

# GFH FINANCIAL GROUP BSC

## CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

30 September 2025

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**For the nine months ended 30 September 2025**

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

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

## Introduction

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

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

The Board of Directors of the Bank is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with FAS 41, "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

## Scope of Review

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

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 30 September 2025 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with FAS 41, "Interim Financial Reporting".

13 November 2025

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2025

US\$ 000's

	Note	30 September 2025 (reviewed)	31 December 2024 (audited)	30 September 2024 (reviewed)
<b>ASSETS</b>				
Cash and bank balances		214,341	459,966	379,284
Treasury portfolio	8	5,756,973	4,851,634	4,532,623
Financing contracts	9	2,426,220	2,058,157	2,035,126
Real estate investments	10	1,575,709	1,391,135	1,199,880
Co-investments	11	298,602	260,164	301,387
Proprietary investments	12	937,804	779,368	1,166,043
Receivables and other assets	13	989,962	1,173,386	1,038,307
Property and equipment		61,246	57,215	286,805
<b>TOTAL ASSETS</b>		<b>12,260,857</b>	<b>11,031,025</b>	<b>10,939,455</b>
<b>LIABILITIES</b>				
Clients' funds		60,316	204,192	240,757
Placements from financial institutions		2,338,743	2,444,459	2,421,964
Placements from non-financial institutions and individuals		1,004,179	1,392,804	1,149,476
Customer current accounts		359,376	308,540	417,745
Term financing	14	2,712,113	2,149,758	1,958,061
Other liabilities	15	411,754	435,364	526,471
<b>TOTAL LIABILITIES</b>		<b>6,886,481</b>	<b>6,935,117</b>	<b>6,714,474</b>
<b>QUASI EQUITY</b>	16	<b>4,203,848</b>	<b>2,980,817</b>	<b>3,123,389</b>
<b>OWNERS' EQUITY</b>				
Share capital		1,015,637	1,015,637	1,015,637
Treasury shares		(71,488)	(90,692)	(73,865)
Statutory reserve		59,368	59,368	47,518
Investment fair value reserve		(27,293)	(40,546)	(18,008)
Other reserve		(25,460)	(26,189)	(17,888)
Retained earnings		73,978	56,918	38,211
Employee share grant reserve		19,105	6,440	5,440
<b>Total equity attributable to shareholders of the Bank</b>		<b>1,043,847</b>	<b>980,936</b>	<b>997,045</b>
Non-controlling interests		126,681	134,155	104,547
<b>TOTAL OWNERS' EQUITY</b>		<b>1,170,528</b>	<b>1,115,091</b>	<b>1,101,592</b>
<b>TOTAL LIABILITIES, QUASI EQUITY AND OWNERS' EQUITY</b>		<b>12,260,857</b>	<b>11,031,025</b>	<b>10,939,455</b>

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

  
Abdulmohsen Rashed Alrashed  
Chairman

  
Hisham Alrayes  
Chief Executive Officer & Board member


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

## CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the nine months ended 30 September 2025

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2025 (reviewed)	30 September 2024 (reviewed)	30 September 2025 (reviewed)	30 September 2024 (reviewed)
Note				
<b>Investment banking income</b>				
Deal related income	89,946	91,106	25,361	31,204
Asset management	42,915	42,084	10,921	13,858
	<b>132,861</b>	<b>133,190</b>	<b>36,282</b>	<b>45,062</b>
<b>Commercial banking income</b>				
Income from financing	104,649	92,599	37,208	30,205
Treasury and investment income	60,867	74,049	23,558	24,756
Fee and other income	18,717	19,510	2,812	4,047
Finance expense	(62,965)	(77,115)	(21,629)	(22,508)
	<b>121,268</b>	<b>109,043</b>	<b>41,949</b>	<b>36,500</b>
<b>Treasury and Proprietary Investments</b>				
Finance and treasury portfolio income, net	243,989	149,533	99,878	60,463
Direct investment income, net	60,582	88,121	832	8,972
Income from co-investments	32,923	42,291	6,280	27,595
Share of profit from equity-accounted investees	85	16,948	371	4,359
Income from sale of assets	67,229	52,235	44,298	5,385
Leasing and operating income	24,349	22,026	8,236	7,879
Other income	8,222	8,111	3,980	6,398
Finance expense - Repo and FI	(134,528)	(135,012)	(42,191)	(48,357)
	<b>302,851</b>	<b>244,253</b>	<b>121,684</b>	<b>72,694</b>
<b>Total income</b>	<b>556,980</b>	<b>486,486</b>	<b>199,915</b>	<b>154,256</b>
Finance expense - Term financing and others	72,974	54,547	28,014	21,099
Impairment allowances	16,179	22,692	8,245	4,087
Other operating expenses	197,958	156,656	69,502	44,842
<b>Total expenses</b>	<b>287,111</b>	<b>233,895</b>	<b>105,761</b>	<b>70,028</b>
<b>Profit for the period before attribution to quasi equity</b>	<b>269,869</b>	<b>252,591</b>	<b>94,154</b>	<b>84,228</b>
Less: Net profit attributable to quasi-equity	(164,918)	(157,035)	(58,919)	(56,569)
<b>Profit for the period</b>	<b>104,951</b>	<b>95,556</b>	<b>35,235</b>	<b>27,659</b>
<b>Profit attributable to:</b>				
Shareholders of the Bank	101,270	87,947	34,031	27,200
Non-controlling interests	3,681	7,609	1,204	459
	<b>104,951</b>	<b>95,556</b>	<b>35,235</b>	<b>27,659</b>
<b>Earnings per share</b>				
Basic and diluted earnings per share (US cents)	18	18	18	18
	<b>2.83</b>	<b>2.43</b>	<b>0.94</b>	<b>0.73</b>



