

Al Baraka Group B.S.C. (c)

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

31 March 2026 (UNAUDITED AND REVIEWED)



Report on review of interim condensed consolidated financial statements

To the Board of Directors of Al Baraka Group B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Al Baraka Group B.S.C. (c) (the "Firm") and its subsidiaries (together the "Group") as at 31 March 2026, and the related interim condensed consolidated statements of income, other comprehensive income, income and attribution related to quasi-equity, changes in owners' equity, cash flows and changes in off-balance sheet assets under management for the three-month period then ended and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with FAS 41, "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41 "*Interim Financial Reporting*".

Elias Abi Nakhoul

Partner's registration number: 196

PricewaterhouseCoopers M.E Limited

Manama, Kingdom of Bahrain

6 June 2026

Al Baraka Group B.S.C. (c)

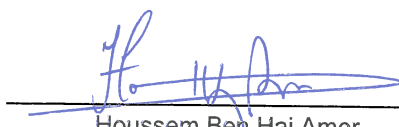
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2026 (Reviewed)

		Reviewed	Audited	Indexed
		31 March	31 December	31 December
		2026	2025	2025
	<i>Notes</i>	US\$ '000	US\$ '000	US\$ '000
ASSETS				
Cash and balances with banks	3	5,572,065	6,375,625	6,375,625
Due from Banks	4	984,372	1,028,898	1,028,898
Receivables	5	12,952,091	12,507,527	12,507,527
Participatory investments	6	1,053,848	1,122,515	1,122,515
Investments	7	5,711,114	5,467,296	5,476,286
Ijarah Muntahia Bittamleek	8	3,044,395	3,047,234	3,047,234
Property and equipment		551,776	535,420	554,612
Other assets	9	1,504,099	929,238	1,058,018
TOTAL ASSETS		31,373,760	31,013,753	31,170,715
LIABILITIES, QUASI-EQUITY AND EQUITY				
LIABILITIES				
Customers current and other accounts		8,015,750	8,170,877	8,170,877
Due to banks		1,967,949	2,330,360	2,330,360
Long term financing	10	1,706,540	975,888	975,888
Other liabilities	11	1,500,474	1,351,122	1,386,255
Total liabilities		13,190,713	12,828,247	12,863,380
QUASI-EQUITY				
Financial institutions		935,621	1,126,433	1,126,433
Non-financial institutions and individuals		14,968,283	14,871,540	14,871,540
Total quasi-equity	12	15,903,904	15,997,973	15,997,973
OWNERS' EQUITY				
Share capital	15	1,242,880	1,242,880	1,242,880
Treasury shares		(15,658)	(15,658)	(15,658)
Share premium		16,861	16,861	16,861
Statutory reserve		257,530	257,530	257,530
Cumulative changes in fair value		100,906	99,200	99,200
Foreign currency translations reserve	15	(1,473,175)	(1,415,408)	(1,415,408)
Hyperinflationary fair value reserve		72,193	-	55,683
Retained earnings		822,214	787,656	787,656
Equity attributable to parent's shareholders		1,023,751	973,061	1,028,744
Sukuk (Tier 1 Capital)		400,000	400,000	400,000
Equity attributable to parent's shareholders and Sukuk (Tier 1 Capital) holders		1,423,751	1,373,061	1,428,744
Non-controlling interest		855,392	814,472	880,618
TOTAL OWNERS' EQUITY		2,279,143	2,187,533	2,309,362
TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY		31,373,760	31,013,753	31,170,715



Abdullah Saleh Kamel
Chairman



Houssein Ben Haj Amor
Board member and Group Chief Executive Officer

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Al Baraka Group B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the three months ended 31 March 2026 (Reviewed)

		<i>Three months ended</i>	
		31 March 2026	31 March 2025
	<i>Notes</i>	US\$ '000	US\$ '000
INCOME			
Income from financing contracts		633,740	534,487
Income from investments		171,521	143,918
Mudarib share for managing off-balance sheet assets under management		622	645
Fees and commission income		83,956	69,842
Other income	16	20,186	16,728
		910,025	765,620
Profit paid on financing		(127,820)	(85,897)
TOTAL OPERATING INCOME BEFORE NET INCOME ATTRIBUTABLE TO QUASI- EQUITY		782,205	679,723
Net income attributable to quasi-equity		(406,657)	(384,387)
TOTAL OPERATING INCOME		375,548	295,336
OPERATING EXPENSES			
Staff expenses		110,631	83,274
Depreciation and amortisation		18,034	13,978
Other operating expenses		72,582	68,746
TOTAL OPERATING EXPENSES		201,247	165,998
NET INCOME BEFORE NET ALLOWANCE FOR EXPECTED CREDIT LOSSES / IMPAIRMENT AND TAXATION		174,301	129,338
Net allowance for expected credit losses / impairment	17	(38,294)	(1,628)
NET INCOME BEFORE TAXATION		136,007	127,710
Taxation		(42,948)	(36,305)
NET INCOME FOR THE PERIOD		93,059	91,405
Attributable to:			
Equity holders of the Parent		52,261	46,498
Non-controlling interest		40,798	44,907
		93,059	91,405
Basic and diluted earnings per share - US cents	14	4.31	3.84



Abdullah Saleh Kamel
Chairman



Housseem Ben Haj Amor
Board member and Group Chief Executive Officer

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER
COMPREHENSIVE INCOME**

For the three months ended 31 March 2026 (Reviewed)

