ARAB PETROLEUM INVESTMENTS CORPORATION (APICORP)

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2025

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

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ERNST & YOUNG PROFESSIONAL SERVICES (PROFESSIONAL LLC)
Paid-Up Capital: ⃁5,500,000 (Five Million Five Hundred Thousand Saudi Riyals)

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INDEPENDENT AUDITOR'S REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

TO THE SHAREHOLDERS OF ARAB PETROLEUM INVESTMENTS CORPORATION (APICORP)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Arab Petroleum Investments Corporation ("the Corporation") and its subsidiaries (collectively referred to as "the Group" as at 30 June 2025, and the related interim condensed consolidated statement of income, other comprehensive income for the three-month and six-month periods ended 30 June 2025, and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management 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") as endorsed in the Kingdom of Saudi Arabia. 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" as endorsed in the Kingdom of Saudi Arabia. A review of interim financial statement 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 that are endorsed in the Kingdom of Saudi Arabia 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 as endorsed in the Kingdom of Saudi Arabia.

Other Matter

The consolidated financial statements for the year ended 31 December 2024 and the interim financial information for the three-months and six months period ended 30 June 2024 were audited and reviewed, respectively, by another auditor who expressed an unmodified audit opinion and an unmodified review conclusion on those statements and that information, respectively, on 24 March 2025 (corresponding to 24 Ramadan 1446H) and 22 August 2024 (corresponding to 18 Safar 1446H), respectively.

for Ernst & Young Professional Services

Layla K. Al Khalefah
Certified Public Accountant
License No. (592)

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EY
سجل تجاري ١٠١٠٣٨٣٨٢١
CR.1010383821
شركة إرنست ويونغ للخدمات المهنية
(مهنية ذات مسؤولية محدودة)
Ernst & Young Professional Services
(Professional LLC)

Riyadh: 7 Rabi Al-Thani 1447H
29 September 2025

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

(US$000)

	Note	**30 June 2025 (Unaudited)**	31 December 2024 (Audited)
ASSETS			
Cash and cash equivalents	19	195,648	137,016
Placements with banks, net	6	822,142	239,957
Positive fair value of derivatives	14	198,344	88,275
Loans and advances, net	7	5,972,260	5,604,792
Investments, net	8	4,721,910	4,718,394
Equity accounted investee, net	9	100,007	96,189
Other assets		3,858	3,371
Property, equipment and right of use assets		28,239	30,010
Total assets		**12,042,408**	10,918,004
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits	10	513,035	774,632
Securities sold under agreements to repurchase	8 (a)	446,731	446,785
Negative fair value of derivatives	14	124,371	172,096
Other liabilities		104,068	113,033
Term financing	11	1,606,092	1,455,955
Sukuk and bonds issued	12	5,799,478	4,601,975
Total liabilities		**8,593,775**	7,564,476
EQUITY			
Share capital	1	1,500,000	1,500,000
Legal reserve		323,000	323,000
General reserve		316,149	316,149
Investments fair value and other reserves		593,858	627,839
Retained earnings		715,622	586,520
Total equity attributable to shareholders of the Corporation		**3,448,629**	3,353,508
Non-controlling interests		4	20
Total equity		**3,448,633**	3,353,528
Total liabilities and equity		**12,042,408**	10,918,004

Mohammed Abdulrahman Albrahim
Chairman

Khalid Ali Al Ruwaigh
Chief Executive Officer

Vicky Bhatia
Chief Financial Officer

The accompanying notes 1 to 22 are an integral part of the interim condensed consolidated financial information.

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED **(US$000)**

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
Interest income		165,141	162,259	315,357	320,188
Interest expense		(110,536)	(102,299)	(204,150)	(205,103)
Net interest income		**54,605**	**59,960**	**111,207**	**115,085**
Dividend income		7,218	19,425	13,058	22,514
Net gain on disposal of financial assets at FVOCI		3,755	4,430	10,590	7,736
Net change in fair value of financial assets at FVTPL	21	5,080	(12,174)	(279)	4,522
Fee income		2,083	1,455	10,926	2,210
Other (loss)/income, net	21	3,037	(1,484)	1,306	(1,967)
Share of profit of equity accounted investees, net	9	2,972	1,464	4,167	5,194
Total net income before operating expenses		**78,750**	**73,076**	**150,975**	**155,294**
Operating expenses		(14,749)	(13,431)	(27,096)	(24,182)
Impairment loss on financial instruments, net	15	(4,312)	(1,939)	5,223	(10,373)
Net income for the period		**59,689**	**57,706**	**129,102**	**120,739**
Net income for the period attributable to:					
Shareholders of the Corporation		59,689	57,706	129,102	120,740
Non-controlling interests		-	-	-	(1)
		59,689	**57,706**	**129,102**	**120,739**
Per share information attributable to the shareholders of the Corporation					
Basic and diluted earnings per share		**US$ 40**	US$ 38	**US$ 86**	US$ 80

