

**Bank of Bahrain and Kuwait B.S.C.**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 March 2025 (REVIEWED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF BANK OF BAHRAIN AND KUWAIT B.S.C.**

### *Introduction*

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

### *Scope of Review*

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

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



30 April 2025  
Manama, Kingdom of Bahrain

# Bank of Bahrain and Kuwait B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025 (Reviewed)

		<i>All figures in BD millions</i>	
		<b>Reviewed</b>	<i>Audited</i>
		<b>31 March</b>	<b>31 December</b>
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
<b>ASSETS</b>			
Cash and balances with central banks		<b>764.0</b>	687.7
Treasury bills		<b>326.8</b>	399.2
Deposits and amounts due from banks and other financial institutions		<b>188.5</b>	167.9
Loans and advances to customers	6	<b>1,925.9</b>	1,794.1
Investment securities		<b>1,035.8</b>	939.4
Interest receivable, derivative and other assets	7	<b>163.5</b>	121.0
Investments in associates and joint ventures		<b>43.8</b>	45.2
Premises and equipment		<b>37.1</b>	38.1
<b>TOTAL ASSETS</b>		<b>4,485.4</b>	4,192.6
<b>LIABILITIES AND EQUITY</b>			
<b>Liabilities</b>			
Deposits and amounts due to banks and other financial institutions		<b>582.1</b>	375.5
Borrowings under repurchase agreement		<b>395.6</b>	351.6
Term borrowings		<b>309.5</b>	306.5
Customers' deposits		<b>2,403.2</b>	2,411.3
Interest payable, derivative and other liabilities	8	<b>198.9</b>	124.0
<b>Total liabilities</b>		<b>3,889.3</b>	3,568.9
<b>Equity</b>			
Share capital	9	<b>181.7</b>	181.7
Treasury stock		<b>(5.6)</b>	(5.0)
Share premium		<b>105.6</b>	105.6
Statutory reserve		<b>90.8</b>	90.8
General reserve		<b>64.2</b>	64.2
Cumulative changes in fair values		<b>20.0</b>	25.0
Foreign currency translation reserve		<b>(16.7)</b>	(16.6)
Retained earnings		<b>153.1</b>	132.3
Proposed appropriations		<b>-</b>	42.8
<b>Attributable to the owners of the Bank</b>		<b>593.1</b>	620.8
Non-controlling interests		<b>3.0</b>	2.9
<b>Total equity</b>		<b>596.1</b>	623.7
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>4,485.4</b>	4,192.6

Tariq Jaleel AISaffar  
Chairperson

Khalid Hussain Taqi  
Deputy Chairperson

Yaser Alsharifi  
Group Chief Executive

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# Bank of Bahrain and Kuwait B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Three-month period ended 31 March 2025 (Reviewed)

		<i>All figures in BD millions</i>	
		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
Interest and similar income		<b>60.4</b>	62.4
Interest and similar expense		<b>(31.7)</b>	(30.2)
<b>Net interest and similar income</b>		<b>28.7</b>	32.2
Fee and commission income - net		<b>4.7</b>	4.3
Investment and other income	10 , 11	<b>7.2</b>	4.7
<b>TOTAL OPERATING INCOME</b>		<b>40.6</b>	41.2
Staff costs		<b>(10.1)</b>	(9.7)
Other operating expenses		<b>(6.5)</b>	(6.3)
<b>TOTAL OPERATING EXPENSES</b>		<b>(16.6)</b>	(16.0)
Net provisions and credit losses	12	<b>(3.2)</b>	(3.7)
<b>NET OPERATING INCOME</b>		<b>20.8</b>	21.5
Share of profit / (loss) from associates and joint ventures		<b>0.4</b>	(1.0)
<b>PROFIT FOR THE PERIOD BEFORE TAX</b>		<b>21.2</b>	20.5
Income tax expense		-	-
<b>PROFIT FOR THE PERIOD AFTER TAX</b>		<b>21.2</b>	20.5
<b>Attributable to:</b>			
Owners of the Bank		<b>21.1</b>	20.3
Non-controlling interests		<b>0.1</b>	0.2
		<b>21.2</b>	20.5
Basic and diluted earnings per share (BD)	13	<b>0.012</b>	0.011

Tariq Jaleel AlSaffar  
Chairperson

Khalid Hussain Taqi  
Deputy Chairperson

Yaser Alsharifi  
Group Chief Executive

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# Bank of Bahrain and Kuwait B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Three-month period ended 31 March 2025 (Reviewed)