	<i>Three months ended</i>	
	31 March	31 March
	2026	2025
<i>Notes</i>	US\$ '000	US\$ '000
Net income for the period	93,059	91,405
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	-	(141)
Net gain on hyperinflationary remeasurement of property and equipment	26,174	-
Items that may subsequently classified to consolidated statement of income		
Foreign currency translations	(89,289)	(28,979)
Net gain on hyperinflationary remeasurement	108,020	-
Net change in fair value of equity investments measured at fair value through other comprehensive income	8,903	(1,285)
Net change in fair value of debt instruments measured at fair value through other comprehensive income	403	(789)
Related income tax	(206)	64
Total other comprehensive income / (loss) for the period	54,005	(31,130)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	147,064	60,275
Attributable to:		
Equity holders of the Parent	72,323	34,002
Non-controlling interest	74,741	26,273
	147,064	60,275

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

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

For the three months ended 31 March 2026 (Reviewed)

	<i>Three months ended</i>	
	31 March	31 March
	2026	2025
	US\$ '000	US\$ '000
Total operating income before net income attributable to quasi-equity	782,205	679,723
Adjustments for:		
Less: Income from self-financed assets	(191,889)	(176,755)
Less: Group's share of the profit of jointly financed income	(51,478)	(44,778)
Less: Expenses attributable to quasi-equity	(5,515)	(5,304)
Less: Net allowance for impairment and credit losses - attributable to quasi-equity	(11,777)	(3,946)
Total income available for quasi-equity holders	521,546	448,940
<i>Profit equalization reserve - net movement</i>		
Appropriation during the period	-	(14,815)
Amount used during the period	8,439	-
Total income attributable to quasi-equity holders (adjusted for reserves)	529,985	434,125
Less: Group's share as Mudarib	(115,969)	(69,029)
Add: Hiba by Mudarib to the quasi-equity holders	1,080	4,476
Net income attributable to quasi-equity holders	415,096	369,572
<i>Investment risk reserve - net movement</i>		
Appropriation during the period	(12,661)	-
Amount used during the period	-	11,185
Profit distributable to quasi-equity	402,435	380,757
Net movement in profit equalization reserve	(8,439)	14,815
Net movement in investment risk reserve	12,661	(11,185)
Net income attributable to quasi-equity	406,657	384,387

Al Baraka Group B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2026 (Reviewed)

	Equity attributable to parent's shareholders and Sukuk holders												
	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Cumulative changes in fair value of investments US\$ '000	Cumulative changes in fair value of property and equipment US\$ '000	Foreign currency translations reserve US\$ '000	Hyperinflationary fair value reserve US\$ '000	Retained earnings US\$ '000	Total US\$ '000	Sukuk (Tier 1 Capital) US\$ '000	Non- controlling interest US\$ '000	Total equity US\$ '000
At 1 January 2026	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
Comprehensive income / (loss) for the period:													
Net income for the period	-	-	-	-	-	-	-	-	52,261	52,261	-	40,798	93,059
Other comprehensive income / (loss)	-	-	-	-	1,706	-	(57,767)	72,193	3,930	20,062	-	33,943	54,005
Total comprehensive income / (loss) for the period	-	-	-	-	1,706	-	(57,767)	72,193	56,191	72,323	-	74,741	147,064
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(11,773)	(11,773)
Allocation of Zakah	-	-	-	-	-	-	-	-	(1,132)	(1,132)	-	-	(1,132)
Zakah of subsidiaries	-	-	-	-	-	-	-	-	(505)	(505)	-	(129)	(634)
Movement related to subsidiaries' tier 1 capital	-	-	-	-	-	-	-	-	(2,735)	(2,735)	-	(5,564)	(8,299)
Effect of change in ownership	-	-	-	-	-	-	-	-	(17,261)	(17,261)	-	(16,355)	(33,616)
Net movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2026	1,242,880	(15,658)	16,861	257,530	36,219	64,687	(1,473,175)	72,193	822,214	1,023,751	400,000	855,392	2,279,143

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Al Baraka Group B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the three months ended 31 March 2026 (Reviewed)

	<i>Equity attributable to parent's shareholders and Sukuk holders</i>											
	Share capital US\$ '000	Treasury shares US\$ '000	Share premium US\$ '000	Statutory reserve US\$ '000	Cumulative changes in fair value of investments US\$ '000	Cumulative changes in fair value of property and equipment US\$ '000	Foreign currency translation reserve US\$ '000	Retained earnings US\$ '000	Total US\$ '000	Sukuk (Tier 1 Capital) US\$ '000	Non-controlling interest US\$ '000	Total equity US\$ '000
At 1 January 2025	1,242,879	(15,658)	16,861	238,446	25,190	55,293	(1,375,913)	657,695	844,793	400,000	752,281	1,997,074
<i>Comprehensive income / (loss) for the period:</i>												
Net income for the period	-	-	-	-	-	-	-	46,498	46,498	-	44,907	91,405
Other comprehensive income / (loss)	-	-	-	-	(797)	(64)	(11,635)	-	(12,496)	-	(18,634)	(31,130)
Total comprehensive income / (loss) for the period	-	-	-	-	(797)	(64)	(11,635)	46,498	34,002	-	26,273	60,275
Dividends of subsidiaries	-	-	-	-	-	-	-	-	-	-	(16,377)	(16,377)
Allocation of Zakah	-	-	-	-	-	-	-	(1,404)	(1,404)	-	-	(1,404)
Zakah of subsidiaries	-	-	-	-	-	-	-	(196)	(196)	-	(71)	(267)
Movement related to subsidiaries' tier 1 capital	-	-	-	-	-	-	-	(1,967)	(1,967)	-	(6,526)	(8,493)
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	-	(4,422)	(4,422)
At 31 March 2025	1,242,879	(15,658)	16,861	238,446	24,393	55,229	(1,387,548)	700,626	875,228	400,000	751,158	2,026,386

