – Head of IT

Mr. Mohammed Jamsheer is a seasoned executive with over 22 years of experience in IT and banking. As the Head of Information Technology at Al Baraka Group, he drives the implementation of the Group's technologies and the development of its IT infrastructure, ensuring improved services and an enhanced customer experience. Mr. Jamsheer is also a Board Member of Al Baraka Bank Algeria and the Vice Chairman of the Board of FACT, a subsidiary of Jordan Islamic Bank

Before joining Al Baraka Group, Mr. Jamsheer held several roles at Arcapita Bank, the Labour Market Regulatory Authority (LMRA), and Electronic Data Systems (EDS), where he developed and implemented IT governance, oversaw project management, and improved IT operations.

Mr. Jamsheer holds an MBA from the New York Institute of Technology (NYIT) and a BSc in Computer Information Systems from Strayer University in Washington DC, USA, as well as leading industry certifications, such as CISA, CGEIT, and PMP.

Dr. El Tigani El Tayeb Mohammed

Vice President Shari'a Officer, Secretary of Unified Shari'a Board

Dr. El Tigani El Tayeb Mohammed has 16 years of experience in Islamic banking and finance, specializing in Islamic Banking law. He joined Al Baraka Group in November 2007. Dr. Mohammed is a Certified Shari'a Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

He holds a Doctorate degree in the principles of Islamic jurisprudence from the University of Khartoum, Sudan. He previously served as a member of the Shari'a Board of Itqan Capital and was a professor at Sultan Zainal Abidin Religious College (KUSZA) and the International Islamic University (HUM) in Malaysia.

COMPLIANCE, POLICIES AND PROCEDURES

Group Compliance

The Group is committed to complying with ever-increasing international regulatory requirements. Group Compliance supports the Group Units, updating and reviewing compliance related policies on an ongoing basis and formulating framework. There is a continual drive to enhance the compliance culture through investment in advanced systems, controls, developing staff skill sets and awareness.

The Group has consistently displayed a bold commitment in refraining from engaging in any business ventures that could potentially compromise adherence to relevant laws, regulations, and regulatory standards.

The Group Compliance ("GC") department has formulated a Group compliance Management Programme for implementation throughout the Group. They reflect the following core principles and practices which are firmly embedded in ABG and all its subsidiaries:

- comply with both the text and the spirit of all applicable laws, rules and regulatory standards;
- conduct business strictly in accordance with all regulatory and ethical standards;
- encourage a strong compliance culture, with every individual held personally responsible for compliance;

ABG and its subsidiaries continue to enhance compliance related policies, procedures, and frameworks. Staff skills are upgraded by providing current and targeted training in all areas of financial crime compliance requirements. Systems and automated tools are being introduced, as required, to improve compliance standards throughout the Group.

An Independent Function

Group Compliance at ABG is an independent function responsible for:

- proactively identifying and evaluating compliance risks;
- developing and implementing compliance policies, programmes and plans;
- monitoring, managing, mitigating and reporting compliance risks;
- monitoring, investigating, and reporting compliance breaches, incidents and risks; and
- advising management and staff on compliance and regulatory matters.

The GC reports to the Board Compliance & Governance Committee and provides independent oversight on behalf of the Board of Directors. It has access to the Board of Directors whenever deemed necessary. In addition, the GC has the right and the authority to contact the Central Bank of Bahrain (CBB), as and when considered necessary.

The GC is supported by dedicated compliance teams in all ABG subsidiaries. At the Group level, the GC is responsible for coordinating the identification and management of the Group's financial crime compliance risks, in collaboration with local Heads of Compliance in each of the subsidiaries.

Throughout its network of offices, ABG has issued written guidelines for staff, which describe the appropriate implementation of laws, regulations, rules and standards through policies and procedures, including the overarching Group Compliance Policy. This policy requires officers and staff from all subsidiaries to comply with relevant laws, rules, regulations and standards of best market practices.

In ABG, compliance risks fall broadly into the following categories:

- Regulatory Compliance, Foreign Account Tax Compliance Act and Common Reporting Standard (FATCA/CRS);
- Anti-Money Laundering, Countering Financing of Terrorism and countering proliferation finance; and
- International Sanctions;

Regulatory Compliance and Corporate Governance

At the Group level, policies are continuously developed for managing compliance risks in all the above categories. These policies are systematically cascaded down to the Units, which adapt and implement them in accordance with local regulatory requirements. ABG has a strict Code of Conduct in place that all employees must adhere to at all times. The Code sets out to deter wrongdoing and to promote ethical conduct and fair treatment of customers. It outlines the responsibilities of all members of ABG, its officers and staff, who are expected to read, understand and uphold these standards and principles at all times.

ABG also has a Whistleblowing policy in place, which provides a formal channel for staff to report any unethical conduct, gross mismanagement or corporate wrongdoing. Staff members are encouraged to report their concerns through specified secure communication channels which protect their identities, without fear of reprisal or victimization.

ABG has in place a Group Compliance Policy for application of FATCA/CRS reporting throughout the Group. ABG Units have implemented their own procedures, processes, and systems for FATCA reporting in each location, subject to local regulatory requirements and models. ABG has made substantial investments in enhancing systems and training employees to ensure that a proper framework is in place. The Group compliance policy is also in place for CRS reporting. Reporting on relevant persons is done in accordance with the respective deadlines.

Anti-Money Laundering, Countering Financing of Terrorism, and Countering Proliferation Financing (AML/CFT/CPF)

Risks relating to financial crime are proactively managed at the Group and unit levels. ABG is committed to complying with AML/CFT/CPF laws and regulations, as well as the recommendations of the Basel Committee and Financial Action Task Force (FATF) along with the international best practices. These laws, regulations and recommendations are reflected in the AML/CFT/CPF policies of ABG and each of its Units. The Group has strict Know Your Customer (KYC) policies, which include detailed requirements for identifying and verifying customers. These policies preclude the operating units from establishing new business relationships until all relevant parties to the relationship have been identified and verified, and the nature of the business they expect to conduct has been clearly established.

In line with the requirements of the CBB and the Group AML/CFT/CPF Policy, suitably qualified Money Laundering Reporting Officers (MLROs) are appointed in all Units. The MLROs are responsible for ensuring compliance with all relevant laws, regulations and policies in respect of AML/CFT/CPF. They also have the responsibility of reviewing and monitoring customers and transactions, and reporting to their respective host regulators any suspicions concerning them.

COMPLIANCE, POLICIES AND PROCEDURES (continued)

At the Group level, ABG has appointed a Group MLRO, who is responsible for formulating and implementing ABG's AML/CFT/CPF strategies and policies on an ongoing basis. The Group MLRO coordinates the activities of each subsidiary's MLRO, overseeing appropriate AML/CFT/CPF training for all relevant staff, and reporting to the Board Compliance and Governance Committee and the Board of Directors on all critical money laundering issues.

International Sanctions

Owing to the raft of sanctions imposed by local and international regulatory bodies, sanctions compliance is one of the primary challenges faced by banks today, particularly those operating across multiple geographies. Breaches of sanctions expose banks to significant regulatory, reputational and commercial risks, including potential financial losses. As evidenced by the large number of cases reported and the very sizeable fines imposed, sanctions risk has become one of the most serious risks faced by banks worldwide.

Being mindful of such risks, ABG has formulated a strategy and policy for managing sanctions risk at the Group level and implemented it across all Units. The Group is increasing staff awareness of sanctions compliance and investing in appropriate screening systems to manage and minimise sanctions risk. A Group Sanctions management program is implemented throughout its network to ensure uniform standards of adherence to all relevant sanctions orders. This program sets out various restrictions and prohibitions relating to customers and transactions subject to sanctions. These restrictions sometimes extend beyond the strict requirements of applicable laws to safeguard ABG's reputation and standing.

Group Disclosure Policy

The Group communication strategy aims to keep the market informed of material information in a timely, accurate and balanced manner. The Group's communications with the market ensures compliance with the CBB's rules as detailed in the CBB Disclosure Standards. Following the Annual General Meeting and approval from the Central Bank of Bahrain (CBB), ABG was officially delisted from the Bahrain Bourse (BHB) in July 2024. As of this date, the company is no longer subject to disclosure requirements or Capital Markets Regulations.

Material information is any information, financial or non- financial, relating to the business and affairs of ABG, or any of ABG's subsidiaries that results in, or would reasonably be expected to result in, a significant change in the market price of the ABG's shares or in the decision of a prudent investor to sell, buy or hold the ABG's shares or cause to change a prudent investor's decision to transact or refrain from transacting with the ABG or its subsidiaries. Material information consists of, but is not limited to, both material facts and material changes relating to the business and affairs of the Group and ABG's subsidiaries.

In order for the Group to comply fully with the CBB disclosure requirements as specified in the CBB Rulebook, the Group will disclose all the required information in its published quarterly reviewed financial statements, and its annual audited financial statements, and any applicable ad hoc information requirement of the CBB from time to time. After the delisting, the Group is no longer required to publish quarterly review financial statements, from July 2024 onward.

ABG was previously listed on the BHB and adhered to all periodic information disclosure requirements, as outlined in its regulations and directives. However, since the company officially delisted, the BHB's regulations and directives are no longer applicable to us as of July 2024.

Additionally, the Group will publicly disclose and broadly disseminate material information immediately upon becoming aware of circumstances or events that underlie such material information, or when a decision to implement a material change is made by the Board of Directors or the Executive Management. While a listed company, ABG adheres to a strict policy, which delegates to certain specific individuals

the authority to issue press releases or make announcements to the public, financial or non-financial, about the Group. After delisting from BHB in July 2024, the regulatory requirement is no longer applicable.

In the event that any of the authorised individuals is requested to make statements relating to the financial statements, financial indicators or general financial performance of the Group, that person will consult and/or confirm with the Head of Finance with regard to the accuracy, timeliness and reliability of the information prior to making any public announcements.

The Group distributes its Financial Statements and Prudential Returns to the CBB on a quarterly and an annual basis. Then the Group makes this information available on its website.

Press releases are posted on ABG's website and published in Arabic and English. Persons authorised by the Group to make public disclosures will not make any announcement on a one-to-one basis before disseminating the information on the Group's website or in local newspapers as appropriate. The Group has decided to continue with the press release, and will continue to follow the Public Disclosure standards and obtain CBB approval prior to publishing.

ABG has in place an effective framework for dealing with complaints received from its shareholders and other stakeholders. Different channels have been established to enable communication with investors, including an online enquiry centre on the ABG website and dedicated telephone and email addresses. All complaints received are transmitted to the concerned department, the Executive Management and the Board. In accordance with the CBB's disclosure requirements, the Group maintains at least the previous three years' financial performance information on its website.

Regulations

ABG complies with all the regulatory requirements governing Investment Firms issued by the CBB, which include, inter alia, regulations governing ABG's capital adequacy, asset quality and risk management, liquidity and fund management and corporate governance.

The CBB, sets and monitors ABG's capital requirements at Head Office level, while ABG's banking subsidiaries are directly regulated by their local banking supervisors, which set and monitor their capital adequacy requirements.

Related Party Transactions

Dealings with persons or entities connected with the Group (including directors and shareholders) are called "related party transactions". The Group treats all such transactions at arm's length and requires that they have the specific approval of the Board. If a director is an interested party, he is required to abstain from voting on the respective matter. The Related Party Transactions pertaining to 2025 are reflected in Note 27 to the Consolidated Financial Statements.

COMPLIANCE, POLICIES AND PROCEDURES (continued)

Related Party Transactions apply to Directors, Key Management Personnel, Approved Persons, Management, and Staff, including transactions between the Group and its subsidiaries. These transactions encompass credit facilities granted, purchases made, joint ventures, and business agreements. Additionally, each Approved Person must inform the entire Board of a potential conflict of interest arising from their activities or commitments to other organisations.

All Approved persons must declare in writing all of their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting capital of a company, a Shari'a supervisory board member (SSB), a manager, or other form of significant participation) to the Board or (the responsible committees).

Employment of Relatives

ABG maintains a board-approved policy on the employment of immediate family members or other relatives of employees. The policy prohibits the employment and internal transfers where applicable, of first and second-degree relatives. However, the policy permits third- and fourth-degree relatives to be employed in positions other than where there is an actual, potential or perceived conflict of interest, or an opportunity for collusion. The Human Resources department is responsible for examining potential applications for employment to check whether there is likely to be an actual or potential conflict of interest as defined by the Group's policies, with particular reference to the code of conduct and conflict of interest policies.

The Group CEO annually discloses to the Board of Directors, the relatives of any approved persons occupying controlled functions within the company.

The Group has a special policy regarding the appointment of accredited employees who are related to the members of the Shari'a Board. The policy states that the appointment of any individual who is related to an accredited employee or to a member of the Shari'a Board must take place after it is declared to the Board of Directors or to the Shari'a Board, depending on the circumstances. The Shari'a Board member must refrain from participating or voting on any decision related to the accountability, judgement of behaviour, appointment, or specification of the dues of an accredited employee if he is related to one of them in the first or second degree.

Code of Business Conduct and Ethics

The Group adopts a Code of Business Conduct and Ethics and other internal policies and guidelines to comply with the laws, rules and regulations that govern the Group's business operations. The Code of Business Conduct and Ethics applies to all employees of the Group as well as to Directors. The Group ensures that all approved persons submit their conflict-of-interest declarations annually. The annual declaration is updated in the Code of conduct.

ABG complaint handling procedures are in place. All complaints are handled according to CBB requirements.

Anti-bribery & Corruption ("ABC") Programme

The Group values its reputation and has a commitment to upholding the highest ethical standards in the conduct of business activities. The Group views bribery as prohibited and expects all staff, Directors, and associated persons to adopt high standards of conduct and ensure compliance with this policy and the Bahrain Penal Code. These standards are the minimum requirements based on legal and regulatory rules applicable to the Group.

All employees of the Group are expected to have complete familiarity with the contents of the ABC Programme be fully aware of their roles and responsibilities and should always act in the spirit rather than just the letter of the Programme. Any non-compliance shall trigger personal liability such as fines and imprisonment, or disciplinary action.

Units are required to develop their own ABC programme, which must incorporate the requirements of the Group ABC programme as a minimum, adding additional requirements in accordance with local laws, regulations and practices. Wherever local regulations are higher than the requirements set in this Programme, the higher standards must be applied. If any applicable laws conflict with this Programme, the relevant unit must consult their local legal department and the Head of Group of Compliance to resolve the conflict and as applicable, report the same to ABG Compliance & Governance Committee.

The Group's ABC Programme does not tolerate breaches of any of the following:

- applicable laws, rules & regulations;
- generally accepted practices and standards in relation to anti-corruption;
- fines or other enforcement actions in regard to anti-corruption.

The Group views combating bribery and corruption as an integral part of its risk management strategy, and not merely a stand- alone requirement imposed by the regulatory authorities.

Any material or systemic breaches shall be reported to the Board's Compliance & Governance Committee. The Group ABC Programme aims to set out the basic framework to detect, prevent and suppress acts of bribery and corruption at the Group. The Board of Directors has adopted this policy which demonstrates the Group's adherence to applicable ABC legal and regulatory requirements and the highest of professional standards.

REMUNERATION POLICY AND RELATED DISCLOSURES

The Group's total compensation approach, which includes the variable remuneration policy, sets out the Group's policy on remuneration for Directors and senior management and the key factors that are taken into account in setting the policy.

Through the remuneration framework summarized below, the Group aims to comply with the CBB's regulations concerning Sound Remuneration Practices and Article 188 of the Bahrain Commercial Companies law, 2001.

Remuneration Strategy

The Group's core compensation philosophy is to provide a competitive level of total compensation to attract and retain qualified employees. The strategy is designed to align employee interests with those of the Group's shareholders and to support the achievement of the Group's objectives.

The commitment and quality of all employees are fundamental to the Group's success. Therefore, the Group seeks to attract, retain, and motivate top talent who are dedicated to advancing the long-term interests of its shareholders.

REMUNERATION POLICY AND RELATED DISCLOSURES (continued)

The Group's reward package is comprised of the following key elements:

1. Fixed pay;
2. Benefits;
3. Annual performance bonus; and

A robust and effective governance framework ensures that the Group operates within clear parameters of its compensation strategy. All compensation matters are overseen by the Board Nomination & Remuneration Committee (BNRC) and subsequently approved by the Board of Directors.

To align compensation with business strategy, the Group assesses individual performance against both financial and non-financial objectives. This evaluation considers adherence to the Group's values and compliance measures, emphasizing integrity in all actions. Performance is judged not only on results but also on how those results are achieved, reflecting the BNRC's belief in the importance of sustainable business practices.

Board Nomination and Remuneration Committee ("BNRC") Role and Focus

The BNRC has oversight of all reward policies for the Group's employees. The BNRC is the supervisory and governing body for compensation policy, practices and plans. It is responsible for setting the principles and governance framework for all compensation decisions. The BNRC ensures that all persons must be remunerated fairly and responsibly. The remuneration policy is reviewed on a periodic basis to reflect changes in market practices, the business plan and risk profile of the Group.

The responsibilities of the BNRC, as stated in its mandate, include, but are not limited to:

- Approving, monitoring, and reviewing the remuneration system to ensure the system operates as intended;
- Approving the remuneration amounts for each Approved Person, taking into account the total remuneration including salaries, fees, expenses, bonuses and other employee benefits;
- Recommending Board members' remuneration based on their attendance and performance, and in compliance with Article 188 of the Bahrain Commercial Companies law; and
- Ensuring disclosure of all the remunerations received by the Chairman and members of the Board of Directors, each separately, during the fiscal year, including any benefits, privileges, share of profits, attendance allowance, representation allowance, expenses, etc. The disclosure should include what the members received as employees, administrators, technical works, or administrative, advisory or any other works, using the forms prepared by the Ministry of Industry& Commerce.

As required by the Ministry of Industry & Commerce, the Board of Directors' Report is required to disclose the total amounts received by the top six managers (including the GCEO and the Senior Financial Officer) who received the highest remunerations during the fiscal year, including any salaries, benefits, shares, and a share in the profits, as applicable.

Scope of Application of the Remuneration Policy

The remuneration policy has been adopted on a Group-wide basis.

Board Remuneration

The Board of Directors' remuneration is determined in line with the provisions of Article 188 of the Bahrain Commercial Companies law, 2001. Board remuneration is subject to approval of the shareholders in the Annual General Meeting. Remuneration of non-executive Directors does not include performance-related elements such as grants of shares, share options or other deferred stock-related incentive schemes, bonuses, or pension benefits.

Variable Remuneration for Staff

Variable remuneration is performance related and consists primarily of the annual performance bonus award. As a part of the staff's variable remuneration, the annual bonus rewards delivery of operational and financial targets set each year, the individual performance of the employees in achieving those targets, and their contribution to delivering the Group's strategic objectives.

The Group has adopted a Board-approved framework to develop a transparent link between variable remuneration and performance. The framework is designed on the basis of both meeting satisfactory financial performance and the achievement of other non-financial factors that will, all other things being equal, deliver a target bonus pool for employees, prior to consideration of any allocation to business lines and employees individually.

Key performance metrics at the Group level include a combination of short-term and long-term measures, and include profitability, solvency, liquidity, and growth indicators. The performance management process ensures that all goals are appropriately cascaded down to respective business units and employees.

Remuneration of Control Functions

The remuneration level of staff in the control and support functions is maintained at a level, which enables the Group to attract and thus employ qualified and experienced personnel in these functions. The Group ensures that the mix of fixed and variable remuneration for control and support function personnel is weighted in favour of fixed remuneration. The variable remuneration of control functions is based on function-specific objectives and is not determined by the financial performance of the business areas they monitor.

The Group's performance management system plays a major role in deciding the performance of the support and control units on the basis of the objectives set for them. Such objectives are more focused on non-financial targets that include risk, control, compliance, and ethical considerations as well as the market and regulatory environment, apart from value-adding tasks, which are specific to each unit.

Variable Compensation for Business Units

The variable remuneration of the Business Units is primarily determined by key performance objectives set through the performance management system of the Group. Such objectives contain financial and non-financial targets, including risk control, compliance, and ethical considerations, as well as market and regulatory requirements. The consideration of risk assessments in the performance evaluation of individuals ensures that any two employees who generate the same short-run profits but take different amounts of risk on behalf of the Group are treated differently by the remuneration system.

Details of remuneration paid

a) 1. Board of Directors

	US$ '000	
	2025*	2024
Sitting Fees	321	393
Remuneration*	1,650	1,500
Other	47	38

The category 'Other' includes the reimbursement of air fares and payment of per diem allowances for attending Board of Directors and Board Committees' meetings.

* Subject to approval by AGM in March 2026.

REMUNERATION POLICY AND RELATED DISCLOSURES (continued)

Details of remuneration paid (continued)

a) 2. Board of directors' remuneration details:

Name	Fixed remunerations					Variable remunerations					End-of-service award	Aggregate amount	Expenses Allowance *****
	Remunerations of the chairman and BOD*	Total allowance for attending Board and committee meetings	Salaries**	Others***	Total	Remunerations of the chairman and BOD	Bonus	Incentive plans	Others ****	Total		(Does not include expense allowance)	
1. Shaikh Abdullah Saleh Kamel	49,383.703	5,655.000	-	-	55,038.703	-	-	-	-	-	-	55,038.703	377.000
2. Mr. Mohammed Al Shroogi	57,132.537	9,048.000	-	-	66,180.537	-	-	-	-	-	-	66,180.537	2,284.331
3. Mr. Tawfig Shaker Mufti	57,132.537	14,703.000	-	-	71,835.537	-	-	-	-	-	-	71,835.537	-
4. Mr. Houssem Ben Haj Amor	41,634.870	6,786.000	-	-	48,420.870	-	-	-	-	-	-	48,420.870	2,381.323
5. Dr. Khaled Abdulla Ateeq	69,530.672	14,703.000	-	-	84,233.672	-	-	-	-	-	-	84,233.672	3,075.025
6. Mrs. Dalia Hazem Khorshid	46,284.169	9,048.000	-	-	55,332.169	-	-	-	-	-	-	55,332.169	2,705.727
7. Dr. Ziad Ahmed Bahaaeldin	48,608.819	10,179.000	-	-	58,787.819	-	-	-	-	-	-	58,787.819	689.866
8. Mr. Saud Saleh Al Saleh	45,509.287	7,917.000	-	-	53,426.287	-	-	-	-	-	-	53,426.287	-
9. Mr. Abdul Elah Abdul Rahim Sabbahi	46,284.169	7,917.000	-	-	54,201.169	-	-	-	-	-	-	54,201.169	-
10. Mr. Fahd bin Ibrahim Al Mufarrij	54,033.005	10,179.000	-	-	64,212.005	-	-	-	-	-	-	64,212.005	1,481.034
11. Mr. Masood Ahmed Al Bastaki	57,132.537	14,703.000	-	-	71,835.537	-	-	-	-	-	-	71,835.537	2,807.972
12. Mr. Naser Mohamed Ali Al Nuwais	49,383.701	10,179.000	-	-	59,562.701	-	-	-	-	-	-	59,562.701	1,799.088
Total	**622,050.000**	**121,017.000**	-	-	**743,067.000**	-	-	-	-	-	-	**743,067.000**	**17,601.366**

Notes:

All amounts stated in Bahraini Dinars.

Remunerations of the chairman and BOD:

* Includes fixed remunerations and remunerations calculated by points system. The remuneration is the proposed amounts and are subject to approval by the minister of industry and commerce and the Shareholders in the AGM.

Salaries:

** Mr. Houssem Ben Haj Amor's salary is included in the Executive Management remuneration disclosure.

Other remunerations:

*** It includes in-kind benefits – specific amount - remuneration for technical, administrative and advisory works (if any).