	<i>All figures in BD millions</i>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2025</b>	<b>2024</b>
<b>PROFIT FOR THE PERIOD</b>	<b>21.2</b>	<b>20.5</b>
<b>Other Comprehensive Income (OCI):</b>		
<i>Items that will not be reclassified (or recycled) subsequently to profit or loss</i>		
Net change in fair value of equity investments measured at fair value through other comprehensive income	<b>1.4</b>	<b>0.5</b>
<i>Items that are or may be reclassified (or recycled) subsequently to profit or loss</i>		
<i>Movement in translation reserve:</i>		
Unrealised loss on exchange currency	<b>(0.1)</b>	<b>(0.2)</b>
<i>Movement in hedging reserve:</i>		
Effective portion of changes in fair value cash flow hedges	<b>-</b>	<b>(0.2)</b>
<i>Movement in fair value reserve:</i>		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	<b>(4.7)</b>	<b>7.6</b>
Net amount transferred to profit or loss	<b>(2.3)</b>	<b>(0.7)</b>
<b>Other comprehensive (loss) / income for the period</b>	<b>(5.7)</b>	<b>7.0</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>15.5</b>	<b>27.5</b>
<b>Attributable to:</b>		
Owners of the Bank	<b>15.4</b>	<b>27.3</b>
Non-controlling interests	<b>0.1</b>	<b>0.2</b>
	<b>15.5</b>	<b>27.5</b>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# Bank of Bahrain and Kuwait B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three-month period ended 31 March 2025 (Reviewed)

All figures in BD millions

	Attributable to the owners of the Bank										Non-controlling interests	Total equity
	Share capital	Treasury stock	Share premium	Statutory reserve	General reserve	Cumulative changes in fair values	Foreign currency translation reserve	Retained earnings	Proposed appropriations	Total		
<b>Balance at 1 January 2025</b>	<b>181.7</b>	<b>(5.0)</b>	<b>105.6</b>	<b>90.8</b>	<b>64.2</b>	<b>25.0</b>	<b>(16.6)</b>	<b>132.3</b>	<b>42.8</b>	<b>620.8</b>	<b>2.9</b>	<b>623.7</b>
Profit for the period	-	-	-	-	-	-	-	21.1	-	21.1	0.1	21.2
Other comprehensive loss for the period	-	-	-	-	-	(5.6)	(0.1)	-	-	(5.7)	-	(5.7)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(5.6)	(0.1)	21.1	-	15.4	0.1	15.5
Share-based payments	-	-	-	-	-	-	-	0.3	-	0.3	-	0.3
Sale / write-off of equity securities held at fair value through OCI	-	-	-	-	-	0.6	-	(0.6)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(40.6)	(40.6)	-	(40.6)
Donations	-	-	-	-	-	-	-	-	(2.2)	(2.2)	-	(2.2)
Movement in treasury stock	-	(0.6)	-	-	-	-	-	-	-	(0.6)	-	(0.6)
<b>Balance at 31 March 2025</b>	<b>181.7</b>	<b>(5.6)</b>	<b>105.6</b>	<b>90.8</b>	<b>64.2</b>	<b>20.0</b>	<b>(16.7)</b>	<b>153.1</b>	<b>-</b>	<b>593.1</b>	<b>3.0</b>	<b>596.1</b>
Balance at 1 January 2024	173.0	(4.1)	105.6	86.0	64.2	24.7	(15.5)	131.9	45.3	611.1	2.8	613.9
Profit for the period	-	-	-	-	-	-	-	20.3	-	20.3	0.2	20.5
Other comprehensive income / (loss) for the period	-	-	-	-	-	7.2	(0.2)	-	-	7.0	-	7.0
Total comprehensive income / (loss) for the period	-	-	-	-	-	7.2	(0.2)	20.3	-	27.3	0.2	27.5
Share-based payments	-	-	-	-	-	-	-	0.2	-	0.2	-	0.2
Dividends paid	-	-	-	-	-	-	-	-	(34.4)	(34.4)	-	(34.4)
Issuance of share capital relating to stock dividends (note 9)	8.7	-	-	-	-	-	-	-	(8.7)	-	-	-
Donations	-	-	-	-	-	-	-	-	(2.2)	(2.2)	-	(2.2)
<b>Balance at 31 March 2024</b>	<b>181.7</b>	<b>(4.1)</b>	<b>105.6</b>	<b>86.0</b>	<b>64.2</b>	<b>31.9</b>	<b>(15.7)</b>	<b>152.4</b>	<b>-</b>	<b>602.0</b>	<b>3.0</b>	<b>605.0</b>

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

# Bank of Bahrain and Kuwait B.S.C.

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three-month period ended 31 March 2025 (Reviewed)