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Al Baraka Group B.S.C. (c)

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the three months ended 31 March 2026 (Reviewed)

	<i>Three months ended</i>	
	31 March	31 March
	2026	2025
	US\$ '000	US\$ '000
OPERATING ACTIVITIES		
Net income before taxation	136,007	127,710
Adjustments for:		
Depreciation and amortisation	18,034	13,978
Depreciation on Ijarah Muntahia Bittamleek	107,228	83,653
Unrealised gain on equity and debt-type instruments at fair value through statement of income	(13,721)	(18,329)
Gain on sale of property and equipment	(1,831)	(130)
Gain on sale of investment in real estate	(115)	(163)
Gain on sale of equity-type instruments at fair value through other comprehensive income	(316)	(607)
Gain on sale of equity and debt-type instruments at fair value through statement of income	-	(12)
Net allowance for expected credit losses / impairment	38,294	1,628
Income from associates	(6,957)	(5,637)
Operating profit before changes in operating assets and liabilities	276,623	202,091
Net changes in operating assets and liabilities:		
Mandatory reserves with central banks	680,505	(78,760)
Receivables	(426,785)	(401,525)
Participatory investments	79,754	367
Ijarah Muntahia Bittamleek	(105,031)	(162,598)
Other assets	(517,159)	(112,958)
Customer current and other accounts	(155,127)	164,983
Due to banks	(362,411)	584,171
Other liabilities	102,648	32,323
Quasi-equity	(94,492)	237,567
Taxation paid	(4,684)	(13,644)
Net cash (used in) / generated from operating activities	(526,159)	452,017
INVESTING ACTIVITIES		
Net purchase of investments	(209,563)	(195,688)
Net purchase of property and equipment	(26,268)	(11,911)
Net movement in investment in associates	5,393	21,306
Net cash used in investing activities	(230,438)	(186,293)
FINANCING ACTIVITIES		
Long term financing	730,652	(17,188)
Movement related to subsidiaries tier 1 capital	(2,735)	(1,967)
Net change in non-controlling interests	8,227	(28,685)
Net cash generated from / (used in) financing activities	736,144	(47,840)
Foreign currency translation adjustments	(89,289)	(28,980)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(109,742)	188,904
Cash and cash equivalents at 1 January	3,012,638	2,946,238
CASH AND CASH EQUIVALENTS AT 31 MARCH (Note 20)	2,902,896	3,135,142

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

Al Baraka Group B.S.C. (c)

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

For the three months ended 31 March 2026 (Reviewed)

	<i>Cash</i> <i>US\$ '000</i>	<i>Sales</i> <i>receivable</i> <i>US\$ '000</i>	<i>Mudaraba</i> <i>financing</i> <i>US\$ '000</i>	<i>Investment</i> <i>in real estate</i> <i>US\$ '000</i>	<i>Ijarah Muntahia</i> <i>Bittamleek</i> <i>US\$ '000</i>	<i>Investments</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
At 1 January 2026	110,127	605,632	98,762	52,323	469,845	289,712	1,626,401
Deposits	55,470	68,668	22,505	-	25,151	-	171,794
Withdrawals	(18,739)	(27,474)	-	(606)	(21,268)	(61,609)	(129,696)
Income net of expenses	-	-	359	-	-	4,692	5,051
Mudarib's share	-	(400)	-	-	(202)	(20)	(622)
Foreign exchange translation / others	(55)	(3,960)	-	-	-	(18)	(4,033)
At 31 March 2026	146,803	642,466	121,626	51,717	473,526	232,757	1,668,895
At 1 January 2025	92,706	556,403	158,515	56,288	427,869	274,830	1,566,611
Deposits	21	163,344	18,444	668	34,417	-	216,894
Withdrawals	-	(62,406)	(25,576)	-	(14,338)	(23,453)	(125,773)
Income net of expenses	-	-	569	-	-	5,632	6,201
Mudarib's share	-	(422)	-	-	(195)	(28)	(645)
Foreign exchange translation / others	24	5,363	-	-	-	-	5,387
At 31 March 2025	92,751	662,282	151,952	56,956	447,753	256,981	1,668,675

The attached notes 1 to 24 form part of these interim condensed consolidated financial statements.

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 interim condensed consolidated financial statements include the financial statements of the Firm and the following principal subsidiaries:

	<i>Ownership for 2026</i>	<i>Ownership for 2025</i>	<i>Year of incorporation</i>	<i>Country of incorporation</i>
<i>Held directly by the Firm</i>				
Banque Al Baraka D'Algerie (BAA)	55.67%	55.67%	1991	Algeria
Al Baraka Islamic Bank - Bahrain (AIB)	92.82%	92.82%	1984	Bahrain
Al Baraka Bank Tunis (ABT)	78.40%	78.40%	1983	Tunisia
Al Baraka Bank Egypt (ABE)	73.47%	73.47%	1980	Egypt
Jordan Islamic Bank (JIB)	65.82%	65.82%	1978	Jordan
Al Baraka Turk Participation Bank (ATPB)*	53.39%	45.09%	1985	Turkey
Al Baraka Bank Limited (ABL)	64.51%	64.51%	1989	South Africa
Al Baraka Bank Sudan (ABS)	75.73%	75.73%	1984	Sudan

* During the period ended 31 March 2026, the ownership in Al Baraka Turk Participation bank (ATPB) increased from 45.09% to 53.39%.

The interim condensed consolidated financial statements were approved by the Board of Directors on 6 June 2026.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed 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 interim condensed consolidated financial statements are presented in United States Dollars ("US\$") being the functional and presentational currency of ABG. All values are rounded to the nearest US\$ thousand ("US\$ '000") unless otherwise indicated.