Abdulmohsen Rashed Alrashed  
Chairman



Hisham Alrayes  
Chief Executive Officer & Board member

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

For the nine months period ended 30 September 2025

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2025 (reviewed)	30 September 2024 (reviewed)	30 September 2025 (reviewed)	30 September 2024 (reviewed)
<b>Profit for the period</b>	<b>104,951</b>	95,556	<b>35,235</b>	27,659
<b>Other comprehensive income (OCI)</b>				
<b>Items that are or may be reclassified subsequently to statement of income</b>				
Fair value changes on debt investments carried at fair value through OCI	1,317	32,499	7,865	26,489
Fair value changes on equity investments carried at fair value through OCI	11,387	(2,724)	5,314	(1,156)
Equity-accounted investees - share of OCI	729	(4,276)	(11,079)	(1,868)
Attributable to quasi-equity	(387)	(549)	(95)	(259)
<b>Total other comprehensive income for the period</b>	<b>13,046</b>	24,950	<b>2,005</b>	23,206
<b>Total comprehensive income for the period</b>	<b>117,997</b>	120,506	<b>37,240</b>	50,865
<b>Total comprehensive income attributable to:</b>				
Shareholders of the Bank	115,252	113,901	36,339	46,594
Non-controlling interests	2,745	6,605	901	4,271
	<b>117,997</b>	120,506	<b>37,240</b>	50,865

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

**GFH FINANCIAL GROUP BSC**

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

For the nine months period ended 30 September 2025

US\$ 000's

	Nine months ended		Three months ended	
	30 September 2025 (reviewed)	30 September 2024 (reviewed)	30 September 2025 (reviewed)	30 September 2024 (reviewed)
<b>Net operating income attribution to quasi equity</b>	<b>269,869</b>	252,591	<b>94,154</b>	84,228
Adjusted for:				
Less: income not attributable to quasi-equity	(313,902)	(227,107)	(120,453)	(74,582)
Add: Profit expense on due to banks and non-banks	68,958	89,045	22,492	28,101
Add: expenses not attributable to quasi-equity	272,284	227,328	125,838	69,244
Less: institution's share of income for its own/ share of investments	(98,131)	(114,767)	(30,871)	(36,433)
Less: allowance for impairment allowances attributable to quasi-equity	(3,305)	4,884	(4,135)	(687)
<b>Total income available for quasi-equity holders</b>	<b>195,773</b>	231,974	<b>87,025</b>	69,871
Profit equalization reserve – net movement	-	-	-	-
<b>Total income attributable to quasi-equity holders (adjusted for reserves)</b>	<b>195,773</b>	231,974	<b>87,025</b>	69,871
Less: Mudarib's share	(14,716)	(6,069)	(8,244)	1,865
Less: Wakala fees	(16,139)	(68,870)	(19,862)	(15,167)
<b>Net income attributable to quasi-equity</b>	<b>164,918</b>	157,035	<b>58,919</b>	56,569
<b>Profit distributable to quasi-equity</b>	<b>164,918</b>	157,035	<b>58,919</b>	56,569
Other comprehensive income that may subsequently be classified to statement of income	(387)	(549)	(95)	(259)
<b>Total comprehensive income – attributable to quasi-equity</b>	<b>164,531</b>	156,486	<b>58,824</b>	56,310
Add: Other comprehensive income not subject to immediate distribution	387	549	95	259
<b>Net profit attributable to quasi-equity</b>	<b>164,918</b>	157,035	<b>58,919</b>	56,569

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

## GFH FINANCIAL GROUP BSC

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**  
**For the nine months period ended 30 September 2025**

US\$ 000's

	Attributable to shareholders of the Bank								Non-Controlling Interests (NCI)	Total owners' equity	
	Share capital	Treasury shares	Statutory reserve	Cashflow hedge reserve	Other reserve	Investment fair value reserve	Retained earnings	Employee share grant reserve			Total
<b>30 September 2025 (reviewed)</b>											
Balance at 1 January 2025	1,015,637	(90,692)	59,368	-	(26,189)	(40,546)	56,918	6,440	980,936	134,155	1,115,091
Profit for the period	-	-	-	-	-	-	101,270	-	101,270	3,681	104,951
Other comprehensive income	-	-	-	-	729	13,253	-	-	13,982	(936)	13,046
<b>Total comprehensive income for the period</b>	-	-	-	-	<b>729</b>	<b>13,253</b>	<b>101,270</b>	-	<b>115,252</b>	<b>2,745</b>	<b>117,997</b>
Issue of shares under incentive scheme (net)	-	-	-	-	-	-	-	12,665	12,665	-	12,665
Transfer to zakah and charity fund	-	-	-	-	-	-	(1,500)	-	(1,500)	-	(1,500)
Dividends declared for 2024	-	-	-	-	-	-	(61,000)	-	(61,000)	-	(61,000)
Interim dividends declared for 2025	-	-	-	-	-	-	(20,000)	-	(20,000)	-	(20,000)
Sale of treasury shares	-	164,045	-	-	-	-	(1,710)	-	162,335	-	162,335
Purchase of treasury shares	-	(144,841)	-	-	-	-	-	-	(144,841)	-	(144,841)
Reduction in NCI on account of dividend payment	-	-	-	-	-	-	-	-	-	(10,219)	(10,219)
<b>Balance at 30 September 2025</b>	<b>1,015,637</b>	<b>(71,488)</b>	<b>59,368</b>	-	<b>(25,460)</b>	<b>(27,293)</b>	<b>73,978</b>	<b>19,105</b>	<b>1,043,847</b>	<b>126,681</b>	<b>1,170,528</b>