**** It includes the board member's share of the profits - Granted shares (if any).

Expenses Allowance:

***** It includes Per-diem, Ticket and Hotel Fees.

Details of remuneration paid (continued)

b) Executive management remuneration details

Executive management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO* and Senior Financial Officer**	BHD 1,327,204.763	BHD 1,397,719.460	BHD 271,713.953	BHD 2,996,638.176

Note: All amounts stated in Bahraini Dinars.

* The highest authority in the executive management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc.

** The company's highest financial officer (CFO, Finance Director, ...etc)

c) Unified Shari'a Supervisory Board

	US$ '000	
	2025	2024
Shari'a Committee Members fee and remuneration	267,631	246,897

RISK MANAGEMENT

ABG is committed to being a well-capitalized and sufficiently liquid Group that delivers sustainable value to all of its stakeholders. We maintain a sound balance between risk and reward and pursue a group-wide moderate risk profile as part of our ongoing strategy. A moderate risk profile indicates a balanced approach, where the Group is willing to accept a moderate level of risk for the potential of higher returns. We thoroughly evaluate the risk and return implications of our operations on an ongoing basis.

The management of risk is an integral part of an organisation's business management framework. Effective risk management is essential to enable the Group to manage existing exposure to risks as well as allowing the Group to assume a certain level of risk without significantly affecting returns and is therefore a central part of the financial and operational management of the Group. Enterprise risk management (ERM) provides insight into the Group's risk profile and the overall level of risk management coverage and competency. It is an embedded, sustainable approach that consistently assesses, improves, and monitors the way an organisation manages its developing risk profile.

To ensure the effectiveness of ABG's Risk Management Framework, the Board and Senior Management need to be able to rely on adequate line functions including monitoring and assurance functions within ABG. Therefore, as part of its overall governance and risk management framework, the Group endorses the "Three Lines of Defense (LOD)" model as a way of explaining the relationship between these functions and as a guide to how responsibilities are assigned:

1 **The first line of defense (Risk Taking):** Functions that own and manage risk. Under this line of defense, business management has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. These primarily include functions or departments engaged in the front office / client facing roles responsible for risk taking activities like financing (e.g. corporate banking).

2. **The second line of defense (Risk Oversight):** Functions that oversee or specialize in risk management and compliance. This line of defense consists of activities covered by several components of the internal governance framework (Compliance, Risk Management, Finance, Legal, Operations, Human Resources, Information Technology and other such departments). Furthermore, it monitors and facilitates the implementation of effective risk management practices by operational management and assists the risk owners in reporting adequate risk related information within ABG. The Shari'a coordination and implementation function ensures all products, transactions and activities undertaken by ABG are in line with Islamic principles.

3. **The third line of defense (Risk Assurance):** Functions that provide independent assurance i.e. internal audit, which forms the third line of defense. An independent internal audit function, through a risk-based approach to its work, provides assurance to the bank's Board of Directors and Senior Management. This assurance covers how effectively the bank assesses and manages its risks and includes assurance on the effectiveness of the first and second lines of defense. It encompasses all elements of the bank's risk management framework (from risk identification, risk assessment and response, to communication of risk-related information) and all categories of organisational objectives: strategic, ethical, operational, reporting and compliance. In addition, an Independent Shari'a Internal Audit Department is an important pillar of the third line of defense.

In combination, this approach permits ABG to grow its business without taking undue risks that could impact its capital adequacy, shareholder returns and ultimately its brand and reputation.

The main roles and responsibilities of ABG's Risk Management include the following:

- To develop and implement Group risk management framework, policies and procedures aligned with regulatory directives.
- To ensure that the risk management function is sufficiently equipped with policies, processes, systems, methodologies and expertise for identification, measurement, control, reporting and monitoring of risk adequately and efficiently at the Head Office level. Primary responsibilities however rest with the individual subsidiaries and their boards given the current governance framework.
- To develop ABG's Risk Appetite Statement as well as Risk Management Guidelines for ABG Units/Subsidiaries.
- To regularly review, monitor and report consolidated risk limits (as defined in the Group Risk Appetite Policy) to Board Risk Committee.
- To provide oversight on ABG Units' risk management and take into consideration the statutory, legal and governance requirements that apply to the Units individually.

RISK MANAGEMENT (continued)

- To monitor exposures both at the head office and consolidated Group levels in terms of risk concentrations.
- To review and analyse the Group's credit portfolio in terms of asset quality including concentrations to detect risk and concentrations and alert and advise Board Risk Committee accordingly.
- To centrally review, process and approve credit applications for the Financial Institutions (FI) segment covering all subsidiaries.
- To promote a robust risk culture (including risk training and development) within the Group's existing operating model and governance framework.

ABG Units are governed by their respective Boards of Directors. The Units follow documented credit and risk policies and procedures which reflect Group-wide policies and thereby ensure that sound risk management is in place.

A risk management framework has been established which outlines the major categories of risk that the Group is exposed to while carrying out its business. These are: Credit, Liquidity, Market, Strategic, Operational, Reputational, Regulatory Compliance, Financial Crime, Climate and Shari'a Compliance. Each of these major risks have sub-risks that are part of ABG's risk taxonomy. These major risks are discussed below.

Credit Risk

The risk that a counterparty does not fulfil its contractual obligation or the quality of an obligor / issuer deteriorates.

Counterparty risk - The risk that a counterparty does not fulfil its contractual obligation to the Group.

Sovereign risk - Counterparty risk in respect of a sovereign entity, irrespective of the currency involved.

Settlement risk - The risk that a counterparty defaults on transactions in the process of being settled, where value has been delivered to the counterparty but not yet received in return.

Issuer credit risk - The risk that the value of a security decreases because of a deterioration in the quality of the issuer (e.g. change in the issuer's credit rating).

Concentration risk - The risk of correlated risks being insufficiently spread on a portfolio basis (e.g. on an industry, regional or products basis) or in respect of a specific counterparty (e.g. principal and collateral).

Cross border (transfer) Risk - The risk that foreign currency funds cannot be transferred out of a given country as a result of action(s) on the part of that country's authorities or as a result of other events.

The risk of a macro economic downturn negatively impacting the quality of our assets or the profitability of our business (collective debtor risk).

Credit risk arises principally from direct financing / lending, trade finance and investments, but also from other products such as guarantees and derivatives.

Liquidity Risk

Liquidity risk is the risk of having insufficient liquidity / funding resources or insufficient capital to meet financial obligations and satisfy regulatory requirements, including the risk of adverse impact on earnings or capital due to structural and transactional foreign exchange exposures and changes in market profit rates.

Funding Liquidity Risk The risk of the Group's inability to meet its obligations when they are due or to fund increases in assets as they fall due without incurring unacceptable costs or losses.

Market Liquidity Risk This is an inherent risk in the market caused by price fluctuations arising out of different trading patterns in different securities.

that ABG does not rely excessively on one customer or small group of customers. In addition to its own internal liquidity management policies, each subsidiary is further required to maintain cash deposits with its respective central bank equal to a percentage of its deposits as directed by that central bank. Each Subsidiary is also responsible for regularly monitoring its Liquidity coverage ratios (LCR) and Net Stable Funding ratios on an ongoing basis.

Market Risk

The risk of a change in value in on- and off- balance-sheet positions arising from movements in market prices, including profit rates, exchange rates, commodity prices and equity values, as follows:

Profit rate risk: Profit rate risk or rate of return risk is the risk that the Group will incur a financial loss because of a mismatch in the profit rate on the Group's assets and unrestricted investment accounts.

Currency risk: The risk of changes in currency exchange rates, exchange rate volatility and the correlation between different currencies. Alternatively, changes to the value of profits realized abroad because of a conversion to the base currency

Equity risk: The risk of changes in equity prices, equity price volatility, the correlation between different equities (indices) and changes in dividend payments.

Commodity risk: The risk of changes in commodity prices, commodity price volatility and the correlation between different commodities.

Market liquidity risk: The risk of insufficient market liquidity, preventing positions from being liquidated within the prevailing market spread.

Issuer (specific) risk: The risk that the value of a security falls on account of circumstances specific to the issuer (marked-to-market appearance).

Strategic Risk

Strategic Risk is the risks to business plans and strategic objectives resulting from poor execution, inability to adapt to changes in external environment, or failure to meet stakeholders' expectations.

Strategic Direction Risk: The risk that the Group or subsidiary does not have an up-to-date target operating model to address changes in the operating environment or fails to align the target operating model to the Group's strategy.

- Strategic Execution Risk - The risk that the Group or subsidiary fails to meet the targets or implement major initiatives defined in the target operating model or in the strategic plans.
- Strategic Transaction Risk - The risk that the announced acquisitions, disposals and closures cannot be completed in a timely manner.

Operational Risk

Operational risk is the risk of financial loss or damage resulting from inadequate or failed internal processes, people, and systems, or from external events.

RISK MANAGEMENT (continued)

The Group manages operational risks through internal procedures, as well as monitoring and control mechanisms. Legal risks are addressed through effective consultation with both internal and external legal counsel. Other kinds of operational risk are managed by ensuring that trained and competent people - and appropriate infrastructure, processes, controls and systems - are in place to ensure the identification, assessment and management of all substantial risks.

As mentioned above, Group policy dictates that the operational functions of booking, recording, and monitoring transactions are carried out by staff independent of the staff initiating the transactions. Group subsidiaries have primary responsibility for identifying and managing their own operational risks. Each subsidiary is guided by policies, procedures and controls that are relevant for each function. Internal control policies and procedures dictate the segregation of duties, delegation of authorities, exceptions reporting, exposures management and reporting, and reconciliations, and are based on the submission of timely and reliable management reporting.

Separate and independent Internal Control units carry out ongoing monitoring of day-to-day procedures and ensure adherence to key control functions.

The Group continues to enhance its management of information and Cyber Security Risk. It has assessed the risks, identified controls and is implementing solutions. The Group already has comprehensive IT security policy and procedures, which are in line with leading industry practices.

Reputational Risk

Reputational risk is defined as the risk of indirect losses arising from a decline in the organisation's reputation amongst one or multiple stakeholders. This can expose an organisation to litigation, financial loss or damage to its reputation. Reputation is a collection of perceptions and beliefs, both past and present, which reside in the consciousness of the bank stakeholders – its customers, business partners, employees, investors, analysts, communities, regulators, government, non- governmental organisations, and the public at large. These perceptions and beliefs are often built over a period of many years; every contact, every media mention, every rumor, every leak, every piece of gossip will play its part in forming an overall impression of the bank's standing.

Regulatory Compliance Risk

Regulatory compliance risk is defined as the risk of legal or regulatory sanctions, material or financial loss or loss to reputation that a bank may suffer as a result of its failure to comply with laws, regulations, rules, reporting requirements, codes of conduct and standards. The landscape of compliance is evolving constantly. As a result, ABG and its subsidiaries are continuously enhancing their compliance risk management framework.

Financial Crime Risk

Financial crime risk is the risk that ABG's products and services will be exploited for criminal activity. This includes fraud, bribery and corruption, tax evasion, sanctions and export control violations, money laundering, terrorist financing, and proliferation financing. The products undergo thorough governance to ensure their suitability and susceptibility to any criminal activity. There are detailed policies and procedures around various aspects of combating financial crime and ensuring compliance of the same.

Climate Risk

Climate risk relates to the financial and non-financial impacts that may arise as a result of climate change and the move to a greener economy. The physical and transition sub-risks are the key drivers of climate risk. This risk category is still at an evolutionary stage and is dependent upon governmental policies and direction, hence it is currently being assessed and frameworks around the same will be developed in due course as required.

Shari'a Compliance Risk

Shari'a compliance risk arises from the failure to comply with the rules and principles of Shari'a and, in this respect, is akin to reputation risk. It also includes the risk of legal or regulatory sanctions that the Group or its subsidiaries may suffer as a result of failure to comply with laws and regulations. As mentioned above, the Group has a Compliance Policy in place that provides for the assessment of compliance risks, the implementation of appropriate controls, monitoring of effectiveness, and correction and eradication of exceptions. Group subsidiaries have systems and controls, including their respective Shari'a Supervisory Boards, in place to ensure compliance with all Shari'a rules and principles. In accordance with CBB regulations and AAOIFI Standards, the Group has, been certified by the Unified Shari'a Supervisory Board to be in compliance with Shari'a Standards and Principles.

CAPITAL MANAGEMENT/CAPITAL ADEQUACY

The CBB requires each Bahrain-based Investment company under Category 1 to maintain a minimum capital of BHD 1.0 million and a minimum capital adequacy ratio not lower than 110%. The Regulatory capital must be calculated for all Bahrain-based Investment firms based on the shareholders' Equity. The investment firm also must maintain adequate human, financial and other resources sufficient to run the business in an ordinary manner.

DIGITALISATION, IT, AND INFORMATION SECURITY COMMITTEE

The Digitalisation, IT, and Information Security Committee governs and supports digitalisation, IT, and information security strategies, policies, projects and initiatives across ABG HO and subsidiaries, and ensures that they are consistent with the Group's strategic aims as well as each subsidiary's local strategy. The Group periodically monitors these strategies across all ABG subsidiaries to ensure that they enable the Group business strategy and strategic objectives.

All ABG subsidiaries are implementing their Digital Transformation strategies that align with industry best practices and address current market needs. As part of their ongoing journey, they are rolling out new solutions and features, such as advanced mobile banking apps, digital wallets, customer onboarding tools, back-office automation, chatbots, various open banking initiatives, and digital branches.

Meanwhile, several subsidiaries are in the process of replacing their legacy core banking systems with modern core banking systems. The subsidiaries are now introducing new solutions in areas such as automation, compliance, risk management, and cyber security as well as exploring new technologies related to Artificial Intelligence and Robotic Process Automation.

Each subsidiary has a Business Continuity Plan and Disaster Recovery centres that are up to date and regular audited and testing.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS OF CBB UNDER HC MODULE

With reference to the disclosure of the non-compliance events (Comply or Explain Principle), as per the independent compliance assessment undertaken to cover the year 2025, the Al Baraka (ABG) is in full compliance with the Corporate Governance requirements outlined under Central Bank of Bahrain's HC Module, in its Rulebook.

COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS OF CBB UNDER HC MODULE (continued)

The shareholders more than 5% are:

Sr.	Shareholder Name	Shareholder Type	Nationality / Registration	Shareholding As of 31/12/2025	Percentage of capital As of 31/12/2025
1	Dallah Albaraka Holding Company B.S.C	Company	Bahrain	784,882,224	63.15%
2	Altawfeek Company For Investment Funds	Company	Cayman Islands	240,173,054	19.32%
3	Abdullah A.Aziz AlRajhi	Individual	Saudi	87,313,197	7.03%
	Others Individuals and corporate shareholders (all less than 5%)		--	130,511,280	10.50%
				1,242,879,755	100.00%

ESG AND SUSTAINABLE FINANCE

Al Baraka Group (ABG) fully embraces its ESG responsibilities across the regions where it operates. In 2025, the Group made significant progress in advancing ESG initiatives by further integrating ESG and Sustainability programmes and strengthening its commitment to ethical and sustainable development, both locally and globally.

ABG celebrated the fourth annual Al Baraka Day by implementing a series of environmental and community initiatives with the participation of more than 150 Al Baraka employees worldwide. These initiatives benefited hundreds of individuals, families, and wildlife communities across the countries in which the Group operates, reflecting its strong commitment to sustainability and its support for the United Nations Sustainable Development Goal (SDG) 15: Life on Land.

In Bahrain, tree-planting activities were carried out to expand green spaces near the Group's headquarters. Across its international network, ABG implemented a range of locally driven initiatives that supported environmental sustainability, biodiversity protection, and community engagement.

A virtual awareness session was also held for 600 participants from across the Group's units, covering Environmental, Social and Governance (ESG) principles and the United Nation's Sustainable Development Goals, with special focus on SDG 15: Life on Land. The session addressed sustainability at both the corporate and individual levels, highlighting how sustainability can be embedded into business strategies, governance frameworks, and operational decision-making, while also delving into the role of individual actions in integrating environmentally responsible practices into daily lives.

In Pakistan and Jordan, tree-planting campaigns were delivered in collaboration with universities, schools, and municipalities to enhance green spaces while raising environmental awareness among students and local communities.

Tunisia and South Africa focused on ecosystem preservation through large-scale cleanup activities in forests and nature reserves, combining environmental restoration with social impact by creating temporary employment opportunities and supporting animal welfare organisations.

In Turkey, innovative reforestation efforts utilised drone technology to disperse seed balls across wildfire-affected areas, complemented by employee engagement initiatives to promote agricultural awareness. In Egypt, environmental education was integrated with community development through a school-based tree-planting programme designed to deliver long-term economic and environmental benefits.

Building on these efforts, ABG enhanced its governance practices by leveraging advanced systems and automated tools to strengthen compliance across operations. The Group also invested in continuous staff development, providing specialised training in ethics, risk management, and compliance. Additionally, ABG communicated its anti-corruption policies and procedures to all employees, ensuring adherence at all levels through regular training and awareness sessions.

Transparency and accountability remain key pillars of ABG's ESG approach. The Group has adopted comprehensive data collection processes and adheres to globally recognised standards, including the Global Reporting Initiative (GRI) Standards, UN SDGs and Islamic principles. ESG metrics are meticulously tracked, and the findings will be shared through the ESG Report 2025, which aligns with the Central Bank of Bahrain's ESG Reporting guidelines. This report will keep our stakeholders informed about ABG's sustainability performance and governance practices.

In 2025, ABG reported an overall gender diversity of 26.2% across the Group Head Office, with women comprising 7.7% of its senior leadership. . The Group remains committed to enhancing female representation at leadership levels, recognising diversity as a critical driver of innovation and strategic growth. Initiatives are in place to support inclusive workplace practices and the advancement of women within the organisation.

Looking ahead to 2026, ABG's priorities include promoting gender diversity, enhancing community engagement through impactful CSR initiatives, and leveraging technology to strengthen compliance and governance frameworks. As part of our ESG journey, we are assessing and evaluating our impact on both internal and external stakeholders to develop a comprehensive framework that aligns with our values and long-term sustainability goals. Additionally, we recognize the importance of social and sustainable finance and are taking steps to integrate these considerations into our financing decision-making through our subsidiaries, with the intention of prioritizing projects that create tangible value and enhance the quality of life for our local communities.

External Auditors

For the year 2025, annual audit and quarterly review services amounted to US$ 210,000, other attestation services amounted to US$ 45,150.

20 .Shaaban .1447
8 February 2026
In the name of Allah, The Beneficent, The Merciful, Ever Merciful

Unified Shari'a Supervisory Board Report

AlBaraka Group B.S.C.(c)

For the year ended 31 December 2025

Praise be to Allah and peace be upon our Prophet Mohamed, His Apostles and Companions

To: Al Baraka Group Shareholders

May peace and Allah's Mercy and Blessings Be upon You

Unified Shari'a Board Report of Al Baraka Group for the year 2025

In accordance with Article (58) of the Articles of Association of Al Baraka Group, and in recognition of its responsibility towards the shareholders of the Group and its subsidiaries, the Unified Shari'a Board submits its annual report on the activities of the financial year ending on 31 December 2025:

First: The activities of the Unified Shari'a Board and its Executive Committee

The Unified Shari'a Board and its Executive Committee continued their oversight duties during the past fiscal year by holding a series of periodic meetings, amounting to six meetings for the Board and five for the Executive Committee, from which twenty-three resolutions and twenty recommendations were issued.

Second: Shari'a Supervision and Auditing

The Authority conducted a comprehensive review of eight detailed reports prepared by both the Internal Shari'a Audit Department and the Shari'a Coordination and Implementation Unit (Shari'a Supervisor) at the Head Office. These reports focused on:

- Reviewing the Treasury operations and financial transactions of the group and its units.
- Verifying that the units comply with the Islamic Shari'a rules and the approved standards.

The review and Shari'a audit processes resulted in the identification of several Shari'a-related observations. The Unified Shari'a Board has begun addressing and rectifying these observations in accordance with the approved regulations, through direct communication channels with the relevant units and in direct coordination with their local Shari'a boards, ensuring the highest levels of compliance with the decisions of the Unified Shari'a Authority and achieving adherence in all transactions.

Third: Review of the financial statements for the year ended 31/12/2025

The Unified Shari'a Board studied the financial statements of the units and reviewed the Shari'a reports related to these statements issued by the Shari'a boards of the Group's units for the year 2025. The Unified Shari'a Board also studied the Group's financial position, income statement and the related notes for the year ended 31 December 2025.

Fourth: Zakah Calculation

The Unified Shari'a Board reviewed the Zakah calculation process using the Zakah statement, which includes assets, liabilities, and what falls within the Zakah base and what is deductible from it, in accordance with Shari'a Standard number (35) and Accounting Standard number (39) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and the resolutions of the AlBaraka Symposium 31/1, and as approved by the Unified Shari'a Board. The total Zakah due for the year ending 31 December 2025, after excluding Zakah on units whose Zakah is paid directly, amounted to $1,131,664 (9 cents) per 100 shares. Zakah payment requires authorization from the shareholders. If they do not authorize it, the shareholders must pay the Zakah on their shares themselves.

In our opinion:

1. The Contracts, transactions and dealings entered into by the Group and its Units during the year ended 31 December 2025 did not appear to us to violate the rules and principles of Islamic Shari'a in general.
2. The allocation of profit and charging of losses relating to investment accounts conform to the basis that have been approved by the Units' Shari'a Supervisory Boards in accordance with Shari'a Rules and Principles.
3. All earnings realized from sources or by means prohibited by Islamic Shari'a Rules and Principles have been disposed by the Group and its units on Charitable Causes.
4. The attached Zakah calculation was prepared in accordance with the rules and principles of Islamic Shari'a according to the Net Invested Fund Method in accordance to the Shari'a Standard number (35) and the Financial Accounting Standard number (39) issued by the Accounting and Auditing Organization for Islamic financial Institutions, and the resolutions of the AlBaraka Symposium 31/1, and according to what was approved by the Unified Shari'a Supervisory Board.

Fifth: Responsibilities of the Unified Shari'a

The Group and Units' management are responsible for the execution and implementation of the Unified Shari'a Supervisory Board resolutions and enabling the Shariah Boards to review the operations and developments that require the issuance of decisions by the Sharia Boards in their judgment. The Unified Shari'a Supervisory Board is responsible for supervising the soundness of the implementation of the resolution from a Shari'a point of view and issue opinion based on the Group and Units' Shari'a reports and financial statements.

The Units' Shari'a Supervisory Boards, as is clear from their reports, planned and performed reviews so as to obtain all the information and explanations they considered necessary in order to provide them with sufficient evidence to provide reasonable assurance that the Group and its Units have not violated Shari'a Rules and Principles.

conclusion, the Unified Sharia Board extends its thanks to the members of the Board of Directors and the Group's Executive Management for their efforts in achieving the good results, which we hope God will bless, and we ask Allah, the Almighty, for more of His grace.

Praise be to Allah.