Mohammed Abdulrahman Albrahim	**Khalid Ali Al Ruwaigh**	**Vicky Bhatia**
Chairman	*Chief Executive Officer*	*Chief Financial Officer*

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED **(US$000)**

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)	**2025 (Unaudited)**	2024 (Unaudited)
Net income for the period	**59,689**	**57,706**	**129,102**	**120,739**
Other comprehensive (loss) / income				
Items that will not be reclassified to the statement of income				
Net change in fair value of equity securities at FVOCI	21,065	(12,073)	5,466	(42,575)
Items that are or may be reclassified subsequently to the statement of income				
Net change in fair value of debt securities at FVOCI	(43,638)	(8,017)	(28,857)	4,960
Reclassified to statement of income on sale of debt securities at FVOCI	(3,755)	(4,430)	(10,590)	(7,736)
Total other comprehensive loss for the period	**(26,328)**	**(24,520)**	**(33,981)**	**(45,351)**
Total comprehensive income for the period	**33,361**	**33,186**	**95,121**	**75,388**
Total comprehensive income for the period attributable to:				
Shareholders of the Corporation	33,361	33,186	95,121	75,389
Non-controlling interests	-	-	-	(1)
	33,361	**33,186**	**95,121**	**75,388**

The accompanying notes 1 to 22 are an integral part of the interim condensed consolidated financial information.

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 **(US$000)**

	Total Equity attributable to Shareholders of the Corporation							
2025 (Unaudited)	**Share capital**	**Legal reserve**	**General reserve**	**Investments fair value and other reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2025	**1,500,000**	**323,000**	**316,149**	**627,839**	**586,520**	**3,353,508**	**20**	**3,353,528**
Comprehensive income / (loss):								
Net income / (loss) for the period	-	-	-	-	129,102	**129,102**	-	**129,102**
Other comprehensive income / (loss):								
- Transfer to retained earnings on sale of equity securities at FVOCI	-	-	-	-	-	-	-	**-**
- Net change in fair value of equity securities at FVOCI	-	-	-	5,466		**5,466**		**5,466**
- Net change in fair value of debt securities at FVOCI	-	-	-	(39,447)	-	**(39,447)**	-	**(39,447)**
Total other comprehensive (loss) / income	-	-	-	(33,981)	-	**(33,981)**	-	**(33,981)**
Total comprehensive (loss) / income / for the period	**-**	**-**	**-**	**(33,981)**	**129,102**	**95,121**	-	**95,121**
Return of capital to non-controlling interests							(16)	**(16)**
Balance at 30 June 2025	**1,500,000**	**323,000**	**316,149**	**593,858**	**715,622**	**3,448,629**	**4**	**3,448,633**

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 *(continued)* **(US$000)**

	Total Equity attributable to Shareholders of the Corporation							
2024 (Unaudited)	Share capital	Legal reserve	General reserve	Investments fair value and other reserves	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1 January 2024	1,500,000	296,000	316,149	719,778	336,999	3,168,926	17	3,168,943
Comprehensive income / (loss):								
Net income / (loss) for the period	-	-	-	-	120,740	120,740	(1)	120,739
Other comprehensive (loss) / income:								
- Transfer to retained earnings on sale of equity securities at FVOCI	-	-	-	(2,246)	2,246	-	-	-
- Net change in fair value of equity securities at FVOCI	-	-	-	(42,575)	-	(42,575)	-	(42,575)
- Net change in fair value of debt securities at FVOCI	-	-	-	(2,776)	-	(2,776)	-	(2,776)
Total other comprehensive (loss) / income	-	-	-	(47,597)	2,246	(45,351)	-	(45,351)
Total comprehensive (loss) / income for the period	-	-	-	(47,597)	122,986	75,389	(1)	75,388
Balance at 30 June 2024	1,500,000	296,000	316,149	672,181	459,985	3,244,315	16	3,244,331

The accompanying notes 1 to 22 are an integral part of the interim condensed consolidated financial information.