Statement of compliance

The interim condensed 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". Accordingly, the interim condensed consolidated financial statements of the Group have been presented in condensed form in accordance with the guidance provided by Financial Accounting Standard 41 - Interim Financial Reporting.

The interim condensed consolidated financial statements do not contain all information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2025. In addition, results for the three month period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of annual audited consolidated financial statements of the Group for the year ended 31 December 2025 except for the adoption of new standards and interpretations effective as of 1 January 2026.

For the three months ended 31 March 2026 (Reviewed)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

New standards, interpretations and amendments adopted by the Group

During the period, the Group applied the following standards and amendments to standards in preparation of these interim condensed consolidated financial statements. The adoption of the below standards and amendments to standards did not result in changes to previously reported net income or equity of the Group.

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.

There is no material impact on the adoption of this standard on the interim condensed consolidated financial statements of the Group.

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". 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.

There is no material impact on the adoption of this standard on the interim condensed consolidated financial statements of the Group.

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.

There is no material impact on the adoption of this standard on the interim condensed consolidated financial statements of the Group.

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. Further details on the accounting policy used and the impact of the adoption of FAS 49 are set out in Note 22.

For the three months ended 31 March 2026 (Reviewed)

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

New standards, amendments and interpretations issued but not yet effective

The Group has not yet applied the following new and revised FASs that have been issued but are not yet effective. These standards are currently in process of being assessed by the management of the Group to consider any implication in the current or future reporting periods and on foreseeable future transactions.

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.

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.

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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

3 CASH AND BALANCES WITH BANKS

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Balances with central banks*	3,793,483	4,868,527
Balances with other banks	1,237,242	988,537
Cash and cash in transit	624,561	588,939
Allowance for expected credit losses	(83,221)	(70,378)
	5,572,065	6,375,625

* Balances with central banks include mandatory reserves amounting to US\$ 2,752,390 thousand (31 December 2025: US\$ 3,433,365 thousand). These amounts are not available for use in the Group's day-to-day operations.

4 DUE FROM BANKS

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Commodity murabaha	333,710	367,220
Mudaraba financing	388,543	386,769
Wakala financing	270,313	282,811
Allowance for expected credit losses	(8,194)	(7,902)
	984,372	1,028,898

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.

	Reviewed 31 March 2026				Audited 31 December 2025
	Stage 1 US\$ '000	Stage 2 US\$ '000	Stage 3 US\$ '000	Total US\$ '000	Total US\$ '000
Good (1-4)	517,831	13,000	-	530,831	410,111
Satisfactory (5-7)	275,983	178,752	-	454,735	619,689
Default (8-10)	-	-	7,000	7,000	7,000
Less: allowance for expected credit losses	(427)	(767)	(7,000)	(8,194)	(7,902)
	793,387	190,985	-	984,372	1,028,898

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

4 DUE FROM BANKS (continued)

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

	Reviewed For the three months period ended 31 March 2026			Audited For the year ended 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	Total US\$ '000
Balance at 1 January	234	668	7,000	7,902	10,285
Net remeasurement of loss allowance	140	112	-	252	(2,525)
Allocation to investment risk reserve	55	-	-	55	(22)
FX translation	(2)	(13)	-	(15)	164
	427	767	7,000	8,194	7,902

5 RECEIVABLES

	<i>Reviewed</i> <i>31 March</i> <i>2026</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>US\$ '000</i>
Sales (Murabaha) receivables	12,646,498	12,296,078
Ijarah receivables	192,275	169,713
Salam receivables	626,563	537,682
Istisna'a receivables	158,582	184,636
Allowance for expected credit losses	(671,827)	(680,582)
	12,952,091	12,507,527

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.

	<i>Reviewed</i> <i>31 March 2026</i>			<i>Audited</i> <i>31 December</i> <i>2025</i>
	<i>Stage 1</i> <i>US\$ '000</i>	<i>Stage 2</i> <i>US\$ '000</i>	<i>Stage 3</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Good (1-4)	2,958,509	180,157	-	3,138,666
Satisfactory (5-7)	8,535,517	1,321,489	-	9,857,006
Default (8-10)	-	-	628,246	628,246
Less: allowance for expected credit losses	(39,234)	(231,755)	(400,838)	(671,827)
	11,454,792	1,269,891	227,408	12,952,091
				12,507,527

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

5 RECEIVABLES (continued)

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

	Reviewed For the three months period ended 31 March 2026				Audited For the year ended 31 December 2025
	Stage 1: 12-month ECL US\$ '000	Lifetime ECL not credit-impaired US\$ '000	Stage 3: Lifetime ECL credit-impaired US\$ '000	Total US\$ '000	Total US\$ '000
Balance at 1 January	52,738	242,848	384,996	680,582	669,671
Net movement between stages	732	(14,443)	13,711	-	-
Net remeasurement of loss allowance	(5,854)	1,224	31,577	26,947	103,878
Recoveries / write-backs	-	-	(11,412)	(11,412)	(17,799)
Allocation from / (to) investment risk reserve	(4,455)	4,995	1,012	1,552	4,065
Amounts written off	-	-	(750)	(750)	(64,689)
FX translation	(3,927)	(2,869)	(18,296)	(25,092)	(14,544)
	39,234	231,755	400,838	671,827	680,582

6 PARTICIPATORY INVESTMENTS

	<i>Reviewed</i> <i>31 March</i> <i>2026</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>US\$ '000</i>
Mudaraba financing	239,909	251,424
Musharaka financing	849,278	900,992
Allowance for expected credit losses	(35,339)	(29,901)
	1,053,848	1,122,515

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.