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

## GFH FINANCIAL GROUP BSC

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

For the nine months period ended 30 September 2025 (continued)

US\$ 000's

	Attributable to shareholders of the Bank								Non-Controlling Interests (NCI)	Total owners' equity	
	Share capital	Treasury shares	Statutory reserve	Cashflow hedge reserve	Other reserve	Investment fair value reserve	Retained earnings	Employee share grant reserve			Total
30 September 2024 (reviewed)											
Balance at 1 January 2024	1,015,637	(125,525)	47,518	(2,135)	(13,612)	(46,103)	105,831	7,930	989,541	84,821	1,074,362
Profit for the period	-	-	-	-	-	-	87,947	-	87,947	7,609	95,556
Other comprehensive income	-	-	-	2,135	(4,276)	28,095	-	-	25,954	(1,004)	24,950
Total comprehensive income for the period	-	-	-	2,135	(4,276)	28,095	87,947	-	113,901	6,605	120,506
Issue of shares under incentive scheme (net)	-	-	-	-	-	-	-	(2,490)	(2,490)	-	(2,490)
Transfer to zakah and charity fund	-	-	-	-	-	-	(7,037)	-	(7,037)	-	(7,037)
Dividends declared for 2023	-	-	-	-	-	-	(61,000)	-	(61,000)	-	(61,000)
Sale of treasury shares	-	279,044	-	-	-	-	(31,327)	-	247,717	-	247,717
Purchase of treasury shares	-	(227,384)	-	-	-	-	-	-	(227,384)	-	(227,384)
Additional NCI without a change in control	-	-	-	-	-	-	(37,360)	-	(37,360)	124,650	87,290
Sale of shares in subsidiary	-	-	-	-	-	-	-	-	-	(39,757)	(39,757)
Reduction in NCI due to additional stake in subsidiary (note 1)	-	-	-	-	-	-	(18,843)	-	(18,843)	(84,059)	(102,902)
Additional NCI on acquisition of subsidiary	-	-	-	-	-	-	-	-	-	12,287	12,287
Balance at 30 September 2024	1,015,637	(73,865)	47,518	-	(17,888)	(18,008)	38,211	5,440	997,045	104,547	1,101,592

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the nine months period ended 30 September 2025**

US\$ 000's

	<b>30 September 2025</b> (reviewed)	30 September 2024 (reviewed)
<b>OPERATING ACTIVITIES</b>		
Profit for the period	104,951	95,556
Adjustments for:		
Treasury and proprietary investments	(437,379)	(379,265)
Foreign exchange (gain) / loss	(1,593)	2,941
Finance expense	372,420	346,594
Impairment allowances	16,179	22,692
Depreciation and amortisation	7,692	9,451
	<b>62,270</b>	97,969
<b>Changes in:</b>		
Placements with financial institutions (original maturities of more than 3 months)	100,768	(35,614)
Receivables and Other assets	(139,060)	(47,158)
CBB Reserve and restricted bank balance	(812)	(7,298)
Financing contracts	(352,660)	(494,275)
Clients' funds	(143,876)	34,535
Customer current accounts	50,836	214,048
Placements from financial, non-financial institutions and individuals	(494,341)	288,173
Quasi equity	1,223,031	(327,617)
Other liabilities	(65,920)	(283,180)
<b>Net cash generated from / (used in) operating activities</b>	<b>240,236</b>	(560,417)
<b>INVESTING ACTIVITIES</b>		
(Purchase) / sale of equipment, net	(2,738)	1,629
(Purchase) / Sale of real estate investments	(5,111)	56,617
(Purchase) / Sale of proprietary investments, net	(73,310)	21,210
(Purchase) / Sale of treasury portfolio, net	(660,410)	38,989
Profit received on treasury portfolio	182,472	178,351
Cash acquired on acquisition of subsidiary	-	5,584
Cash paid on acquisition of additional stake in subsidiary	-	(4,000)
Dividends received from proprietary investments and co-investments	72,437	80,721
<b>Net cash (used in) / generated from investing activities</b>	<b>(486,660)</b>	379,101
<b>FINANCING ACTIVITIES</b>		
Term financing availed / (repaid), net	562,487	(49,978)
Finance expense paid	(341,954)	(329,934)
Dividends paid	(99,924)	(58,865)
Sale of treasury shares, net	19,205	13,798
<b>Net cash generated from / (used in) financing activities</b>	<b>139,814</b>	(424,979)
<b>Net decrease in cash and cash equivalents during the period</b>	<b>(106,610)</b>	(606,295)
Cash and cash equivalents at 1 January	<b>1,164,385</b>	1,687,727
<b>Cash and cash equivalents at 30 Sep *</b>	<b>1,057,775</b>	1,081,432
Cash and cash equivalents comprise:		
Cash and balances with banks (excluding CBB reserve balance and restricted cash)	128,064	295,838
Placements with financial institutions (original maturities of 3 months or less)	929,711	785,594
	<b>1,057,775</b>	1,081,432

\* net of expected credit loss of US\$ 73 thousands (30 September 2024: US\$ 39 thousands).