Chairman

Shaikh Dr. Saad Al Shithry

Members

Shaikh Dr. Abdullatif Al Mahmood	**Shaikh Dr. Abdulla Al Mannea**	**Shaikh Yousif Hassan Khilawy**	**Shaikh Dr.Layachi Feddad**

Zakah Calculation for the year ended 31 December 2025

	US$ '000
Equity Attributable to Shareholders	1,373,063
Less: Investment of the parent on the shareholding of Al Baraka Bank Egypt, Al Baraka Bank Sudan and Al Baraka Islamic Bank	(385,100)
Perpetual tier 1 capital	(400,000)
Net Zakatable Equity Attributable to Shareholders	**587,963**
Less:	
Musharaka underlined by unzakatable assets	(27,549)
Investment in Islamic Sukuk underlined by unzakatable assets	(103,469)
Ijarah Muntahia Bittamleek	(192,200)
long-term investment in real estate	(10,268)
Properties and equipment	(131,241)
Intangible assets	(39,739)
Unzakatable Assets in Associates	(99)
Prepayments	(20,073)
Deferred tax asset	(34,237)
Add:	
Sale of long-term investment in real estate during the year	661
Deferred tax liability	9,211
Employees' end of services benefit	4,954
Zakatable amount	**43,914**
Zakah Percentage	2.577%
Total Zakah due	**1,132**
Number of Shares (thousands)	1,211,500
Zakah per share (US$ cents)	**0.09**

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Al Baraka Group B.S.C. (c) (the "Firm") and its subsidiaries (together the "Group") as at 31 December 2025, its consolidated financial performance, its consolidated cash flows and consolidated statement of changes in off-balance sheet assets under management for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2025;
- the consolidated statement of income for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of income and attribution related to quasi-equity for the year then ended;
- the consolidated statement of changes in owners' equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of changes in off-balance sheet assets under management for the year then ended; and
- the notes to the consolidated financial statements which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Auditing Standards for Islamic Financial Institutions issued by AAOIFI. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code") as applicable to audits of financial statements of public interest entities and the ethical requirements that are relevant to our audit of the consolidated financial statements in the Kingdom of Bahrain. We have fulfilled our other ethical responsibilities in accordance with these requirements and the AAOIFI Code.

Our audit approach

Overview

Key audit matter	• Allowance for expected credit losses against financing facilities

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Report on the audit of the consolidated financial statements (continued)

Our audit approach (continued)

Key audit matters (continued)

Key audit matter	How the matter was addressed in our audit
Allowance for expected credit losses against financing facilities Allowance for expected credit losses represents the Board of Directors' best estimate of the credit losses arising from financing facilities. As described in the significant accounting policies to the Group's consolidated financial statements, the allowance for expected credit losses has been determined in accordance with FAS 30. The Group's financing facilities i.e. receivables, due from banks, participatory investments, and ijarah muntahia bittamleek totaling to USD 18,440 million and the related ECL amounting to USD 735 million as at 31 December 2025 are material to the Group. We focused on this area because of the materiality of the amounts involved and the fact that the Board of Directors makes complex and subjective judgements over the amount and timing of recognition of allowance for expected credit losses to reflect the following factors: • Updating macroeconomic data including GDP and oil prices; • Determining criteria for significant increase in credit risk; • Choosing appropriate models and assumptions for the measurement of Expected Credit Losses (ECL) including Probability of default (PD), Loss Given Default (LGD), and Exposure at Default (EAD); • Adjustments to models based on weightings assigned to base case, upside and downside scenarios; • Establishing groups of similar assets for the purpose of measuring the ECL; and • Determining disclosure requirement in accordance with FAS 30. Information on credit risk including Group's credit risk management is provided in note 30 to the Group's consolidated financial statements.	Our audit procedures included the following: • We assessed and tested a sample of key controls around origination and approval of financing facilities and monitoring of credit exposures and calculation of allowance for expected credit losses. • We evaluated the appropriateness of the Group's accounting policy for allowance for expected credit losses in accordance with the requirements of FAS 30. • We engaged our internal experts to independently assess, on a sample basis, the reasonableness of the ECL methodology developed and applied by the Board of Directors including model risk parameters (PD, LGD, and EAD), forward-looking information, associated weightings, and staging analysis. • We tested, on a sample basis, the completeness and accuracy of the data sets used for the ECL calculation. • We tested a sample of financing facilities to determine the appropriateness and application of staging criteria. • We obtained samples of the latest available credit reviews and checked that they include appropriate assessment and documentation of borrowers' ability to meet repayment obligations (principal, profit, and fees). • We independently assessed the appropriateness of provisioning assumptions on a sample of Stage 3 exposures. An independent view was formed on the levels of provisions recognised, based on the detailed loan and counterparty information available in the credit files. • We evaluated the adequacy of the consolidated financial statements disclosures to determine if they were in accordance with the requirements of FAS 30.

Other information

The Board of Directors is responsible for the other information. The other information comprises the Unified Shari'a Supervisory Board Report and the Report of the Board of Directors (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the annual report which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Report on the audit of the consolidated financial statements (continued)

Responsibilities of those charged with governance for the consolidated financial statements

These consolidated financial statements and the Group’s undertaking to operate in accordance with Islamic Sharia’ Rules and Principles are the responsibility of the Board of Directors.

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the FAS and the Bahrain Commercial Companies Law number (21) of 2001, as amended (the “Commercial Companies Law”), the Central Bank of Bahrain (“CBB”) Rulebook (Volume 4) and for such internal control as the Board of Directors determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Board of Directors, are responsible for overseeing the Group’s financial reporting process.

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Auditing Standards for Islamic Financial Institutions issued by AAOIFI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Auditing Standards for Islamic Financial Institutions issued by AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in out auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the consolidated financial statements (continued)

Report on other legal and regulatory and Sharia requirements

As required by the Commercial Companies Law and the CBB Rulebook (Volume 4), we report the following:

I. IThe Firm has maintained proper accounting records and the consolidated financial statements are in agreement therewith;

II. The financial information contained in the Unified Shari'a Supervisory Board Report and the Report of the Board of Directors is consistent with the consolidated financial statements;

III. Nothing has come to our attention which causes us to believe that the Firm has, during the year, breached any of the applicable provisions of the Commercial Companies Law, the CBB Rulebook (Volume 4), the Central Bank of Bahrain and Financial Institutions Law, and CBB directives or the items of its Memorandum and Articles of Association that would have a material adverse effect on its activities for the year ended 31 December 2025 or its financial position as at that date; and

IV. Satisfactory explanations and information have been provided to us by the Board of Directors in response to all our requests.

Further, we report that the Firm has complied with the Islamic Sharia' Principles and Rules as determined by the Sharia' Supervisory Board of the Group during the year under audit.

The engagement partner on the audit resulting in this independent report is Elias Abi Nakhoul.

PricewaterhouseCoopers

Partner's registration number: 196
PricewaterhouseCoopers M.E Limited
Manama, Kingdom of Bahrain
24 February 2026

Consolidated Statement of Financial Position
At 31 December 2025

	Notes	2025 US$ '000	2024 US$ '000
ASSETS			
Cash and balances with banks	3	6,375,625	5,673,872
Due from Banks	4	1,028,898	742,371
Receivables	5	12,507,527	10,263,735
Participatory investments	6	1,122,515	763,338
Investments	7	5,467,296	5,036,541
Ijarah Muntahia Bittamleek	8	3,047,234	2,449,568
Property and equipment	9	535,420	484,443
Other assets	10	929,238	772,963
TOTAL ASSETS		31,013,753	26,186,831
LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY			
LIABILITIES			
Customers' current and other accounts		8,170,877	6,792,690
Due to banks		2,330,360	1,502,386
Long term financing	11	975,888	775,635
Other liabilities	12	1,351,122	1,140,569
TOTAL LIABILITIES		12,828,247	10,211,280
QUASI-EQUITY			
Financial institutions		1,126,433	640,320
Non-financial institutions and individuals		14,871,540	13,338,157
Total quasi-equity	13	15,997,973	13,978,477
OWNERS' EQUITY			
Share capital	14	1,242,880	1,242,880
Treasury shares	14	(15,658)	(15,658)
Share premium		16,861	16,861
Statutory reserve		257,530	238,446
Cumulative changes in fair values		99,200	80,482
Foreign currency translations reserve	14	(1,415,408)	(1,375,913)
Retained earnings		787,656	657,695
Equity attributable to parent's shareholders		973,061	844,793
Sukuk (Tier 1 Capital)	15	400,000	400,000
Equity attributable to parent's shareholders and Sukuk (Tier 1 Capital) holders		1,373,061	1,244,793
Non-controlling interest		814,472	752,281
TOTAL OWNERS' EQUITY		2,187,533	1,997,074
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		31,013,753	26,186,831

Abdullah Saleh Kamel
Chairman

Houssem Ben Haj Amor
Board member and Group Chief Executive Officer

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated Statement of Income
For the year ended 31 December 2025

	Notes	2025 US$ '000	2024 US$ '000
INCOME			
Income from financing contracts	16	2,354,545	1,946,329
Income from investments	17	679,583	736,985
Mudarib share for managing off-balance sheet assets under management		16,231	12,695
Fees and commission income	19	326,559	257,704
Other income	20	94,838	100,339
		3,471,756	3,054,052
Profit paid on financing	21	(417,999)	(448,349)
TOTAL OPERATING INCOME BEFORE NET INCOME ATTRIBUTABLE TO QUASI-EQUITY		3,053,757	2,605,703
Net income attributable to quasi-equity		(1,737,280)	(1,515,365)
TOTAL OPERATING INCOME		1,316,477	1,090,338
OPERATING EXPENSES			
Staff expenses		396,349	337,168
Depreciation and amortisation	22	62,971	48,724
Other operating expenses	23	252,745	218,334
TOTAL OPERATING EXPENSES		712,065	604,226
NET INCOME BEFORE NET ALLOWANCE FOR EXPECTED CREDIT LOSSES / IMPAIRMENT AND TAXATION		604,412	486,112
Net allowance for expected credit losses / impairment	24	(143,766)	(90,384)
NET INCOME BEFORE TAXATION		460,646	395,728
Taxation		(103,822)	(87,211)
NET INCOME FOR THE YEAR		356,824	308,517
Attributable to:			
Equity holders of the parent		190,837	157,324
Non-controlling interest		165,987	151,193
		356,824	308,517
Basic and diluted earnings per share - US cents	25	12.85	10.09

Abdullah Saleh Kamel
Chairman

Houssem Ben Haj Amor
Board member and Group Chief Executive Officer

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income
For the year ended 31 December 2025

	Notes	2025 US$ '000	2024 US$ '000
Net income for the year		356,824	308,517
Other comprehensive income / (loss)			
Items that may not be subsequently classified to consolidated statement of income			
Net change in fair value of property and equipment		20,834	22,253
Items that may subsequently classified to consolidated statement of income			
Foreign currency translations		(95,909)	(198,146)
Net change in fair value of equity investments measured at fair value through other comprehensive income		10,891	15,636
Net change in fair value of debt instruments measured at fair value through other comprehensive income		922	(824)
Net change in fair value of investment in real estate		(8)	-
Related income tax		(490)	(393)
Total other comprehensive (loss) / income for the year		(63,760)	(161,474)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		293,064	147,043
Attributable to:			
Equity holders of the Parent		170,060	46,683
Non-controlling interest		123,004	100,360
		293,064	147,043

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated Statement of Income and Attribution Related to Quasi-Equity
For the year ended 31 December 2025

	Notes	2025 US$ '000	2024 US$ '000
Total operating income before net income attributable to quasi-equity		**3,053,757**	2,605,703
Adjustments for:			
Less: Income from self-financed assets		(761,914)	(644,206)
Less: Group's share of the profit of jointly financed income		(189,273)	(164,003)
Less: Expenses attributable to quasi-equity		(12,093)	(12,344)
Less: Net allowance for impairment and credit losses - attributable to quasi-equity		(35,171)	(18,011)
Total income available for quasi-equity holders		2,055,306	1,767,139
Profit equalization reserve - net movement			
Appropriation during the year		(37,171)	(47,411)
Total income attributable to quasi-equity holders (adjusted for reserves)		2,018,135	1,719,728
Less: Group's share as Mudarib	18	(334,531)	(271,336)
Add: Hiba by Mudarib to the quasi-equity holders		16,505	19,562
Net income attributable to quasi-equity holders		1,700,109	1,467,954
Investment risk reserve - net movement			
Appropriation during the year		(38,159)	(42,640)
Amount used during the year		-	53,224
Profit distributable to quasi-equity		**1,661,950**	1,478,538
Net movement in profit equalization reserve		37,171	47,411
Net movement in investment risk reserve		38,159	(10,584)
Net income attributable to quasi-equity		**1,737,280**	1,515,365

The attached notes 1 to 34 form part of these consolidated financial statements.

Consolidated Statement of Changes In Owners' Equity
For the year ended 31 December 2025

	Equity attributable to parent's shareholders and Sukuk holders											
	Share capital	Treasury shares	Share premium	Statutory reserve	Cumulative changes in fair value of investments	Cumulative changes in fair value of property and equipment	Foreign currency translations reserve	Retained earnings	Total	Perpetual tier 1 capital	Non-controlling interest	Total equity
	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Balance at 1 January 2025	1,242,880	(15,658)	16,861	238,446	25,189	55,293	(1,375,913)	657,695	844,793	400,000	752,281	1,997,074
Comprehensive income / (loss) for the year:												
Net income for the year	-	-	-	-	-	-	-	190,837	190,837	-	165,987	356,824
Other comprehensive income / (loss)	-	-	-	-	9,324	9,394	(39,495)	-	(20,777)	-	(42,983)	(63,760)
Total comprehensive income / (loss) for the year	-	-	-	-	9,324	9,394	(39,495)	190,837	170,060	-	123,004	293,064
Transfer to statutory reserve (note 14)	-	-	-	19,084	-	-	-	(19,084)	-	-	-	-
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(42,187)	(42,187)
Zakah paid on behalf of shareholders (note 14)	-	-	-	-	-	-	-	(1,404)	(1,404)	-	-	(1,404)
Zakah of subsidiaries	-	-	-	-	-	-	-	(1,130)	(1,130)	-	(361)	(1,491)
Profit distributed on perpetual tier 1 capital	-	-	-	-	-	-	-	(35,100)	(35,100)	-	-	(35,100)
Movement related to subsidiaries' tier 1 capital	-	-	-	-	-	-	-	(4,158)	(4,158)	-	(13,263)	(17,421)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,002)	(5,002)
Balance at 31 December 2025	**1,242,880**	**(15,658)**	**16,861**	**257,530**	**34,513**	**64,687**	**(1,415,408)**	**787,656**	**973,061**	**400,000**	**814,472**	**2,187,533**

	Equity attributable to parent's shareholders and Sukuk holders												
	Share capital	Treasury shares	Share premium	Statutory reserve	Cumulative changes in fair value of investments	Cumulative changes in fair value of property and equipment	Foreign currency translations reserve	Retained earnings	Proposed appropriat-ions	Total	Perpetual tier 1 capital	Non-controlling interest	Total equity
	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Balance at 1 January 2024	1,242,880	(15,658)	16,873	222,714	16,899	45,261	(1,246,905)	558,527	12,357	852,948	400,000	715,632	1,968,580
Movement in treasury shares	-	-	(12)	-	-	-	-	-	-	(12)	-	-	(12)
Comprehensive income / (loss) for the year:													
Net income for the year	-	-	-	-	-	-	-	157,324	-	157,324	-	151,193	308,517
Other comprehensive income / (loss)	-	-	-	-	8,290	10,032	(129,008)	45	-	(110,641)	-	(50,833)	(161,474)
Total comprehensive income / (loss) for the year	-	-	-	-	8,290	10,032	(129,008)	157,369	-	46,683	-	100,360	147,043
Transfer to statutory reserve (note 14)	-	-	-	15,732	-	-	-	(15,732)	-	-	-	-	-
Dividends distributed	-	-	-	-	-	-	-	-	(12,357)	(12,357)	-	-	(12,357)
Dividends of subsidiaries	-	-	-	-	-	-	-	-		-	-	(30,078)	(30,078)
Zakah paid on behalf of shareholders (note 14)	-	-	-	-	-	-	-	(576)	-	(576)	-	-	(576)
Zakah of subsidiaries	-	-	-	-	-	-	-	(1,025)	-	(1,025)	-	(319)	(1,344)
Profit distributed on perpetual tier 1 capital	-	-	-	-	-	-	-	(35,100)	-	(35,100)	-	-	(35,100)
Movement related to subsidiaries' tier 1 capital	-	-	-	-	-	-	-	(5,768)	-	(5,768)	-	(13,266)	(19,034)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(20,048)	(20,048)
Balance at 31 December 2024	1,242,880	(15,658)	16,861	238,446	25,189	55,293	(1,375,913)	657,695	-	844,793	400,000	752,281	1,997,074

Consolidated Statement of Cash Flows
For the year ended 31 December 2025

	Notes	2025 US$ '000	2024 US$ '000
OPERATING ACTIVITIES			
Net income before taxation		460,646	395,728
Adjustments for:			
Depreciation and amortisation	22	62,971	48,724
Depreciation on Ijarah Muntahia Bittamleek	16.3	330,739	180,739
Unrealised gain on equity and debt-type instruments at fair value through statement of income	17	(145,193)	(225,987)
Loss / (Gain) on sale of property and equipment	20	1,045	(6,825)
Gain on sale of other assets	20	(24,227)	-
Gain on sale of investment in real estate	17	(2,332)	(1,491)
Gain on sale of equity type instruments at fair value through OCI	17	(1,396)	(923)
Gain on sale of equity and debt-type instruments at fair value through statement of income	17	(96)	(17)
Income from associates and joint venture	17	(15,377)	(11,894)
Net allowance for expected credit losses / impairment	24	143,766	90,384
Operating profit before changes in operating assets and liabilities		810,546	468,438
Net changes in operating assets and liabilities:			
Mandatory reserves with central banks		(660,670)	(162,341)
Receivables		(2,416,939)	(541,603)
Participatory investments		(556,826)	(255,074)
Ijarah Muntahia Bittamleek		(933,088)	(150,681)
Other assets		(178,220)	(143,541)
Customers' current and other accounts		1,378,188	388,859
Due to banks		827,974	373,231
Other liabilities		157,781	(5,567)
Quasi-equity		2,018,716	169,364
Taxation paid		(77,183)	(123,139)
Net cash generated from operating activities		370,279	17,946
INVESTING ACTIVITIES			
Net (purchase) / proceeds from sale of investments		(271,397)	655,797
Net purchase of property and equipment		(69,083)	(47,482)
Dividends received from associates and joint venture		844	773
Net movement of investment in associates and joint venture		19,684	15,921
Net cash (used in) / generated from investing activities		(319,952)	625,009
FINANCING ACTIVITIES			
Long term financing		200,253	(1,371)
Dividends paid to equity holders of the parent		-	(12,357)
Net movement in treasury shares		-	(12)
Profit distributed on perpetual tier 1 capital		(35,100)	(35,100)
Movement related to subsidiaries' tier 1 capital		(4,158)	(5,768)
Net changes in non-controlling interest		(49,013)	(45,407)
Net cash generated from / (used in) financing activities		111,982	(100,015)
Foreign currency translation adjustments		(95,909)	(198,146)
NET CHANGES IN CASH AND CASH EQUIVALENTS		66,400	344,794
Cash and cash equivalents at 1 January		2,946,238	2,601,444
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	26	3,012,638	2,946,238

Consolidated Statement of Changes in Off-Balance Sheet Assets Under Management

For the year ended 31 December 2025

	Cash	Sales receivables	Mudaraba financing	Investment in real estate	Ijarah Muntahia Bittamleek	Investments	Total
	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000	US$ '000
Balance at 1 January 2025	92,706	556,403	158,515	56,288	427,869	274,830	1,566,611
Deposits	73,650	187,978	63,283	-	80,823	76,463	482,197
Withdrawals	(56,584)	(109,196)	(124,791)	(6,084)	(35,155)	(79,771)	(411,581)
Income net of expenses	-	39,693	1,755	3,051	28,418	20,256	93,173
Mudarib's share	-	(10,118)	-	(684)	(5,053)	(376)	(16,231)
Foreign exchange translations / others	355	(59,128)	-	(248)	(27,057)	(1,690)	(87,768)
Balance at 31 December 2025	110,127	605,632	98,762	52,323	469,845	289,712	1,626,401
Balance at 1 January 2024	91,780	618,926	402,931	51,275	355,282	166,612	1,686,806
Deposits	246,007	234,354	25,120	4,824	132,568	143,181	786,054
Withdrawals	(245,017)	(315,499)	(273,066)	(163)	(70,811)	(55,263)	(959,819)
Income net of expenses	-	33,840	3,530	636	14,373	20,786	73,165
Mudarib's share	-	(8,382)	-	(284)	(3,543)	(486)	(12,695)
Foreign exchange translations / others	(64)	(6,836)	-	-	-	-	(6,900)
Balance at 31 December 2024	92,706	556,403	158,515	56,288	427,869	274,830	1,566,611

1. CORPORATE INFORMATION AND ACTIVITIES

Al Baraka Group B.S.C. (c), (the "Firm" or "ABG") is a Bahrain closed shareholding company incorporated in the Kingdom of Bahrain on 27 June 2002, under Commercial Registration ("CR") number 48915. The Firm is engaged in investment firm activities in the Middle East, Europe, and African region. The address of the Firm's registered office is Bahrain Bay, P.O. Box 1882, Manama, Kingdom of Bahrain.

The principal activities of the ABG and its subsidiaries (the "Group") comprise of international and commercial banking, financing, treasury and investment activities. The Firm is supervised and regulated by the CBB under its Rule Book Volume 4 - Investment Business.

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 23 February 2026.

2. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for investment in real estate, equity and debt-type instruments through statement of income, equity-type and debt-type instruments through other comprehensive income and land occupied by the Group (classified as property and equipment) that have been measured at fair value. The consolidated financial statements are presented in United States Dollars ("US$") being the functional currency of ABG. All values are rounded to the nearest US$ thousand ("US$ '000") unless otherwise indicated.

Statement of compliance

The consolidated financial statements of the Group are prepared in accordance with applicable rules and regulations issued by the Central Bank of Bahrain ("CBB"). These rules and regulations require the adoption of all Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation of Islamic Financial Institutions ("AAOIFI"). In accordance with the AAOIFI framework, for matters not covered by FAS, the Group uses the requirements of the relevant IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB"). This framework is referred to as "FAS issued by AAOIFI".

Regulatory compliance

The CBB, sets and monitors ABG's capital requirements at Head Office level, while ABG's banking subsidiaries are directly regulated by their local banking supervisors, which set and monitor their capital adequacy requirements.

The CBB requires each Bahrain-based Investment company under Category 1 of Volume 4 to maintain a minimum capital of BHD 1.0 million and minimum capital adequacy ratio not lower than 110%.

There were no financial penalties imposed by the CBB during the year.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Firm and its subsidiaries as at and for the year ended 31 December each year. The financial statements of the subsidiaries are prepared for the same reporting year as the Firm, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that control ceases. Control is achieved where the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Non-controlling interest in a subsidiary's net assets is reported as a separate item in the Group's owners' equity. In the consolidated statement of income, non-controlling interest is included in net profit, and shown separately from that of the shareholders.

Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in owners' equity since the date of combination. Statement of income and each component of other comprehensive income "OCI" are attributed to the equity holders of the parent of the Firm and to the non-controlling interests "NCIs", even if this results in the NCIs having a deficit balance.