		<i>All figures in BD millions</i>	
		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Note</i>	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>			
Profit for the period before tax		<b>21.2</b>	20.5
Adjustments for non-cash items:			
Depreciation		<b>2.0</b>	2.1
Net provisions and credit losses		<b>3.4</b>	3.9
Share of (profit) / loss from associates and joint ventures		<b>(0.4)</b>	1.0
Investment income		<b>(0.1)</b>	(0.1)
Realised gains on sale of investment securities		<b>(2.4)</b>	(0.5)
Interest expense accrual on term borrowings		<b>1.9</b>	7.2
<b>Operating profit before changes in operating assets and liabilities</b>		<b>25.6</b>	34.1
<b>(Increase) / decrease in operating assets:</b>			
Mandatory reserve deposits with central banks		<b>1.0</b>	(3.7)
Treasury bills having original maturity of ninety days or more		<b>72.3</b>	38.6
Deposits and amounts due from banks and other financial institutions		<b>21.7</b>	(62.4)
Loans and advances to customers		<b>(135.7)</b>	(38.2)
Interest receivable, derivative and other assets		<b>(42.5)</b>	(30.8)
<b>Increase / (decrease) in operating liabilities</b>			
Deposits and amounts due to banks and other financial institutions		<b>206.6</b>	12.6
Borrowings under repurchase agreements		<b>44.0</b>	3.6
Customers' deposits		<b>(8.0)</b>	157.0
Interest payable, derivative and other liabilities		<b>33.2</b>	0.1
Income tax paid		<b>-</b>	(0.1)
<b>Net cash from operating activities</b>		<b>218.2</b>	110.8
<b>INVESTING ACTIVITIES</b>			
Purchase of investment securities		<b>(144.4)</b>	(88.1)
Proceeds from redemption / sale of investment securities		<b>45.3</b>	59.6
Purchase of premises and equipment		<b>(1.0)</b>	(1.9)
Net movement of investment in associates and joint ventures		<b>2.1</b>	-
<b>Net cash used in investing activities</b>		<b>(98.0)</b>	(30.4)
<b>FINANCING ACTIVITIES</b>			
Movement in treasury stock		<b>(0.6)</b>	-
Movement in share-based payments		<b>0.3</b>	0.2
<b>Net cash (used in) / from financing activities</b>		<b>(0.3)</b>	0.2
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>119.9</b>	80.6
Foreign currency translation adjustments - net		<b>(0.4)</b>	-
Cash and cash equivalents at beginning of the period		<b>722.2</b>	699.6
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>5</b>	<b>841.7</b>	780.2
<b>Additional cash flow information:</b>			
Interest received		<b>52.1</b>	57.7
Interest paid		<b>32.8</b>	33.4

The attached notes 1 to 16 form part of these interim condensed consolidated financial statements

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS

31 March 2025 (Reviewed)

**1 ACTIVITIES**

Bank of Bahrain and Kuwait B.S.C. ("BBK" or "the Bank"), a public shareholding company, was incorporated in the Kingdom of Bahrain by an Amiri Decree in March 1971 and registered with the Ministry of Industry and Commerce ("MOIC") under Commercial Registration ("CR") number 1234 dated 16 March 1971. The Bank operates in the Kingdom of Bahrain under a conventional retail banking license of Volume 1 issued by the Central Bank of Bahrain ("CBB") and its shares are listed at Bahrain Bourse.

The Bank is engaged in commercial banking activities through its branches in the Kingdom of Bahrain, State of Kuwait and Republic of India. It also engages in credit card operations and business process outsourcing services through its subsidiaries. The Bank's registered office is at 43 Government Avenue, P.O. Box 597, Manama, Kingdom of Bahrain.

During 2025, the Bank entered into a binding agreement to acquire retail banking operations of HSBC Bank Middle East, Bahrain Branch ("HSBC Bahrain"), which includes the transfer of all retail loans, deposits and accounts of HSBC Bahrain customers'. As at 31 March 2025, the transaction is pending legal and regulatory formalities.

As at 31 March 2025, the Bank continues to progress its discussions and negotiations on the potential merger with National Bank of Bahrain B.S.C.

These interim condensed consolidated financial statements for the three month period ended 31 March 2025 were authorised for issue in accordance with a resolution of the Board of Directors on 30 April 2025.

**2 BASIS OF PREPARATION**

**2.1 Statement of compliance**

The interim condensed consolidated financial statements of the Bank and its subsidiaries (together, "the Group") are prepared in accordance with International Accounting Standard IAS 34, Interim Financial Reporting ("IAS 34").

These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2024. In addition, results for the three-month period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year ending on 31 December 2025. Certain corresponding figures have been reclassified in order to conform to the presentation of the interim condensed consolidated financial statements for the current period. Such reclassifications did not affect previously reported net profit, total assets, total liabilities and total equity of the Group.

**2.2 Accounting convention**

The interim condensed consolidated financial statements are prepared on a historical cost basis, except for derivative financial instruments, investment securities at Fair Value Through Other Comprehensive Income (FVTOCI), trading investments and financial assets designated at Fair Value Through Profit and Loss (FVTPL), that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged items in fair value hedges, and are otherwise carried at cost, are adjusted to record changes in fair values attributable to risks that are being hedged.

The interim condensed consolidated financial statements are prepared in Bahraini Dinars (BD), which is also the functional currency of the Bank. Furthermore, all values are rounded-off to the nearest millions, unless otherwise indicated.