ARAB PETROLEUM INVESTMENTS CORPORATION

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 **(US$000)**

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income for the period	**129,102**	120,739
Adjustment for:		
Depreciation	2,170	1,666
End-of-service benefits	792	945
Net interest income	(111,207)	(115,085)
Share of profit from associates	(4,167)	(5,194)
Unrealized gains from derivative valuation, net	1,293	210
Net gain on disposal of financial assets at FVOCI	(10,590)	(7,736)
(Gain) / Loss from sale of equipment	(30)	201
Dividend income	(13,058)	(22,514)
Impairment on financial instruments and others, net	(5,223)	10,373
Net amortisation of transaction fee	-	769
Changes in operating assets and liabilities		
Interest received	288,111	287,758
Loans and advances, net	(364,175)	(478,161)
Placements with banks	(618,576)	188,988
Investments held at FVTPL	31,056	(109,730)
Other assets	(487)	(1,288)
Other liabilities	(18,195)	(5,899)
Interest paid	(177,322)	(164,138)
Dividends received	13,000	20,022
Proceeds from deposits	(261,091)	(453,393)
End-of-service benefits paid	(541)	(90)
Net cash used in operating activities	**(1,119,138)**	(731,557)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments at FVOCI	(2,064,096)	(1,868,456)
Sale and redemption of investments at FVOCI	2,051,686	1,661,894
Purchase of equipment	(151)	(1,307)
Proceeds from sale of equipment	193	29
Net cash used in investing activities	**(12,368)**	(207,840)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from sukuk and bonds	2,081,808	1,244,633
Proceeds from term financing	150,000	-
Repayment against sukuk and bonds	(1,025,000)	(300,000)
Dividend paid	(16,670)	(3,084)
Net cash generated from financing activities	**1,190,138**	941,549
Net increase in cash and cash equivalents during the period	58,632	2,152
Cash and cash equivalent at the beginning of the period	137,016	211,575
Cash and cash equivalents at the end of the period (note 19)	**195,648**	213,727
Non-cash transactions		
Net changes in fair value and transfers to interim condensed consolidated statement of income	**(33,981)**	(45,351)

1 REPORTING ENTITY

Arab Petroleum Investments Corporation ("APICORP" or the "Corporation") is an Arab joint stock company established on 23 November 1975 in accordance with an international agreement signed and ratified by the ten member states of the Organization of Arab Petroleum Exporting Countries (OAPEC). The agreement defines the objectives of the Corporation as:

- participation in financing petroleum projects and industries, and in fields of activity which are derived there from, ancillary to, associated with, or complementary to such projects and industries; and

- giving priority to Arab joint ventures which benefit the member states and enhance their capabilities to utilise their petroleum resources and to invest their funds to strengthen their economic and financial development and potential.

Domicile and taxation
The Corporation is an international entity, and operates from its registered head office in Riyadh, Kingdom of Saudi Arabia. The establishing agreement states that APICORP is exempt from taxation in respect of its operations in the member states.

Activities
APICORP is independent in its administration and the performance of its activities and operates on a commercial basis with the intention of contributing to the development of its member states as well as generating net income. It operates from its registered head office in Riyadh, Kingdom of Saudi Arabia and through a banking branch in Manama, Kingdom of Bahrain. The Corporation's financing activities take the form of loans, equity investments and project and trading financing and fund investments as well as treasury investments. These activities are funded by shareholders' equity, term-financing from banks, bonds, sukuks, deposits from governments and corporates as well as short-term deposits from banks.

Subsidiaries

The interim condensed consolidated financial statements include the financial information of APICORP and its subsidiaries (together "the Group").

APICORP Sukuk Limited
The Corporation has set up a special purpose vehicle in 2015, APICORP Sukuk Limited, incorporated in Cayman Islands. It is a 100% owned subsidiary with the primary activity to issue Sukuk and related products.