2. ACCOUNTING POLICIES (continued)

Basis of consolidation (continued)

The following are the principal subsidiaries of the Firm, which form part of these consolidated financial statements:

	Ownership for 2025	Ownership for 2024	Year of incorporation	Country of incorporation	No. of branches/ offices at 31 December 2025
Held directly by the Firm					
Banque Al Baraka D'Algerie (BAA)	**55.67%**	55.67%	1991	Algeria	34
Al Baraka Islamic Bank - Bahrain (AIB)	**92.82%**	92.82%	1984	Bahrain	200
Al Baraka Bank Tunis (ABT)	**78.40%**	78.40%	1983	Tunisia	44
Al Baraka Bank Egypt (ABE)	**73.47%**	73.47%	1980	Egypt	43
Jordan Islamic Bank (JIB)	**65.82%**	65.82%	1978	Jordan	105
Al Baraka Turk Participation Bank (ATPB)	**45.09%**	45.09%	1985	Turkey	225
Al Baraka Bank Limited (ABL)	**64.51%**	64.51%	1989	South Africa	9
Al Baraka Bank Sudan (ABS)	**75.73%**	75.73%	1984	Sudan	30

The following are the subsidiaries held indirectly through the principal subsidiaries of the Firm:

	Subsidiary held through	Effective Ownership for 2025	Effective Ownership for 2024	Year of incorporation	Country of incorporation
Held indirectly by the Firm					
Al Baraka Bank (Pakistan) Limited	AIB	**54.89%**	54.89%	2010	Pakistan
Al-Omariya School Company	JIB	**65.69%**	65.69%	1987	Jordan
Al-Samaha Real Estate Company	JIB	**65.82%**	65.82%	1998	Jordan
Future Applied Computer Technology Company	JIB	**65.82%**	65.82%	1998	Jordan
Sanable Alkhair for Financial Investment	JIB	**65.82%**	65.82%	2006	Jordan
Al Baraka Capital for Financial Investment	ABE	**72.00%**	72.00%	2018	Egypt
Tanfeez for Real Estate Investment	ABE	**72.00%**	72.00%	2022	Egypt
Al Baraka Sicar	ABT	**78.39%**	78.39%	2021	Tunisia
El Amana Takaful	ABT	**64.88%**	64.88%	2023	Tunisia
Al Baraka Properties (Pty) Ltd.	ABL	**64.51%**	64.51%	1991	South Africa
Albaraka Financial Services (Pty) Ltd	ABL	**64.51%**	N/A	2025	South Africa
Albaraka Portfoy Yonetimi A.S.	ATPB	**45.09%**	45.09%	2018	Turkey
Insha GMBH	ATPB	**45.09%**	45.09%	2018	Germany

2. ACCOUNTING POLICIES (continued)

Significant accounting policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are consistent with those of the previous financial year, except for the adoption of new standards and interpretations effective as of 1 January 2025:

2.1 Adoption of new and amended standards and interpretations

These consolidated financial statements have been prepared using accounting policies, which are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 except for the new standards, interpretations and amendments issued and effective as of 1 January 2025 which are as follows:

FAS 42 - Presentation and disclosures in the Financial Statements of Takaful Institutions

AAOIFI has issued FAS 42 in 2022. This standard supersedes the earlier FAS 12 – General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies". The objective of this standard is to set out the overall requirements for the presentation of financial statements, the minimum requirement for the contents of and disclosures in the financial statements and recommended structure of financial statements that facilitates fair presentation in line with Shari'a principles and rules for Takaful institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 43 – Accounting for Takaful: Recognition and Measurement, provided that FAS 1 (Revised 2021) has already been adopted or is simultaneously adopted.

The adoption of this standard did not have significant impact on the Group's presentation and disclosures in consolidated financial statements.

FAS 43 - Accounting for Takaful: Recognition and Measurement

AAOIFI has issued FAS 43 in 2022. The objective of this standard is to set out the principles for the recognition and measurement of Takaful arrangements and ancillary transactions with the objective of faithfully representing the information related to these arrangements to the relevant stakeholders. The standard should be read in conjunction with FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions. This standard shall be effective for the financial periods beginning on or after 1 January 2025 with early adoption permitted if adopted alongside FAS 42 – Presentation and disclosures in the Financial Statements of Takaful Institutions.

The adoption of this standard did not have significant impact on the Group's recognition and measurement.

2.2 New standards, amendments and interpretations issued but not yet effective

FAS 45 - Quasi-Equity (Including Investment Accounts)

AAOIFI has issued FAS 45 in 2023. This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for onbalance-sheet accounting and are reported as quasi-equity. This standard also provides the overall criteria for onbalance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure for quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues. This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026. The Group shall address the requirements of FAS 45 – Quasi-Equity (Including Investment Accounts) as of the effective date of the standard.

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

FAS 46 - Off-Balance Sheet Assets Under Management

AAOIFI has issued FAS 46 in 2023. This standard prescribes the criteria for characterisation of off-balance-sheet assets under management, and the related principles of financial reporting in line with the "AAOIFI Conceptual Framework for Financial Reporting". The standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies, related to off-balance-sheet assets under management, as well as certain specific aspects of financial reporting such as impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements, particularly aligning the same with the requirements of the revised FAS 1 "General Presentation and Disclosures in the Financial Statements" in respect of the statement of changes in off-balance-sheet assets under management. This standard, along with, FAS 45 "Quasi-Equity (Including Investment Accounts)", supersedes the earlier FAS 27 "Investment Accounts". This standard shall be effective for the financial periods beginning on or after 1 January 2026 and shall be adopted at the same time of adoption of FAS 45 – Quasi-Equity (Including Investment Accounts). The Group shall address the requirements of FAS 46 – Off-Balance Sheet Assets Under Management in the Group's "Statement of Changes in Off-balance Sheet Assets under Management" as of the effective date of the standard.

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

2 ACCOUNTING POLICIES (continued)

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

FAS 48 – Promotional Gifts and Prizes

AAOIFI has issued FAS 48 on 9 December 2024. This standard prescribes the accounting and financial reporting requirements applicable to promotional gifts and prizes awarded by the Islamic financial institutions to their customers, including quasi-equity and other investment accountholders. This standard shall be effective for the financial periods beginning or after 1 January 2026.

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

FAS 49 - Financial Reporting for Institutions Operating in Hyperinflationary Economies

AAOIFI has issued FAS 49 on 19 December 2024. This standard outlines the principles governing financial reporting for the institutions applying AAOIFI FASs operating in hyperinflationary economies, duly considering the relevant Shari'a principles and rules and their unique business models. This standard shall be effective for the financial periods beginning or after 1 January 2026 with early adoption encouraged.

The Group has performed an early impact assessment of the requirement of this standard. Please refer note 30 for further details.

FAS 50 – Financial Reporting for Islamic Investment Institutions (Including Investment Funds)

AAOIFI has issued FAS 50 on 24 December 2024. This standard supersedes the earlier FAS 14 "Investment Funds." This standard sets out the principles of financial reporting for Islamic Investment Institutions ("IIIs") particularly prescribing overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari'a principles and rules. This standard shall be effective on the annual financial statements on or after 1 January 2027.

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

FAS 51 – Participatory Ventures

AAOIFI issued Financial Accounting Standard (FAS) 51 – "Participatory Ventures" on 10 November 2025. The standard prescribes accounting and financial reporting principles for participatory ventures, including structures based on Mudaraba and Musharaka, and supersedes earlier FAS 3 (Mudaraba Financing) and FAS 4 (Musharaka Financing). It also covers arrangements involving gradual transfer of ownership, including diminishing Musharaka and restricted Mudaraba. This standard shall be effective on the consolidated financial statements for financial periods beginning on or after 1 January 2027 with early adoption encouraged.

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

FAS 52 – Deferred Delivery Sales: Salam and Istisna

AAOIFI issued Financial Accounting Standard (FAS) 52 – "Deferred Delivery Sales: Salam and Istisna" on 31 December 2025. The standard provides accounting principles for buyers/customers and sellers/developers involved in Salam and Istisna based deferred delivery sales transactions. FAS 52 supersedes FAS 7 (Salam and Parallel Salam) and FAS 10 (Istisna'a and Parallel Istisna'a) and aligns related accounting requirements with AAOIFI's broader revision strategy and global best practices. This standard shall be effective on the consolidated financial statements for financial periods beginning on or after 1 January 2027 with early adoption encouraged.

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

2.3 Summary of significant accounting policies

a. Financial contracts

Financial contracts consist of cash and balances with banks, receivables, Mudaraba (net of deferred profit) and Musharaka financing, Investments - debt type instruments at amortised cost, Ijarah Muntahia Bittamleek (where the estimates of future cash flows dependent on a single customer) and certain other assets. In addition it consist of off-balance sheets exposures such as letter of credit, letter of guaranties and undrawn commitments. Balances relating to these contracts are stated net of allowance for credit losses.

b. Impairment assessment

Impairment of financial assets

The Group applies three-stage approach to measure expected credit losses ("ECL") on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

b. Impairment assessment (continued)

Stage 1: twelve months ECL

For exposures where there has not been a Significant Increase in Credit Risk ("SICR"), since initial recognition, a portion of the lifetime ECL's that represent the ECL that result from default events on a financial contract that is possible within 12 months after the reporting date (or a shorter period if the expected life of the financial instrument is less than 12 months) of the lifetime ECL associated with the probability of default events occurring within next twelve months after the reporting date is recognised.

Stage 2: lifetime ECL – not credit impaired

For credit exposures where there has been a SICR since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Lifetime ECL is the loss that results from all possible default events over the expected life of the financial contract.

Lifetime ECL (Stage 2) is a probability-weighted estimate of credit losses and is determined based on the difference between the present value of all cash shortfalls. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the present value of the recoverable amount, for financial assets that are not credit-impaired at the reporting date.

Stage 3: Lifetime ECL – credit impaired

Financial contracts are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

For Stage 3 financial contracts, the provisions for credit-impairment are determined based on the difference between the net carrying amount and the recoverable amount of the financial contract. As this uses the same criteria as under FAS 11, the Group methodology for specific allowance for credit losses remains largely unchanged.

In cases where there are no collaterals or guarantees which the Group can recover its exposure, the past due rules as per Group's policy or local requirements, whichever is more strict, are applied for allowance for credit losses calculation.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- probability that the borrower will enter bankruptcy or other financial reorganization; or
- the restructuring of a facility by the Group on terms that the Group would not consider otherwise.

Measurement of ECL

Following are the key inputs into the measurement of ECL:

- Probability of Default (PD);
- Loss Given Default (LGD); and
- Exposure At Default (EAD).

These parameters are generally derived from internally developed models and other historical data. These are adjusted to reflect forward-looking information as described below.

Definition of default

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as liquidating collateral; or the borrower is past due more than 90 days or any material credit obligation to the Group. In assessing whether a borrower is in default, the Group considers both qualitative factors such as breaches of covenants and quantitative factors such as overdue status and non-payment on another obligation of the same issuer to the Group.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

b. Impairment assessment (continued)

Probability of default

Credit risk grades are a primary input into the determination of the term structure of Probability of Default (PD) for exposures. The Group collects performance and default information about its credit risk exposures analysed by credit risk grading for corporate and days-past-due for retail portfolio. The Group employs statistical models for analysing the data collected and generate estimates of PD of exposures and how these are expected to change as a result of the passage of time. This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, across various geographies in which the Group operates.

Each component (subsidiary) of the Group uses combination of key macro-economic indicators including, fiscal surplus/deficit as a percentage of GDP, gross domestic product (GDP) growth, oil prices, government spending, stock market volatility, cost of funding, lending rates credit growth, inflation rate and unemployment.

Types of PDs used for ECL computation

- 12-month PDs – This is the estimated probability of default occurring within the next 12 months (or over the remaining life of the financial instrument if that is less than 12 months). This is used to calculate 12-month ECLs.
- Lifetime PDs – This is the estimated probability of a default occurring over the remaining life of the financial instrument. This is used to calculate lifetime ECLs for ‘stage 2’.

Incorporation of forward - looking information

The Group considers latest available economic forecasts published by the International Monetary Fund (IMF) or other reputed service providers, for 5 years. The Group employs statistical models to incorporate macro-economic factors on historical default rates. In case none of the macro-economic parameters are statistically significant or the results of forecasted PDs are significantly deviated from the present forecast for the economic conditions, quantitative PD overlay shall be used by the management after analyzing the portfolio as per the diagnostic tool.

Incorporating forward-looking information increases the level of judgment as to how changes in these macroeconomic factors will affect the ECL applicable to the stage 1 and stage 2 exposures which are considered as performing (Stage 3 are the exposures under default category). As per the policy, the methodologies and assumptions involved, including any forecasts of future economic conditions, are required to be reviewed periodically.

Loss Given Default

LGD is a percentage that determine the amount of loss that will arise if the borrower was to default. This is calculated by looking at the collateral and other resources available to the Group that can be used to recover the asset in case of default.

The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties, based on historical data using both internal and external factors. For Estimation of LGD, the Group considers use of any of the following methods:

Internal default history: When data is available units can estimate LGDs using the historical default information and corresponding recovery data.

Basel LGD: local regulatory recommended Basel LGD adjusted depending on the available collateral.

Collateral-based LGD: for secured financing the Group uses collateral-based LGD, where the Group has effective collateral management framework that is able to assess and provide up to date collateral valuation and establish legal charge and enforceability.

Exposure At Default

EAD represents estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and profit, and expected drawdowns on committed facilities.

On-balance sheet EADs
EADs for on-balance sheet items are the amount that is outstanding at the time of default. Outstanding of an on-balance sheet exposure shall be directly taken subject to inclusion of its repayment structure.

Prepayments have to be estimated using previous trends and deducted from EAD while calculating ECL.

Off-balance sheet EADs
Off-balance sheet exposures do not have fixed payout date; thus, the EAD for off-balance sheet is calculated after applying the Credit Conversion Factor (CCF) to the nominal amount of the Off-balance sheet exposure. The Group uses following methods to work out CCF for off- balance sheet EADs.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

b. Impairment assessment (continued)

CCF based on internal data - The Group performs off-balance sheet product based analysis to study the average percentage utilization/conversion over a period of 3- 5 years. Based on the analysis product wide conversion/utilization factors are estimated. For Letters of Credit (LCs) and Letters of Guarantees (LGs) issued, units determines CCF by estimating total amount of LCs/LGs devolved/converted over last 3-5 years as a percentage of total LC/LG issued to arrive at the expected exposure over the future for these off-balance sheet items.

Regulatory CCFs - In absence of internal data, The Group uses same as Basel CCF that are used for calculating the Capital Adequacy Ratio (CAR) as per the CBB regulations. These rates are 20% for exposures with maturity equal to or less than 1 year and 50% for exposures with maturity of more than 1 year.

Collective ECL computation and staging

ECL on individually large exposures and credit-impaired loans are generally measured individually. For retail exposures and other exposures to small and medium-sized enterprises, where less client-specific information is available, ECL is measured on a collective basis. This incorporates borrower-specific information, such as delinquency, collective historical experience of losses and forward-looking macroeconomic information.

To assess the staging of exposures and to measure a loss allowance on a collective basis, the Group groups its exposures into segments on the basis of shared credit risk characteristics, such as geography, type of customer, industry, rating, date of initial recognition, maturity and collateral value.

Significant Increase in Credit Risk

When determining whether the risk of default on a financial contracts has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost and efforts. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and expert credit assessment including forward-looking information.

The assessment is carried out for specific instrument rather than a counterparty. As each instrument may have had different credit risk at initial recognition.

The application of above requirements of SICR to various locations of the Group varies depending on a number of circumstances faced by each location and each location applies a robust risk assessment methodology that is commensurate with the size, complexity, structure, economic significance and risk profile of its portfolio.

Renegotiated financial assets

The accounts which are performing prior to restructuring but restructured due to financial difficulty are categorised under stage 2. The accounts that are non-performing or meet any criteria for classifying as non-performing (prior to restructuring), then such restructured accounts are categorized under stage 3.

Backward transition

FAS 30 staging model is of symmetrical nature as movement across stages is a "Two Way" phenomenon. However, backward movement across stages are not immediate once SICR indicators are no longer triggered. Once such indicators are no longer triggered, movement back to Stage 1 or Stage 2 has to be calibrated and cannot be automatic or immediate. Certain criteria like cooling off period, SICR indicators and payment history are considered for migrating customers to Stage 2 or Stage 1. Following factors including cure period are considered for any backward transition:

From Stage 2 to stage 1

- The criteria to classify the exposure into Stage 2 (criteria covered in SICR section above) is no longer present;
- Up to date payment with no arrears;
- A minimum cool-off/cure period of 6 months for any stage 2 accounts; and
- A minimum cool-off/cure period of 12 months for restructured accounts.

From stage 3 to stage 2

- The criteria to classify the exposure into Stage 3 (criteria covered in default section above) is no longer present.
- Up to date payment with no arrears.
- A minimum cool-off/cure period of 12 months for non-performing and restructured facilities.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

b. Impairment assessment (continued)

Write-offs

Financing facilities are written-off (either partially or in full) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written-off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Presentation of allowance for credit losses in the consolidated statement of financial position

Allowance for credit losses are presented in the consolidated statement of financial position as follows:

- financial assets measured at amortised cost, as a deduction from the gross carrying amount of the assets;
- financing commitments and financial guarantee contracts: generally as a provision included in other liabilities; and
- where a financial contract includes both a drawn and undrawn component, and the Group has identified the ECL on the financing commitments/off-balance sheet component separately from those on the drawn component, allowance for credit losses on undrawn component is presented as a provision in other liabilities.

c. Cash and cash equivalents

Cash and cash equivalents as referred to in the consolidated statement of cash flows comprise cash and cash in transit, balances with central banks excluding mandatory reserves and balances with other banks with an original maturity of three months or less.

d. Receivables

Receivables comprise Sales (Murabaha) receivables, Ijarah receivables, Salam receivables and Istisna'a receivables.

Sales (Murabaha) receivables
Sales (Murabaha) receivables consist mainly of murabaha and international commodities stated net of deferred profits and provision for doubtful amount. The Group considers promise made in sales (murabaha) receivables to the purchase orderer as obligatory.

Ijarah receivables
Ijarah receivables is the outstanding rental at the end of the year less any provision for doubtful amount.

Salam receivables
Salam receivables is the outstanding amount at the end of the year less any provision for doubtful amount.

Istisna'a receivables
Istisna'a receivables is the outstanding amount at the end of the year less any provision for doubtful amount.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

e. Participatory investments

Participatory investments comprise Mudaraba and Musharaka financing. These are partnerships in which the Group contributes capital. These are stated at the fair value of consideration given less impairment.

f. Investments

Investments comprise equity and debt-type instruments at fair value through statement of income, equity-type instruments at fair value through OCI, debt-type instruments at amortised cost, investment in real estate and investment in associates and joint venture

Investment in real estate

Properties held for rental, or for capital appreciation purposes, or both, are classified as investment in real estate. Investments in real estate are initially recorded at cost, being the fair value of the consideration given and acquisition charges associated with the property. Subsequent to initial recognition, investments in real estate are re-measured at fair value and changes in fair value (only gains) are recognised as property and equipment fair value reserve in the consolidated statement of other comprehensive income.

Losses arising from changes in the fair values of investment in real estate are firstly adjusted against the property and equipment fair value reserve to the extent of the available balance and then the remaining losses are recognised in the consolidated statement of income. If there are unrealised losses that have been recognised in the consolidated statement of income in the previous financial periods, the current period unrealised gain shall be recognised in the consolidated statement of income to the extent of crediting back such previous losses in the consolidated statement of income. When the property is disposed of, the cumulative gain previously transferred to the property and equipment fair value reserve, is transferred to the consolidated statement of income.

Investment in associates and joint venture

The Group's investment in associates and joint venture is accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture. Under the equity method, the investment in the associate or joint venture is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associate or joint venture. Goodwill relating to an associate or joint venture is included in the carrying amount of the investment and is not amortised. The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Where there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the consolidated statement of changes in owners' equity. Profits and losses resulting from transactions between the Group and the associate or the joint venture are eliminated to the extent of the interest in the associate or the joint venture.

The reporting dates of the associates and joint venture and the Group are identical including the accounting policies which conform to those used by the Group for like transactions and events in similar circumstances.

Equity and debt-type instruments at fair value through statement of income

This includes instruments held for trading purposes to gain profits from market fluctuations in the short term. These are initially recognised at cost, being the fair value of the consideration given excluding acquisition costs. These are subsequently re-measured at fair value. All related realised and unrealised gains or losses are included in the consolidated statement of income.

All other investments are initially recognised at cost, being the fair value of the consideration given including acquisition costs.

Equity-type instruments at fair value through OCI

This includes all instruments that are not covered above. Subsequent to acquisition, investments designated at fair value through OCI are re-measured at fair value with unrealised gains or losses recognised proportionately in OCI and quasi-equity until the investment is derecognised or determined to be impaired at which time the cumulative gain or loss previously recorded in OCI or quasi-equity is recognised in consolidated statement of income.

Debt-type instruments at amortised cost

Debt-type instruments which are managed on a contractual yield basis and are not held for trading and has not been designated at fair value through statement of income are classified as debt-type instruments at amortised cost. Such investments are carried at amortised cost, less provision for impairment in value. Amortised cost is calculated by taking into account any premium or discount on acquisition. Any gain or loss on such investment is recognised in the consolidated statement of income, when the investment is de-recognised or impaired.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

g. Ijarah Muntahia Bittamleek

Ijara income is recognised on a time apportioned basis over the Ijara term and is stated net of depreciation. Income related to non-performing Ijara muntahia bittamleek accounts that are non-performing is excluded from the consolidated statement of income.

h. Property and equipment

Property and equipment are initially recognised at cost. Subsequent to initial recognition property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value, except for land which is carried at fair value. The cost of additions and major improvements are capitalised; maintenance and repairs are charged to the consolidated statement of income as incurred. Gains or losses on disposal are reflected in other operating income. Depreciation is provided on the straight-line basis over the estimated useful lives of the assets other than freehold land, which is deemed to have an indefinite life.

The calculation of depreciation is on the following basis:

Buildings	30 - 50 years
Office furniture and equipment	4 - 10 years
Vehicles	3 years
Others	4 - 5 years

Any subsequent change in fair value of land (only gains) are recognised as property and equipment fair value reserve in the consolidated statement of comprehensive income. Losses arising from changes in the fair value of land is first adjusted against the property and equipment fair value reserve to the extent of the available balance and then the remaining losses are recognised in the consolidated statement of income. If there are unrealised losses that have been recognised in the consolidated statement of income in the previous financial periods, the current period unrealised gain shall be recognised in the consolidated statement of income to the extent of crediting back such previous losses in the consolidated statement of income. When the land is disposed of, the cumulative gain previously transferred to the property and equipment fair value reserve, is transferred to the consolidated statement of income.

i. Fair values

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, and the principal or the most advantageous market must be accessible to by the Group.

Fair value is determined for each financial asset individually in accordance with the valuation policies set out below:

(i) For investments that are traded in organised financial markets, fair value is determined by reference to the quoted market bid prices prevailing on the reporting date.

(ii) For unquoted investments, fair value is determined by reference to recent significant buy or sell transactions with third parties that are either completed or are in progress. Where no recent significant transactions have been completed or are in progress, fair value is determined by reference to the current market value of similar investments. For others, the fair value is based on the net present value of estimated future cash flows, or other relevant valuation methods.

(iii) For investments that have fixed or determinable cash flows, fair value is based on the net present value of estimated future cash flows determined by the Group using current profit rates for investments with similar terms and risk characteristics.