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

## GFH FINANCIAL GROUP BSC

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN OFF-BALANCE-SHEET INVESTMENT ACCOUNTS

For the nine months period ended 30 September 2025

US\$ 000's

30 September 2025 (Reviewed)

Opening Balance	Additions during the period	Income	Wakala Fee	Distributions/ Withdrawal during the period	NAV Movement	Closing Balance
1,685,279	682,167	106,432	(25,648)	(411,900)	22,217	2,058,547
<b>1,685,279</b>	<b>682,167</b>	<b>106,432</b>	<b>(25,648)</b>	<b>(411,900)</b>	<b>22,217</b>	<b>2,058,547</b>

30 September 2024 (Reviewed)

Opening Balance	Additions during the period	Income	Wakala Fee	Distributions/ Withdrawal during the period	NAV Movement	Closing Balance
1,029,921	533,451	118,474	(52,410)	(146,128)	(146,037)	1,337,271
<b>1,029,921</b>	<b>533,451</b>	<b>118,474</b>	<b>(52,410)</b>	<b>(146,128)</b>	<b>(146,037)</b>	<b>1,337,271</b>

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

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

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the nine months period ended 30 September 2025**

US\$ 000's

**1 REPORTING ENTITY**

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

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

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

<b>Investee name</b>	<b>Country of incorporation</b>	<b>Effective ownership interests as at 30 September 2025</b>	<b>Activities</b>
Khaleeji Bank BSC ('KHALEEJI')	Kingdom of Bahrain	82.95%	Islamic retail bank
GFH Partners Ltd	United Arab Emirates	100%	Investment management
GFH Capital S.A.	Saudi Arabia	100%	Investment management
GFH Equities BSC (c)	Kingdom of Bahrain	76.63%	Investment management

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

**2 BASIS OF PREPARATION AND PRESENTATION**

The condensed consolidated interim financial information of the Group has been prepared in accordance with Financial Accounting Standard FAS 41, Interim Financial Reporting (“FAS 41”) issued by the Accounting and Auditing Organisation of Islamic Financial Institutions (“AAOIFI”). In line with the requirements of AAOIFI and the Central Bank of Bahrain (CBB) rule book, for matters not covered under AAOIFI standards the group uses guidance from the relevant IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”).

These condensed consolidated interim financial information are reviewed and not audited. The condensed consolidated interim financial information of the Group does not contain all information and disclosures required for the annual consolidated financial statements and should be read in conjunction with the Group’s audited annual consolidated financial statements for the year ended 31 December 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2024.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the nine months period ended 30 September 2025**

US\$ 000's

**3 SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies and methods of computation applied by the Group in the preparation of the condensed consolidated interim financial information are the same as those used in the preparation of the Group's last audited consolidated financial statements as at and for the period ended 31 December 2024.

**a. New standards, amendments, and interpretations issued but not yet effective****(i) FAS 45: Quasi-Equity (Including Investment Accounts)**

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

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

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

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

**(ii) FAS 46: Off-Balance-Sheet Assets Under Management**

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

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:

- The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
- An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

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

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

**(iii) FAS 47: Transfer of Assets Between Investment Pools**

AAOIFI has issued Financial Accounting Standard ("FAS") 47 "Transfer of Assets Between Investment Pools" during 2023. The objective of this standard is to establish guidance on the accounting treatment and disclosures for transfers of assets between investment pools that are managed by the same institution or its related parties. The standard applies to transfers of assets that are not part of a business combination, a disposal of a business, or a restructuring of an institution.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION****For the nine months period ended 30 September 2025**

US\$ 000's

**3 SIGNIFICANT ACCOUNTING POLICIES (continued)****a. New standards, amendments, and interpretations issued but not yet effective (continued)**

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

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

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

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

**4 ESTIMATES AND JUDGEMENTS**

Preparation of condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The areas of significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the audited consolidated financial statements as at and for the year ended 31 December 2024.

**5 FINANCIAL RISK MANAGEMENT**

The Group's financial risk management objectives and policies are consistent with those disclosed in the audited consolidated financial statements for the year ended 31 December 2024.

***Regulatory ratios*****a. Net stable funding Ratio (NSFR)**

NSFR as a percentage is calculated as "Available stable funding" divided by "Required stable funding".

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the nine months period ended 30 September 2025**

US\$ 000's

## 5 FINANCIAL RISK MANAGEMENT (continued)

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

**As at 30 September 2025**

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
<b>Available Stable Funding (ASF):</b>						
1	Capital:					
2	Regulatory Capital	1,033,756	-	-	40,582	1,074,338
3	Other Capital Instruments	-	-	-	-	-
4	Retail deposits and deposits from small business customers:					
5	Stable deposits	-	177,664	47,512	531	214,449
6	Less stable deposits	-	2,567,524	896,926	78,456	3,196,461
7	Wholesale funding:					
8	Operational deposits	-	-	-	-	-
9	Other Wholesale funding	-	5,271,670	723,459	1,027,816	6,134,048
10	Other liabilities:					
11	NSFR Shari'a-compliant hedging contract liabilities		-	-	-	
12	All other liabilities not included in the above categories	-	83,297	-	345,500	345,500
13	Total ASF					10,964,797
<b>Required Stable Funding (RSF):</b>						
14	Total NSFR high-quality liquid assets (HQLA)					106,981
15	Deposits held at other financial institutions for operational purposes					
16	Performing financing and sukuk/ securities:		1,100,264		1,503,671	1,443,160
17	Performing financial to financial institutions by level 1 HQLA	-	-	-	5,017	5,017
18	Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	47,418	5,182	1,104,098	964,783
19	Performing financing to non-financial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	151,541	215,023	437,769	467,832

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the nine months period ended 30 September 2025**

US\$ 000's

## 5 FINANCIAL RISK MANAGEMENT (continued)

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
20	With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
21	Performing residential mortgages, of which:	-	-	-	-	-
22	With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
23	Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	1,166,174	165,242	533,376	1,199,084
24	Other assets:	-	-	-	-	-
25	Physical traded commodities, including gold	-	-	-	-	-
26	Assets posted as initial margin for Shari'a-compliant hedging contracts and contributions to default funds of CCPs	-	-	-	-	-
27	NSFR Shari'a-compliant hedging assets	-	-	-	-	7,530
28	NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
29	All other assets not included in the above categories	3,583,595	-	-	-	3,583,595
30	OBS items	-	-	-	-	113,858
31	Total RSF	-	2,465,396	385,448	3,583,931	7,891,840
32	NSFR(%)	-	-	-	-	139%