APICORP Trading SPV Limited
The Corporation has set up a special purpose vehicle in 2019, APICORP Trading SPV Limited, incorporated in Cayman Islands. It is a 100% owned subsidiary set up primarily for the purpose of holding interest rate swap, foreign exchange and repurchase agreement deals.

APICORP Managed Investment Vehicle (MIV)
The Corporation has set up a special purpose vehicle, APICORP Managed Account Investment Vehicle L.P, incorporated in Cayman Islands. It is a 100% owned subsidiary. The MIV seeks to provide long-term capital gains and regular yield through the creation of a diversified, global portfolio of energy-related investments. As of the period, the MIV is under liquidation process and does not have any activity.

BMIF Polar Holdings Co-Invest Fund, L.P.
The Corporation has co-invest in a limited partnership set up during 2024 incorporated in the United Arab Emirates. It is a 99.98% owned subsidiary primarily for the purpose to co-invest alongside BMIF in the portfolio company, to share the profits and losses therefrom and engage in activities and conduct any other business.

1 REPORTING ENTITY (continued)

Share capital

The capital is denominated in shares of US$ 1,000 each and is owned by the governments of the ten OAPEC states as of 30 June 2025 and 31 December 2024 were as follows:

	(US$000)				
	Authorised Capital	**Subscribed capital**	**Issued and fully paid**	**Unissued Capital**	**Percentage**
United Arab Emirates	3,400,000	1,700,000	255,000	1,445,000	17%
Kingdom of Bahrain	600,000	300,000	45,000	255,000	3%
Democratic and Popular Republic of Algeria	1,000,000	500,000	75,000	425,000	5%
Kingdom of Saudi Arabia	3,400,000	1,700,000	255,000	1,445,000	17%
Syrian Arab Republic	600,000	300,000	45,000	255,000	3%
Republic of Iraq	2,000,000	1,000,000	150,000	850,000	10%
State of Qatar	2,000,000	1,000,000	150,000	850,000	10%
State of Kuwait	3,400,000	1,700,000	255,000	1,445,000	17%
Libya	3,000,000	1,500,000	225,000	1,275,000	15%
Arab Republic of Egypt	600,000	300,000	45,000	255,000	3%
	20,000,000	**10,000,000**	**1,500,000**	**8,500,000**	**100%**

2 BASIS OF PREPARATION

The interim condensed consolidated financial information has been prepared in condensed form in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting as endorsed in the Kingdom of Saudi Arabia. The interim condensed consolidated financial information does not include all of the information required for full annual consolidated financial statements and should be read in conjunction with the audited consolidated financial statements of the Group for the year ended 31 December 2024.

The Group presents the interim condensed consolidated statement of financial position in order of liquidity. Non-current assets include portion of loans and advances, portion of placement with banks, equity accounted investee, portion of investments, portion of positive fair value of derivatives, other assets and property and equipment. Cash and cash equivalents and portions of loans and advances, portion of placement with banks, portion of investments are considered as current assets. Current liabilities include deposits, portion of term financing, portion of negative fair value of derivatives and portion of sukuk and bond issued. Non-current liabilities include, portion of term financing, portion of negative fair value of derivatives, other liabilities and portion of sukuk and bonds issued.

The Group's functional and presentation currency is United States dollars (US$) because it is a supranational organisation with its capital and the majority of its transactions and assets denominated in that currency.

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (US$000)

2 BASIS OF PREPARATION (continued)

New standards, interpretations, and amendments
The following standards, interpretations or amendments are effective and are adopted by the Group but do not have an impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	**Description**	**Effective date**
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

New standards not yet effective
The International Accounting Standards Board (IASB) has issued the following standards and amendments which will become effective on or after 1 January 2026. The Group has opted not to early adopt these pronouncements, and they do not have a significant impact on the interim condensed consolidated financial statements of the Group.

Standard, interpretation, amendments	**Description**	**Effective date**
Amendments to IFRS 10 and IAS 28- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026
IFRS 18 - Presentation and Disclosure in Financial Statements	This standard sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure the entity provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	1 January 2027
IFRS 19 - Reducing subsidiaries` Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

A. MATERIAL ACCOUNTING POLICIES

The Group's accounting policies are consistent with those disclosed in the last audited consolidated financial statements for the year ended 31 December 2024. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements and have been consistently applied by the Group unless otherwise stated.