**2.3 Basis of consolidation**

These interim condensed consolidated financial statements incorporate the interim financial statements of the Bank and its subsidiaries. All intra-group transactions and balances including unrealised gains and losses on transactions between the Group companies have been eliminated on consolidation.



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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS

31 March 2025 (Reviewed)

**2 BASIS OF PREPARATION (continued)**

**2.4 New standards, interpretations and amendments adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2025, but do not have any impact on the interim condensed consolidated financial statements of the Group.

**2.4.1 Lack of exchangeability - Amendments to IAS 21**

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information.

The amendments did not have a material impact on the Group's interim condensed consolidated financial statements.

**2.5 New standards, interpretations and amendments issued but not yet effective**

There were no new standards, interpretations and amendments that are issued as of 1 January 2025, which were applicable to the Group and not yet effective up to the date of issuance of the Group's interim condensed consolidated financial statements.

**3 SEGMENTAL INFORMATION**

For management purposes, the Group is organised into four major business segments:

<b>Retail banking</b>	Principally handling individual customers' deposits and providing consumer finance type loans, overdrafts, credit facilities and funds transfer facilities, credit cards and foreign exchange. In addition, it includes lending to and deposit accounts raising from Private Banking customers.
<b>Corporate banking</b>	Principally handling loans and other credit facilities, deposit and current accounts for corporate and Small-Medium business customers in Bahrain.
<b>International banking</b>	Principally handling loans and other credit facilities, deposit and current accounts for international corporate and financial institution customers. This also covers the operations of the overseas units.
<b>Investment, treasury and other activities</b>	Principally providing money market, trading and treasury services as well as the management of the Group's funding operations. Investment activities involve handling investments in local and international markets, investment advisory services and funds management. Other activities mainly includes business process outsourcing services.

These segments are the basis on which the Group reports its information to the chief operating decision maker. Transactions between segments are generally recorded at estimated market rates. Interest is charged / credited to business segments based on a transfer pricing rate, which approximates the marginal cost of funds on a matched funded basis.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

All figures in BD millions

**3 SEGMENTAL INFORMATION (continued)**

Segment information of interim consolidated statement of profit or loss for the three-month period ended 31 March 2025 was as follows:

	<i>Retail banking</i>	<i>Corporate banking</i>	<i>International banking</i>	<i>Investment, treasury and other activities</i>	<i>Total</i>
Interest and similar income	9.8	12.9	8.6	29.1	60.4
Interest and similar expense	(5.2)	(7.4)	(5.6)	(13.5)	(31.7)
Internal fund transfer price	5.2	1.8	0.5	(7.5)	-
Net interest and similar income	9.8	7.3	3.5	8.1	28.7
Other operating income	3.5	1.0	0.7	6.7	11.9
Operating income before results from associates and joint ventures	13.3	8.3	4.2	14.8	40.6
Net (charge) / reversal of provisions and credit losses	(1.5)	(2.1)	(0.3)	0.7	(3.2)
Segment result after tax	5.7	5.4	1.1	16.0	28.2
Share of profit from associates and joint ventures	-	-	-	0.4	0.4
Common costs					(7.4)
<b>Net profit for the period</b>					21.2
Net profit attributable to non-controlling interests					(0.1)
<b>Net profit for the period attributable to the owners of the Bank</b>					21.1

Segment information of interim consolidated statement of financial position as at 31 March 2025 was as follows:

Segment assets	858.8	765.1	729.2	2,007.2	4,360.3
Investments in associates and joint ventures	-	-	-	43.8	43.8
Common assets *	-	-	-	-	81.3
<b>Total assets</b>					4,485.4
Segment liabilities	1,244.4	923.1	771.9	856.2	3,795.6
Common liabilities **	-	-	-	-	93.7
<b>Total liabilities</b>					3,889.3

\* Common assets represent net premises and equipment, net collateral pending sale and other receivables.

\*\* Common liabilities represent other liabilities.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

All figures in BD millions

**3 SEGMENTAL INFORMATION (continued)**

Segment information of interim consolidated statement of profit or loss for the three-month period ended 31 March 2024 was as follows:

	<i>Retail banking</i>	<i>Corporate banking</i>	<i>International banking</i>	<i>Investment, treasury and other activities</i>	<i>Total</i>
Interest and similar income	9.7	13.9	7.2	31.6	62.4
Interest and similar expense	(4.6)	(7.7)	(4.6)	(13.3)	(30.2)
Internal fund transfer price	7.6	2.6	1.1	(11.3)	-
Net interest and similar income	12.7	8.8	3.7	7.0	32.2
Other operating income	3.5	0.6	0.6	4.3	9.0
Operating income before results from associates and joint ventures	16.2	9.4	4.3	11.3	41.2
Net (charge) / reversal of provisions and credit losses	(0.8)	(3.4)	0.7	(0.2)	(3.7)
Segment result after tax	9.0	5.3	2.1	11.3	27.7
Share of loss from associates and joint ventures	-	-	-	(1.0)	(1.0)
Common costs					(6.2)
Net profit for the period					20.5
Net profit attributable to non-controlling interests					(0.2)
Net profit for the period attributable to the owners of the Bank					20.3

Segment information of consolidated statement of financial position as at 31 December 2024 was as follows:

Segment assets	820.3	769.1	562.0	1,910.7	4,062.1
Investments in associates and joint ventures	-	-	-	45.2	45.2
Common assets *	-	-	-	-	85.3
Total assets					4,192.6
Segment liabilities	1,184.3	1,007.2	552.4	775.3	3,519.2
Common liabilities **	-	-	-	-	49.7
Total liabilities					3,568.9

\* Common assets represent net premises and equipment, net collateral pending sale and other receivables.