As at 31 December 2024

No.	Item	No Specified Maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
Available Stable Funding (ASF):						
1	Capital:	-	-	-	-	-
2	Regulatory Capital	970,191	-	-	37,669	1,007,860
3	Other Capital Instruments	-	-	-	-	-

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

## 5 FINANCIAL RISK MANAGEMENT (continued)

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

## 5 FINANCIAL RISK MANAGEMENT (continued)

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

*b Liquidity Coverage Ratio (LCR)*

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

	Average balance	
	30 September 2025 (reviewed)	31 December 2024 (audited)
Stock of HQLA	445,161	611,954
Net cashflows	313,264	314,670
LCR %	142%	194%
Minimum required by CBB	100%	100%

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
**For the nine months period ended 30 September 2025**

US\$ 000's

5 *FINANCIAL RISK MANAGEMENT (continued)*

c. *Capital Adequacy Ratio*

	<b>30 Sep 2025</b> (reviewed)	31 December 2024 (audited)
CET 1 Capital before regulatory adjustments	1,053,073	989,543
Less: regulatory adjustments	-	-
CET 1 Capital after regulatory adjustments	<b>1,053,073</b>	989,543
T 2 Capital adjustments	40,582	37,669
<b>Regulatory Capital</b>	<b>1,093,655</b>	1,027,212
Risk weighted exposure:		
Credit Risk Weighted Assets	5,707,145	5,317,410
Market Risk Weighted Assets	106,813	130,673
Operational Risk Weighted Assets	597,099	584,364
<b>Total Regulatory Risk Weighted Assets</b>	<b>6,411,057</b>	6,032,447
Investment risk reserve (30% only)	2	2
Profit equalization reserve (30% only)	3	3
<b>Total Adjusted Risk Weighted Exposures</b>	<b>6,411,052</b>	6,032,442
<b>Capital Adequacy Ratio (CAR)</b>	<b>17.06%</b>	17.03%
<b>Tier 1 Capital Adequacy Ratio</b>	<b>16.43%</b>	16.40%
Minimum CAR required by CBB	12.50%	12.50%

6 **SEASONALITY**

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

7 **COMPARATIVES**

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

## 8 TREASURY PORTFOLIO

	30 September 2025 (reviewed)	31 December 2024 (audited)	30 September 2024 (reviewed)
<b>Placements with financial institutions</b>	1,029,725	990,666	892,566
<b>Profit rate swap and foreign currency forwards</b>	7,530	3,533	2,031
<b>Equity type investments</b>			
At fair value through other comprehensive income			
Quoted sukuk*	28,526	32,318	31,460
At fair value through income statement			
Structured notes*	827,249	276,435	370,306
Quoted fund	169,428	28,213	30,145
<b>Debt type investments</b>			
At fair value through other comprehensive income*			
Quoted sukuk*	1,139,020	1,144,013	736,908
At amortised cost			
Quoted sukuk*	2,572,341	2,398,462	2,490,723
Unquoted sukuk	4,762	5,557	4,546
<b>Less: Impairment allowances **</b>	(21,608)	(27,563)	(26,062)
	<b>5,756,973</b>	<b>4,851,634</b>	<b>4,532,623</b>

\*Structured note of US\$ 827,249 thousand (31 December 2024: US\$ 276,435 thousand) and quoted sukuk of US\$ 3,234,527 thousand (31 December 2024: US\$ 2,571,205 thousand) are secured against Short-term and medium-term facilities of US\$ 2,213,912 thousand (31 December 2024: US\$ 1,605,433 thousand) (note 14).

\*\*ECL of US \$ 6,463 thousand was utilized during the period on conversion of Sukuk to equity security at carrying value.

## 9 FINANCING CONTRACTS

	30 September 2025 (reviewed)	31 December 2024 (audited)	30 September 2024 (reviewed)
Murabaha*	1,653,315	1,455,942	1,424,697
Mudharaba	1,913	18,083	21,138
Ijarah assets	818,895	641,023	658,026
	<b>2,474,123</b>	<b>2,115,048</b>	<b>2,103,861</b>
Less: Impairment allowances	(47,903)	(56,891)	(68,735)
	<b>2,426,220</b>	<b>2,058,157</b>	<b>2,035,126</b>

\*Murabaha financing is net of deferred profits of US\$ 72,934 thousands (31 December 2024: US\$ 38,103 thousands).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

## 9 FINANCING CONTRACTS (continued)

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

<b>Financing contracts</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
Financing contracts (gross)	2,139,677	176,629	157,817	2,474,123
Expected credit loss	(5,725)	(11,158)	(31,020)	(47,903)
<b>Financing contracts (net)</b>	<b>2,133,952</b>	<b>165,471</b>	<b>126,797</b>	<b>2,426,220</b>

<b>Impairment allowances</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
At 1 January 2025	3,035	12,230	41,626	56,891
Net movement between stages	(341)	(1,107)	1,448	-
Net charge for the period	3,031	35	5,372	8,438
Write-offs	-	-	(17,426)	(17,426)
<b>At 30 September 2025 (reviewed)</b>	<b>5,725</b>	<b>11,158</b>	<b>31,020</b>	<b>47,903</b>

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

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

30 September 2024 (reviewed)	Stage 1	Stage 2	Stage 3	Total
Financing contracts (gross)	1,747,116	195,668	161,077	2,103,861
Expected credit loss	(6,139)	(11,507)	(51,089)	(68,735)
<b>Financing contracts (net)</b>	<b>1,740,977</b>	<b>184,161</b>	<b>109,988</b>	<b>2,035,126</b>