B. BASIS OF CONSOLIDATION

"Subsidiaries" are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights, to variable returns from its involvement with the investee company and has the ability to influence the returns through its power over the entity.

Special Purpose Entities (SPEs) are entities that are created to accomplish a narrow and well-defined objective such as the execution of a specific borrowing or investment transaction. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group:
1) the Corporation has power over the SPE and is exposed to or has rights to variable returns from its involvement with the SPE;

2) the Corporation has the ability to use its power over the SPE at inception; and

3) the Corporation can subsequently affect the amount of its return, the Corporation concludes that it controls the SPE.

The assessment of whether the Corporation has control over a SPE is carried out at inception and normally no further reassessment of control is carried out in the absence of changes in the structure or terms of the SPE, or additional transactions between the Corporation and the SPE, except whenever there is a change in the substance of the relationship between the Corporation and a SPE.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date on which control ceases. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All significant intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interest (NCI) are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners' equity of the Group.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resultant gain or loss is recognised in the consolidated statement of income. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, or when appropriate, the cost on initial recognition of an equity accounted investee.

3 FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

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

4 USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) **Judgements**

Classification of financial assets

Assessment of the business model within which the assets are held and assessment of whether contractual terms of the financial assets are SPPI on the principal amount outstanding.

Significant increase of credit risk

Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approvals of models used to measure ECL.

(ii) **Assumptions and estimation uncertainties**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of financial instruments

Determination of inputs into the expected credit losses (ECL) measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information.

In determining the appropriate level of ECLs the Group considered the macro-economic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date.

During 2025, the ECL model methodology, significant increase in credit risk (SICR) thresholds, and definition of default remain consistent with those used as at 31 December 2024.

The model inputs, including forward-looking information, scenarios, and associated weightings, were revised to reflect the current outlook.

The Group's models are calibrated to consider past performance and macroeconomic forward-looking variables as inputs. This includes consideration of significant government support and the high degree of uncertainty around historic long-term trends used in determining reasonable and supportable forward-looking information as well as the assessment of underlying credit deterioration and migration of balances to progressive stages.

The Group considers both qualitative and quantitative information in the assessment of significant increase in credit risk.

Measurement of fair value of financial instruments with significant unobservable inputs *(level 3)****.*** (Refer note 17).

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (US$000)

5 SEASONALITY OF OPERATION

Except for dividend income of US$ 13.1 million (30 June 2024: US$ 22.5 million) the Corporation doesn’t have any significant income of seasonal nature.

6 PLACEMENTS WITH BANKS, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
With Islamic financial institutions	250,000	30,000
With conventional financial institutions	661,896	195,356
Margin call accounts	11,677	79,641
Interest receivables	10,866	2,395
Expected credit loss	(4,089)	(78)
	930,350	307,314
Placements with banks less than 90 days maturity (note 19)	(108,208)	(67,357)
	822,142	239,957

7 LOANS AND ADVANCES, NET

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Islamic loans held at amortised cost	864,009	743,180
Conventional loans held at amortised cost	5,205,037	4,983,222
Interest receivable	45,263	41,970
Unamortized participation and upfront fees	(87,175)	(91,847)
	6,027,134	5,676,525
Expected credit losses	(98,410)	(115,269)
Loans and advances at amortised cost, net	**5,928,724**	5,561,256
Conventional loan held at FVTPL	43,536	43,536
	5,972,260	5,604,792

Below tables show the loans and advances breakdown of credit exposure and expected credit losses of loans and advances at amortized cost:

30 June 2025 (Unaudited)	**Performing**	**Non-performing**	**Gross**	**Expected credit losses**	**Loans and advances at amortised cost, net**
Islamic loans held at amortised cost	864,009	-	864,009	(22,071)	841,938
Conventional loans held at amortised cost	5,148,920	14,205	5,163,125	(76,339)	5,086,786
Total	**6,012,929**	**14,205**	**6,027,134**	**(98,410)**	**5,928,724**

31 December 2024 (Audited)	**Performing**	**Non-performing**	**Gross**	**Expected credit losses**	**Loans and advances at amortised cost, net**
Islamic loans held at amortised cost	743,180	-	743,180	(16,425)	726,755
Conventional loans held at amortised cost	4,906,985	26,360	4,933,345	(98,844)	4,834,501
Total	5,650,165	26,360	5,676,525	(115,269)	5,561,256

Performing loans are under stage 1 and stage 2 i.e. 12-month ECL and lifetime ECL not credit impaired, and the non-performing loans includes all the loans that are under stage 3 i.e. lifetime ECL credit impaired. FVTPL loan is also classified as performing.