(iv) Investments which cannot be remeasured to fair value using any of the above techniques are carried at cost, less provision for impairment.

j. Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

k. Intangible assets

Intangible assets comprise principally the value of computer software. Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

l. Collateral pending sale

Collateral acquired in settlement of certain financing facilities is stated at the lower of the net realisable value of the related financing facilities and the current fair value of such assets. Gains or losses on disposal, and revaluation losses, are recognised in the consolidated statement of income.

m. Employees' end of service benefits

The Group provides for end of service benefits to its employees. Entitlement to these benefits is based upon the employees' length of service and the completion of a minimum service period. The expected costs of these benefits are accrued for over the period of employment.

n. Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligation.

o. Dividends

Dividends to shareholders are recognised as liabilities in the year in which they are declared.

p. Quasi-equity

All quasi-equity are carried at cost plus accrued profit and related reserves. Investment risk reserves and profit equalisation reserves are made at the Firm or subsidiary level.

q. Investment risk reserve

Investment risk reserves are amounts appropriated out of the income of quasi-equity, after allocating the mudarib share, in order to cater against future losses for quasi-equity.

r. Profit equalisation reserve

Profit equalisation reserves are amounts appropriated out of the Mudaraba income, before allocating the mudarib share, in order to maintain a certain level of return on investments for participating stakeholders.

s. Sukuk

Sukuk issued by the Group are treated based on the underlying contracts and structure.

t. Off-balance sheet assets under management

Off-balance sheet assets under management represent funds received by the Group from third parties for investment in specified products as directed by them. These products are managed in a fiduciary capacity and the Group has no entitlement to these products. Third parties bear all of the risks and earn all of the rewards on these products. Off-balance sheet assets under management are not included in the consolidated statement of financial position since the Group does not have the right to use or dispose these products except within the conditions of the contract between the Group and third parties.

u. Treasury shares

Own equity instruments which are reacquired (treasury shares) are deducted from equity of the parent and accounted for at weighted average cost. Consideration paid or received on the purchase, sale, issue or cancellation of the Group's own equity instruments are recognised directly in equity of the parent. No gain or loss is recognised in consolidated statement of income on the purchase, sale, issue or cancellation of own equity instruments.

v. Revenue recognition

Sales (Murabaha) receivables

Profit from Sales (Murabaha) receivables is recognised when the income is both contractually determinable and quantifiable at the commencement of the transaction. Such income is recognised on time-apportioned basis over the period of the transaction. Where the income from a contract is not contractually determinable or quantifiable, it is recognised when the realisation is reasonably certain or when actually realised. Income related to accounts that are 90 days overdue is excluded from the consolidated statement of income.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

v. Revenue recognition (continued)

Salam and Istisna'a receivables

Income on Salam and Istisna'a is recognised on time-apportioned basis when the income from a contract is contractually determinable or quantifiable.

Mudaraba and Musharaka financing

Income on Mudaraba and Musharaka financing is recognised when the right to receive payment is established or on distribution by the Mudarib. Income related to accounts that are 90 days overdue is excluded from the consolidated statement of income.

Ijarah Muntahia Bittamleek

Income net of depreciation is recognised on a time-apportioned basis over the lease term.

Fee and commission income

Fee and commission income is recognised when earned.

Other income

Other income on investments is recognised when the right to receive payment is established.

Group's share as a Mudarib

The Group's share of profit as a Mudarib for managing quasi-equity is based on the terms and conditions of the related mudarib agreements.

Mudarib's share of off-balance sheet assets under management

The Group shares profit for managing off-balance sheet assets under management based on the terms and conditions of related contracts.

w. Return on quasi-equity

Quasi-equity' share of income is calculated based on the applicable local laws and based on the underlining individual Mudaraba contract. It represents the income generated from joint investment accounts and after deducting other expenses. Other expenses include all expenses incurred by the Group including specific provisions. The Group's share is deducted before distributing such income.

x. Joint and self financed

Investments, financing and receivables that are jointly owned by the Group and the quasi-equity are classified under the caption "jointly financed" in the consolidated financial statements. Investments, financing and receivables that are financed solely by the Group are classified under "self financed".

y. Taxation

There is no tax on corporate income in the Kingdom of Bahrain. Taxation on foreign operations is provided in accordance with the fiscal regulations of the respective countries in which the subsidiaries operate. The Group accounts for its share of associates profit after accounting for corporate taxation. Deferred income tax is provided using the liability method on temporary differences at the financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

z. Shari'a supervisory board

The Group's business activities are subject to the supervision of a Shari'a supervisory board consisting of five members appointed by the general assembly.

aa. Zakah

The article of association of Al Baraka Group is not empowering the Group for paying Zakah on behalf of the shareholders and there is no such law in Kingdom of Bahrain requiring the Group to pay Zakah on behalf of the shareholders, unless there is a direct empowerment from the general assembly to the Group to pay Zakah on the behalf of the shareholders.

ab. Earnings prohibited by Shari'a

The Group is committed to avoid recognising any income generated from non-Islamic source. Accordingly, all non-Islamic income is credited to a charity account where the Group uses these funds for various social welfare activities.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

ac. Impairment of financial assets

An assessment is made at each financial position date to determine whether there is objective evidence that a specific financial asset or a group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss, based on the assessment by the Group of the estimated cash equivalent value, is recognised in the consolidated statement of income. Specific provisions are created to reduce all impaired financial contracts to their realisable cash equivalent value. Financial assets are written off only in circumstances where effectively all possible means of recovery have been exhausted.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment value was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the consolidated statement of income.

In addition, the Group maintains a provision to reflect a potential loss that may occur as a result of currently unidentifiable risks in relation to receivables, financings or investment assets. The amount reflects estimated losses affecting these assets attributable to events that have already occurred at the date of the financial statements, and not estimated losses attributable to future events.

ad. Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

ae. Assets classified as Held for sale

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

af. Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. The monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the financial position date. All differences are taken to income statement at the entity level.

Foreign currency translations

As at the reporting date, the assets and liabilities in foreign currencies are translated into the presentation currency of the Group (United States Dollars) at the rate of exchange ruling at the financial position date and their income statements are translated at the average exchange rates for the year. The exchange differences arising on the translation are taken to a separate component of owners' equity through the statement of other comprehensive income.

On disposal of a foreign entity, the deferred cumulative amount recognised in owners' equity relating to that particular foreign entity is recognised in the consolidated statement of income.

ag. Fees and commission income

Fees and commission income that is integral to the effective profit rate on a financial asset carried at amortised cost are included in the measurement of the effective profit rate of the financial asset. Other fees and commission income, including account servicing fees, sales commission, management fees, placement and arrangement fees and syndication fees, are recognised as the related services are performed.

ah. Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which affects the amounts recognised in the consolidated financial statements:

Classification of investments
Management decides on acquisition of an investment whether it should be classified as equity-type instrument at fair value through statement of income, equity-type instrument at fair value through OCI, debt-type instrument at fair value through statement of income, debt-type instrument at fair value through OCI or debt-type instrument at amortised cost.

2. ACCOUNTING POLICIES (continued)

2.3 Summary of significant accounting policies (continued)

ah. Judgments (continued)

future events (such as continued operating profits and financial strengths). It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require a material adjustment to the carrying amount of the investments. In case where discounted cash flow models have been used to estimate fair values, the future cash flows have been estimated by the management based on information from and discussions with representatives of investee companies and based on the latest available audited and un-audited financial statements.

Going concern
The Group's management has made an assessment of the Group's ability to continue as a going concern and is satisfied that the Group has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

ai. Use of estimates in preparation of the consolidated financial statements

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities at the date of the consolidated financial statements. The use of estimates is used primarily to the determination of goodwill impairment, the fair value of unquoted investments, and provisions for sales (Murabaha) receivable, mudaraba financing, musharaka financing, equity-type instrument at fair value through OCI, debt-type instrument at amortised cost, ijarah receivable and other assets.

aj. Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

(i) the right to receive cash flows from the asset has expired;
(ii) the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of income.

3. CASH AND BALANCES WITH BANKS

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Balances with central banks*	2,672,529	2,195,998	4,868,527	2,554,721	1,654,088	4,208,809
Balances with other banks	949,125	39,412	988,537	864,977	49,499	914,476
Cash and cash in transit	520,922	68,017	588,939	527,594	67,097	594,691
Allowance for credit losses (note 24)	(66,628)	(3,750)	(70,378)	(43,503)	(601)	(44,104)
	4,075,948	2,299,677	6,375,625	3,903,789	1,770,083	5,673,872

* Balances with central banks include mandatory reserves amounting to US$ 3,433,365 thousand (2024: US$ 2,771,738 thousand). These amounts are not available for use in the Group's day-to-day operations.

4. DUE FROM BANKS

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Commodity murabaha	319	366,901	367,220	5,225	273,891	279,116
Mudaraba financing	71,839	314,930	386,769	26,000	175,628	201,628
Wakala financing	44,460	238,351	282,811	24,098	247,814	271,912
Allowance for credit losses (note 24)	(7,177)	(725)	(7,902)	(8,018)	(2,267)	(10,285)
	109,441	919,457	1,028,898	47,305	695,066	742,371

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification.

	31 December 2025			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	397,111	13,000	-	410,111
Satisfactory (5-7)	517,292	102,397	-	619,689
Default (8-10)	-	-	7,000	7,000
Allowance for credit losses	(234)	(668)	(7,000)	(7,902)
	914,169	114,729	-	1,028,898

	31 December 2024			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	347,540	13,000	-	360,540
Satisfactory (5-7)	294,049	91,067	-	385,116
Default (8-10)	-	-	7,000	7,000
Allowance for credit losses	(1,730)	(1,555)	(7,000)	(10,285)
	639,859	102,512	-	742,371

4. DUE FROM BANKS (continued)

The below table shows the movement in allowance for credit losses by stage:

	31 December 2025			
	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 US$ '000
Balance at 1 January	1,730	1,555	7,000	10,285
Net remeasurement of loss allowance	(1,579)	(946)	-	(2,525)
Allocation to investment risk reserve	(22)	-	-	(22)
FX translation / others	105	59	-	164
	234	668	7,000	7,902

	31 December 2024			
	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 US$ '000
Balance at 1 January	697	1,943	16,415	19,055
Net remeasurement of loss allowance	1,579	(347)	-	1,232
Allocation to investment risk reserve	(544)	-	-	(544)
FX translation / others	(2)	(41)	(9,415)	(9,458)
	1,730	1,555	7,000	10,285

5. RECEIVABLES

	2025 US$ '000	2024 US$ '000
Sales (Murabaha) receivables (note 5.1)	12,296,078	10,281,504
Ijarah receivables (note 5.2)	169,713	173,322
Salam receivables (note 5.3)	537,682	301,040
Istisna'a receivables (note 5.4)	184,636	177,540
Allowance for credit losses (note 24)	(680,582)	(669,671)
	12,507,527	10,263,735

5.1 Sales (Murabaha) receivables

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Gross sales (murabaha) receivables	1,911,774	11,353,695	13,265,469	1,385,057	9,702,697	11,087,754
Deferred profits (note 5.1(a))	(79)	(969,312)	(969,391)	-	(806,250)	(806,250)
	1,911,695	10,384,383	12,296,078	1,385,057	8,896,447	10,281,504
Allowance for credit losses	(191,096)	(384,635)	(575,731)	(218,093)	(358,909)	(577,002)
Net sales (murabaha) receivables	1,720,599	9,999,748	11,720,347	1,166,964	8,537,538	9,704,502

	2025 US$ '000	2024 US$ '000
Non-performing	400,454	374,847

5.1(a) Murabaha deferred profit movement

	2025 US$ '000	2024 US$ '000
Deferred profit at the beginning of the year	806,250	1,113,218
Murabaha sales during the year	3,658,273	902,359
Murabaha cost of sales	(3,198,985)	(864,807)
	1,265,538	1,150,770
Deferred profit collected during the year	(283,450)	(264,967)
Deferred profit settled during the year	(5,023)	(907)
Deferred profit waived during the year	683	544
FX translation	(8,357)	(79,190)
Deferred profit at the end of the year	969,391	806,250

5. RECEIVABLES (continued)

5.2 Ijarah receivables

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Gross ijarah receivables	2,621	167,092	169,713	2,507	170,815	173,322
Allowance for credit losses	(71)	(67,715)	(67,786)	(108)	(56,666)	(56,774)
Net ijarah receivables	2,550	99,377	101,927	2,399	114,149	116,548

	2025 US$ '000	2024 US$ '000
Non-performing	133,591	138,057

5.3 Salam receivables

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Gross salam receivables	-	537,682	537,682	-	301,040	301,040
Allowance for credit losses	-	(18,796)	(18,796)	-	(16,838)	(16,838)
Net salam receivables	-	518,886	518,886	-	284,202	284,202

	2025 US$ '000	2024 US$ '000
Non-performing	26,180	25,407

5.4 Istisna'a receivables

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Gross istisna'a receivables	-	184,636	184,636	-	177,540	177,540
Allowance for credit losses	-	(18,269)	(18,269)	-	(19,057)	(19,057)
Net istisna'a receivables	-	166,367	166,367	-	158,483	158,483

	2025 US$ '000	2024 US$ '000
Non-performing	18,571	20,271

5. RECEIVABLES (continued)

5.4 Istisna'a receivables (continued)

The table below shows the receivables credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification.

	31 December 2025			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	2,790,167	177,986	-	2,968,153
Satisfactory (5-7)	8,311,942	1,329,218	-	9,641,160
Default (8-10)	-	-	578,796	578,796
Allowance for credit losses	(52,738)	(242,848)	(384,996)	(680,582)
	11,049,371	1,264,356	193,800	12,507,527

	31 December 2024			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	2,254,064	98,628	-	2,352,692
Satisfactory (5-7)	6,753,599	1,268,533	-	8,022,132
Default (8-10)	-	-	558,582	558,582
Allowance for credit losses	(67,186)	(245,050)	(357,435)	(669,671)
	8,940,477	1,122,111	201,147	10,263,735

The below table shows the movement in allowance for credit losses by stage:

	2025			
	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 US$ '000
Balance at 1 January	67,186	245,050	357,435	669,671
Changes due to receivables recognised in opening balance that have:				
- transferred to Stage 1	5,917	(4,059)	(1,858)	-
- transferred to Stage 2	(1,563)	15,018	(13,455)	-
- transferred to Stage 3	(428)	(3,746)	4,174	-
Net remeasurement of loss allowance	(10,979)	(3,199)	118,056	103,878
Recoveries / write-backs	-	-	(17,799)	(17,799)
Allocation (to) / from investment risk reserve	(1,169)	1,340	3,894	4,065
Amounts written off	-	-	(64,689)	(64,689)
FX translation / others	(6,226)	(7,556)	(762)	(14,544)
	52,738	242,848	384,996	680,582

5. RECEIVABLES (continued)

	31 December 2024			
	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 US$ '000
Balance at 1 January	93,021	262,411	347,021	702,453
Changes due to receivables recognised in opening balance that have:				
- transferred to Stage 1	4,809	(3,293)	(1,516)	-
- transferred to Stage 2	(2,667)	6,150	(3,483)	-
- transferred to Stage 3	(142)	(14,943)	15,085	-
Net remeasurement of loss allowance	15,125	25,427	65,938	106,490
Recoveries / write-backs	-	-	(28,566)	(28,566)
Allocation (to) / from investment risk reserve	(4,095)	(14,370)	7,426	(11,039)
Amounts written off	-	-	(21,595)	(21,595)
FX translation / others	(38,865)	(16,332)	(22,875)	(78,072)
	67,186	245,050	357,435	669,671

6. PARTICIPATORY INVESTMENTS

	2025 US$ '000	2024 US$ '000
Mudaraba financing (note 6.1)	251,424	124,167
Musharaka financing (note 6.2)	900,992	669,591
Allowance for credit losses (note 24)	(29,901)	(30,420)
	1,122,515	763,338

6.1 Mudaraba financing

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Gross mudaraba financing	420	251,004	251,424	420	123,747	124,167
Allowance for credit losses	(420)	(15,987)	(16,407)	(420)	(14,377)	(14,797)
Net mudaraba financing	-	235,017	235,017	-	109,370	109,370

	2025 US$ '000	2024 US$ '000
Non-performing	12,206	12,665

6. PARTICIPATORY INVESTMENTS (continued)

6.2 Musharaka financing

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Gross musharaka financing	109,261	791,731	900,992	136,958	532,633	669,591
Allowance for credit losses	(43)	(13,451)	(13,494)	(993)	(14,630)	(15,623)
Net musharaka financing	109,218	778,280	887,498	135,965	518,003	653,968

	2025 US$ '000	2024 US$ '000
Non-performing	19,071	20,083

The table below shows the mudaraba and musharaka credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification.

	31 December 2025			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	647,217	28,813	-	676,030
Satisfactory (5-7)	323,099	122,010	-	445,109
Default (8-10)	-	-	31,277	31,277
Allowance for credit losses	(1,739)	(8,744)	(19,418)	(29,901)
	968,577	142,079	11,859	1,122,515

	31 December 2024			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	403,648	11,647	-	415,295
Satisfactory (5-7)	241,219	104,496	-	345,715
Default (8-10)	-	-	32,748	32,748
Allowance for credit losses	(2,496)	(8,044)	(19,880)	(30,420)
	642,371	108,099	12,868	763,338

6. PARTICIPATORY INVESTMENTS (continued)

The below table shows the movement in allowance for credit losses by stage:

	31 December 2025			
	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 US$ '000
Balance at 1 January	2,496	8,044	19,880	30,420
Changes due to financing recognised in opening balance that have:				
- transferred to Stage 1	35	(11)	(24)	-
- transferred to Stage 2	(204)	221	(17)	-
- transferred to Stage 3	(196)	(106)	302	-
Net remeasurement of loss allowance	600	209	1,466	2,275
Recoveries / write-backs	-	-	(1,561)	(1,561)
Allocation (to) / from investment risk reserve	(35)	(21)	65	9
Amounts written off	-	-	(771)	(771)
FX translation / others	(957)	408	78	(471)
	1,739	8,744	19,418	29,901

	31 December 2024			
	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 US$ '000
Balance at 1 January	3,601	8,269	24,545	36,415
Changes due to financing recognised in opening balance that have:				
- transferred to Stage 1	16	(13)	(3)	-
- transferred to Stage 2	(53)	58	(5)	-
- transferred to Stage 3	(522)	(427)	949	-
Net remeasurement of loss allowance	113	2,301	(916)	1,498
Recoveries / write-backs	-	-	(2)	(2)
Allocation from / (to) investment risk reserve	10	2	(44)	(32)
Amounts written off	-	-	(5,981)	(5,981)
FX translation / others	(669)	(2,146)	1,337	(1,478)
	2,496	8,044	19,880	30,420

7. INVESTMENTS

	2025 US$ '000	2024 US$ '000
Equity and debt-type instruments at fair value through statement of income (note 7.1)	631,754	479,743
Equity and debt-type instruments at fair value through OCI (note 7.2)	782,120	746,375
Debt-type instruments at amortised cost (note 7.3)	3,856,764	3,600,105
	5,270,638	4,826,223
Investment in real estate (note 7.4)	149,678	158,497
Investment in associates and joint venture (note 7.5)	46,980	51,821
	5,467,296	5,036,541

7.1 Equity and debt-type instruments at fair value through statement of income

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Quoted investments						
Debt instruments	-	35,181	35,181	18	176	194
Equity securities	545,591	3,548	549,139	472,735	2,358	475,093
	545,591	38,729	584,320	472,753	2,534	475,287
Unquoted investments						
Debt Instruments	-	361	361	-	365	365
Equity securities	47,073	-	47,073	4,091	-	4,091
	47,073	361	47,434	4,091	365	4,456
	592,664	39,090	631,754	476,844	2,899	479,743

7.2 Equity-type instruments at fair value through OCI

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Quoted investments						
Equity securities	20,000	26,833	46,833	255,669	309,723	565,392
Managed funds	7,053	102	7,155	494	-	494
Sukuk	209,006	376,897	585,903	-	-	-
	236,059	403,832	639,891	256,163	309,723	565,886
Unquoted investments						
Equity securities	51,204	55,413	106,617	11,268	93,412	104,680
Managed funds	21,795	20,415	42,210	48,778	33,328	82,106
Sukuk	-	2,097	2,097	-	-	-
	72,999	77,925	150,924	60,046	126,740	186,786
Provisions for impairment	(6,176)	(2,519)	(8,695)	(5,621)	(676)	(6,297)
	302,882	479,238	782,120	310,588	435,787	746,375

7. INVESTMENTS (continued)

7.3 Debt-type instruments at amortised cost

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Quoted investments						
Sukuk and similar items	1,750,814	1,295,487	3,046,301	1,806,233	1,517,136	3,323,369
	1,750,814	1,295,487	3,046,301	1,806,233	1,517,136	3,323,369
Unquoted investments						
Sukuk and similar items	20,107	796,551	816,658	-	287,453	287,453
Allowance for credit losses	(622)	(5,573)	(6,195)	(1,318)	(9,399)	(10,717)
	1,770,299	2,086,465	3,856,764	1,804,915	1,795,190	3,600,105

The table below shows the debt type instruments credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification.

	31 December 2025			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	3,132,568	4,857	-	3,137,425
Satisfactory (5-7)	679,054	43,915	-	722,969
Default (8-10)	-	-	2,565	2,565
Allowance for credit losses	(2,676)	(954)	(2,565)	(6,195)
	3,808,946	47,818	-	3,856,764

	31 December 2024			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	3,026,081	8,396	-	3,034,477
Satisfactory (5-7)	544,971	28,809	-	573,780
Default (8-10)	-	-	2,565	2,565
Allowance for credit losses	(7,725)	(427)	(2,565)	(10,717)
	3,563,327	36,778	-	3,600,105

7. INVESTMENTS (continued)

7.3 Debt-type instruments at amortised cost (continued)

The below table shows the movement in allowance for credit losses by stage:

	31 December 2025			
	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 US$ '000
Balance at 1 January	7,725	427	2,565	10,717
Changes due to instruments recognised in opening balance that have:				
- transferred to Stage 1	-	-	-	-
- transferred to Stage 2	-	-	-	-
- transferred to Stage 3	-	-	-	-
Net remeasurement of loss allowance	(5,267)	315	489	(4,463)
Allocation to investment risk reserve	-	28	-	28
FX translation / others	218	184	(489)	(87)
	2,676	954	2,565	6,195

	31 December 2024			
	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 US$ '000
Balance at 1 January	10,868	392	2,565	13,825
Changes due to instruments recognised in opening balance that have:				
- transferred to Stage 1	-	-	-	-
- transferred to Stage 2	-	-	-	-
- transferred to Stage 3	-	-	-	-
Net remeasurement of loss allowance	421	40	-	461
Allocation to investment risk reserve	(77)	-	-	(77)
FX translation / others	(3,487)	(5)	-	(3,492)
	7,725	427	2,565	10,717

7.4 Investment in real estate

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
At cost	13,985	137,588	151,573	13,985	146,976	160,961
At fair value	9,485	140,193	149,678	8,270	150,227	158,497

Investment in real estate at fair value at 31 December consist of the following:

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Land	867	77,138	78,005	544	85,814	86,358
Buildings	8,618	63,055	71,673	7,726	64,413	72,139
	9,485	140,193	149,678	8,270	150,227	158,497

7. INVESTMENTS (continued)

7.4 Investment in real estate (continued)

The following is a reconciliation between carrying amounts of investment in real estate at the beginning and end of the year:

	2025 US$ '000	2024 US$ '000
Beginning balance of the year	158,497	167,376
Acquisitions	743	-
Net gain / (loss) from fair value adjustments	1,173	(1,752)
Disposals	(10,066)	(6,211)
Impairment	-	(899)
Foreign exchange translation / others - net	(669)	(17)
	(8,819)	(8,879)
Ending balance of the year	149,678	158,497

7.5 Investment in associates and joint venture

Investment in associates and joint venture comprise of the following:

	2025			
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Market value US$ '000
Quoted associates and joint venture	-	22,337	22,337	25,104
Unquoted associates and joint venture	24,643	-	24,643	
	24,643	22,337	46,980	

	2024			
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Market value US$ '000
Quoted associates and joint venture	-	17,734	17,734	12,999
Unquoted associates and joint venture	34,087	-	34,087	
	34,087	17,734	51,821	

The investment in associates and joint venture are net of impairment of US$ 23,000 thousand (2024: US$ 23,000 thousand).