Impairment allowances	Stage 1	Stage 2	Stage 3	Total
At 1 January 2024	4,788	18,310	41,180	64,278
Net movement between stages	8,192	(12,053)	3,861	-
Net charge for the period	(6,841)	5,250	7,391	5,800
Write-offs	-	-	(1,343)	(1,343)
<b>At 30 September 2024</b>	<b>6,139</b>	<b>11,507</b>	<b>51,089</b>	<b>68,735</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

## 10 REAL ESTATE INVESTMENTS

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Investment Property			
Land	583,280	493,792	400,984
Building	177,184	178,042	123,847
	<b>760,464</b>	671,834	524,831
Development Property			
Land	298,093	167,140	169,128
Building	517,152	552,161	505,921
	<b>815,245</b>	719,301	675,049
	<b>1,575,709</b>	1,391,135	1,199,880

## 11 CO-INVESTMENTS

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
<b>At fair value through OCI</b>			
Unquoted equity securities	294,279	255,194	291,994
<b>At fair value through statement of income</b>			
Unquoted equity securities	4,323	4,970	9,393
	<b>298,602</b>	<b>260,164</b>	<b>301,387</b>

The above balances are net of impairment allowance of US\$ 16,144 thousands (31 December 2024: US\$ 12,862 thousands and 30 September 2024: US\$ 1,606 thousands).

## 12 PROPRIETARY INVESTMENTS

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
<b>Equity type investments</b>			
<b>At fair value through statement of income</b>			
Unquoted equity securities	9,446	17,292	17,449
Listed equity securities	145,939	81,288	27,214
	<b>155,385</b>	98,580	44,663
<b>At fair value through OCI</b>			
Listed equity securities (at fair value)	-	17,324	18,077
Equity type Sukuk	446,119	442,207	886,781
Unquoted equity securities	65,321	62,598	62,357
	<b>511,440</b>	522,129	967,215
<b>Equity-accounted investees</b>	270,979	158,659	154,165
	<b>937,804</b>	779,368	1,166,043

The above balances are net of impairment allowance of US\$ 4,112 thousands (31 December 2024: US\$ 3,046 thousands and 30 September 2024: US\$ 2,513 thousands).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

**13 RECEIVABLES AND OTHER ASSETS**

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Investment banking receivables*	212,309	225,512	211,149
Receivable from equity-accounted investees	158,975	162,442	164,789
Financing to projects, net	7,226	4,923	5,827
Receivable on sale of real estate	90,823	149,944	147,263
Advances and deposits	66,688	69,281	72,287
Employee receivables	26,674	21,700	20,857
Profit on sukuk receivable	26,065	20,908	21,865
Lease rentals receivable	2,300	3,050	3,282
Goodwill and intangibles	73,463	72,963	73,459
Receivable from sale of investments	67,924	185,555	78,127
Prepayments and other receivables	281,371	278,114	262,683
Less: Impairment allowance	(23,856)	(21,006)	(23,281)
	<b>989,962</b>	<b>1,173,386</b>	<b>1,038,307</b>

\*These balances are settled subsequent to the reporting period through monies received from clients.

**14 TERM FINANCING**

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Murabaha financing (note 8)	2,245,214	1,625,186	1,719,360
Sukuk *	465,076	522,774	236,903
Other borrowings	1,823	1,798	1,798
	<b>2,712,113</b>	<b>2,149,758</b>	<b>1,958,061</b>

\* Sukuk

Represents outstanding unsecured sukuk certificates with a profit rate of 7.5% p.a. repayable by 2029. The outstanding sukuk also includes accrued profit of US\$ 9,965 thousand.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

US\$ 000's

## 15 OTHER LIABILITIES

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Investment banking payables*	170,138	182,765	133,313
Accounts Payables	35,101	30,180	47,967
Unclaimed dividends	10,348	2,676	3,630
Payables to equity-accounted investees	2,005	56,347	22,435
Other accrued expenses and payables	55,890	52,474	59,558
Deferred Income	7,932	3,654	9,897
Payables towards purchase of investments	53,017	43,910	50,239
Zakah and Charity Fund	9,843	10,375	10,435
Employee related accruals	34,761	22,534	20,003
Mudaraba profit accrual	15,549	14,240	13,929
Due to Vendor Liability	17,170	16,209	15,975
Payable related to acquisition of additional stake in subsidiary	-	-	101,220
Payable related to buy-back of treasury shares	-	-	37,870
	<b>411,754</b>	435,364	526,471

\*Represents amounts payable against assets acquired as part of investment banking deals along with payable for ongoing project related to the costs of SPVs. These payables are settled within 12 months on account of receipt of funds from Investment banking receivable and underlying SPVs (note 13).

## 16 QUASI EQUITY

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Placements and borrowings from financial institutions:			
Wakala	2,448,077	1,617,818	1,806,102
Mudaraba	1,755,771	1,362,999	1,317,287
	<b>4,203,848</b>	2,980,817	3,123,389

## Funds are invested in the following assets:

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Balances with banks	137,099	154,385	146,234
CBB reserve account	85,658	84,769	82,703
Treasury portfolio	2,161,016	1,628,135	1,830,578
Financing contracts	1,770,747	1,039,024	987,708
Proprietary Investments	30,186	30,849	31,979
Real estate Investments	19,142	43,655	44,187
	<b>4,203,848</b>	2,980,817	3,123,389

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the nine months period ended 30 September 2025

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## 17 IMPAIRMENT ALLOWANCES, NET

