Bank of Bahrain and Kuwait B.S.C.

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2026 (REVIEWED)

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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 30 June 2026, comprising of the interim consolidated statement of financial position as at 30 June 2026 and the related interim consolidated statements of profit or loss and other comprehensive income for the three-months and six-months periods then ended, and the interim consolidated statements of changes in equity and cash flows for the six-months 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.

Ernst + Young

29 July 2026
Manama, Kingdom of Bahrain

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (Reviewed)

	Notes	*Reviewed* *30 June* *2026*	*Audited* *31 December* *2025*
		All figures in BD millions	
ASSETS			
Cash and balances with central banks		**312.2**	586.6
Treasury bills		**346.9**	304.4
Deposits and amounts due from banks and other financial institutions		**400.4**	290.6
Loans and advances to customers	6	**2,363.5**	2,358.5
Investment securities		**1,269.5**	1,190.9
Interest receivable, derivative and other assets	7	**130.1**	134.5
Investments in associates and joint ventures		**35.3**	35.1
Premises and equipment		**40.3**	39.8
Goodwill and other intangible assets		**33.6**	33.9
TOTAL ASSETS		**4,931.8**	4,974.3
LIABILITIES AND EQUITY			
Liabilities			
Deposits and amounts due to banks and other financial institutions		**433.7**	512.8
Borrowings under repurchase agreement		**472.4**	405.9
Term borrowings		**401.9**	405.3
Customers' deposits		**2,877.6**	2,853.5
Interest payable, derivative and other liabilities	8	**119.7**	136.4
Total liabilities		**4,305.3**	4,313.9
Equity			
Share capital		**181.7**	181.7
Treasury stock		**(3.7)**	(5.5)
Share premium		**105.6**	105.6
Statutory reserve		**90.8**	90.8
General reserve		**64.2**	64.2
Cumulative changes in fair values		**24.4**	47.6
Foreign currency translation reserve		**(18.7)**	(17.0)
Retained earnings		**165.8**	137.4
Proposed appropriations		**13.6**	52.7
Attributable to the owners of the Bank		**623.7**	657.5
Non-controlling interests		**2.8**	2.9
Total equity		**626.5**	660.4
TOTAL LIABILITIES AND EQUITY		**4,931.8**	4,974.3

Tariq Jaleel AlSaffar	Dr. Ghaneya AlDerazi	Yaser Alsharifi
Chairperson	Board Member	Group Chief Executive

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

Bank of Bahrain and Kuwait B.S.C.

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Six-months period ended 30 June 2026 (Reviewed)

	Notes	***All figures in BD millions*** Three-months ended 30 June		***All figures in BD millions*** Six-months ended 30 June	
		2026	*2025*	**2026**	*2025*
Interest and similar income		**64.8**	62.2	**129.7**	122.6
Interest and similar expense		**(33.3)**	(32.2)	**(66.4)**	(63.9)
Net interest and similar income		**31.5**	30.0	**63.3**	58.7
Fee and commission income - net		**5.5**	5.0	**11.1**	9.9
Investment and other income	10 , 11	**5.4**	4.2	**18.6**	11.2
TOTAL OPERATING INCOME		**42.4**	39.2	**93.0**	79.8
Staff costs		**(11.1)**	(10.5)	**(23.3)**	(20.6)
Other operating expenses		**(10.4)**	(8.6)	**(19.0)**	(15.1)
TOTAL OPERATING EXPENSES		**(21.5)**	(19.1)	**(42.3)**	(35.7)
Net impairments, provisions and credit losses	12	**(3.8)**	(2.5)	**(7.5)**	(5.7)
NET OPERATING INCOME		**17.1**	17.6	**43.2**	38.4
Share of (loss) / profit from associates and joint ventures		**(0.5)**	0.2	**-**	0.6
PROFIT FOR THE PERIOD BEFORE TAX		**16.6**	17.8	**43.2**	39.0
Income tax expense		**-**	(0.1)	**(0.3)**	(0.1)
PROFIT FOR THE PERIOD AFTER TAX		**16.6**	17.7	**42.9**	38.9
Attributable to:					
Owners of the Bank		**16.4**	17.5	**42.5**	38.6
Non-controlling interests		**0.2**	0.2	**0.4**	0.3
		16.6	17.7	**42.9**	38.9
Basic and diluted earnings per share (BD)	13	**0.009**	0.010	**0.024**	0.021

Tariq Jaleel AlSaffar Chairperson	Dr. Ghaneya AlDerazi Board Member	Yaser Alsharifi Group Chief Executive

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Six-months period ended 30 June 2026 (Reviewed)