\*\* Common liabilities represent other liabilities.

**4 COMMITMENTS AND CONTINGENT LIABILITIES**

	<b>Reviewed 31 March 2025</b>	<b>Audited 31 December 2024</b>
<b>Contingencies</b>		
Letters of credit	31.3	31.2
Guarantees	299.3	286.4
	<b>330.6</b>	<b>317.6</b>
<b>Commitments</b>		
Undrawn loan commitments	127.7	121.0
Forward foreign exchange contracts	186.0	253.5
Interest rate swaps	756.6	730.6
	<b>1,400.9</b>	<b>1,422.7</b>

The Group does not expect all its commitments to be drawn before the expiry of the commitment.

As of 31 March 2025, ECL of BD 3.2 million was held against off-balance sheet and other credit exposures (31 December 2024: BD 3.2 million).

**5 CASH AND CASH EQUIVALENTS**

	<i>Three months ended 31 March</i>	
	<b>2025</b>	<b>2024</b>
Cash in hand and vaults	18.0	30.3
Current accounts and placements with central banks	638.7	555.1
Deposits and amounts due from banks and other financial institutions having original maturity of ninety days or less	185.0	194.8
	<b>841.7</b>	<b>780.2</b>

**6 LOANS AND ADVANCES TO CUSTOMERS**

	<b>Stage 1: 12-month ECL</b>	<b>Stage 2: Lifetime ECL not credit- impaired</b>	<b>Stage 3: Lifetime ECL credit- impaired</b>	<b>Total</b>
<b><u>At 31 March 2025 (Reviewed)</u></b>				
<i>At amortised cost:</i>				
Commercial loans and overdrafts	1,001.1	264.6	69.7	1,335.4
Consumer loans	635.6	21.7	12.1	669.4
	<b>1,636.7</b>	<b>286.3</b>	<b>81.8</b>	<b>2,004.8</b>
Less: Expected credit losses	(3.2)	(21.5)	(54.2)	(78.9)
	<b>1,633.5</b>	<b>264.8</b>	<b>27.6</b>	<b>1,925.9</b>

**6 LOANS AND ADVANCES TO CUSTOMERS (continued)**

<i>At 31 December 2024 (Audited)</i>	<i>Stage 1: 12-month ECL</i>	<i>Stage 2: Lifetime ECL not credit- impaired</i>	<i>Stage 3: Lifetime ECL credit- impaired</i>	<i>Total</i>
<i>At amortised cost:</i>				
Commercial loans and overdrafts	879.9	247.3	66.3	1,193.5
Consumer loans	641.6	22.9	11.6	676.1
	1,521.5	270.2	77.9	1,869.6
Less: Expected credit losses	(2.7)	(22.1)	(50.7)	(75.5)
	1,518.8	248.1	27.2	1,794.1

Movements in allowances for ECL on loans and advances are as follows:

	<b>2025</b>			
	<i>Stage 1: 12-month ECL</i>	<i>Stage 2: Lifetime ECL not credit - impaired</i>	<i>Stage 3: Lifetime ECL credit - impaired</i>	<i>Total</i>
Balance at 1 January 2025	2.7	22.1	50.7	75.5
Net transfers between stages	0.4	(2.1)	1.7	-
Net remeasurement of loss allowances (note 12)	0.1	1.5	2.1	3.7
Amounts written off during the period	-	-	(0.3)	(0.3)
<b>Balance at 31 March 2025</b>	<b>3.2</b>	<b>21.5</b>	<b>54.2</b>	<b>78.9</b>
	<b>2024</b>			
	<i>Stage 1: 12-month ECL</i>	<i>Stage 2: Lifetime ECL not credit - impaired</i>	<i>Stage 3: Lifetime ECL credit - impaired</i>	<i>Total</i>
Balance at 1 January 2024	5.4	31.5	34.3	71.2
Net transfers between stages	0.7	(9.2)	8.5	-
Net remeasurement of loss allowances (note 12)	(0.8)	3.0	1.7	3.9
Amounts written off during the period	-	-	(0.2)	(0.2)
Foreign exchange and other movements	(0.5)	0.5	(0.1)	(0.1)
<b>Balance at 31 March 2024</b>	<b>4.8</b>	<b>25.8</b>	<b>44.2</b>	<b>74.8</b>

The fair value of the collateral consisting of cash, securities and real estate that the Group holds relating to loans individually determined to be credit impaired at 31 March 2025 was BD 28.5 million (31 December 2024: BD 30.0 million).