	Nine months ended		Three months ended	
	30 September 2025 (reviewed)	30 September 2024 (reviewed)	30 September 2025 (reviewed)	30 September 2024 (reviewed)
Expected credit loss on:				
Bank balances	34	(24)	44	15
Treasury portfolio (note 8)	508	(16)	2,211	1,327
Financing contracts, net (note 9)	8,438	5,800	2,346	1,934
Impairment on proprietary investment	1,066	1,599	-	547
Impairment on co-investment	3,282	-	1,651	-
Impairment on other receivables (note 13)	2,851	15,333	1,993	264
	<b>16,179</b>	<b>22,692</b>	<b>8,245</b>	<b>4,087</b>

## 18 EARNINGS PER SHARE

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

	Nine months ended		Three months ended	
	30 September 2025 (reviewed)	30 September 2024 (reviewed)	30 September 2025 (reviewed)	30 September 2024 (reviewed)
Profit attributable to shareholders of the Bank	101,270	87,947	34,031	27,200
Weighted Average number of shares outstanding during the period	3,575,799	3,613,569	3,618,054	3,722,969
<b>Earnings per share</b>				
Basic and diluted earnings per share (US cents)	<b>2.83</b>	<b>2.43</b>	<b>0.94</b>	<b>0.73</b>

## 19 RELATED PARTY TRANSACTIONS

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

30 September 2025 (reviewed)	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Equity-accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested		
<b>Assets</b>					
Treasury portfolio	452,753	-	-	-	<b>452,753</b>
Financing contracts	-	11,883	52,798	-	<b>64,681</b>
Proprietary investments	446,119	-	6,058	18,483	<b>470,660</b>
Co-investments	-	-	-	298,602	<b>298,602</b>
Receivables and other assets	158,975	9,580	1,568	212,309	<b>382,432</b>

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19 RELATED PARTY TRANSACTIONS (continued)

30 September 2025 (reviewed)	Related parties as per FAS 1			Assets under management (including special purpose and other entities)	Total
	Equity-accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested		
<b>Liabilities</b>					
Placements from financial, non-financial institutions and individuals	-	8,488	-	-	<b>8,488</b>
Current accounts	592	93	12,414	23,080	<b>36,179</b>
Other liabilities	2,005	13,851	-	170,138	<b>185,994</b>
<b>Quasi equity</b>	851	6,928	-	334	<b>8,113</b>
<b>Income</b>					
Investment banking	-	-	-	132,861	<b>132,861</b>
Commercial banking					
- Income from financing	-	491	3,493	-	<b>3,984</b>
- Less: Finance expense	-	143	1,830	-	<b>1,973</b>
Real estate income	-	-	-	14	<b>14</b>
Treasury and other income	19,947	-	37	32,931	<b>52,915</b>
Less: Quasi equity	32	156	3,589	11	<b>3,788</b>
<b>Expenses</b>					
Operating expenses	-	(587)	-	-	<b>(587)</b>
Staff Cost	-	(8,856)	-	-	<b>(8,856)</b>
Finance Cost	-	-	(5,767)	-	<b>(5,767)</b>

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

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## 19 RELATED PARTY TRANSACTIONS (continued)

31 December 2024 (audited)	Related parties as per FAS 1			Assets under management (including special purpose and	Total
	Equity- accounted investees	Key management personnel	Significant shareholders / entities in which directors are interested		
Liabilities					
Current account	1,854	928	36,305	17,950	57,037
Placements from financial, non-financial institutions and individuals	-	6,469	2,772	-	9,241
Payables and accruals	61,610	7,468	-	167,544	236,622
Quasi Equity	844	5,695	65,014	-	71,553
<i>30 September 2024 (reviewed)</i>					
Income					
Investment banking	-	-	-	133,190	133,190
Commercial banking - <i>Income from financing</i>	-	451	1,732	-	2,183
Treasury and proprietary investments	35,215	-	-	69,777	104,992
Expenses					
Operating expenses	-	(493)	-	(284)	(777)
Staff Cost	-	(11,602)	-	-	(11,602)
Finance Cost	(37)	(379)	(11,171)	(13)	(11,600)

## GFH FINANCIAL GROUP BSC

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**  
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**20 SEGMENT REPORTING**

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

**30 September 2025 (reviewed)**

	<b>Investment banking</b>	<b>Commercial banking</b>	<b>Proprietary and treasury</b>	<b>Total</b>
Segment revenue	132,861	115,275	308,844	556,980
Segment expenses	(94,851)	(87,020)	(253,979)	(435,850)
Impairment allowance	-	(7,606)	(8,573)	(16,179)
<b>Segment result</b>	<b>38,010</b>	<b>20,649</b>	<b>46,292</b>	<b>104,951</b>
Segment assets	212,309	4,170,808	7,877,740	12,260,857
Segment liabilities	170,138	2,003,305	4,713,038	6,886,481
Quasi equity	-	1,814,806	2,389,042	4,203,848
<i>Other segment information</i>				
<i>Proprietary investments (Equity-accounted investees)</i>	-	16,772	257,413	274,185
Commitments	133,082	94,607	94,694	322,383

**30 September 2024 (reviewed)**

	<b>Investment banking</b>	<b>Commercial banking</b>	<b>Proprietary and treasury</b>	<b>Total</b>
Segment revenue	133,190	95,875	257,421	486,486
Segment expenses	(75,880)	(72,096)	(220,262)	(368,238)
Impairment allowance	-	(5,120)	(17,572)	(22,692)
<b>Segment result</b>	<b>57,310</b>	<b>18,659</b>	<b>19,587</b>	<b>95,556</b>