	All figures in BD millions		***All figures in BD millions***	
	Three-months ended 30 June		***Six-months ended 30 June***	
	2026	*2025*	***2026***	*2025*
PROFIT FOR THE PERIOD	**16.6**	17.7	**42.9**	38.9
Other Comprehensive Income (OCI):				
Items that will not be reclassified (or recycled) subsequently to profit or loss				
Net change in fair value of equity investments measured at fair value through other comprehensive income	**(0.6)**	1.7	**2.0**	3.1
Items that are or may be reclassified (or recycled) subsequently to profit or loss				
Movement in foreign currency translation reserve:				
Exchange differences on translation of foreign operations	**(0.4)**	0.7	**(1.7)**	0.6
Movement in hedging reserve:				
Effective portion of changes in fair value cash flow hedges	**-**	(0.1)	**-**	(0.1)
Movement in fair value reserve:				
Net change in fair value of debt instruments measured at fair value through other comprehensive income	**24.0**	(2.4)	**(21.2)**	(6.6)
Net amount transferred to profit or loss	**(3.6)**	(0.6)	**(4.8)**	(3.3)
Other comprehensive income / (loss) for the period	**19.4**	(0.7)	**(25.7)**	(6.3)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**36.0**	17.0	**17.2**	32.6
Attributable to:				
Owners of the Bank	**35.8**	16.8	**16.8**	32.3
Non-controlling interests	**0.2**	0.2	**0.4**	0.3
	36.0	17.0	**17.2**	32.6

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six-months period ended 30 June 2026 (Reviewed)

All figures in BD millions

	Attributable to the owners of the Bank											
	Share capital	*Treasury stock*	*Share premium*	*Statutory reserve*	*General reserve*	*Cumulative changes in fair values*	*Foreign currency translation reserve*	*Retained earnings*	*Proposed appropriations*	*Total*	*Non-controlling interests*	*Total equity*
Balance at 1 January 2026	**181.7**	**(5.5)**	**105.6**	**90.8**	**64.2**	**47.6**	**(17.0)**	**137.4**	**52.7**	**657.5**	**2.9**	**660.4**
Profit for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**42.5**	**-**	**42.5**	**0.4**	**42.9**
Other comprehensive loss for the period	**-**	**-**	**-**	**-**	**-**	**(24.0)**	**(1.7)**	**-**	**-**	**(25.7)**	**-**	**(25.7)**
Total comprehensive (loss) / income for the period	**-**	**-**	**-**	**-**	**-**	**(24.0)**	**(1.7)**	**42.5**	**-**	**16.8**	**0.4**	**17.2**
Share-based payments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.3**	**-**	**0.3**	**-**	**0.3**
Sale of equity securities held at fair value through OCI	**-**	**-**	**-**	**-**	**-**	**0.8**	**-**	**(0.8)**	**-**	**-**	**-**	**-**
Dividends paid	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(49.6)**	**(49.6)**	**(0.5)**	**(50.1)**
Donations	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3.1)**	**(3.1)**	**-**	**(3.1)**
Movement in treasury stock	**-**	**1.8**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1.8**	**-**	**1.8**
Proposed appropriations (note 9)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(13.6)**	**13.6**	**-**	**-**	**-**
Balance at 30 June 2026	**181.7**	**(3.7)**	**105.6**	**90.8**	**64.2**	**24.4**	**(18.7)**	**165.8**	**13.6**	**623.7**	**2.8**	**626.5**
Balance at 1 January 2025	181.7	(5.0)	105.6	90.8	64.2	25.0	(16.6)	132.3	42.8	620.8	2.9	623.7
Profit for the period	-	-	-	-	-	-	-	38.6	-	38.6	0.3	38.9
Other comprehensive (loss) / income for the period	-	-	-	-	-	(6.9)	0.6	-	-	(6.3)	-	(6.3)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(6.9)	0.6	38.6	-	32.3	0.3	32.6
Share-based payments	-	-	-	-	-	-	-	0.4	-	0.4	-	0.4
Sale of equity securities held at fair value through OCI	-	-	-	-	-	(0.3)	-	0.3	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(40.6)	(40.6)	-	(40.6)
Donations	-	-	-	-	-	-	-	-	(2.2)	(2.2)	-	(2.2)
Movement in treasury stock	-	1.0	-	-	-	-	-	-	-	1.0	-	1.0
Proposed appropriations (note 9)	-	-	-	-	-	-	-	(22.6)	22.6	-	-	-
Balance at 30 June 2025	181.7	(4.0)	105.6	90.8	64.2	17.8	(16.0)	149.0	22.6	611.7	3.2	614.9

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
Six-months period ended 30 June 2026 (Reviewed)