Summarised financial information of associates and joint venture that have been equity accounted for in these consolidated financial statements, not adjusted for percentage of ownership held by the Group:

	2025 US$ '000	2024 US$ '000
Total assets	1,129,849	938,803
Total liabilities	965,534	722,824
Total revenues	128,849	69,044
Total net profit	9,522	23,777

Investment in associates and joint venture comprise of:

Name of associate	Ownership % 2025	Ownership % 2024	Country of incorporation	Nature of business
The Islamic Insurance Company	33.5%	33.5%	Jordan	Insurance activities
Jordan International Trading Centre	28.4%	28.4%	Jordan	Trading activities
katılım finans kefalet a.ş.	15.0%	15.0%	Turkey	Financial services
Takaful for Pension and Life Insurance	50.0%	50.0%	Turkey	Insurance activities
Danat AlBahrain*	51.0%	51.0%	Bahrain	Real estate development
Al Baraka Bank Syria	29.0%	29.0%	Syria	Banking
Best Lease	23.6%	23.6%	Tunis	Islamic leasing
Sunnah Al-Tamayuz**	49.0%	49.0%	Saudi Arabia	Banking

7. INVESTMENTS (continued)

7.5 Investment in associates and joint venture (continued)

*On 10 July 2024, the shareholders of "Danat-ul-Barakat SPC", in an extraordinary general meeting, resolved to liquidate the company after the completion of all legal formalities. The liquidation process was finalized during the year and the entity has been de-recognized.

**Dallah Al-Baraka Holding Company (DBHC), a related party to the Firm's Parent Company that is based in Jeddah, Saudi Arabia, incorporated a company "Sunnah Al-Tamayuz" in the Kingdom of Saudi Arabia with an objective to expand its banking activities in the Kingdom of Saudi Arabia. The share capital of Sunnah Al-Tamayuz is owned 51% by DBHC and 49% by the Firm. The Firm has made an assessment to determine if it controls Sunnah Al-Tamayuz and concluded that it does not control Sunnah Al-Tamayuz and has, accordingly, classified the investment as "investment in associate".

8. IJARAH MUNTAHIA BITTAMLEEK

	2025			2024		
	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000	Self financed US$ '000	Jointly financed US$ '000	Total US$ '000
Land and building						
Cost	-	3,027,485	3,027,485	-	2,775,975	2,775,975
Accumulated depreciation	-	(767,011)	(767,011)	-	(623,761)	(623,761)
Allowance for credit losses	-	(5,017)	(5,017)	-	(5,950)	(5,950)
Net book value	-	2,255,457	2,255,457	-	2,146,264	2,146,264
Equipment						
Cost	270,529	697,629	968,158	35,670	352,175	387,845
Accumulated depreciation	(64,978)	(129,887)	(194,865)	(10,230)	(80,783)	(91,013)
Allowance for credit losses	(1,769)	(8,770)	(10,539)	(41)	(5,152)	(5,193)
Net book value	203,782	558,972	762,754	25,399	266,240	291,639
Others						
Cost	-	36,363	36,363	-	15,275	15,275
Accumulated depreciation	-	(6,632)	(6,632)	-	(3,358)	(3,358)
Allowance for credit losses	-	(708)	(708)	-	(252)	(252)
Net book value	-	29,023	29,023	-	11,665	11,665
TOTAL						
Cost	270,529	3,761,477	4,032,006	35,670	3,143,425	3,179,095
Accumulated depreciation	(64,978)	(903,530)	(968,508)	(10,230)	(707,902)	(718,132)
Less: allowance for credit losses (note 24)	(1,769)	(14,495)	(16,264)	(41)	(11,354)	(11,395)
Net book value	203,782	2,843,452	3,047,234	25,399	2,424,169	2,449,568

The table below shows the ijarah muntahia bittamleek credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system and stage classification.

	31 December 2025			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	687,365	4,120	-	691,485
Satisfactory (5-7)	2,108,824	263,155	-	2,371,979
Default (8-10)	-	-	34	34
Allowance for credit losses	(6,960)	(9,298)	(6)	(16,264)
	2,789,229	257,977	28	3,047,234

8. IJARAH MUNTAHIA BITTAMLEEK (continued)

	31 December 2024			
	Stage 1 US$ '000	Stage 2 US$ '000	Stage 3 US$ '000	Total US$ '000
Good (1-4)	659,215	4,204	-	663,419
Satisfactory (5-7)	1,591,934	205,610	-	1,797,544
Default (8-10)	-	-	-	-
Allowance for credit losses	(2,677)	(8,718)	-	(11,395)
	2,248,472	201,096	-	2,449,568

The below table shows the movement in allowance for credit losses by stage:

	31 December 2025			
	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 US$ '000**
Balance at 1 January	**2,677**	**8,718**	**-**	**11,395**
Changes due to ijarah muntahia bittamleek recognised in opening balance that have:				
- transferred to Stage 1	**-**	**-**	**-**	**-**
- transferred to Stage 2	**(2)**	**2**	**-**	**-**
- transferred to Stage 3	**(6)**	**-**	**6**	**-**
Net remeasurement of loss allowance	**4,462**	**221**	**-**	**4,683**
Allocation from investment risk reserve	**71**	**-**	**-**	**71**
FX translation / others	**(242)**	**357**	**-**	**115**
	6,960	**9,298**	**6**	**16,264**

	31 December 2024			
	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 US$ '000
Balance at 1 January	2,187	11,766	-	13,953
Changes due to ijarah muntahia bittamleek recognised in opening balance that have:				
- transferred to Stage 1	-	-	-	-
- transferred to Stage 2	-	-	-	-
- transferred to Stage 3	-	-	-	-
Net remeasurement of loss allowance	585	(2,950)	-	(2,365)
FX translation / others	(95)	(98)	-	(193)
	2,677	8,718	-	11,395

9. PROPERTY AND EQUIPMENT

	Buildings US$ '000	Lands US$ '000	Office furniture and equipment US$ '000	Vehicles US$ '000	Others US$ '000	Right of use asset US$ '000	Total US$ '000
Cost:							
At 1 January 2024	237,919	170,401	215,818	25,078	5,676	77,780	732,672
Additions	30,693	273	11,424	1,892	6,829	29,472	80,583
Disposals	(298)	(653)	(1,946)	(972)	(163)	(1,159)	(5,191)
Foreign exchange translations	(16,099)	(8,388)	(16,813)	(3,573)	14,428	(8,288)	(38,733)
At 31 December 2024	252,215	161,633	208,483	22,425	26,770	97,805	769,331
Additions	76,196	9,353	34,194	1,129	9,823	29,282	159,977
Disposals	(669)	-	(2,638)	(222)	-	(2,502)	(6,031)
Foreign exchange translations	(39,468)	(18,950)	161	(3,409)	(1,873)	(10,522)	(74,061)
At 31 December 2025	**288,274**	**152,036**	**240,200**	**19,923**	**34,720**	**114,063**	**849,216**
Accumulated Depreciation:							
At 1 January 2024	55,094	-	179,501	5,726	917	26,723	267,961
Charged during the year (note 22)	8,012	-	10,306	4,000	1,388	10,869	34,575
Relating to disposals	(195)	-	(1,308)	(831)	(97)	(907)	(3,338)
Foreign exchange translations	(3,834)	-	(11,952)	(731)	4,699	(2,492)	(14,310)
At 31 December 2024	59,077	-	176,547	8,164	6,907	34,193	284,888
Charged during the year (note 22)	9,080	-	11,581	3,255	1,732	15,641	41,289
Relating to disposals	(588)	-	(1,697)	(219)	-	(2,410)	(4,914)
Foreign exchange translations	342	-	1,560	(1,091)	169	(8,447)	(7,467)
At 31 December 2025	**67,911**	**-**	**187,991**	**10,109**	**8,808**	**38,977**	**313,796**
Net book values:							
At 31 December 2025	**220,363**	**152,036**	**52,209**	**9,814**	**25,912**	**75,086**	**535,420**
At 31 December 2024	193,138	161,633	31,936	14,261	19,863	63,612	484,443

* The total property and equipment is self-financed.

10. OTHER ASSETS

	2025 US$ '000	2024 US$ '000
Bills receivables	213,250	158,711
Goodwill and intangible assets (note 10.2)	93,426	82,554
Collateral pending sale*	375,365	299,768
Good faith qard (10.1)	37,700	37,778
Deferred taxation	138,712	121,390
Prepayments	57,802	45,516
Others	65,156	62,045
	981,411	807,762
Impairment / allowance for credit losses	(52,173)	(34,799)
	929,238	772,963

* The nature of the collateral pending sale are mainly residential and commercial real estates.

** The jointly financed portion of other assets amounts to US$ 126,990 thousand (2024: US$ 129,209 thousand).

10. OTHER ASSETS (continued)

10.1 Good faith qard

The following shows the movement in Good faith qard:

	Qard fund receivable US$ '000	Qard fund available US$ '000	Total US$ '000
2025			
Opening balance	37,778	37,677	75,455
Sources of qard fund			
Advances settled	(35,232)	35,232	-
Contribution / (withdrawal) by the Group	-	(4,166)	(4,166)
Others	-	1,919	1,919
Total Sources during the year	(35,232)	32,985	(2,247)
Uses of qard fund			
Marriage	408	(408)	-
Medical Treatment	375	(375)	-
Education	398	(398)	-
Settlement of current accounts	29,670	(29,670)	-
Others	4,303	(4,303)	-
Total uses during the year	35,154	(35,154)	-
Ending balance	37,700	35,508	73,208
2024			
Opening balance	39,916	48,599	88,515
Sources of qard fund			
Advances settled	(37,350)	37,350	-
Contribution / (withdrawal) by the Group	-	(2,796)	(2,796)
Others	-	(10,264)	(10,264)
Total Sources during the year	(37,350)	24,290	(13,060)
Uses of qard fund			
Marriage	438	(438)	-
Medical Treatment	344	(344)	-
Education	561	(561)	-
Settlement of current accounts	29,585	(29,585)	-
Others	4,284	(4,284)	-
Total uses during the year	35,212	(35,212)	-
Ending balance	37,778	37,677	75,455

10. OTHER ASSETS (continued)

10.2 Goodwill and intangible Assets

	2025			2024		
	Goodwill US$ '000	Intangible assets US$ '000	Total US$ '000	Goodwill US$ '000	Intangible assets US$ '000	Total US$ '000
At 1 January	35,540	47,014	82,554	36,195	36,260	72,455
Additions	-	37,589	37,589	-	27,975	27,975
Amortisation charge for the year (note 22)	-	(21,682)	(21,682)	-	(14,149)	(14,149)
Impairment loss for the year (note 24)	-	-	-	-	-	-
Foreign exchange translations	(222)	(4,813)	(5,035)	(655)	(3,072)	(3,727)
At 31 December	35,318	58,108	93,426	35,540	47,014	82,554

Goodwill acquired through business combinations with indefinite lives have been allocated to four individual cash-generating units. The carrying amount of goodwill allocated to each of the cash-generating units is as follows:

	2025 US$ '000	2024 US$ '000
Al Baraka Turk Participation Bank	571	768
Al Barak Bank Egypt	331	311
Jordan Islamic Bank	26,646	26,646
Al Baraka Bank (Pakistan) Limited	7,770	7,815
	35,318	35,540

The recoverable amount of the Group's significant cash-generating unit was determined based on fair value less costs of disposal, measured using quoted market prices in an active market as the cash-generating unit is a listed entity.

Based on the impairment assessment performed as at the reporting date, no impairment of goodwill was identified during the year.

11. LONG TERM FINANCING

	2025 US$ '000	2024 US$ '000
Murabaha financing	717,658	361,960
Subordinated financing obtained by a subsidiaries	258,230	413,675
	975,888	775,635

12. OTHER LIABILITIES

	2025 US$ '000	2024 US$ '000
Payables	422,278	348,818
Cash margins	221,119	237,769
Accrued expenses	133,389	125,745
Managers' cheques	149,596	98,531
Current taxation*	125,220	92,860
Net Ijarah liability	80,328	63,632
Deferred taxation*	23,941	12,340
Charity fund (12.1)	4,424	8,283
Zakah fund (12.2)	3,144	2,130
Others	140,159	110,402
Allowance for credit losses (note 24)	47,524	40,059
	1,351,122	1,140,569

*In view of the operations of the Group being subject to various tax jurisdictions and regulations, it is not practical to provide a reconciliation between the accounting and taxable profits together with details of effective tax rates.

12. OTHER LIABILITIES (continued)

12.1 Charity fund

The following shows the movement in Charity fund:

	2025 US$ '000	2024 US$ '000
Sources of Charity fund		
Balance as at beginning of year	8,283	9,689
Non-Islamic income	2,120	4,807
Others	4,744	5,529
Total charity fund available for distribution	15,147	20,025
Uses of Charity fund		
Charity for the poor and needy	739	632
Charity for medical	85	226
School sponsorship	363	453
Others	10,196	9,731
Total uses of Charity fund	11,383	11,042
Foreign exchange translation	660	(700)
Undistributed charity fund as at end of the year	4,424	8,283

12.2 Zakah fund

The following shows the movement in Zakah fund:

	2025 US$ '000	2024 US$ '000
Sources of Zakah		
Balance as at beginning of year	2,130	1,947
Zakah due from the group	2,986	2,796
Zakah due from account holders	2	-
Others	113	-
Total Zakah available for distribution	5,231	4,743
Uses of Zakah fund		
Zakah for the poor and needy	1,420	1,343
Zakah for medical	140	68
Zakah for education	50	171
Zakah for the cause of Allah	-	27
Others	228	431
Total uses of Zakah fund	1,838	2,040
Foreign exchange translation	(249)	(573)
Undistributed Zakah fund as at end of the year	3,144	2,130

13. QUASI-EQUITY

	2025 US$ '000	2024 US$ '000
Equity of investment accountholders*	15,603,450	13,688,867
Profit equalisation reserve (note 13.1)	251,492	198,913
Investment risk reserve (note 13.2)	132,455	80,901
Cumulative changes in fair value attributable to equity of investment accountholders - net (note 13.3)	10,576	9,796
	15,997,973	13,978,477

**Subordinated Mudaraba*

This includes unsecured, sub-ordinated and privately placed unrestricted mudaraba sukuk amounting to US$ 6,226 thousand (2024: US$ 6,261 thousand) issued by Al Baraka Bank (Pakistan) Limited (ABPL) during 2021 and will mature in 2031. The issuance of sukuk is intended to comply with regulatory requirements related to capital adequacy ratio of ABPL. The principal repayment, started after six months of the drawdown date and is being made semi-annually on a straight line basis.

The following table summarises the breakdown of investment account-holders "IAH" as of:

	2025 US$ '000	2024 US$ '000
IAH - Financial institutions	1,126,433	640,320
IAH - Non-financial institutions and individuals	14,871,540	13,338,157
	15,997,973	13,978,477

The following table summarises the breakdown of equity of investment accountholders by type:

	2025 US$ '000	2024 US$ '000
Accounts on demand	2,250,454	1,852,700
Accounts on a contractual basis	13,352,996	11,836,167
	15,603,450	13,688,867

13.1 Profit equalisation reserve

The following shows the movement in profit equalisation reserve:

	2025 US$ '000	2024 US$ '000
Balance at 1 January	198,913	183,760
Amount apportioned from income allocable to equity of investment accountholders	37,171	47,411
Amount used during the year	-	-
Foreign exchange translations / others	15,408	(32,258)
Balance at 31 December	251,492	198,913

13. QUASI-EQUITY (continued)

13.2 Investment risk reserve

The following shows the movement in investment risk reserve:

	2025 US$ '000	2024 US$ '000
Balance at 1 January	80,901	80,474
Amount appropriated from provision (note 24)	(4,151)	11,692
Amount apportioned from / (to) income allocable to equity of investment accountholders	38,159	(10,584)
Foreign exchange translations / others	17,546	(681)
Balance at 31 December	132,455	80,901

13.3 Cumulative changes in fair value attributable to equity of investment accountholders - net

	2025 US$ '000	2024 US$ '000
Balance at 1 January	9,796	(1,154)
Change in fair values during the year	-	(612)
Deferred taxation effect	776	11,563
Transfer to shareholders' equity	4	(1)
Balance at 31 December	10,576	9,796
Attributable to investment in real estate	(808)	(150)
Attributable to equity-type instruments at fair value through OCI	11,384	9,946
	10,576	9,796

14. EQUITY

	2025 US$ '000	2024 US$ '000
Share capital		
Authorised: 2,500,000,000 (2024: 2,500,000,000) ordinary shares of US$ 1 each	2,500,000	2,500,000
Issued and fully paid up:		
At beginning of the year 1,242,879,755 (2024: 1,242,879,755) shares of US$1 each	1,242,880	1,242,880
At end of the year 1,242,879,755 (2024: 1,242,879,755) shares of US$1 each	1,242,880	1,242,880

14. EQUITY (continued)

Treasury shares

	Number of shares ('000)	2025 US$ '000	2024 US$ '000
At 1 January	31,380	15,658	15,658
At 31 December	31,380	15,658	15,658

Additional information on shareholding pattern

i) Names and nationalities of the major shareholders and the number of shares in which they have an interest of 5% or more of outstanding shares:

At 31 December 2025

Names	Nationality/ Incorporation	Number of shares	% holding
Dallah AlBaraka Holding Company B.S.C. (c)	Bahrain	784,882,224	63.15%
Altawfeek Company For Investment Funds	Cayman Islands	240,173,054	19.32%
Abdulla AbdulAziz AlRajihi	Saudi	87,313,197	7.03%

At 31 December 2024

Names	Nationality/ Incorporation	Number of shares	% holding
Dallah AlBaraka Holding Company B.S.C. (c)	Bahrain	784,882,224	63.15%
Altawfeek Company For Investment Funds	Cayman Islands	240,173,054	19.32%
Abdulla AbdulAziz AlRajihi	Saudi	87,313,197	7.03%

ii) The Firm has only one class of shares and the holders of these shares have equal voting rights.
iii) Distribution schedule of shares, setting out the number and percentage of holders in the following categories:

At 31 December 2025

	Number of shares	Number of shareholders	% of total outstanding shares
Less than 1%	75,775,063	980	6.10%
1% up to less than 5%	54,736,217	3	4.40%
5% up to less than 10%	87,313,197	1	7.03%
10% up to less than 20%	240,173,054	1	19.32%
20% up to less than 50%	-	-	0.00%
More than 50%	784,882,224	1	63.15%
	1,242,879,755	986	100.00%

At 31 December 2024

Categories:	Number of shares	Number of shareholders	% of total outstanding shares
Less than 1%	75,775,063	980	6.10%
1% up to less than 5%	54,736,217	3	4.40%
5% up to less than 10%	87,313,197	1	7.03%
10% up to less than 20%	240,173,054	1	19.32%
20% up to less than 50%	-	-	0.00%
More than 50%	784,882,224	1	63.15%
	1,242,879,755	986	100.00%

14. EQUITY (continued)

Additional information on shareholding pattern (continued)

a. Share premium / Equity transaction cost

Amounts collected in excess of the par value of the issued share capital during any new issue of shares, net of issue costs, are treated as share premium. This amount is not available for distribution, but can be utilised as stipulated in the Bahrain Commercial Companies Law (BCCL).

Equity transaction cost, represent costs incurred by the Firm that are directly related to raising capital and have been incurred in cash.

b. Statutory reserve

In accordance with the BCCL and the Firm's articles of association, 10% of the parent's share of the net income for the year is transferred to the statutory reserve until such time as the reserve reaches 50% of the Bank's paid-up share capital. The reserve is not distributable except in such circumstances as stipulated in the Bahrain Commercial Companies Law. During the year US$ 19,084 thousand (2024: US$ 15,732 thousand) was transferred to statutory reserve.

c. Cumulative changes in fair values

This represents the net unrealised fair value gains and losses relating to the equity of the parent on equity-type instruments at fair value through OCI, investment in real estate and land occupied by the Group (classified as property and equipment).

d. Foreign currency translations

The foreign currency translations are used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The following table summarises the subsidiary / associate wise foreign currency translation reserve as at 31 December:

Subsidiary	Currency	2025 US$ '000	2024 US$ '000
Banque Al Baraka D'Algerie (BAA)	Algerian Dinar	64,686	71,145
Al Baraka Bank (Pakistan) Limited	Pakistani Rupees	57,440	57,209
Al Baraka Bank Egypt (ABE)	Egyptian Pound	369,771	382,716
Al Baraka Turk Participation Bank (ATPB)	Turkish Lira	650,833	596,846
Al Baraka Bank Limited (ABL)	South African Rand	22,522	28,557
Al Baraka Bank Sudan (ABS)	Sudanese Pound	153,983	134,944
Al Baraka Bank Tunis (ABT)	Tunisian Dinar	31,276	39,599
Al Baraka Bank Syria (ABBS)	Syrian Pound	64,897	64,897
		1,415,408	1,375,913

e. Other reserves

Other reserves mainly consist of general banking risk reserves maintained by the subsidiaries in accordance with local regulations.

f. Zakah paid on behalf of shareholders

The General Assembly in its annual meeting conducted on 19 March 2025 empowered the Executive Management of Al Baraka Group to pay an amount of US$ 1,404 thousand as Zakah on behalf of the shareholders deducted from the retained earnings for the financial year of 2024. The Group has paid and distributed to those who are entitled to receive Zakah as per Shari'a boundaries and as approved by the Unified Shari'a Board.

14. EQUITY (continued)

Additional information on shareholding pattern (continued)

	2025 US$ '000	2024 US$ '000
Zakah to be paid on behalf of shareholders for the year	1,404	576
Uses of Zakah:		
Zakah for the poor and needy	315	412
Zakah for medical	140	18
Scholarships	50	100
Total uses	505	530
Remaining Zakah to be paid	899	46

g. Net movement in non-controlling interest

This mainly includes the effect of changes in capital of subsidiaries, buying (selling) by the non-controlling interest from (to) the Group.

Non-controlling interest

Non-controlling interest constitutes equity in a subsidiary not attributable, directly or indirectly, to a parent. This includes the portion of the Tier 1 Mudaraba Sukuk amounted to US$ 140 million (31 December 2024: US$ 145 million) issued by the Group's subsidiary in February 2018 which is not subscribed by the parent.

15. SUKUK (TIER 1 CAPITAL)

On 31 May 2017, the Firm completed an issuance of US$ 400 million Additional Tier 1 Mudaraba Sukuk in compliance with CBB regulations; listed on Irish Stock Exchange. Profit shall be payable subject to and in accordance with terms and conditions on the outstanding nominal amount of the Sukuk at an expected profit of 8.775% per annum, payable on semi-annual basis. These Sukuks are recognised under equity in the consolidated statement of financial position and the corresponding profit payable on those Sukuk are accounted as appropriation of profits. Expenses relating to the issuance have been included in the retained earnings. As per the terms and conditions, the Sukuk holders will not have a right to claim the profit and such event of non-payment of profit will not be considered as event of default. The Sukuk can be redeemed only at the option of ABG.

16. INCOME FROM FINANCING CONTRACTS

	2025 US$ '000	2024 US$ '000
Receivables (note 16.1)	1,973,651	1,586,077
Participatory investments (note 16.2)	158,988	162,934
Ijarah Muntahia Bittamleek (note 16.3)	221,906	197,318
	2,354,545	1,946,329

16.1 Receivables

	2025 US$ '000	2024 US$ '000
Sales (Murabaha) receivables	1,932,776	1,548,744
Salam receivables	24,956	20,101
Istisna'a receivables	15,919	17,232
	1,973,651	1,586,077

16. INCOME FROM FINANCING CONTRACTS (continued)

16.2 Participatory investments

	2025 US$ '000	2024 US$ '000
Mudaraba financing	98,399	95,410
Musharaka financing	60,589	67,524
	158,988	162,934

16.3 Ijarah Muntahia Bittamleek

	2025 US$ '000	2024 US$ '000
Income from Ijarah Muntahia Bittamleek	552,645	378,057
Depreciation on Ijarah Muntahia Bittamleek	(330,739)	(180,739)
	221,906	197,318

17. INCOME FROM INVESTMENTS

	2025 US$ '000	2024 US$ '000
Equity-type instruments at fair value through OCI	97,000	98,688
Debt-type instruments at amortised cost	415,909	396,464
Unrealised gain on equity and debt-type instruments at fair value through statement of income	145,193	225,987
Gain on sale of equity-type instruments at fair value through OCI	1,396	923
Gain on sale of equity and debt-type instruments at fair value through statement of income	96	17
Income from investment in real estate	2,280	1,521
Income from associates and joint venture	15,377	11,894
Gain on sale of investment in real estate	2,332	1,491
	679,583	736,985

18. GROUP'S SHARE AS A MUDARIB

Group's share as a Mudarib is determined at the level of each subsidiary and is based on the terms and conditions of the related agreements.