	<i>Reviewed</i> <i>31 March 2026</i>			<i>Audited</i> <i>31 December</i> <i>2025</i>
	<i>Stage 1</i> <i>US\$ '000</i>	<i>Stage 2</i> <i>US\$ '000</i>	<i>Stage 3</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Good (1-4)	572,429	26,595	-	599,024
Satisfactory (5-7)	314,291	136,779	-	451,070
Default (8-10)	-	-	39,093	39,093
Less: allowance for expected credit losses	(2,295)	(8,415)	(24,629)	(35,339)
	884,425	154,959	14,464	1,053,848
				1,122,515

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

6 PARTICIPATORY INVESTMENTS (continued)

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

	<i>Reviewed</i> <i>For the three months period ended</i> <i>31 March 2026</i>				<i>Audited</i> <i>For the year ended</i> <i>31 December 2025</i>
	<i>Stage 1: 12-month ECL</i> <i>US\$ '000</i>	<i>Lifetime ECL not credit-impaired</i> <i>US\$ '000</i>	<i>Stage 3: Lifetime ECL credit-impaired</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Balance at 1 January	1,739	8,744	19,418	29,901	30,420
Net movement between stages	3	(123)	120	-	-
Net remeasurement of loss allowance	671	841	261	1,773	2,275
Recoveries / write-backs	-	-	(1,900)	(1,900)	(1,561)
Allocation from investment risk reserve	(2)	(4)	11	5	9
Amounts written off	-	-	-	-	(771)
FX translation / others	(116)	(1,043)	6,719	5,560	(471)
	2,295	8,415	24,629	35,339	29,901

7 INVESTMENTS

	<i>Reviewed</i> <i>31 March</i> <i>2026</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>US\$ '000</i>
Equity and debt-type instruments at fair value through statement of income (7.1)	575,902	631,754
Equity and debt-type instruments at fair value through other comprehensive income (7.2)	946,834	782,120
Debt-type instruments at amortised cost (7.3)	3,981,741	3,856,764
	5,504,477	5,270,638
Investment in real estate (7.4)	149,161	149,678
Investment in associates and joint venture	57,476	46,980
	5,711,114	5,467,296

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

7 INVESTMENTS (continued)
7.1 Equity and debt-type instruments at fair value through statement of income

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Quoted investments		
Debt instruments	41	35,181
Equity securities	575,207	549,139
Unquoted investments		
Debt instruments	362	361
Equity securities	292	47,073
	575,902	631,754

7.2 Equity and debt-type instruments at fair value through other comprehensive income

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Quoted investments		
Equity securities	38,564	46,833
Managed funds	586	7,155
Sukuk	761,224	585,903
	800,374	639,891
Unquoted investments		
Equity securities	106,787	106,617
Managed funds	47,494	42,210
Sukuk	-	2,097
	154,281	150,924
Net allowance for impairment	(7,821)	(8,695)
	946,834	782,120

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.

7.3 Debt-type instruments at amortised cost

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Quoted investments		
Sukuk and similar items	3,197,787	3,046,301
Unquoted investments		
Sukuk and similar items	791,204	816,658
Allowance for expected credit losses	(7,250)	(6,195)
	3,981,741	3,856,764

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

7 INVESTMENTS (continued)

7.3 Debt-type instruments at amortised cost (continued)

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.

	<i>Reviewed</i> <i>31 March 2026</i>				<i>Audited</i> <i>31 December</i> <i>2025</i>
	<i>Stage 1</i> <i>US\$ '000</i>	<i>Stage 2</i> <i>US\$ '000</i>	<i>Stage 3</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Good (1-4)	3,210,501	11,589	-	3,222,090	3,137,425
Satisfactory (5-7)	714,217	50,119	-	764,336	722,969
Default (8-10)	-	-	2,565	2,565	2,565
Less: allowance for expected credit losses	(3,563)	(1,122)	(2,565)	(7,250)	(6,195)
	3,921,155	60,586	-	3,981,741	3,856,764

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

	<i>Reviewed</i> <i>For the three months period ended</i> <i>31 March 2026</i>				<i>Audited</i> <i>For the year ended</i> <i>31 December 2025</i>
	<i>Stage 1: 12-month ECL</i> <i>US\$ '000</i>	<i>Stage 2: Lifetime ECL not credit-impaired</i> <i>US\$ '000</i>	<i>Stage 3: Lifetime ECL credit-impaired</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Balance at 1 January	2,676	954	2,565	6,195	10,717
Net remeasurement of loss allowance	104	188	-	292	(4,463)
Allocation to investment risk reserve	-	33	-	33	28
FX translation	783	(53)	-	730	(87)
	3,563	1,122	2,565	7,250	6,195

7.4 Investment in real estate

	<i>Reviewed</i> <i>31 March</i> <i>2026</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>US\$ '000</i>
Land	77,490	78,005
Buildings	71,671	71,673
	149,161	149,678

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

7 INVESTMENTS (continued)

7.4 Investment in real estate (continued)

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

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Beginning balance of the period / year	149,678	158,497
Acquisition	-	743
Net loss from fair value adjustments	-	1,173
Disposal	(470)	(10,066)
Foreign exchange translation - net	(47)	(669)
	(517)	(8,819)
	149,161	149,678

8 IJARAH MUNTAHIA BITTAMLEEK

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.