	Notes	*All figures in BD millions* Six-months ended 30 June **2026**	2025
OPERATING ACTIVITIES			
Profit for the period before tax		**43.2**	39.0
Adjustments for non-cash items:			
Depreciation and amortisation		**4.3**	3.7
Net impairments, provisions and credit losses	12	**8.2**	6.5
Share of profit from associates and joint ventures		**-**	(0.6)
Investment income		**(0.4)**	(0.1)
Gains on investment securities	11	**(7.7)**	(3.7)
Interest expense accrual on term borrowings		**12.0**	10.9
Operating profit before changes in operating assets and liabilities		**59.6**	55.7
Decrease / (increase) in operating assets:			
Mandatory reserve deposits with central banks		**35.5**	3.3
Treasury bills having original maturity of ninety days or more		**(42.5)**	58.3
Deposits and amounts due from banks and other financial institutions		**-**	23.6
Loans and advances to customers		**(12.1)**	(259.6)
Interest receivable, derivative and other assets		**4.4**	(4.1)
Increase / (decrease) in operating liabilities			
Deposits and amounts due to banks and other financial institutions		**(79.1)**	135.2
Borrowings under repurchase agreements		**66.5**	38.8
Customers' deposits		**24.1**	(71.3)
Interest payable, derivative and other liabilities		**(32.2)**	(2.0)
Income tax paid		**(0.3)**	(0.1)
Net cash from / (used in) operating activities		**23.9**	(22.2)
INVESTING ACTIVITIES			
Purchase of investment securities		**(369.8)**	(325.2)
Proceeds from redemption / sale of investment securities		**274.4**	130.4
Purchase of premises and equipment		**(4.6)**	(2.2)
Dividends received from associates and joint ventures		**0.9**	0.8
Net other movement in investment in associates and joint ventures		**(1.1)**	2.1
Net cash used in investing activities		**(100.2)**	(194.1)
FINANCING ACTIVITIES			
Payment of dividends and other appropriations		**(52.7)**	(42.8)
Payment of dividends to non-controlling interests		**(0.5)**	-
Repayment of term borrowings		**-**	(94.3)
Additional term borrowings		**-**	94.3
Movement in treasury stock		**1.8**	1.0
Movement in share-based payments		**0.3**	0.4
Net cash used in financing activities		**(51.1)**	(41.4)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(127.4)**	(257.7)
Foreign currency translation adjustments - net		**(1.7)**	(0.3)
Cash and cash equivalents at beginning of the period		**762.7**	722.2
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5	**633.6**	464.2
Additional cash flow information:			
Interest received		**127.7**	117.8
Interest paid		**75.8**	65.3

The attached notes 1 to 18 form part of these interim condensed consolidated financial statements

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.

The Bank continues to progress on its discussions and negotiations on the potential merger with National Bank of Bahrain B.S.C. (NBB). In this regard and post completion of due diligence, discussions have commenced on certain followup matters relating to the proposed transaction.

The Bank has entered into a Share Purchase Agreement regarding the sale of its shareholding in its wholly owned subsidiary, Invita Company W.L.L., to Silah Gulf B.S.C. (Formerly, Silah Gulf B.S.C. (c)). As of the reporting date, completion of the transaction remains subject to the legal and regulatory formalities.

These interim condensed consolidated financial statements for the six month period ended 30 June 2026 were authorised for issue in accordance with a resolution of the Board of Directors on 29 July 2026.

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 2025. In addition, results for the six-months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial year ending on 31 December 2026. 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 or 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 BASIS OF PREPARATION (continued)

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.

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 2025, except for the adoption of new standards effective as of 1 January 2026. 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 2026, but do not have any impact on the interim condensed consolidated financial statements of the Group.

2.4.1 Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

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

2.4.2 Annual Improvements to IFRS accounting Standards – Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

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

2.4.3 Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity. The amendments apply only to contracts that reference nature-dependent electricity, and they:

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts; and

2 BASIS OF PREPARATION (continued)

2.4 New standards, interpretations and amendments adopted by the Group (continued)

2.4.3 Contracts Referencing Nature -dependent Electricity – Amendments to IFRS 9 and IFRS 7 (continued)

- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

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

The Group has not early adopted any new standards, interpretations and amendments that are issued as of 1 January 2026 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:

Retail banking 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.

Wholesale banking Principally handling loans and other credit facilities, deposit and current accounts for corporate and Small-Medium business customers in Bahrain. This segment also serves financial institution customers.

International banking Principally handling loans and other credit facilities, deposit and current accounts for international corporate customers. This also covers the operations of the overseas units.

Investment, treasury and other activities 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.