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7 LOANS AND ADVANCES, NET (continued)

Below tables show the stage-wise breakdown of gross exposure and expected credit loss impairment allowance of loan and advances at amortized cost:

	30 June 2025 (Unaudited)							
	Gross exposure				**Allowance for impairment**			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Gross Exposure**	**12-month ECL**	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Allowance for impairment**
Islamic loans held at amortised cost	437,367	426,642	-	**864,009**	(1,651)	(20,420)	-	**(22,071)**
Conventional loans held at amortised cost	4,378,919	770,001	14,205	**5,163,125**	(23,043)	(39,091)	(14,205)	**(76,339)**
Total	**4,816,286**	**1,196,643**	**14,205**	**6,027,134**	**(24,694)**	**(59,511)**	**(14,205)**	**(98,410)**

	31 December 2024 (Audited)							
	Gross exposure				Allowance for impairment			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Allowance for impairment
Islamic loans held at amortised cost	490,890	252,290	-	743,180	(200)	(16,225)	-	(16,425)
Conventional loans held at amortised cost	4,077,740	829,245	26,360	4,933,345	(11,371)	(61,113)	(26,360)	(98,844)
Total	4,568,630	1,081,535	26,360	5,676,525	(11,571)	(77,338)	(26,360)	(115,269)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (US$000)

7 LOANS AND ADVANCES, NET (continued)

Movement of gross loan exposure for Islamic loans is as follows:

	30 June 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Gross Exposure**
Opening balance at 1 January 2025	490,890	252,290	-	743,180
Transfer to life-time ECL, not credit impaired	-	-	-	-
New loans and advances originated	149,019	205,389	-	354,408
Loans and advances settled	(202,542)	(31,037)	-	(233,579)
Balance as at 30 June 2025	**437,367**	**426,642**	**-**	**864,009**

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2024	433,492	267,222	-	700,714
Transfer to life-time ECL, not credit impaired	(240,000)	240,000	-	-
New loans and advances originated	359,869	-	-	359,869
Loans and advances settled	(62,471)	(254,932)	-	(317,403)
Balance as at 31 December 2024	490,890	252,290	-	743,180

Movement on expected credit loss impairment allowance for Islamic loans is as follows:

	30 June 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening allowance at 1 January 2025	200	16,225	-	16,425
Net charge for the period	1,451	4,195		5,646
Balance as at 30 June 2025	**1,651**	**20,420**	**-**	**22,071**

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2024	260	14,457	-	14,717
Transfer to life-time ECL, not credit impaired	(15,010)	15,010	-	-
Net reversal for the year	14,950	(13,242)	-	1,708
Balance as at 31 December 2024	200	16,225	-	16,425

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (US$000)

7 LOANS AND ADVANCES, NET (continued)

Movement of gross loan exposure for Conventional loans is as follows:

	30 June 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Gross Exposure**
Opening balance at 1 January 2025	4,077,740	829,245	26,360	4,933,345
Transfer to life-time ECL, not credit impaired	(37,916)	48,795	(10,879)	-
New loans and advances originated	490,956	-	-	490,956
Loans and advances settled	(151,861)	(108,039)	(1,276)	(261,176)
Balance as at 30 June 2025	**4,378,919**	**770,001**	**14,205**	**5,163,125**

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2024	3,191,377	775,183	36,526	4,003,086
Transfer to life-time ECL, not credit impaired	(584,995)	584,995	-	-
New loans and advances originated	2,001,730	-	-	2,001,730
Loans and advances settled	(530,372)	(530,933)	(10,166)	(1,071,471)
Balance as at 31 December 2024	4,077,740	829,245	26,360	4,933,345

Movement on expected credit loss impairment allowance for conventional loans is as follows:

	30 June 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening allowance at 1 January 2025	11,371	61,113	26,360	98,844
Transfer to life-time ECL, not credit impaired	(94)	10,973	(10,879)	-
Net charge / (reversal) for the period	11,766	(32,995)	(1,276)	(22,505)
Balance as at 30 June 2025	**23,043**	**39,091**	**14,205**	**76,339**