**6 LOANS AND ADVANCES TO CUSTOMERS (continued)**

At 31 March 2025, gross loans and advances include Islamic financing facilities provided by the Group to corporates amounting to BD 82.9 million (31 December 2024: BD 46.9 million). These mainly consists of Murabaha and Ijarah financing facilities.

At 31 March 2025, interest in suspense on past due loans that are credit impaired was BD 29.9 million (31 December 2024: BD 27.9 million).

**7 INTEREST RECEIVABLE, DERIVATIVE AND OTHER ASSETS**

	<b>Reviewed</b> <b>31 March</b> <b>2025</b>	<i>Audited</i> <i>31 December</i> <i>2024</i>
Accounts receivable	63.3	24.1
Interest receivable	39.9	31.6
Positive fair value of derivatives	30.4	40.4
Collateral pending sale	21.4	20.4
Prepaid expenses	2.8	2.8
Deferred tax asset	0.8	0.9
Other assets	4.9	0.8
	<b>163.5</b>	<b>121.0</b>

**8 INTEREST PAYABLE, DERIVATIVE AND OTHER LIABILITIES**

	<b>Reviewed</b> <b>31 March</b> <b>2025</b>	<i>Audited</i> <i>31 December</i> <i>2024</i>
Accrued expenses	85.8	38.8
Accounts payable	59.8	30.5
Interest payable	39.1	40.2
Negative fair value of derivatives	4.2	3.8
Lease liabilities	3.7	3.7
ECL on financial contracts and commitments	3.2	3.2
Other liabilities	3.1	3.8
	<b>198.9</b>	<b>124.0</b>

**9 EQUITY****(i) Issuance of share capital**

No stock dividends were issued pertaining to the year 2024, therefore, the share capital remained unchanged (2024: BD 8.7 million).

**10 SEASONAL RESULTS**

Other income for the three-month period ended 31 March 2025 includes BD 1.9 million (31 March 2024: BD 1.6 million) of dividend income, which is of a seasonal nature.

**11 OTHER INCOME**

Other income for the three-month period ended 31 March 2025 includes gain of BD 2.4 million (31 March 2024: BD 0.5 million) relating to sale of investment securities.

**12 NET PROVISIONS AND CREDIT LOSSES**

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2025</b>	<b>2024</b>
Loans and advances to customers	<b>3.7</b>	3.9
Recoveries from fully provided loans and advances written-off in previous years	<b>(0.2)</b>	(0.2)
Investment securities	<b>(0.4)</b>	-
Collateral pending sale	<b>0.1</b>	-
	<b>3.2</b>	<b>3.7</b>

**13 BASIC AND DILUTED EARNINGS PER SHARE**

Basic and diluted earnings per share for the three-month is calculated by dividing the profit for the three-month attributable to the shareholders of the Bank by the weighted average number of shares outstanding during the three-month period ended are as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2025</b>	<b>2024</b>
Profit for the period attributable to the owners of the Bank for basic and diluted earnings per share computation	<b>21.1</b>	20.3
Weighted average number of shares, net of treasury stock, outstanding during the period	<b>1,803,121,540</b>	1,806,252,620
Basic and diluted earnings per share (BD)	<b>0.012</b>	0.011

**14 RELATED PARTY BALANCES AND TRANSACTIONS**

Certain related parties (principally the major shareholders, associates, joint venture, directors and key management of the Group, their families and entities controlled, jointly controlled or significantly influenced by such parties) were customers of the Group in the ordinary course of business.

Balances in respect of transactions entered into with related parties as of the interim consolidated statement of financial position date were as follows:

	<i>Major shareholders</i>	<i>Associates and joint ventures</i>	<i>Directors and key management personnel</i>	<i>Total</i>
<b><u>31 March 2025 (Reviewed)</u></b>				
Loans and advances to customers	58.0	42.0	2.7	102.7
Deposits and amounts due from banks and other financial institutions	5.8	-	-	5.8
Investments in associates and joint ventures	-	43.8	-	43.8
Customers' deposits	28.3	3.4	9.8	41.5
Deposits and amounts due to banks and other financial institutions	29.3	-	-	29.3
Commitments and contingent liabilities	-	12.6	0.4	13.0
	<i>Major shareholders</i>	<i>Associates and joint ventures</i>	<i>Directors and key management personnel</i>	<i>Total</i>
<b><u>31 December 2024 (Audited)</u></b>				
Loans and advances to customers	-	31.0	2.5	33.5
Deposits and amounts due from banks and other financial institutions	7.1	-	-	7.1
Investments in associates and joint ventures	-	45.2	-	45.2
Customers' deposits	56.2	2.7	7.6	66.5
Deposits and amounts due to banks and other financial institutions	20.8	-	-	20.8
Commitments and contingent liabilities	-	3.3	-	3.3