All figures in BD millions

3 SEGMENTAL INFORMATION (continued)

Segment information of interim consolidated statement of profit or loss for the six-months period ended 30 June 2026 was as follows:

	Retail banking	*Wholesale banking*	*International banking*	*Investment, treasury and other activities*	*Total*
Interest and similar income	24.6	28.0	22.4	54.7	129.7
Interest and similar expense	(12.6)	(18.6)	(8.6)	(26.6)	(66.4)
Internal fund transfer price	12.1	3.9	(7.0)	(9.0)	-
Net interest and similar income	24.1	13.3	6.8	19.1	63.3
Other operating income	8.6	2.3	1.6	17.2	29.7
Operating income before results from associates and joint ventures	32.7	15.6	8.4	36.3	93.0
Net charge of provisions and credit losses	(0.9)	(2.3)	(3.4)	(0.9)	(7.5)
Segment result after tax	16.4	11.6	(1.6)	36.9	63.3
Share of profit from associates and joint ventures	-	-	-	-	-
Common costs					(20.4)
Net profit for the period					42.9
Net profit attributable to non-controlling interests					(0.4)
Net profit for the period attributable to the owners of the Bank					42.5

Segment information of interim consolidated statement of financial position as at 30 June 2026 was as follows:

	Retail banking	*Wholesale banking*	*International banking*	*Investment, treasury and other activities*	*Total*
Segment assets	966.7	888.5	942.4	1,978.5	4,776.1
Goodwill and other intangible assets	33.6	-	-	-	33.6
Investments in associates and joint ventures	-	-	-	35.3	35.3
Common assets *	-	-	-	-	86.8
Total assets					4,931.8
Segment liabilities	1,543.0	1,275.5	609.2	828.0	4,255.7
Common liabilities **	-	-	-	-	49.6
Total liabilities					4,305.3

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

All figures in BD millions

3 SEGMENTAL INFORMATION (continued)

Segment information of interim consolidated statement of profit or loss for the six-months period ended 30 June 2025 was as follows:

	Retail banking	*Wholesale banking*	*International banking*	*Investment, treasury and other activities*	*Total*
Interest and similar income	19.8	27.3	17.5	58.0	122.6
Interest and similar expense	(10.7)	(20.8)	(5.0)	(27.4)	(63.9)
Internal fund transfer price	10.4	10.1	(6.8)	(13.7)	-
Net interest and similar income	19.5	16.6	5.7	16.9	58.7
Other operating income	7.0	2.2	1.2	10.7	21.1
Operating income before results from associates and joint ventures	26.5	18.8	6.9	27.6	79.8
Net (charge) / reversal of provisions and credit losses	(1.7)	(4.5)	(1.4)	1.9	(5.7)
Segment result after tax	11.2	12.4	-	30.5	54.1
Share of profit from associates and joint ventures	-	-	-	0.6	0.6
Common costs					(15.8)
Net profit for the period					38.9
Net profit attributable to non-controlling interests					(0.3)
Net profit for the period attributable to the owners of the Bank					38.6

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

Segment assets	940.7	929.3	961.2	1,977.3	4,808.5
Goodwill and other intangible assets	33.9	-	-	-	33.9
Investments in associates and joint ventures	-	-	-	35.1	35.1
Common assets *	-	-	-	-	96.8
Total assets					4,974.3
Segment liabilities	1,505.0	1,277.1	633.3	846.0	4,261.4
Common liabilities **	-	-	-	-	52.5
Total liabilities					4,313.9

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

** Common liabilities represent other liabilities.

All figures in BD millions

4 COMMITMENTS AND CONTINGENT LIABILITIES

	Reviewed 30 June 2026	*Audited 31 December 2025*
Contingencies		
Letters of credit	**229.1**	165.0
Guarantees	**340.6**	348.0
	569.7	513.0
Commitments		
Undrawn loan commitments	**99.7**	134.7
Forward foreign exchange contracts	**264.3**	317.7
Interest rate swaps	**680.9**	746.9
	1,614.6	1,712.3

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

The Group is committed to invest a 28.57% (31 December 2025: nil) equity portion in National SMEs Growth Fund ("SME Fund") with a total value of BD 20 million. The SME Fund is a Bahrain-domiciled, Shari'ah-compliant collective investment fund and is established, managed, and operated by Bahrain Development Bank. During the period, the Group paid BD 1.1 million (31 December 2025: nil) towards this commitment. As at 30 June 2026, the Group has outstanding commitment of BD 18.9 million (31 December 2025: nil).

As of 30 June 2026, ECL of BD 3.2 million was held against off-balance sheet and other credit exposures (31 December 2025: BD 3.4 million).