**31 December 2024 (audited)**

	<b>Investment banking</b>	<b>Commercial banking</b>	<b>Proprietary and treasury</b>	<b>Total</b>
Segment assets	225,512	3,968,511	6,837,002	11,031,025
Segment liabilities	182,765	2,250,096	4,502,256	6,935,117
Quasi equity	-	1,377,179	1,603,638	2,980,817
<i>Other segment information</i>				
<i>Proprietary investments (Equity-accounted investees)</i>	-	17,285	143,506	160,791
Commitments	13,150	94,607	145,680	253,437

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**21 COMMITMENTS AND CONTINGENCIES**

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

	<b>30 September 2025 (reviewed)</b>	31 December 2024 (audited)	30 September 2024 (reviewed)
Undrawn commitments to extend finance	143,247	94,912	76,454
Financial guarantees	109,782	102,817	18,154
Capital commitment for infrastructure development projects	69,354	55,708	40,720
	<b>322,383</b>	<b>253,437</b>	<b>135,328</b>

*Performance obligations*

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

*Litigations, claims and contingencies*

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

**22 FAIR VALUE OF FINANCIAL INSTRUMENTS**

**Fair values**

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

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

**Fair value hierarchy**

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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## 22 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

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

	30 September 2025 (reviewed)		30 September 2024	
	Statement of Income	FVOCI	Statement of Income	FVOCI
Equity instruments- marketability factor ( $\pm 10\%$ )	$\pm 432$	$\pm 36,377$	$\pm 939$	$\pm 37,495$
Structure notes- impact on underlying value ( $\pm 5\%$ )	$\pm 41,362$	-	$\pm 18,515$	-
Proprietary Investments- impact of change in value ( $\pm 5\%$ )	$\pm 7,769$	-	$\pm 2,233$	-
Quoted Fund - impact on underlying value ( $\pm 5\%$ )	$\pm 8,471$	-	$\pm 1,507$	-

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

**30 September 2025 (reviewed)***(i) Proprietary investments*

Investment securities carried at fair value through:

*statement of income*

OCI

	Level 1	Level 2	Level 3	Total
<i>statement of income</i>	145,939	-	9,446	155,385
OCI	-	446,119	65,321	511,440
	<b>145,939</b>	<b>446,119</b>	<b>74,767</b>	<b>666,825</b>
<i>(ii) Treasury portfolio</i>				
Investment securities carried at fair value through:				
<i>statement of income</i>	-	1,004,207	-	1,004,207
OCI	1,167,546	-	-	1,167,546
	<b>1,167,546</b>	<b>1,004,207</b>	-	<b>2,171,753</b>

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## 22 FINANCIAL INSTRUMENTS (continued)

**30 September 2025 (reviewed)**  
**(continued)***(iii) Co-investments*

Investment securities carried at fair value through

OCI

*statement of income*

	Level 1	Level 2	Level 3	Total
	-	-	294,279	294,279
	-	-	4,323	4,323
	-	-	<b>298,602</b>	<b>298,602</b>
	<b>1,313,485</b>	<b>1,450,326</b>	<b>373,369</b>	<b>3,137,180</b>

## 31 December 2024 (audited)

*(i) Proprietary investments*

Investment securities carried at fair value through:

*statement of income*

OCI

	Level 1	Level 2	Level 3	Total
	-	98,580	-	98,580
	17,324	442,207	62,598	522,129
	17,324	540,787	62,598	620,709

*(ii) Treasury portfolio*

Investment securities carried at fair value through:

*statement of income*

OCI

	-	308,181	-	308,181
	1,176,331	-	-	1,176,331
	1,176,331	308,181	-	1,484,512

*(iii) Co-investments*

Investment securities carried at fair value through

OCI

*statement of income*

	-	-	255,194	255,194
	-	-	4,970	4,970
	-	-	260,164	260,164
	<b>1,193,655</b>	<b>848,968</b>	<b>322,762</b>	<b>2,365,385</b>

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

	<b>30 Sep 2025 (reviewed)</b>	31 December 2024 (audited)
At beginning of the period	322,762	320,261
Disposals at carrying value	(27,589)	(20,251)
Reclassification	13,087	(14,661)
Purchases	68,386	72,236
Fair value changes	-	(23,567)
Impairment	(3,277)	(11,256)
<b>At end of the period</b>	<b>373,369</b>	<b>322,762</b>

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**23 ASSETS UNDER MANAGEMENT AND CUSTODIAL ASSETS**

The Group provides corporate administration, investment management and advisory services to its project companies, which involve the Group making decisions on behalf of such entities. Assets that are held in such capacity are not included in these consolidated financial statements. The Group had average assets under management of US\$ 11,294 million (31 December 2024: US\$ 10,478 million). During the period, the Group had charged management fees and performance fee amounting to US\$ 42,915 thousand (30 September 2024: US\$ 42,084 thousand).

Custodial assets comprise assets of the discretionary portfolio management ('DPM') accounts amounting to US\$ 4,408,452 thousand (2024: US\$ 3,304,293 thousand), of which US\$ 1,959,460 thousand (2024: US\$ 1,689,273 thousand) relate to the Group's investment products and the balance is deployed in the Group's treasury products.

**24 DOMESTIC MINIMUM TOPUP TAX**

The Ultimate Parent Entity of the MNE group is domiciled and operates in the Kingdom of Bahrain which has issued and enacted Decree Law No. (11) of 2024 ('Bahrain DMTT law') on 1 September 2024 introducing a domestic minimum top-up tax ("DMTT") of up to 15% on the taxable income of the Bahrain resident entities of the MNE group for fiscal years commencing on or after 1 January 2025.

As per the group's assessment of applicability of the DMTT law, it has assessed and concluded that it is not in scope for the Bahrain DMTT law or the OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules'). The reason for this conclusion is that it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years. Accordingly, it does not expect to be subject to the Bahrain DMTT law and GloBE rules for the current fiscal year.