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2024	3,741	42,380	36,526	82,647
Transfer to life-time ECL, not credit impaired	(127,639)	127,639	-	-
Net charge / (reversal) for the year	135,269	(108,906)	(10,166)	16,197
Balance as at 31 December 2024	11,371	61,113	26,360	98,844

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8 INVESTMENTS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Debt securities at FVOCI		
Treasury bills	1,149,744	1,224,190
Fixed-rate bonds	1,321,215	1,198,497
Floating-rate bonds	73,251	148,287
Interest receivable	20,421	17,272
	2,564,631	2,588,246
Islamic		
Fixed-rate bonds	632,075	582,972
Floating-rate bonds	13,478	6,740
Interest receivable	4,014	7,134
	649,567	596,846
Total debt securities at FVOCI	**3,214,198**	3,185,092
Equity securities at FVOCI		
Unlisted equities	928,932	913,815
Listed equities	92,695	102,346
	1,021,627	1,016,161
Total equity securities at FVOCI		
Investments at FVTPL		
Debt securities – Islamic	400	10,438
– Conventional	774	37,775
Managed funds	305,209	273,303
Listed equities	179,702	195,625
Total investments at FVTPL	**486,085**	517,141
	4,721,910	4,718,394

Interest receivable on fixed-rate bonds and floating-rate bonds amounts to USD 24.6 million (2024: USD 23.6 million) and USD 0.3 million (2024: USD 0.8 million) respectively.

The Group has designated investment in equity securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for long-term purposes. The Group has transferred the cumulative gain within equity relating to the disposal of equity securities at FVOCI amounting to Nil (30 June 2024: US$ 2.2 million).

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8 INVESTMENTS (continued)

Debt Securities at FVOCI:
The following table further explains changes in gross carrying amount of the debt instruments measured at FVOCI to help explain their significance to the changes in the provision for ECL of the same portfolio.

	30 June 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening balance at 1 January 2025	3,035,953	133,862	15,277	3,185,092
Purchase of new investments	2,056,404	7,692	-	2,064,096
Disposals and maturities during the period	(1,921,967)	(97,912)	(1,651)	(2,021,530)
Write-off	-	-	(13,460)	(13,460)
Balance as at 30 June 2025	**3,170,390**	**43,642**	**166**	**3,214,198**

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	**Total**
Opening balance at 1 January 2024	2,739,128	179,234	15,040	2,933,402
Transfer to life-time ECL not credit impaired	(11,632)	11,632	-	-
Transfer to life-time ECL credit impaired	(277)	-	277	-
Purchase of new investments	4,030,002	17,297	-	4,047,299
Disposals and maturities during the year	(3,721,268)	(74,301)	(40)	(3,795,609)
Balance as at 31 December 2024	3,035,953	133,862	15,277	3,185,092

An analysis of changes in provision for ECL of debt instruments measured at FVOCI, is as follows:

	30 June 2025 (Unaudited)			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening allowance at 1January 2025	1,726	3,910	15,277	20,913
Write off	-	-	(13,460)	(13,460)
Net charged for the period	(775)	(2,196)	(1,651)	(4,622)
Balance as at 30 June 2025	**951**	**1,714**	**166**	**2,831**

	31 December 2024 (Audited)			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	**Total**
Opening balance at 1 January 2024	812	4,969	9,024	14,805
Transfer to life-time ECL not credit impaired	(213)	213	-	-
Purchase of new investments	(277)	-	277	-
Disposals and maturities during the year	1,404	(1,272)	5,976	6,108
Balance as at 31 December 2024	1,726	3,910	15,277	20,913

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8 INVESTMENTS (continued)

Investments at FVTPL:

Investments at FVTPL movement:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at 1 January	517,141	293,020
Purchases during the period / year	66,588	253,787
Sold during the period / year	(94,039)	(63,508)
Fair value changes	(3,605)	33,842
Balance at 31 December	**486,085**	517,141

All the investment at FVTPL are classified as performing. Performing investments are those that are expected to generate returns in line with projections.