5 CASH AND CASH EQUIVALENTS

	Six-months ended 30 June	
	2026	*2025*
Cash in hand and vaults	**21.0**	19.1
Current accounts and placements with central banks	**214.0**	330.1
Deposits and amounts due from banks and other financial institutions having original maturity of ninety days or less	**398.6**	115.0
Cash and cash equivalents at 30 June	**633.6**	464.2
Central bank reserve	**77.2**	105.1
Less: Deposits and amounts due from banks and other financial institutions having original maturity of ninety days or less	**(398.6)**	(115.0)
Cash and balances with central banks at 30 June	**312.2**	454.3

All figures in BD millions

6 LOANS AND ADVANCES TO CUSTOMERS

At 30 June 2026 (Reviewed)	***Stage 1: 12-month ECL***	***Stage 2: Lifetime ECL not credit-impaired***	***Stage 3: Lifetime ECL credit-impaired***	***Total***
At amortised cost:				
Commercial loans and overdrafts	**1,380.5**	**188.6**	**60.7**	**1,629.8**
Consumer loans	**772.7**	**15.0**	**10.7**	**798.4**
	2,153.2	**203.6**	**71.4**	**2,428.2**
Less: Expected credit losses	**(5.1)**	**(20.5)**	**(39.1)**	**(64.7)**
	2,148.1	**183.1**	**32.3**	**2,363.5**

At 31 December 2025 (Audited)	*Stage 1: 12-month ECL*	*Stage 2: Lifetime ECL not credit-impaired*	*Stage 3: Lifetime ECL credit-impaired*	*Total*
At amortised cost:				
Commercial loans and overdrafts	1,416.1	183.2	60.7	1,660.0
Consumer loans	740.6	18.1	10.8	769.5
	2,156.7	201.3	71.5	2,429.5
Less: Expected credit losses	(4.0)	(19.3)	(47.7)	(71.0)
	2,152.7	182.0	23.8	2,358.5

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

	2026 (Reviewed)			
	Stage 1: 12-month ECL	***Stage 2: Lifetime ECL not credit - impaired***	***Stage 3: Lifetime ECL credit - impaired***	***Total***
Balance at 1 January 2026	**4.0**	**19.3**	**47.7**	**71.0**
Net transfers between stages	**0.2**	**(2.3)**	**2.1**	**-**
Net remeasurement of loss allowances (note 12)	**0.9**	**3.5**	**2.8**	**7.2**
Amounts written off during the period	**-**	**-**	**(13.5)**	**(13.5)**
Balance at 30 June 2026	**5.1**	**20.5**	**39.1**	**64.7**

All figures in BD millions

6 LOANS AND ADVANCES TO CUSTOMERS (continued)

	2025 (Reviewed)			
	Stage 1: 12-month ECL	*Stage 2: Lifetime ECL not credit - impaired*	*Stage 3: Lifetime ECL credit - impaired*	*Total*
Balance at 1 January 2025	2.7	22.1	50.7	75.5
Net transfers between stages	2.0	(4.0)	2.0	-
Net remeasurement of loss allowances (note 12)	(1.1)	3.1	5.0	7.0
Amounts written off during the period	-	-	(0.5)	(0.5)
Foreign exchange and other movements	0.1	0.1	(0.2)	-
Balance at 30 June 2025	3.7	21.3	57.0	82.0

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 30 June 2026 was BD 34.5 million (31 December 2025: BD 25.4 million).

At 30 June 2026, gross loans and advances include Islamic financing facilities provided by the Group to corporates amounting to BD 82.8 million (31 December 2025: BD 82.9 million). These mainly consists of Murabaha and Ijarah financing facilities.

At 30 June 2026, interest in suspense on past due loans that are credit impaired was BD 10.4 million (31 December 2025: BD 11.7 million).

7 INTEREST RECEIVABLE, DERIVATIVE AND OTHER ASSETS

	Reviewed 30 June 2026	*Audited 31 December 2025*
Interest receivable	**38.6**	36.6
Collateral pending sale	**32.3**	25.5
Accounts receivable	**28.2**	40.8
Positive fair value of derivatives	**20.9**	22.6
Prepaid expenses	**5.0**	3.7
Deferred tax asset	**0.3**	0.6
Other assets	**4.8**	4.7
	130.1	134.5

All figures in BD millions

8 INTEREST PAYABLE, DERIVATIVE AND OTHER LIABILITIES

	Reviewed 30 June 2026	*Audited 31 December 2025*
Accounts payable	**38.3**	44.1
Interest payable	**33.5**	42.9
Accrued expenses	**30.6**	31.8
Lease liabilities	**5.2**	4.0
Negative fair value of derivatives	**3.6**	4.0
ECL on financial contracts and commitments (note 4)	**3.2**	3.4
Other liabilities	**5.3**	6.2
	119.7	136.4

9 EQUITY

(i) Issuance of share capital

No stock dividends were issued pertaining to the year 2025, therefore, the share capital remained unchanged (2025: Nil).