**14 RELATED PARTY BALANCES AND TRANSACTIONS (continued)**

The income and expense items with related parties included in the interim consolidated statement of profit or loss were as follows:

	<i>Major shareholders</i>	<i>Associates and joint ventures</i>	<i>Directors and key management personnel</i>	<i>Total</i>
<b><u>Period ended 31 March 2025 (Reviewed)</u></b>				
Interest and similar income	<b>1.1</b>	<b>0.7</b>	-	<b>1.8</b>
Interest and similar expense	<b>0.5</b>	-	-	<b>0.5</b>
Share of profit from associates and joint ventures	-	<b>0.4</b>	-	<b>0.4</b>

**Period ended 31 March 2024 (Reviewed)**

Interest and similar income	0.1	0.3	-	0.4
Interest and similar expense	0.8	-	0.1	0.9
Share of loss from associates and joint ventures	-	(1.0)	-	(1.0)

Compensation for key management, including executive officers, comprises of the following:

	<i>Three months ended 31 March</i>	
	<b>2025</b>	<b>2024</b>
Salaries and other short-term benefits	<b>3.4</b>	3.1
Post-employment benefits	<b>0.5</b>	0.2
Share based compensation	<b>0.3</b>	0.2
	<b>4.2</b>	3.5

**15 FAIR VALUES OF FINANCIAL INSTRUMENTS**

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

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

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

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

The significant inputs for valuation of equities classified under Level 3 are annual growth rate of cash flows and discount rates and for funds it is the illiquidity discount. Lower growth rate and higher discount rate, illiquidity discount will result in a lower fair value. The impact on the consolidated statement of financial position or the consolidated statement of shareholders' equity would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by five per cent. There were no material changes in the valuation techniques used for the purpose of measuring fair value of investment securities as compared to the previous year.

**15 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

The following tables show an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b><u>31 March 2025 (Reviewed)</u></b>				
<b><i>Financial assets</i></b>				
Bonds	<b>740.7</b>	<b>18.1</b>	-	<b>758.8</b>
Equities	<b>55.0</b>	-	<b>30.0</b>	<b>85.0</b>
Managed funds	-	<b>1.0</b>	-	<b>1.0</b>
Derivatives held for trading	-	<b>0.3</b>	-	<b>0.3</b>
Derivatives held as fair value hedges	-	<b>30.1</b>	-	<b>30.1</b>
	<b>795.7</b>	<b>49.5</b>	<b>30.0</b>	<b>875.2</b>
<b><i>Financial liabilities</i></b>				
Borrowing under repurchase agreement	-	<b>35.1</b>	-	<b>35.1</b>
Term borrowings	-	<b>188.8</b>	-	<b>188.8</b>
Derivatives held for trading	-	<b>1.0</b>	-	<b>1.0</b>
Derivatives held as fair value hedges	-	<b>3.2</b>	-	<b>3.2</b>
	-	<b>228.1</b>	-	<b>228.1</b>
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b><u>31 December 2024 (Audited)</u></b>				
<b><i>Financial assets</i></b>				
Bonds	666.3	9.5	-	675.8
Equities	43.7	-	30.0	73.7
Managed funds	-	1.0	-	1.0
Derivatives held for trading	-	0.5	-	0.5
Derivatives held as fair value hedges	-	39.9	-	39.9
	710.0	50.9	30.0	790.9
<b><i>Financial liabilities</i></b>				
Borrowing under repurchase agreement	-	35.0	-	35.0
Term borrowings	-	185.9	-	185.9
Derivatives held for trading	-	0.7	-	0.7
Derivatives held as fair value hedges	-	3.1	-	3.1
	-	224.7	-	224.7

**Transfers between level 1, level 2 and level 3**

During the period ended 31 March 2025 and year ended 31 December 2024, there were no transfers into or out of Level 3 fair value measurements. Further, there was no significant movements with equity instruments classified under level 3.

**15 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)****Transfers between level 1, level 2 and level 3 (continued)**

The table below sets out the estimated carrying value and fair value of financial assets under Level 1 carried at amortised cost, where the fair value is different from the carrying amount, as shown in the consolidated financial position:

	<b>31 March 2025 (Reviewed)</b>			<b>31 December 2024 (Audited)</b>		
	<b>Carrying value</b>	<b>Fair value</b>	<b>Difference</b>	<b>Carrying value</b>	<b>Fair value</b>	<b>Difference</b>
Investment securities	<b>191.0</b>	<b>183.9</b>	<b>7.1</b>	188.9	180.7	8.2

As at 31 March 2025 and 31 December 2024, the fair value of financial assets and financial liabilities approximate their carrying values, other than those disclosed in the table above.