19. FEES AND COMMISSION INCOME

	2025 US$ '000	2024 US$ '000
Banking fees and commissions	286,853	223,996
Letters of credit	14,033	12,250
Guarantees	24,270	20,124
Acceptances	1,403	1,334
	326,559	257,704

20. OTHER INCOME

	2025 US$ '000	2024 US$ '000
Foreign exchange gain	71,656	93,514
(Loss) / gain on sale of property and equipment	(1,045)	6,825
Gain on sale of other assets	24,227	-
	94,838	100,339

21. PROFIT PAID ON FINANCING

	2025 US$ '000	2024 US$ '000
Profit paid on long term financing (note 21.1)	102,506	102,431
Profit paid on short term financing	315,493	345,918
	417,999	448,349

21.1 Profit paid on long term financing

	2025 US$ '000	2024 US$ '000
Murabaha financing	19,950	17,970
Subordinated financing obtained by a subsidiary	82,556	84,461
	102,506	102,431

22. DEPRECIATION AND AMORTISATION

	2025 US$ '000	2024 US$ '000
Property and equipment depreciation (note 9)	41,289	34,575
Intangible assets amortisation (note 10.2)	21,682	14,149
	62,971	48,724

23. OTHER OPERATING EXPENSES

	2025 US$ '000	2024 US$ '000
General and administration expenses	168,847	148,437
Professional and business expenses	44,278	33,919
Premises related expenses	39,620	35,978
	252,745	218,334

The audit and non-audit fees for the year ended 31 December to the PwC and its network firms are as follows:

	2025 US$ '000	2024 US$ '000
Audit fees	1,760	1,801
Non - Audit fees	493	604
	2,253	2,405

24. NET ALLOWANCE FOR EXPECTED CREDIT LOSSES / IMPAIRMENT

2025	Cash and balances with banks US$ '000 (note 3)	Due from Banks US$ '000 (note 4)	Receivables US$ '000 (note 5)	Participatory investments US$ '000 (note 6)	Investments US$ '000 (note 7.2 & 7.3)	Ijarah Muntahia Bittamleek US$ '000 (note 8)	Other assets US$ '000 (note 10)	Other liabilities US$ '000 (note 12)	Total US$ '000
Allowance at 1 January	44,104	10,285	669,671	30,420	17,014	11,395	34,799	40,059	857,747
Net charge during the year	25,318	(2,525)	103,878	2,275	(2,485)	4,683	14,909	19,307	165,360
Written back / recovered during the year	-	-	(17,799)	(1,561)	(387)	-	(221)	(1,626)	(21,594)
	25,318	(2,525)	86,079	714	(2,872)	4,683	14,688	17,681	143,766
	69,422	7,760	755,750	31,134	14,142	16,078	49,487	57,740	1,001,513
Written off during the year	-	-	(64,689)	(771)	-	-	(1,684)	-	(67,144)
Amount appropriated (to) / from investment risk reserve (note 13.2)	-	(22)	4,065	9	28	71	-	-	4,151
Foreign exchange translations/others - net	956	164	(14,544)	(471)	720	115	4,370	(10,216)	(18,906)
Allowance at 31 December	70,378	7,902	680,582	29,901	14,890	16,264	52,173	47,524	919,614

During the year, an impairment loss of US$ Nil (2024: US$ 893 thousand) was charged against investments.

An amount of US$ 8,695 thousand (2024: US$ 6,297 thousand) is related to provision of equity type instruments at fair value through OCI.

2024	Cash and balances with banks US$ '000 (note 3)	Due from Banks US$ '000 (note 4)	Receivables US$ '000 (note 5)	Participatory investments US$ '000 (note 6)	Investments US$ '000 (note 7.2 & 7.3)	Ijarah Muntahia Bittamleek US$ '000 (note 8)	Other assets US$ '000 (note 10)	Other liabilities US$ '000 (note 12)	Total US$ '000
Allowance at 1 January	36,319	19,055	702,453	36,415	19,321	13,953	31,321	58,763	917,600
Net charge during the year	852	1,232	106,490	1,498	1,551	(2,365)	4,117	6,397	119,772
Written back / recovered during the year	-	-	(28,566)	(2)	(317)	-	(104)	(1,292)	(30,281)
	852	1,232	77,924	1,496	1,234	(2,365)	4,013	5,105	89,491
	37,171	20,287	780,377	37,911	20,555	11,588	35,334	63,868	1,007,091
Written off during the year	-	-	(21,595)	(5,981)	-	-	-	-	(27,576)
Amount appropriated to investment risk reserve	-	(544)	(11,039)	(32)	(77)	-	-	-	(11,692)
Foreign exchange translations/ others - net	6,933	(9,458)	(78,072)	(1,478)	(3,464)	(193)	(535)	(23,809)	(110,076)
Allowance at 31 December	44,104	10,285	669,671	30,420	17,014	11,395	34,799	40,059	857,747

24. NET ALLOWANCE FOR EXPECTED CREDIT LOSSES / IMPAIRMENT (continued)

The provisions relate to the following geographical areas:

2025	Cash and balances with banks US$ '000 (note 3)	Due from Banks US$ '000 (note 4)	Receivables US$ '000 (note 5)	Participatory investments US$ '000 (note 6)	Investments US$ '000 (note 7.2 & 7.3)	Ijarah Muntahia Bittamleek US$ '000 (note 8)	Other assets US$ '000 (note 10)	Other liabilities US$ '000 (note 12)	Total US$ '000
Middle East	28,275	7,214	290,620	16,785	8,891	176	41,538	31,073	424,572
North Africa	10,583	660	114,578	48	4,233	10,937	8,581	1,427	151,047
Europe	5,560	-	224,096	-	13	5,139	1,290	10,786	246,884
Others	25,960	28	51,288	13,068	1,753	12	764	4,238	97,111
Total	70,378	7,902	680,582	29,901	14,890	16,264	52,173	47,524	919,614
2024									
Middle East	26,345	8,084	291,818	15,126	12,684	106	29,136	31,258	414,557
North Africa	9,483	2,182	90,996	77	3,024	10,946	4,587	1,682	122,977
Europe	8,275	-	211,541	989	265	341	303	2,619	224,333
Others	1	19	75,316	14,228	1,041	2	773	4,500	95,880
Total	44,104	10,285	669,671	30,420	17,014	11,395	34,799	40,059	857,747

The fair value of collateral the Group holds relating to non-performing facilities as at 31 December 2025 amounts to US$ 420 million (2024: US$ 373 million). The collateral consists of cash margin, securities and properties. The utilisation of the collaterals will be on customer by customer basis and will be limited to the customer's total exposure.

25. BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing net income for the year attributable to equity holders of the parent by the weighted average number of shares outstanding during the year as follows:

	2025 US$ '000	2024 US$ '000
Net income attributable to the equity shareholders of the parent for the year - US$ '000	190,837	157,324
Profit distributed on perpetual tier 1 capital - US$ '000	(35,100)	(35,100)
	155,737	122,224
Number of shares outstanding at the beginning ofthe year (in thousands)	1,242,880	1,242,880
Treasury shares effect (in thousands)	(31,380)	(31,380)
Weighted average number of shares outstanding at the end of the year (in thousands)	1,211,500	1,211,500
Basic and diluted earnings per share - US cents	12.85	10.09

26. CASH AND CASH EQUIVALENTS

	2025 US$ '000	2024 US$ '000
Balances with central banks excluding mandatory reserve	1,435,162	1,437,071
Balances with other banks	988,537	914,476
Cash and cash in transit	588,939	594,691
	3,012,638	2,946,238

Non-cash transactions:
Additions to the right-of-use assets and lease liabilities during the current year were USD 29 million (2024: USD 29 million).

27. RELATED PARTY TRANSACTIONS

Related parties comprise major shareholders, directors of the Group, entities owned or controlled, jointly controlled or significantly influenced by them, companies affiliated by virtue of shareholding in common with that of the Group and Shari'a supervisory board members.

The income and expenses in respect of related parties were as follows:

	Associated companies US$ '000	Major shareholders US$ '000	Directors and key management personnel US$ '000	Other related parties US$ '000	Total 2025 US$ '000	Total 2024 US$ '000
Net income from financing contracts and investments	1,279	-	-	-	1,279	2,253
Net income attributable to quasi-equity	519	583	404	-	1,506	965
Fees and commission income	42	-	-	-	42	66

Impairment allowance related to associated companies for the year ended 31 December 2025 amounted to US$ 9.1 million (31 December 2024: US$ 3.0 million).

Compensation of key management personnel of the Firm, included in consolidated statement of income, is as follows:

	2025 US$ '000	2024 US$ '000
Short term benefits	9,271	7,009
Long term benefits	828	589

Short term benefits includes basic salaries, bonuses, allowances and other benefits paid during the year and long term benefits includes indemnity, social insurance benefits and investment scheme.

Director's remuneration for the year ended 31 December 2025 amounted to US$ 1.65 million (2024: US$ 1.50 million).

The balances with related parties at 31 December were as follows:

	Associated companies US$ '000	Major shareholders US$ '000	Directors and key management personnel US$ '000	Other related parties US$ '000	Total 2025 US$ '000	Total 2024 US$ '000
Assets:						
Cash and balances with banks	18	-	-	-	18	-
Receivables	1,978	-	-	-	1,978	1,865
Investments	91,726	-	-	-	91,726	98,613
Other assets	12,021	1	292	-	12,314	9,514
Liabilities:						
Customer current and other accounts	49,158	712	1,183	8	51,061	81,674
Other liabilities	17,540	-	-	-	17,540	-
Quasi-Equity	30,823	9,655	10,364	7	50,849	39,914
Off-Balance sheet assets under management	89,112	8,849	-	-	97,961	126,220

All related party exposures are performing and are free of any specific provision for credit losses.

27. RELATED PARTY TRANSACTIONS (continued)

Details of Directors' and Executive Management's direct and indirect interests in the Firm's shares as at the end of the year were:

			2025	Transaction
Name of directors	Position	Nationality	Number of shares	Number of shares
Abdulla Saleh Kamel	**Chairman**	**Saudi**	**338,598**	**-**
Abdul Elah Sabbahi	**Board Member**	**Saudi**	**225,899**	**-**

			2024	Transaction
Name of directors	Position	Nationality	Number of shares	Number of shares
Abdulla Saleh Kamel	Chairman	Saudi	338,598	-
Abdul Elah Sabbahi	Board Member	Saudi	225,899	-

28. COMMITMENTS AND CONTINGENCIES

	2025 US$ '000	2024 US$ '000
Letters of credit	**990,713**	626,604
Guarantees	**1,858,756**	1,534,004
Acceptances	**66,731**	43,914
Commitments	**1,785,879**	1,060,874
Sharia'a compliant promise contracts	**1,435,944**	992,605
	6,138,023	4,258,001

29. SEGMENTAL ANALYSIS

Segmental information is presented in respect of the Group's geographical segments. The geographical segments are based upon the location of the units responsible for recording the transactions and reflects the manner in which financial information is evaluated by the Group's management and the Board of Directors.

For financial reporting purposes, the Group is divided into the following geographic segments:

Middle East
North Africa
Europe
Others

The results reported for the geographic segments are based on the Group's internal financial reporting systems. The accounting policies of the segments are the same as those applied in the preparation of the Group's consolidated financial statements as set out in Note 2. Transactions between segments are conducted at estimated market rates on an arm's length basis.

No business segment is presented as that is not applicable to the Group.

29. SEGMENTAL ANALYSIS (continued)

Segment assets, liabilities and equity of investment accountholders were as follows:

	2025			2024		
	Assets US$ '000	Liabilities US$ '000	Quasi-equity US$ '000	Assets US$ '000	Liabilities US$ '000	Quasi-equity US$ '000
Segment						
Middle East	14,548,095	2,848,740	10,238,268	12,840,863	2,939,362	8,617,136
North Africa	4,043,456	2,391,087	1,349,716	3,088,749	1,635,718	1,159,657
Europe	10,667,703	7,077,725	3,287,391	8,611,934	5,143,967	3,178,554
Others	1,754,499	510,695	1,122,598	1,645,285	492,233	1,023,130
	31,013,753	12,828,247	15,997,973	26,186,831	10,211,280	13,978,477

Segment operating income, net operating income and net income were as follows:

	2025			2024		
	Total operating income US$ '000	Net operating income US$ '000	Net income US$ '000	Total operating income US$ '000	Net operating income US$ '000	Net income / (loss) US$ '000
Segment						
Middle East	529,049	278,656	138,191	441,506	203,496	100,715
North Africa	140,810	76,514	40,302	111,907	51,049	34,213
Europe	543,888	214,902	160,385	435,434	183,793	151,671
Others	102,730	34,340	17,946	101,491	47,774	21,918
	1,316,477	604,412	356,824	1,090,338	486,112	308,517

30. RISK MANAGEMENT

Risk management is an integral part of the Group's decision-making process. Various Committees including Assets & Liability Management Committee (ALCO) guide and assist with overall management of the Group's balance sheet risks. In addition, on a holistic basis, all risks that the Group is exposed to are reviewed and assessed by the Group's Board Risk Committee (BRC). The Group manages exposures by setting limits approved by the Board of Directors. These risks and the processes to mitigate these risks have not significantly altered from the previous year.

The most important types of risk are liquidity risk, credit risk, concentration risk, market risk and other operational risk. Market risk includes profit rate risk, equity price risk and foreign exchange risk.

a) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on regular basis. Each of the Group's subsidiaries has a liquidity policy and framework appropriate to the nature and complexity of its business. The policy addresses the subsidiaries' goal of protecting financial strength even for stressful events.

The table next page summarises the maturity profile of the Group's assets and liabilities based on contractual repayment arrangements. The contractual maturities of assets and liabilities have been determined on the basis of the remaining period at the financial position date to the contractual maturity date and do not take account of the effective maturities as indicated by the Group's retention history of its investment account holders and the availability of bank lines.

30. RISK MANAGEMENT (continued)

a) Liquidity risk (continued)

The maturity profile at 31 December 2025 was as follows:

	Up to 1 month US$ '000	1 to 3 months US$ '000	3 to 6 months US$ '000	6 months to 1 year US$ '000	1 to 3 years US$ '000	3 to 5 years US$ '000	5 to 10 years US$ '000	10 to 20 years US$ '000	20 years and above US$ '000	Undated US$ '000	Total US$ '000
Assets											
Cash and balances with banks	2,964,488	-	12,079	-	-	309,315	-	-	-	3,089,743	6,375,625
Due from Banks	794,512	134,098	56,234	7,000	30,946	3,373	2,735	-	-	-	1,028,898
Receivables	1,694,137	1,805,780	1,448,163	2,739,773	2,287,647	1,884,801	567,907	35,413	8,801	35,105	12,507,527
Participatory investments	52,653	36,340	32,117	104,568	197,866	365,790	241,893	84,324	6,964	-	1,122,515
Investments	697,091	112,713	457,112	799,920	1,257,066	773,518	373,277	70,172	98,015	828,412	5,467,296
Ijarah Muntahia Bittamleek	51,979	88,398	241,311	135,796	823,783	445,270	602,147	611,973	46,577	-	3,047,234
Property and equipment	-	-	-	-	-	-	-	-	-	535,420	535,420
Other assets	222,980	23,955	37,650	89,599	42,900	32,364	-	-	-	479,790	929,238
Total assets	6,477,840	2,201,284	2,284,666	3,876,656	4,640,208	3,814,431	1,787,959	801,882	160,357	4,968,470	31,013,753
Liabilities											
Customer current and other accounts	8,170,877	-	-	-	-	-	-	-	-	-	8,170,877
Due to banks	1,709,666	452,732	64,352	35,177	-	-	-	68,433	-	-	2,330,360
Long term financing	-	51,329	84,040	423,476	271,636	145,407	-	-	-	-	975,888
Other liabilities	266,111	100,795	83,859	113,978	46,855	71,310	4,069	620,010	-	44,135	1,351,122
Total liabilities	10,146,654	604,856	232,251	572,631	318,491	216,717	4,069	688,443	-	44,135	12,828,247
Quasi-Equity	5,359,659	1,399,289	959,072	1,371,318	3,001,953	943,808	2,255,494	707,282	98	-	15,997,973
Total liabilities and Quasi-Equity	15,506,313	2,004,145	1,191,323	1,943,949	3,320,444	1,160,525	2,259,563	1,395,725	98	44,135	28,826,220
Net liquidity gap	(9,028,473)	197,139	1,093,343	1,932,707	1,319,764	2,653,906	(471,604)	(593,843)	160,259	4,924,335	2,187,533
Cumulative net liquidity gap	(9,028,473)	(8,831,334)	(7,737,991)	(5,805,284)	(4,485,520)	(1,831,614)	(2,303,218)	(2,897,061)	(2,736,802)	2,187,533	
Off-balance sheet assets under management	213,292	513	4,051	1,402,752	1,397	2,344	1,387	665	-	-	1,626,401

The maturity profile at 31 December 2024 was as follows:

	Up to 1 month US$ '000	1 to 3 months US$ '000	3 to 6 months US$ '000	6 months to 1 year US$ '000	1 to 3 years US$ '000	3 to 5 years US$ '000	5 to 10 years US$ '000	10 to 20 years US$ '000	20 years and above US$ '000	Undated US$ '000	Total US$ '000
Cash and balances with banks	2,646,371	-	10,297	-	-	340,430	-	-	-	2,676,774	5,673,872
Due from Banks	400,686	227,488	74,496	4,220	29,659	1,817	4,005	-	-	-	742,371
Receivables	1,284,870	1,635,417	1,470,322	1,720,477	2,372,262	1,378,462	342,633	35,207	7,801	16,284	10,263,735
Participatory investments	285,437	3,579	6,206	59,398	134,059	132,723	92,646	46,656	2,634	-	763,338
Investments	765,764	128,705	114,240	374,078	1,781,852	756,314	267,471	157,791	229	690,097	5,036,541
Ijarah Muntahia Bittamleek	36,242	44,397	62,446	136,425	517,721	414,424	572,861	602,289	62,763	-	2,449,568
Property and equipment	-	-	-	-	-	-	-	-	-	484,443	484,443
Other assets	250,274	20,386	28,574	85,312	38,077	21,422	224	-	-	328,694	772,963
Total assets	5,669,644	2,059,972	1,766,581	2,379,910	4,873,630	3,045,592	1,279,840	841,943	73,427	4,196,292	26,186,831
Liabilities											
Customer current and other accounts	6,792,690	-	-	-	-	-	-	-	-	-	6,792,690
Due to banks	1,001,132	358,656	8,788	17,965	2,769	-	-	113,076	-	-	1,502,386
Long term financing	10,633	51,767	17,324	303,519	178,539	213,853	-	-	-	-	775,635
Other liabilities	307,085	99,590	66,546	70,073	19,297	68,872	1,954	476,073	-	31,079	1,140,569
Total liabilities	8,111,540	510,013	92,658	391,557	200,605	282,725	1,954	589,149	-	31,079	10,211,280
Quasi-Equity	4,473,644	1,275,233	858,783	1,155,083	2,474,626	844,723	2,018,371	877,900	114	-	13,978,477
Total liabilities and Quasi-Equity	12,585,184	1,785,246	951,441	1,546,640	2,675,231	1,127,448	2,020,325	1,467,049	114	31,079	24,189,757
Net liquidity gap	(6,915,540)	274,726	815,140	833,270	2,198,399	1,918,144	(740,485)	(625,106)	73,313	4,165,213	1,997,074
Cumulative net liquidity gap	(6,915,540)	(6,640,814)	(5,825,674)	(4,992,404)	(2,794,005)	(875,861)	(1,616,346)	(2,241,452)	(2,168,139)	1,997,074	
Off-balance sheet assets under management	7,369	995	1,997	1,359,969	689	1,293	1,292	193,007	-	-	1,566,611

30. RISK MANAGEMENT (continued)

b) Credit risk

Credit risk is the risk that one party to a financial contract will fail to discharge an obligation and cause the other party to incur a financial loss. The Group controls credit risk by monitoring credit exposures, and continually assessing the creditworthiness of counterparties.

The Group continues to assess the impact of economic developments on individual customers, segments or portfolios. As credit conditions change, the Group takes mitigating actions, including the revision of risk appetites or limits and tenors, as appropriate. In addition, continues to manage credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the creditworthiness of counterparties.

Type of credit risk

Financing contracts mainly comprise Sales (Murabaha) receivables, Salam receivables, Istisna'a receivables, Mudaraba financing, Musharaka financing and Ijarah Muntahia Bittamleek.

Sales (Murabaha) receivables

The Group finances these transactions through buying a commodity which represents the object of the Murabaha and then resells this commodity to the murabeh (beneficiary) at a profit. The sale price (cost plus the profit margin) is repaid in instalments by the murabeh over the agreed period. The transactions are secured at times by the object of the Murabaha (in case of real estate finance) and other times by a total collateral package securing all the facilities given to the client.

Salam receivables

Salam is a contract whereby the Group makes an immediate payment to a seller for the future delivery of a commodity. To protect itself from risk associated with the commodity the Group simultaneously enters into Parallel Salam contract whereby it sells the commodity for deferred delivery for immediate payment.

Istisna'a receivables

Istisna'a is a sale agreement between the Group as the seller and the customer as the ultimate purchaser whereby the Group undertakes to have manufactured (or acquire) goods and sell it to the customer for an agreed upon price on completion at future date.

Mudaraba financing

The Group enters into Mudaraba contracts by investing in funds managed primarily by other banks and financial institutions for a definite period of time.

Musharaka financing

An agreement between the Group and a customer to contribute to a certain investment enterprise, whether existing or new, or the ownership of a certain property either permanently or according to a diminishing arrangement ending up with the acquisition by the customer of the full ownership. The profit is shared as per the agreement set between both parties while the loss is shared in proportion to their shares of capital or the enterprise.