(ii) Interim dividend

The Board of Directors proposed interim cash dividend of BD 0.0075 per share, net of treasury stock. The payment of the interim cash dividend is subject to the approval of the CBB (30 June 2025: The Board of Directors proposed interim cash dividend of BD 0.0125 per share, net of treasury stock).

10 SEASONAL RESULTS

Other income for the six-months period ended 30 June 2026 includes BD 3.6 million (30 June 2025: BD 2.4 million) of dividend income, which is of a seasonal nature.

11 OTHER INCOME

Other income for the six-months period ended 30 June 2026 includes gain of BD 7.7 million (30 June 2025: BD 3.7 million) relating to sale of investment securities and from unit allocation pertaining to investment in fund.

12 NET IMPAIRMENTS, PROVISIONS AND CREDIT LOSSES

	Three-months ended 30 June		***Six-months ended 30 June***	
	2026	*2025*	***2026***	*2025*
Loans and advances to customers	**5.5**	3.3	**7.2**	7.0
Recoveries from fully provided loans and advances written-off in previous years	**(0.2)**	(0.6)	**(0.7)**	(0.8)
Off balance sheet exposures	**-**	0.5	**(0.2)**	0.5
Investment securities	**(1.8)**	(0.9)	**0.9**	(1.3)
Impairment on collateral pending sale	**0.3**	0.2	**0.3**	0.3
	3.8	2.5	**7.5**	5.7

All figures in BD millions

13 BASIC AND DILUTED EARNINGS PER SHARE

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

	Three-months ended 30 June		***Six-months ended 30 June***	
	2026	*2025*	***2026***	*2025*
Profit for the period attributable to the owners of the Bank for basic and diluted earnings per share computation	**16.4**	17.5	**42.5**	38.6
Weighted average number of shares, net of treasury stock, outstanding during the period	**1,803,730,523**	1,803,527,299	**1,803,730,523**	1,803,527,299
Basic and diluted earnings per share (BD)	**0.009**	0.010	**0.024**	0.021

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:

	Major shareholders	***Associates and joint ventures***	***Directors and key management personnel***	***Total***
30 June 2026 (Reviewed)				
Loans and advances to customers	**8.3**	**43.0**	**3.7**	**55.0**
Deposits and amounts due from banks and other financial institutions	**7.9**	**-**	**-**	**7.9**
Investments in associates and joint ventures	**-**	**35.3**	**-**	**35.3**
Customers' deposits	**5.7**	**4.0**	**17.8**	**27.5**
Deposits and amounts due to banks and other financial institutions	**34.7**	**-**	**-**	**34.7**
Commitments and contingent liabilities	**-**	**20.6**	**-**	**20.6**

All figures in BD millions

14 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

	Major shareholders	*Associates and joint ventures*	*Directors and key management personnel*	*Total*
31 December 2025 (Audited)				
Loans and advances to customers	7.8	43.0	4.0	54.8
Deposits and amounts due from banks and other financial institutions	7.0	-	-	7.0
Investments in associates and joint ventures	-	35.1	-	35.1
Customers' deposits	22.6	3.2	12.2	38.0
Deposits and amounts due to banks and other financial institutions	50.9	-	-	50.9
Commitments and contingent liabilities	-	1.2	-	1.2

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

	Major shareholders	***Associates and joint ventures***	***Directors and key management personnel***	***Total***
Period ended 30 June 2026 (Reviewed)				
Interest and similar income	**0.4**	**1.4**	**-**	**1.8**
Interest and similar expense	**1.3**	**-**	**2.2**	**3.5**
Period ended 30 June 2025 (Reviewed)				
Interest and similar income	1.5	1.5	-	3.0
Interest and similar expense	1.0	-	0.1	1.1
Share of loss from associates and joint ventures	-	0.6	-	0.6

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

	Six-months ended 30 June	
	2026	*2025*
Salaries and other short-term benefits	**7.3**	6.8
Post-employment benefits	**0.9**	0.7
Share based compensation	**0.3**	0.4
	8.5	7.9

All figures in BD millions

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.

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

	Level 1	*Level 2*	*Level 3*	*Total*
30 June 2026 (Reviewed)				
Financial assets				
Bonds	**842.5**	**28.7**	**-**	**871.2**
Equities	**87.5**	**-**	**31.9**	**119.4**
Managed funds	**-**	**0.9**	**11.7**	**12.6**
Derivatives held for trading	**-**	**1.2**	**-**	**1.2**
Derivatives held as fair value hedges	**-**	**19.7**	**-**	**19.7**
	930.0	**50.5**	**43.6**	**1,024.1**
Financial liabilities				
Term borrowings	**-**	**187.0**	**-**	**187.0**
Derivatives held for trading	**-**	**0.7**	**-**	**0.7**
Derivatives held as fair value hedges	**-**	**2.9**	**-**	**2.9**
	-	**190.6**	**-**	**190.6**