**16 NET STABLE FUNDING RATIO (NSFR)**

The NSFR ratio is calculated in accordance with the Liquidity Risk Management Module guidelines, issued by the CBB. The minimum NSFR ratio limit as per CBB is 100%. The Group's consolidated NSFR ratio as of 31 March 2025 was 130.8% (31 December 2024: 142.0%).

The main drivers behind the Group's robust Available Stable Funding (ASF) are the solid capital base, sizeable Retail and Small business deposits portfolio, large portfolio of non-financial institutions deposits (related to Government and Corporate deposits), as well as medium term funding from Borrowing under repurchase agreements and Term Borrowings. The capital base formed 21.5% (31 December 2024: 22.3%) of the Group's ASF, while the retail and small business deposits formed 45.9% (31 December 2024: 44.2%) of the ASF (after applying the relevant weights).

For the Required Stable Funding (RSF), the primary reason for the relatively low RSF, in comparison to the ASF, is related to the sizeable portfolio of BBK's High Quality Liquidity Assets (HQLAs) which accounts for 28.7% (31 December 2024: 29.1%) of total RSF (before applying the relevant weights).

In comparison to year-end December 2024 (NSFR of 142.0%), the NSFR ratio decreased by 11.2% primarily due to the increase in RSF by BD 150.9 million due to the increase in the Bank's loan book and investment securities. On the other hand, the ASF decreased by BD 32.6 million mainly due to the decrease in capital due to payment of dividends, in addition to the decrease in the weighted value of liabilities as some deals are getting closer to their contractual maturities.

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

All figures in BD millions

## 16 NET STABLE FUNDING RATIO (continued)

The NSFR (as a percentage) as at 31 March 2025 was calculated as follows:

	Unweighted Values (i.e. before applying relevant factors)				
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>					
<b>Capital:</b>					
Regulatory Capital	594.5	-	-	27.2	621.7
<b>Retail deposits and deposits from small business customers:</b>					
Stable deposits	-	492.4	9.4	0.3	477.0
Less stable deposits	-	790.8	121.5	26.8	847.8
<b>Wholesale funding:</b>					
Other wholesale funding	-	1,603.6	237.3	408.2	939.9
<b>Other liabilities:</b>					
All other liabilities not included in the above categories	-	197.2	-	-	-
<b>Total ASF</b>	<b>594.5</b>	<b>3,084.0</b>	<b>368.2</b>	<b>462.5</b>	<b>2,886.4</b>
<b>Required Stable Funding (RSF):</b>					
Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	222.6
<b>Performing loans and securities:</b>					
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	251.8	11.7	118.1	161.7
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	441.4	104.2	946.5	1,077.3
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	35.0	9.4	193.4	147.9
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	44.8	56.5	210.1	244.6
<b>Other assets:</b>					
NSFR derivative assets	-	22.5	-	-	22.5
NSFR derivative liabilities before deduction of variation margin posted	-	0.2	-	-	0.2
All other assets not included in the above categories	279.3	-	-	-	279.3
Off-balance sheet items	-	1,022.5	-	-	51.1
<b>Total RSF</b>	<b>279.3</b>	<b>1,818.2</b>	<b>181.8</b>	<b>1,468.1</b>	<b>2,207.2</b>
<b>NSFR (%) - As at 31 March 2025 (Reviewed)</b>					<b>130.8%</b>

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2025 (Reviewed)

All figures in BD millions

**16 NET STABLE FUNDING RATIO (continued)**

The NSFR (as a percentage) as at 31 December 2024 was calculated as follows:

	Unweighted Values (i.e. before applying relevant factors)				
Item	No specified maturity	Less than 6 months	More than 6 months and less than one year	Over one year	Total weighted value
<u>Available Stable Funding (ASF):</u>					
Capital:					
Regulatory Capital	623.3	-	-	27.0	650.3
Retail deposits and deposits from small business customers:					
Stable deposits	-	473.5	9.6	0.6	459.4
Less stable deposits	-	759.7	123.9	36.6	831.8
Wholesale funding:					
Other wholesale funding	-	1,326.0	304.4	410.8	977.5
Other liabilities:					
All other liabilities not included in the above categories	-	122.1	-	-	-
Total ASF	623.3	2,681.3	437.9	475.0	2,919.0
<u>Required Stable Funding (RSF):</u>					
Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	225.9
Performing loans and securities:					
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	214.8	8.6	100.0	136.5
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	424.5	93.0	898.9	1,022.8
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	16.9	8.8	194.1	139.0
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	29.7	47.1	198.9	224.6
Other assets:					
NSFR derivative assets	-	31.9	-	-	31.9
NSFR derivative liabilities before deduction of variation margin posted	-	0.1	-	-	0.1
All other assets not included in the above categories	226.9	-	-	-	226.9
Off-balance sheet items	-	971.3	-	-	48.6
Total RSF	226.9	1,689.2	157.5	1,391.9	2,056.3
NSFR (%) - As at 31 December 2024 (Audited)					142.0%