Maximum exposure to credit risk before collateral held or other credit enhancements

	Maximum exposure	
	2025 **US$ '000**	2024 US$ '000
Balances with central banks	**4,868,527**	4,208,809
Balances with other banks	**988,537**	914,476
Due from Banks	**1,028,898**	742,371
Receivables	**12,507,527**	10,263,735
Participatory investments	**1,122,515**	763,338
Investments	**5,467,296**	5,036,541
Ijarah Muntahia Bittamleek	**3,047,234**	2,449,568
Other assets	**263,933**	223,735
Total	**29,294,467**	24,602,573
Commitments and contingencies	**6,138,023**	4,258,001
	35,432,490	28,860,574

30. RISK MANAGEMENT (continued)

b) Credit risk (continued)

Credit quality by type of Islamic financing contracts

The table below shows the credit quality by type of Islamic financing contracts, based on the Group's credit rating system as of:

	31 December 2025			
	Neither past due nor non performing US$ '000	Past due but performing US$ '000	Non performing Islamic financing contracts US$ '000	Total US$ '000
Type of Islamic Financing Contracts				
Receivables	12,092,671	516,642	578,796	13,188,109
Due from Banks	1,029,800	-	7,000	1,036,800
Participatory investments	1,101,824	19,315	31,277	1,152,416
Ijarah Muntahia Bittamleek	3,038,447	25,017	34	3,063,498
Other assets	298,063	4,940	13,103	316,106
	17,560,805	565,914	630,210	18,756,929

	31 December 2024			
	Neither past due nor non performing US$ '000	Past due but performing US$ '000	Non performing Islamic financing contracts US$ '000	Total US$ '000
Type of Islamic Financing Contracts				
Receivables	9,093,574	1,281,250	558,582	10,933,406
Due from Banks	745,656	-	7,000	752,656
Participatory investments	743,489	17,521	32,748	793,758
Ijarah Muntahia Bittamleek	2,423,339	37,624	-	2,460,963
Other assets	247,797	2,352	8,385	258,534
	13,253,855	1,338,747	606,715	15,199,317

Ageing analysis of past due but performing Islamic financing contracts

The following table summarises the ageing of past due but performing Islamic financing contracts as of:

	31 December 2025			
	Less than 30 days US$ '000	31 to 60 days US$ '000	61 to 90 days US$ '000	Total US$ '000
Type of Islamic Financing Contracts				
Receivables	324,279	98,316	94,047	516,642
Participatory investments	9,054	3,584	6,677	19,315
Ijarah Muntahia Bittamleek	18,252	4,855	1,910	25,017
Other assets	3,765	603	572	4,940
	355,350	107,358	103,206	565,914

	31 December 2024			
	Less than 30 days US$ '000	31 to 60 days US$ '000	61 to 90 days US$ '000	Total US$ '000
Type of Islamic Financing Contracts				
Receivable	752,704	245,314	283,232	1,281,250
Participatory investments	6,711	1,134	9,676	17,521
Ijarah Muntahia Bittamleek	23,439	4,559	9,626	37,624
Other assets	1,099	945	308	2,352
	783,953	251,952	302,842	1,338,747

30. RISK MANAGEMENT (continued)

b) Credit risk (continued)

The following table summarises the total past due, non performing and neither past due nor non performing Islamic financing contracts and aging of non performing Islamic financing contracts disclosed by counterparty type as of 31 December 2025:

					Aging of non performing Islamic financing contracts		
	Total US$ '000	Neither past due nor non performing US$ '000	Past due but performing US$ '000	Non performing Islamic financing contracts US$ '000	90 days to 1 year US$ '000	1 year to 3 years US$ '000	Over 3 years US$ '000
Sovereign	2,446,225	2,413,545	-	32,680	3,699	-	28,981
Bank	6,137,783	6,089,564	-	48,219	10,214	30,659	7,346
Investment Firms	50	50	-	-	-	-	-
Corporates	4,269,531	3,466,932	474,954	327,645	163,419	79,294	84,932
Retail	5,903,340	5,590,714	90,960	221,666	76,860	106,994	37,812
	18,756,929	17,560,805	565,914	630,210	254,192	216,947	159,071

The following table summarises the total expected credit loss (ECL) on stage 3 exposures disclosed by counterparty type as of 31 December 2025:

	Opening Balance US$ '000	Charged during the year US$ '000	Write-back during the year US$ '000	Write-offs during the year US$ '000	Foreign Exchange translation/ Others-net US$ '000	Balance at the end of the year US$ '000
Bank	7,156	-	-	-	17	7,173
Corporates	314,350	99,567	(15,742)	(47,063)	(8,683)	342,429
Retail	54,080	19,955	(3,618)	(2,560)	(6,045)	61,812
	375,586	119,522	(19,360)	(49,623)	(14,711)	411,414

Credit risk mitigation

To mitigate credit risks on financing, the Group uses collateral where possible. The collateral is of various types such as cash, securities, guarantees, real estate, receivables, inventories and other non-financial assets as needed.

All the Group's subsidiaries, with exposures secured by real estate or other collateral carry out regular and periodic collateral inspection and valuation. This collateral inspection and valuation are conducted by an independent qualified assessor or collateral analyst at the subsidiary. The frequency of such collateral valuation is determined as a part of the credit policy and as per approval process.

Subsidiaries do not accept any assets as collateral if the assets are susceptible to obsolescence or in case the collateral is perishable. Subsidiaries also ensure that these assets are insured in order to be accepted as collateral.

30. RISK MANAGEMENT (continued)

b) Credit risk (continued)

Collaterals listed hereunder may attract capital relief from capital adequacy requirements as per the Central Bank of Bahrain's stipulations:

1. Hamish Jiddiyyah (Good faith deposit): Subsidiaries take this type of collateral in the transactions for which non-binding promises to perform is given by the customer. If a customer does not honor his promise to perform, the subsidiary has recourse to the deposit.
2. Third party guarantee: The subsidiary should have recourse to the guarantor in case of customer's default. In order to qualify as eligible collateral, the guarantee should be unconditional and irrevocable. The guarantor must be solvent and, if applicable, of investment grade rating.
3. Urbon: This is the amount that should be taken from a purchaser or lessee when a contract is established and it is the first line of defense for the subsidiary if the purchaser or lessee breaches the contract.
4. Underlying assets of the lease contract: The underlying asset must be of monetary value and the subsidiary must have legal access to it, own it and sell it to cover the open exposure with the customers in question. The assets have also to be free of any of any kind of encumbrance.

   Any excess amount resulting from the closure of the pledge by the subsidiary should be returned to the customer (pledger). The subsidiary should conduct at least annual evaluation of the pledged assets and keep adequate documentation of this evaluation.
5. Cash deposit free from any legal encumbrance with the subsidiary either in the form of quasi-equity or off-balance sheet assets under management.
6. Rated and unrated senior Sukuk issued by first class financial institutions or by GCC sovereigns.

Credit quality

Credit Risk Management at the Group will be based upon the creation and maintenance of a Credit Rating System (CRS) for the non-retail business. All the Group's units are to incorporate into their respective credit policies the CRS as the framework for credit management taking into consideration the methodology requirements of their local central banks, in this respect. The methodology for obligor (issuer) rating will reflect the specifics of the Group's main business and the geographical diversity of its operations. Ratings of countries, governments and financial institutions are carried out in centralised fashion at the AlBaraka Group Bahrain whereas rating of corporates is done at the subsidiaries level, unless the exposure to the corporate involves cross-border risk, in which case, that rating will also be at the Bank as part of the credit limit approval.

c) Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry, product or geographical location.

The Group uses a number of controls and measures to minimize undue concentration of exposure in the portfolios. These include portfolio limits, approval and review controls, and stress testing as necessary.

30. RISK MANAGEMENT (continued)

c) Concentration risk (continued)

The distribution of assets, liabilities and equity of investment accountholders items by economic sectors was as follows:

	2025			2024		
	Assets US$ '000	Liabilities US$ '000	Quasi-equity US$ '000	Assets US$ '000	Liabilities US$ '000	Quasi-equity US$ '000
Manufacturing	4,141,127	157,271	149,022	2,995,360	163,608	171,652
Mining and quarrying	131,695	3,547	81,349	66,333	1,689	124,942
Agriculture	282,209	47,208	15,531	294,013	16,698	13,836
Construction and real estate	2,289,990	35,365	26,090	2,260,532	62,993	52,191
Financial	5,135,260	1,896,411	2,297,031	4,585,986	1,297,615	1,675,993
Trade	2,167,366	162,995	68,691	1,671,505	133,918	55,961
Personal and consumer finance	4,636,119	6,791,672	9,301,933	3,946,222	5,468,930	8,263,415
Government	8,458,821	164,080	451,231	7,467,385	78,439	305,048
Other Sectors	3,771,166	3,569,698	3,607,095	2,899,495	2,987,390	3,315,439
	31,013,753	12,828,247	15,997,973	26,186,831	10,211,280	13,978,477

d) Market risk

Market risk arises from fluctuations in profit rates, equity prices and foreign exchange rates. Under Market Risk Policies currently implemented by management of the Group, have set certain limits on the level of risk that may be accepted. This is monitored by local management at the subsidiary level.

Profit rate risk

Profit rate risk is the risk that the Group will incur a financial loss as a result of mismatch in the profit rate on the Group's assets and on quasi-equity. The profit distribution to quasi-equity is based on profit sharing agreements. Therefore, the Group is not subject to any significant profit rate risk.

However, the profit-sharing agreements will result in displaced commercial risk when the Group's results do not allow the Group to distribute profits in line with the market rates.

Equity price risk

Equity price risk is the risk that the fair values of equities decrease as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the investment portfolio. The Group manages this risk through diversification of investments in terms of geographical distribution and industry concentration.

The Group has total equity portfolio of US$ 749,662 thousand (2024: US$ 1,149,256 thousand) comprising of equity-type instruments at fair value through OCI amounting to US$ 153,450 thousand (2024: US$ 670,072 thousand) and equity-type instruments at fair value through statement of income amounting to US$ 596,212 thousand (2024: US$ 479,184 thousand). Variation of 10% increase or decrease in the portfolio value will not have a significant impact on the Group's consolidated net income or owners' equity.

30. RISK MANAGEMENT (continued)

d) Market risk (continued)

Foreign exchange risk

Foreign exchange risk arises from the movement of the rate of exchange over a period of time. Positions are monitored on a regular basis to ensure positions are maintained within established approved limits.

Following is the Group's exposure to different currencies in equivalent US dollars:

	2025		
	Operational equivalent Long (Short) US$ '000	Strategic equivalent Long (Short) US$ '000	Total equivalent Long (Short) US$ '000
Currency			
Turkish Lira	**296,037**	**153,813**	**449,850**
Jordanian Dinar	**329,328**	**565,186**	**894,514**
Egyptian Pound	**191,548**	**235,576**	**427,124**
Sudanese Pound	**11,884**	**(22,667)**	**(10,783)**
Algerian Dinar	**169,448**	**137,710**	**307,158**
Pound Sterling	**982**	**-**	**982**
Tunisian Dinar	**5,739**	**91,706**	**97,445**
Euro	**433,102**	**-**	**433,102**
South African Rand	**65,965**	**48,614**	**114,579**
Pakistani Rupees	**69,447**	**94,475**	**163,922**
Others	**(426,056)**	**-**	**(426,056)**

	2024		
	Operational equivalent Long (Short) US$ '000	Strategic equivalent Long (Short) US$ '000	Total equivalent Long (Short) US$ '000
Currency			
Turkish Lira	533,230	133,564	666,794
Jordanian Dinar	326,212	544,548	870,760
Egyptian Pound	85,385	180,554	265,939
Sudanese Pound	54,139	(6,683)	47,456
Algerian Dinar	156,206	120,984	277,190
Pound Sterling	1,505	-	1,505
Tunisia Dinar	47,389	73,840	121,229
Euro	210,252	-	210,252
South African Rand	60,136	38,257	98,393
Pakistani Rupees	94,799	94,475	189,274
Syrian Pound	6,846	-	6,846
Others	(91,714)	-	(91,714)

30. RISK MANAGEMENT (continued)

d) Market risk (continued)

The strategic currency risk represents the amount of equity of the subsidiaries.

Foreign currency risk sensitivity analysis
In order to measure its exposures to currency risk, the Group stress tests its exposures following the standard shocks adopted by Derivatives Policy Group in this respect which calculates the effect on assets and income of the Group as a result of appreciation and depreciation in foreign currencies in relation to the reporting currency of the Group. This is done using various percentages based upon the judgement of the management of the Group.

Following is the sensitivity analysis that calculates the effect of a reasonable possible movement of the currency exchange rate against the US Dollar with all other variables held constant on the consolidated statement of income and the consolidated statement of owners' equity.

At 31 December 2025

Currency	Particular	Exposures in US$ '000	Maximum expected decrease %	Change in net income and owners' equity US$ '000	Maximum expected increase %	Change in net income and owners' equity US$ '000
Algerian Dinar	Net income	31,571	-15%	(4,118)	5%	1,662
	Total owners' equity	247,957	-15%	(32,342)	5%	13,050
Egyptian Pound	Net income	69,167	-20%	(11,528)	5%	3,640
	Total owners' equity	317,422	-20%	(52,904)	5%	16,706
Turkish Lira	Net income	160,385	-20%	(26,731)	5%	8,441
	Total owners' equity	307,314	-20%	(51,219)	5%	16,174
S.African Rand	Net income	10,545	-15%	(1,375)	5%	555
	Total owners' equity	82,096	-15%	(10,708)	5%	4,321
Pakistani Rupees	Net income	5,358	-10%	(487)	5%	282
	Total owners' equity	69,201	-10%	(6,291)	5%	3,642
Tunisian Dinar	Net income	8,731	-10%	(794)	5%	460
	Total owners' equity	58,176	-10%	(5,289)	5%	3,062

At 31 December 2024

Currency	*Particular*	*Exposures in US$ '000*	*Maximum expected decrease %*	*Change in net income and owners' equity US$ '000*	*Maximum expected increase %*	*Change in net income and owners' equity US$ '000*
Algerian Dinar	Net income	21,268	-15%	(2,774)	5%	1,119
	Total owners' equity	218,255	-15%	(28,468)	5%	11,487
Egyptian Pound	Net income	62,627	-20%	(10,438)	5%	3,296
	Total owners' equity	244,302	-20%	(40,717)	5%	12,858
Turkish Lira	Net income	151,671	-20%	(25,279)	5%	7,983
	Total owners' equity	289,413	-20%	(48,236)	5%	15,232
S.African Rand	Net income	10,940	-15%	(1,427)	5%	576
	Total owners' equity	66,056	-15%	(8,616)	5%	3,477
Pakistani Rupees	Net income	13,595	-10%	(1,236)	5%	716
	Total owners' equity	69,381	-10%	(6,307)	5%	3,652
Tunisian Dinar	Net income	12,945	-10%	(1,177)	5%	681
	Total owners' equity	75,119	-10%	(6,829)	5%	3,954

30. RISK MANAGEMENT (continued)

e) Operational risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

Operational Risk Management Framework

The Group's Operational Risk Appetite is defined as the level of risk which the Group chooses to accept in its identified risk categories. Operational risk appetite is expressed in terms of both impact (direct loss) and the probability of occurrence.

The Group categorizes operational risk loss events into the following categories:

Processing Risk

Process risk arise from inadequate or weak processes within an organization. There are well defined policies and processes in the Group which are reviewed on an ongoing basis.

Human Resource Risk

Human Resource risk arise from result of incompetence, motivational issues or capacity-related considerations. In order to prevent these risks from occurring, the Group has established Group Human Resources Policies and Code of Conduct which entails constructive ways in dealing with mistakes and frauds. Further, the Group has established measures of organizational structure in terms of segregation of duties as well as diverse training measures to reduce human errors and frauds.

Systems Risk

Systems Risk arise from the required technology, software or equipment infrastructure not performing adequately. The risk is mitigated by adequate business continuity procedures as well as an ongoing review of the technology requirements of the Group.

External Event Risk

The external environment can impact the Group's operational performance. The external events and operating environment are evaluated on an ongoing basis with key risks being escalated and discussed at various committees.

f) Corporate governance

Board of Directors
The Board of Directors is responsible for approving the Group's overall business strategy, monitoring its operations and taking critical business decisions. In line with international leading practices, the Board has instituted corporate governance measures to ensure that the interests of the shareholders are protected, including the appointment to the Board of four independent non-executive directors as defined in the Rule Book of the CBB.

The Firm is administered by a Board of Directors consisting of not less than five and not more than fifteen members. However, subject to the provisions of the law, the shareholders at an Ordinary General Meeting may determine that the number of directors shall exceed fifteen in certain circumstances. Members of the Board of Directors hold office for a three-year renewable term, although the term of office may be extended at the request of the Board for a period not exceeding six months by resolution of the MOICT.

There are currently thirteen Directors on the Board, who have varied backgrounds and experience and who individually and collectively exercise independent and objective judgment. Other than the President and Chief Executive, all Directors are non-executive. The posts of Chairman and President and Chief Executive are held by different Directors and each has separate, clearly defined responsibilities.

The Board of Directors meets regularly (usually four times a year) and has a formal schedule of matters reserved to it, considering key aspects of the Group's affairs referred to it for decision. The Board reviews the Group's strategy and financial plans, all proposed material changes to the Group's policies, structure and organisation, reports provided to it on the operations of the Group (with emphasis on organisational development, risk management and information technology development) and the performance of executive management. The Board and its committees are supplied with full and timely information to enable them to discharge their responsibilities. All Directors have access to the advice and services of the secretary, who is responsible for ensuring that the Board procedures and applicable rules and regulations are observed.

30. RISK MANAGEMENT (continued)

f) Corporate governance (continued)

The Board of Directors has overall responsibility for the Group's system of internal control and its effectiveness. There are established and ongoing procedures in place for identifying, evaluating and managing significant risks faced by the Group, which are regularly reviewed by the Board. The Group's system of internal control provides for a documented and auditable trail of accountability and applies across its operations, is designed to ensure effective and efficient operation and compliance with all applicable laws and regulations, and seeks to manage risk with a view to avoiding material errors, losses and fraud.

g) Hyperinflationary Economies

The Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") issued Financial Accounting Standard 49 "Financial Reporting for Institutions Operating in Hyperinflationary Economies" ("FAS 49"), on 22 December 2024. The standard is effective for financial periods beginning on or after 1 January 2026.

"The parent institution operates in a non-hyperinflationary economy. However, the Group includes subsidiaries whose functional currencies are those of hyperinflationary economies. In accordance with AAOIFI guidance, the existence of subsidiaries operating in hyperinflationary economies may give rise to considerations under FAS 49 at the consolidated financial statement level, even where the parent institution does not operate in a hyperinflationary economy.

During the year ended 31 December 2025, management assessed the potential impact of FAS 49 on the Group. The Group intends to adopt FAS 49 from 1 January 2026, in line with its mandatory effective date.

As per FAS 49, an institution operating in a hyperinflationary economy shall either:

- Redetermine its functional currency.

- Follow the fair value based financial reporting requirements.

Group management has elected to follow the fair value based financial reporting.

The main requirements for fair value based financial reporting, are as follows:

Remeasure items constituting the elements of its statement of financial position at fair value with the exception of the items mentioned in the FAS i.e. monetary assets and liabilities, held to maturity investments in sukuks and similar instruments etc.

The exceptions to the fair value accounting model include items (mentioned above that are not required to be adjusted to fair value. For the items that do not meet the exception criteria, they will be accounted as follows:

A. Non-monetary assets carried at fair value will be continued to be carried at fair value.
B. Non-monetary assets carried at cost (cost less depreciation/amortization) will be reported at fair value.
C. Non-monetary assets carried at lower of cost or net realisable value will be reported at net realizable value i.e. being the fair value.
D. Non-monetary assets carried at revaluation model will be reported at the revalued value
E. All other non-monetary assets/liabilities will be reported at deemed fair values estimated through the application of indexation

The resultant gain/loss will be booked through other comprehensive income, presented separately as "hyperinflationary fair value reserve", representing owners' equity and quasi-equity respectively.

Upon adoption, the standard will be applied on a modified retrospective basis. Corresponding figures will continue to be presented as previously reported, and the Group expects to present indexed comparative figures as an additional column in the consolidated financial statements for the year ending 31 December 2026, with such indexed comparatives derived from the 2025 corresponding figures.

Management has performed an initial assessment as of 31 December 2025 and the estimated resulting fair value gain is expected to be US$ 126 million with an impact on increase in assets by US$ 133 million, liabilities by US$ 6.6 million and equity by US$ 126 million.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the value representing the estimate of the amount of cash or cash equivalent that would be received for an asset sold or the amount of cash or cash equivalent paid for a liability extinguished or transferred in an orderly transaction between a willing buyer and a willing seller at the measurement date.

Quoted equity type instruments are investments which are fair valued using quoted prices in active markets for identical instruments and unquoted equity type instruments are investments that are fair valued using directly or indirectly observable inputs.

The Group's investments in sukuk held at amortised cost have fair values amounting to US$ 4,124 million (2024: US$ 3,863 million).

Also included under investments are unquoted equity-type instruments at fair value through OCI amounting to US$ 150,924 thousand (2024:US$ 162,580 thousand) which are carried at net asset value or cost due to lack of other reliable methods for arriving at a reliable fair value for these investments.

The fair values of other on-balance sheet financial instruments are not significantly different from the carrying values included in the consolidated financial statements.

A hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's market assumptions.

These two types of inputs have created the following fair value hierarchy:

Level 1 – Quoted prices (unadjusted) in active markets for identical investments.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the investments, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3 – Inputs for the investments that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy at 31 December:

	Level 1 US$ '000	Level 2 US$ '000	Level 3 US$ '000	Total US$ '000
2025				
Equity and debt-type instruments at fair value through statement of income	584,320	-	47,434	631,754
Equity-type instruments at fair value through OCI	639,891	-	142,229	782,120
Investment in real estate	-	149,678	-	149,678
	1,224,211	149,678	189,663	1,563,552

	Level 1 US$ '000	Level 2 US$ '000	Level 3 US$ '000	Total US$ '000
2024				
Equity and debt-type instruments at fair value through statement of income	475,287	-	4,456	479,743
Equity-type instruments at fair value through OCI	565,886	-	180,489	746,375
Investment in real estate	-	158,497	-	158,497
	1,041,173	158,497	184,945	1,384,615

32. EARNINGS PROHIBITED BY SHARI'A

Earnings realised during the year from transactions that were not permitted by Shari'a amounted to US$ 7 million (2024: US$ 10 million). This amount has been taken to charity.

33. CAPITAL ADEQUACY RATIO

"The CBB, sets and monitors ABG's capital requirements at Head Office level, while ABG's banking subsidiaries are directly regulated by their local banking supervisors, which set and monitor their capital adequacy requirements.

The CBB requires each Bahrain-based Investment company under Category 1 to maintain a minimum capital of BHD 1.0 million and minimum capital adequacy ratio not lower than 110%.

The Regulatory capital must be calculated for all Bahrain based Investment firm based on the shareholders' Equity, the investment firm also must maintain adequate human, financial and other resources sufficient to run the business in ordinary manner. "

The following table summarizes the calculation of capital adequacy ratio (CBB Volume 4 - Investment Business, Module Capital Adequacy) based on ABG Solo level:

	2025 US$ '000	2024 US$ '000
1- Regulatory Capital (A)	185,569	172,074
2- Regulatory Requirement (B)	14,687	20,241
3- Risk Based Capital Requirement (C)	14,687	20,241
4- Minimum Capital Requirement (D)	2,653	2,653
5- Ratio of (A) to (B)	1263%	850%

34 OECD PILLAR TWO MODEL RULES

The Group falls within the scope of the OECD Pillar Two Model Rules ("Model Rules") by virtue of being consolidated by Dallah AlBaraka Holding Company B.S.C. (c), who is the Ultimate Parent Entity ("UPE") under the Model Rules. Accordingly, the Group forms part of the Dallah AlBaraka Holding Company B.S.C. (c) Pillar Two Multinational Enterprise ("MNE") Group.

The Group currently has operations in Bahrain, Turkey, and South Africa, each of which has implemented aspects of the Model Rules, as follows:

- Turkey has enacted Pillar Two legislation effective from 1 January 2024, including the Income Inclusion Rule (IIR) and a Domestic Minimum Top-up Tax (DMTT); as well as the Undertaxed Profits Rule (UTPR) effective from 1 January 2025.

- South Africa has implemented the IIR and a DMTT, effective from 1 January 2024.

- Bahrain has introduced a DMTT, effective from 1 January 2025. "

As such, the MNE Group that falls within the scope of OECD Pillar Two may be liable to pay a top-up tax for the difference between its GloBE effective tax rate ('ETR') and the 15% minimum rate as calculated for each jurisdiction, including all entities within the MNE Group.

The Group, together with the UPE, has assessed the impact of these requirements by considering several factors, including transitional safe-harbour rules, recently filed tax returns, country-by-country reporting, and the financial information of its constituent entities. For jurisdictions that have enacted either a global minimum top-up tax, a domestic minimum top-up tax, or both, the resulting impacts have been recognised within the Group's income tax expense. Income tax expense recognised in the consolidated statement of income in 2025 includes US$ 1.5 million (2024: not applicable) related to Pillar Two income taxes.

The Group applies IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

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