All figures in BD millions

15 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

	Level 1	*Level 2*	*Level 3*	*Total*
31 December 2025 (Audited)				
Financial assets				
Bonds	822.7	19.6	-	842.3
Equities	70.1	-	31.1	101.2
Managed funds	-	0.9	-	0.9
Derivatives held for trading	-	0.8	-	0.8
Derivatives held as fair value hedges	-	21.8	-	21.8
	892.8	43.1	31.1	967.0
Financial liabilities				
Term borrowings	-	190.4	-	190.4
Derivatives held for trading	-	0.9	-	0.9
Derivatives held as fair value hedges	-	3.1	-	3.1
	-	194.4	-	194.4

Transfers between level 1, level 2 and level 3

During the period ended 30 June 2026 and year ended 31 December 2025, there were no transfers into or out of Level 3 fair value measurements. Further, there were no significant movements on equity instruments classified under level 3.

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:

	30 June 2026 (Reviewed)			*31 December 2025 (Audited)*		
	Carrying value	***Fair value***	***Difference***	*Carrying value*	*Fair value*	*Difference*
Investment securities	**266.3**	**261.1**	**5.2**	246.5	241.5	5.0

As at 30 June 2026 and 31 December 2025, the fair value of financial assets and financial liabilities approximate their carrying values, other than those disclosed in the table above.

All figures in BD millions

16 NET STABLE FUNDING RATIO

The Net Stable Funding Ratio (NSFR) 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%. However, as per CBB circular EDS/NA/01/2026 dated 14 April 2026, the limit was reduced to 80% for a period of 6 months as part of the Liquidity Support Program launched by CBB. The Group's consolidated NSFR ratio as of 30 June 2026 was 134.0% (31 December 2025: 131.7%).

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 18.4% (31 December 2025: 19.3%) of the Group's ASF, while the retail and small business deposits formed 46.6% (31 December 2025: 45.4%) 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 20.3% (31 December 2025: 23.1%) of total RSF (before applying the relevant weights).

In comparison to the year ended 31 December 2025, the NSFR ratio increased by 2.3% due to the decrease in RSF. The decrease in RSF by BD 53.7 million is mainly driven by lower required stable funds for Investment securities due to shorter encumbrance periods, and changes in the portfolio composition towards higher high-quality bonds.

All figures in BD millions

16 NET STABLE FUNDING RATIO (continued)

The NSFR (as a percentage) as at 30 June 2026 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***
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	**619.8**	**-**	**-**	**26.7**	**646.5**
Retail deposits and deposits from small business customers:					
Stable deposits	**-**	**537.3**	**8.6**	**0.4**	**518.9**
Less stable deposits	**-**	**1,048.7**	**163.3**	**22.6**	**1,113.4**
Wholesale funding:					
Other wholesale funding	**-**	**1,413.4**	**365.2**	**626.1**	**1,226.5**
Other liabilities:					
All other liabilities not included in the above categories	**-**	**118.7**	**-**	**-**	**-**
Total ASF	**619.8**	**3,118.1**	**537.1**	**675.8**	**3,505.3**
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	**-**	**-**	**-**	**-**	**286.1**
Performing loans and securities:					
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	**-**	**494.0**	**53.9**	**128.3**	**229.4**
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	**-**	**533.3**	**164.0**	**1,138.2**	**1,316.1**
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	**-**	**69.1**	**9.0**	**167.3**	**147.8**
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	**-**	**96.4**	**25.4**	**217.8**	**262.5**
Other assets:					
NSFR derivative assets	**-**	**13.5**	**-**	**-**	**13.5**
NSFR derivative liabilities before deduction of variation margin posted	**-**	**0.2**	**-**	**-**	**0.2**
All other assets not included in the above categories	**301.1**	**-**	**-**	**-**	**301.1**
Off-balance sheet items	**-**	**1,199.0**	**-**	**-**	**59.9**
Total RSF	**301.1**	**2,405.5**	**252.3**	**1,651.6**	**2,616.6**
NSFR (%) - As at 30 June 2026 (Reviewed)					**134.0%**