	Reviewed 31 March 2026				Audited 31 December 2025
	Stage 1 US\$ '000	Stage 2 US\$ '000	Stage 3 US\$ '000	Total US\$ '000	Total US\$ '000
Good (1-4)	681,883	7,702	-	689,585	691,485
Satisfactory (5-7)	2,114,367	256,768	-	2,371,135	2,371,979
Default (8-10)	-	-	66	66	34
Less: allowance for expected credit losses	(7,845)	(8,540)	(6)	(16,391)	(16,264)
	2,788,405	255,930	60	3,044,395	3,047,234

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

8 IJARAH MUNTAHIA BITTAMLEEK (continued)

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

	<i>Reviewed</i> <i>For the three months period ended</i> <i>31 March 2026</i>			<i>Audited</i> <i>For the year ended</i> <i>2025</i>
	<i>Stage 1: 12-month ECL</i> <i>US\$ '000</i>	<i>Stage 2: Lifetime ECL not credit-impaired</i> <i>US\$ '000</i>	<i>Stage 3: Lifetime ECL credit-impaired</i> <i>US\$ '000</i>	<i>Total</i> <i>US\$ '000</i>
Balance at 1 January	6,960	9,298	6	16,264
Net movement between stages	(11)	11	-	-
Net remeasurement of loss allowance	1,134	(494)	-	640
Allocation from investment risk reserve	-	-	-	-
FX translation	(238)	(275)	-	(513)
	7,845	8,540	6	16,391
				16,264

9 OTHER ASSETS

	<i>Reviewed</i> <i>31 March</i> <i>2026</i> <i>US\$ '000</i>	<i>Audited</i> <i>31 December</i> <i>2025</i> <i>US\$ '000</i>
Collateral pending sale*	536,001	375,365
Bills receivable	234,990	213,250
Deferred taxation	143,334	138,712
Goodwill and intangible assets	102,532	93,426
Good faith qard	38,002	37,700
Prepayments	76,528	57,802
Advance subscriptions**	360,902	-
Others	74,439	65,156
	1,566,728	981,411
Allowance for expected credit losses	(62,629)	(52,173)
	1,504,099	929,238

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

** This represents USD 361 million in respect of subscription to government sukuk, which had not been issued as at the reporting date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

10 LONG TERM FINANCING

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Murabaha financing	1,448,755	717,658
Subordinated financing obtained by subsidiaries	257,785	258,230
	1,706,540	975,888

11 OTHER LIABILITIES

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Payables	530,142	422,278
Cash margins	267,688	221,119
Managers' cheques	155,501	149,596
Current taxation	173,004	125,220
Accrued expenses	100,797	133,389
Deferred taxation	21,635	23,941
Charity fund	1,672	4,424
Zakah fund	3,394	3,144
Net Ijarah liability	77,972	80,328
Others	127,195	140,159
Allowance for expected credit losses	41,474	47,524
	1,500,474	1,351,122

12 QUASI-EQUITY

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Investment account holders*	15,505,463	15,603,450
Profit equalisation reserve (note 12.1)	242,959	251,492
Investment risk reserve (note 12.2)	144,483	132,455
Cumulative changes in fair value attributable to quasi-equity - net (note 12.3)	10,999	10,576
	15,903,904	15,997,973

*** Subordinated Mudaraba**

This includes unsecured, sub-ordinated and privately placed unrestricted mudaraba sukuk amounting to US\$ 6,434 thousand (31 December 2025: US\$ 6,226 thousand) issued by Al Baraka Bank (Pakistan) Limited (ABPL) during 2021 and which 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.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

12 QUASI-EQUITY (continued)

The following table summarises the breakdown of Investment accountholders (IAH) as of:

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Investment accounts - Financial institutions	935,621	1,126,433
Investment accounts - Non-financial institutions and individuals	14,968,283	14,871,540
	15,903,904	15,997,973

12.1 Profit equalisation reserve

The following shows the movement in profit equalisation reserve:

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Balance at the beginning of the period / year	251,492	198,913
Amount apportioned from income allocable to equity of investment accountholders	-	37,171
Amount used during the period / year	(8,439)	-
Foreign exchange translations / Others	(94)	15,408
Balance at period end / year end	242,959	251,492

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

12 QUASI-EQUITY (continued)

12.2 Investment risk reserve

The following shows the movement in investment risk reserve:

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Balance at the beginning of the period / year	132,455	80,901
Amount appropriated from provision	(1,645)	(4,151)
Amount apportioned from income allocable to equity of investment accountholders	12,661	38,159
Foreign exchange translations / Others	1,012	17,546
Balance at period end / year end	144,483	132,455

12.3 Cumulative changes in fair value attributable to quasi-equity

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Balance at the beginning of the period / year	10,576	9,796
Deferred taxation effect	424	776
Transfer (to) / from shareholders' equity	(1)	4
Balance at period end / year end	10,999	10,576
Attributable to investment in real estate	(847)	(808)
Attributable to equity-type instruments at fair value through other comprehensive income	11,846	11,384
	10,999	10,576

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

13 COMMITMENTS AND CONTINGENCIES

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Letters of credit	959,083	990,713
Guarantees	1,839,583	1,858,756
Acceptances	37,552	66,731
Commitments	1,746,887	1,785,879
Sharia'a compliant promise contracts	1,761,086	1,435,944
	6,344,191	6,138,023

14 BASIC AND DILUTED EARNINGS PER SHARE

Basic and diluted earnings per share amounts are calculated by dividing net income for the period attributable to equity holders of the parent by the number of shares outstanding during the period as follows:

	<i>Three months ended</i>	
	31 March 2026 US\$ '000	31 March 2025 US\$ '000
Net income attributable to the equity holders of the parent for the period - US\$ '000	52,261	46,498
Less: Profit distributed on perpetual tier 1 capital	-	-
Net income attributable to the shareholders	52,261	46,498
Weighted number of shares outstanding without the effect of treasury shares (in thousands)	1,242,879	1,242,879
Treasury shares effect (in thousands)	(31,380)	(31,380)
Weighted number of shares outstanding (in thousands)	1,211,499	1,211,499
Basic and diluted earnings per share - US cents	4.31	3.84