All figures in BD millions

16 NET STABLE FUNDING RATIO (continued)

The NSFR (as a percentage) as at 31 December 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*
Available Stable Funding (ASF):					
Capital:					
Regulatory Capital	653.5	-	-	24.4	677.9
Retail deposits and deposits from small business customers:					
Stable deposits	-	531.2	8.7	0.6	513.5
Less stable deposits	-	1,067.7	117.2	17.7	1,084.2
Wholesale funding:					
Other wholesale funding	-	1,452.6	343.0	638.7	1,241.2
Other liabilities:					
All other liabilities not included in the above categories	-	135.2	-	-	-
Total ASF	653.5	3,186.7	468.9	681.4	3,516.8
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	-	-	-	-	319.5
Performing loans and securities:					
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	373.9	55.0	186.5	270.1
Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	561.9	116.7	1,098.0	1,272.6
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	78.3	12.3	165.9	153.1
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	27.5	43.0	290.7	304.8
Other assets:					
NSFR derivative assets	-	13.0	-	-	13.0
NSFR derivative liabilities before deduction of variation margin posted	-	0.3	-	-	0.3
All other assets not included in the above categories	283.5	-	-	-	283.5
Off-balance sheet items	-	1,067.6	-	-	53.4
Total RSF	283.5	2,122.5	227.0	1,741.1	2,670.3
NSFR (%) - As at 31 December 2025 (Audited)					131.7%

All figures in BD millions

17 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

Following the intensification in regional conflict since 28 February 2026, the geopolitical situation in the Middle East continues to be unstable. The uncertainty remains regarding the long run broader economic and market implications for the region including in the Kingdom of Bahrain.

In response, the Group has earlier activated its business continuity arrangements and enhanced its risk management and monitoring practices to address potential operational, credit, and liquidity risks arising from these developments. Management continues to closely monitor the situation and its potential implications for the Group's operations, financial position, and performance.

Impact on Expected Credit Losses (ECL)

In light of the prevailing economic uncertainty, management has reassessed the macro-economic scenarios and probability weightings used in estimating expected credit losses as at 30 June 2026, in accordance with IFRS 9 – Financial Instruments. The revised parameters and weights reflect management's updated view of the increased likelihood of adverse economic outcomes in the current environment. The probability weightings assigned to each macro-economic scenario are summarised below:

Scenarios	***30 June 2026 (Reviewed)***	*30 June 2025 (Reviewed)*	*31 December 2025 (Audited)*
Base case	**55%**	70%	70%
Best case	**15%**	19%	15%
Worst case	**30%**	11%	15%

In addition, management has applied heightened judgment in assessing both quantitative and qualitative indicators of Significant Increase in Credit Risk ("SICR"), including sector-specific sensitivities and customer-level risk factors for portfolios potentially affected by the ongoing developments. Where relevant, overlays have been applied to reflect emerging risks not fully captured by the mechanical models. The resulting ECL charges and impairment allowances are disclosed in Note 12 to these interim condensed consolidated financial statements.

Assessment of asset carrying values and other financial statement impacts

As at 30 June 2026, management has assessed the carrying values of the Group's financial assets, including loans and advances, investment securities, and other relevant exposures, as well as non-financial assets, for indicators of impairment or valuation adjustment arising from the current geopolitical environment. Based on the information available at the reporting date, management has concluded that the carrying values of these assets reasonably reflect the conditions and risks existing as at 30 June 2026.

Given the evolving nature of the situation, management acknowledges that further developments may affect economic assumptions, credit risk assessments, and asset valuations in future reporting periods. Any additional impacts arising from new information or changes in circumstances will be recognised prospectively in accordance with the applicable IFRS requirements, including through updates to ECL estimates, valuation assumptions, or impairment assessments in subsequent periods.

The Group continues to actively monitor regional and global developments and will refine its assumptions, judgments, and estimates as circumstances evolve. Management remains focused on maintaining prudent risk management, capital adequacy, and liquidity buffers to support the Group's resilience in the current environment.

All figures in BD millions

17 GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST (continued)

CBB relief measures

On 14 April 2026, the Central Bank of Bahrain issued Circular EDS/NA/01/2026 introduced temporary support measures for licensed financial institutions (retail banks, financing companies and micro finance companies). These included a three-month repayment deferral for eligible loans and credit card facilities, relaxation of IFRS 9 staging thresholds for deferred exposures. Further, the circular included access to repo liquidity facilities against eligible collateral, a reduction in the cash reserve requirement, and a temporary lowering of minimum Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) requirements for a period of six months. These measures were effective from 19 April 2026.

18 GOODWILL AND OTHER INTANGIBLE ASSETS

On 27 November 2025, the Bank completed an acquisition of the retail banking portfolio of HSBC Bank Middle East, Bahrain Branch ("HSBC") as part of its strategic expansion in the Kingdom of Bahrain. The transaction included the transfer of loans and advances to customers, customers' deposits, and associated business relationships. Certain employees of HSBC were also moved to the Bank.

Goodwill and other intangibles arising from the acquisition, amounting to BD 27.0 million and BD 6.5 million, respectively, were recognised in accordance with IFRS 3. In line with IAS 36, goodwill is not amortised but is subject to annual impairment testing. Other intangibles comprise of the value assigned to the expected benefits arising from the core deposit intangible. The entirety of the intangibles were assigned a useful life of ten years.