15 EQUITY

	Reviewed 31 March 2026 US\$ '000	Audited 31 December 2025 US\$ '000
Share capital		
Authorised:		
Ordinary shares 2,500,000,000 (2025: 2,500,000,000) of US\$ 1 each	2,500,000	2,500,000
Issued and fully paid up:		
1,242,879,755 (2025: 1,242,879,755) shares of US\$1 each	1,242,880	1,242,880

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

15 EQUITY (continued)

Foreign currency translation reserve

The foreign currency reserve is used to recognize exchange differences arising from the translation of the financial statements of foreign subsidiaries.

The following table summarises the subsidiaries / associates wise and the direct associate foreign currency translation losses:

<i>Subsidiary / Associate</i>	<i>Currency</i>	<i>Reviewed</i>	<i>Audited</i>
		<i>31 March</i>	<i>31 December</i>
		<i>2026</i>	<i>2025</i>
		<i>US\$ '000</i>	<i>US\$ '000</i>
Banque Al Baraka D'Algerie	Algerian Dinar	69,337	64,686
Al Baraka Bank (Pakistan) Limited	Pakistani Rupees	57,267	57,440
Al Baraka Bank Egypt	Egyptian Pound	400,551	369,771
Al Baraka Turk Participation Bank	Turkish Lira	668,937	650,833
Al Baraka Bank Limited	South African Rand	24,243	22,522
Al Baraka Bank Sudan	Sudanese Pound	154,763	153,983
Al Baraka Bank Tunis	Tunisian Dinar	33,180	31,276
Al Baraka Bank Syria	Syrian Pound	64,897	64,897
		1,473,175	1,415,408

16 OTHER INCOME

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Foreign exchange gain	18,355	16,598
Gain on sale of property and equipment	1,831	130
	20,186	16,728

17 NET ALLOWANCE FOR EXPECTED CREDIT LOSSES / IMPAIRMENT

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2026</i>	<i>2025</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Cash and balances with banks	13,314	(764)
Receivables	15,535	(4,510)
Due from Banks	252	(471)
Participatory investments	(127)	1,325
Ijarah Muntahia Bittamleek	640	(1,884)
Investments	4	(509)
Other assets	7,820	230
Other liabilities	856	8,211
	38,294	1,628

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

18 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise major shareholders, directors of the Group, entities owned or controlled, jointly controlled or significantly influenced by them and 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 transactions with related parties were as follows:

	<i>Associated companies</i>	<i>Major shareholders</i>	<i>Directors and key management personnel</i>	<i>Other related parties</i>	<i>Three months ended</i>	
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>31 March 2026</i>	<i>31 March 2025</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>	<i>US\$ '000</i>
Net income from financing contracts and investments	312	-	-	-	312	426
Net income attributable to quasi-equity	294	76	114	-	484	334
Fees and commission income	14	1	-	-	15	15

Impairment allowance related to associated companies for the period ended 31 March 2026 amounted to US\$ 6,533 thousand (31 March 2025: US\$ 1,004 thousand)

Compensation of key management personnel of the Firm, included in consolidated statement of income, is as follows:

	<i>Three months ended</i>	
	<i>31 March 2026</i>	<i>31 March 2025</i>
	<i>US\$ '000</i>	<i>US\$ '000</i>
Short term benefits	2,364	2,318
Long term benefits	211	207

Short term benefits includes basic salaries, bonuses, allowances and other benefits paid during the period and long term benefits includes indemnity, social insurance benefits and investment scheme.

Directors' remuneration accrued for the period ended 31 March 2026 amounted to US\$ 412 thousand (31 March 2025: US\$ 375 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

18 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The significant balances with related parties were as follows:

	<i>Associated companies US\$ '000</i>	<i>Major shareholders US\$ '000</i>	<i>Directors and key management personnel US\$ '000</i>	<i>Other related parties US\$ '000</i>	<i>Reviewed 31 March 2026 US\$ '000</i>	<i>Audited 31 December 2025 US\$ '000</i>
Assets						
Cash and balances with banks	17	-	-	-	17	18
Receivables	2,047	-	-	-	2,047	1,978
Investments	99,137	-	-	-	99,137	91,726
Other assets	1	-	264	-	265	12,314
Liabilities						
Customer current and other accounts	47,478	1,488	2,001	16	50,983	51,061
Other liabilities	17,540	33,569	-	-	51,109	17,540
Quasi-Equity	33,364	4,803	7,979	7	46,153	50,849
Off-Balance sheet assets under management	98,985	8,849	-	-	107,834	97,961

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

19 SEGMENTAL INFORMATION

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 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 interim condensed consolidated financial statements as set out in note 2. Transactions between segments are conducted at mutually agreed terms.

Segment assets, liabilities and quasi-equity are as follows:

Segment	<i>Reviewed</i> 31 March 2026			<i>Audited</i> 31 December 2025		
	<i>Assets</i>	<i>Liabilities</i>	<i>Quasi-equity</i>	<i>Assets</i>	<i>Liabilities</i>	<i>Quasi-equity</i>
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Middle East	14,603,733	3,164,416	10,057,854	14,548,095	2,848,740	10,238,268
North Africa	3,961,157	2,344,793	1,268,504	4,043,456	2,391,087	1,349,716
Europe	11,206,115	7,211,914	3,567,733	10,667,703	7,077,725	3,287,391
Others	1,602,755	469,590	1,009,813	1,754,499	510,695	1,122,598
	31,373,760	13,190,713	15,903,904	31,013,753	12,828,247	15,997,973

Segment operating income, net income before ECL, impairment and tax and net income were as follows:

Segment	<i>Three months ended</i> 31 March 2026			<i>Three months ended</i> 31 March 2025		
	<i>Net income</i>			<i>Net income</i>		
	<i>Total operating income</i>	<i>before ECL / impairment and tax</i>	<i>Net income</i>	<i>Total operating income</i>	<i>before ECL / impairment and tax</i>	<i>Net income</i>
	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000	US\$ '000
Middle East	143,386	74,734	27,622	124,767	55,756	26,654
North Africa	43,361	26,807	16,497	28,715	15,550	7,219
Europe	166,069	66,690	43,337	118,343	48,408	52,927
Others	22,732	6,070	5,603	23,511	9,624	4,605
	375,548	174,301	93,059	295,336	129,338	91,405

20 CASH AND CASH EQUIVALENTS

	<i>Reviewed</i> 31 March 2026 US\$ '000	<i>Reviewed</i> 31 March 2025 US\$ '000
Balances with central banks excluding mandatory reserve	1,041,093	1,434,761
Balances with other banks	1,237,242	1,170,835
Cash and cash in transit	624,561	529,546
	2,902,896	3,135,142

Non-cash transactions:

Additions to the right-of-use assets and lease liabilities during the current period were USD 5 million (2025: USD 29 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

21 FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2025.

22 HYPERINFLATIONARY ECONOMIES

The Accounting Board (AAB) of Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) decided to develop, on priority basis, a dedicated FAS on accounting and financial reporting by IFIs in hyperinflationary economies, duly aligned with the AAOIFI Conceptual Framework for Financial Reporting and related Shari'ah Guidance.

FAS 49 "Financial Reporting for Institutions Operating in Hyperinflationary Economies" standard was issued on 22 December 2024 and has been adopted by the Group in the interim condensed consolidated financial statements for the three months ended 31 March 2026, as a result of the Group's operations in hyperinflationary economies through its subsidiaries its subsidiaries in Turkey and Sudan whose functional currencies are those of hyperinflationary economies. The standard became effective for financial periods beginning on or after 1 January 2026.

Upon adoption of FAS 49, the Group has elected to follow the fair value based financial reporting requirements, therefore, the financial statements of subsidiaries operating in hyperinflationary economies were restated to 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.

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 Group has applied the standard on a modified retrospective basis. Corresponding figures have continued to be presented as previously reported, and the Group has presented indexed comparative figures as an additional column in the interim condensed consolidated statement of financial position with such indexed comparatives derived from the 2025 corresponding figures for Turkey and Sudan. The level and movement of the price index during the current and previous reporting periods is as follows:

	31 March 2026	31 December 2025
Turkey	121	110
Sudan	622,432	468,355

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2026 (Reviewed)

22 HYPERINFLATIONARY ECONOMIES (continued)

The resulting cumulative hyperinflationary remeasurement gain of USD 134 million as at 31 March 2026 has been recognized in the interim condensed consolidated statement of other comprehensive income and a hyperinflationary fair value reserve presented in the interim condensed consolidated statement of changes in owners' equity amounting to USD 72 million that is attributable to the Group i.e. owner's equity and USD 62 million attributable to non-controlling interest. □

The below table shows the cumulative hyperinflation impact on the financial position items as at 31 March

	Total US\$ '000
Investments	8,659
Property and equipment	26,174
Other assets	135,479
Other liabilities	(36,118)
	134,194

23 OECD PILLAR TWO MODEL RULES

The Group falls within the scope of the OECD Pillar Two Model Rules ("Model Rules") as it is consolidated by Dallah Albaraka Holding Company B.S.C. (Closed), which qualifies as the Ultimate Parent Entity ("UPE") for Pillar Two purposes. Accordingly, the Group forms part of the Dallah Albaraka Holding Company B.S.C. (Closed) Pillar Two group (the "MNE Group").

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.

For jurisdictions that have enacted either a global minimum topup tax, a domestic minimum top-up tax, or both, a top-up tax liability of US\$ 1.5 million was recognised in the Group's consolidated statement of financial position as at 31 December 2025 for any unforeseen tax liability occurring in the future. No additional accrual is made during the current reporting period as existing tax liability is sufficient to cover any contingencies in the future.

The Group applies IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

24 GEOPOLITICAL DEVELOPMENTS

During the reporting period, the Kingdom of Bahrain and the wider region experienced heightened geopolitical tensions arising from ongoing conflict in the region. While these events have not resulted in direct operational disruption within Bahrain or in other countries in which the Group operates, they have contributed to increased market volatility, heightened risk aversion among investors and depositors, and pressure on regional liquidity conditions.

The management continues to closely monitor these developments and has taken prudent measures to manage liquidity, capital, and operational risks. In response to the evolving environment, management has activated enhanced stress testing of the financing and investment portfolios, increased the frequency of liquidity monitoring and reporting to the Board of directors, and reinforced contingency funding arrangements to safeguard the Group's liquidity position.

The Group has also conducted targeted reviews of its financing exposures in segments most sensitive to regional disruption, assessed the potential for further depreciation in underlying asset values, and has applied higher weightage to stress scenario in its Expected Credit Loss calculations for the current quarter to ensure that provisioning levels appropriately reflect the heightened uncertainty in the operating environment. Based on currently available information, and subject to continued regulatory support and management actions, the Group expects to remain resilient; however, the ultimate impact of the evolving geopolitical situation cannot be reliably quantified at this stage.