8 (a) Securities sold under agreements to repurchase:

The Group enters into collateralised borrowing transactions (repurchase agreements) in the ordinary course of its financing activities. Collateral is provided in the form of debt securities at FVOCI. At 30 June 2025, the fair value of debt investment at FVOCI pledged as collateral under repurchase agreements was US$ 499 million (31 December 2024: US$ 493 million). These transactions are conducted under the terms that are usual and customary to standard securities borrowings and lending activities. The increase in the amount of debt securities used as collateral under repurchase agreements is primarily driven by the Group's financing needs.

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9 EQUITY ACCOUNTED INVESTEES, NET

30 June 2025 (Unaudited)	Note	Al Khorayef United Holding	Intra Taf Holding	Metito Utilities Limited	Total
Opening balance at 1 January 2025		41,770	20,419	34,000	**96,189**
Share of profit for the period		2,276	1,462	429	**4,167**
Dividends paid during the period		-	(560)	-	**(560)**
Change in foreign exchange value		211	-	-	**211**
Balance as at 30 June 2025		**44,257**	**21,321**	**34,429**	**100,007**

31 December 2024 (Audited)	Note	GC-16 JV	Al Khorayef United Holding	Intra Taf Holding	Metito Utilities Limited	Total
Opening balance at 1 January 2024		1,282	34,144	19,003	-	54,429
Purchases		-	-	-	34,000	34,000
Settlement of JV on liquidation	9.1	(1,282)	-	-	-	(1,282)
Share of profit for the year		-	5,528	3,456	-	8,984
Dividends paid during the year		-	-	(2,040)	-	(2,040)
Change in foreign exchange value		-	2,098	-	-	2,098
Balance as at 31 December 2024		-	41,770	20,419	34,000	96,189

9.1 In the previous year ended 31 December 2024, the Group liquidated its investment in GC-16 JV.

10 DEPOSITS

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Deposits from banks	347,640	492,000
Deposits from corporates	2,568	122,513
Deposits from shareholders	161,356	158,142
Interest payable	1,471	1,977
	513,035	774,632

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11 TERM FINANCING

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
US$ 500 million loan 2023 - 2026	500,000	500,000
US$ 200 million loan 2023 - 2026	200,000	200,000
US$ 500 million loan 2024 – 2030	500,000	500,000
US$ 250 million loan 2024 – 2028	250,000	250,000
US$ 150 million loan 2025 – 2030	150,000	-
Interest payable	6,092	5,955
	1,606,092	1,455,955

Movement of term financing during the period / year is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	1,455,955	957,578
Proceeds during the period / year	150,000	500,000
Interests expense during the period / year	37,588	60,188
Repayments during the period / year	(37,451)	(61,811)
Balance at the end of the period / year	**1,606,092**	1,455,955

12 SUKUK AND BONDS ISSUED

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
US Public bond issued *	2,252,026	1,949,413
US Public green bond issued *	1,500,794	1,463,963
US Private placement issued	719,652	445,150
CNH Private placement issued	372,106	357,969
GBP Private placement issued	413,511	198,479
EUR Private placement issued	488,544	158,173
Interest payable	52,845	28,828
	5,799,478	4,601,975

*These sukuk and bonds were issued and listed in Irish Stock Exchange plc trading as Euronext Dublin ("Euronext Dublin").

The bonds issued include Green Bonds of US$ 1,500 million (31 December 2024: US$ 1,500 million). The outstanding balance related to those bonds is US$ 1,500 million as of 30 June 2025 (31 December 2024: US$ 1,470 million).

During the period ended on 30 June 2025, the Group issued the following:

- Fixed-rate bond worth US $ 650 million having a maturity of 5 years, which is fully drawn.
- Fixed-rate bond worth US $ 600 million having a maturity of 3 years, which is fully drawn.

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025 (US$000)

12 SUKUK AND BONDS ISSUED (continued)

The issued green bonds were obtained in September 2021 & May 2024 and mature in September 2026 & May 2029 (Tenor: 5 years). The proceeds from any of the Green Bonds will exclusively be used to finance, refinance and/or invest in whole or in part, new or existing projects under development and/or projects in operation from any of the Eligible Green Categories. All Eligible Green Projects are expected to provide significant environmental benefits towards Climate Change Mitigation while avoiding significant harm to either Climate Change Adaptation, Sustainable Use of Water Resources, the Transition to a Circular Economy, Pollution Prevention and Control and Biodiversity Preservation.

The Group commits to comply with the Green Bond Framework which is in accordance with the International Capital Markets Association ("ICMA") Green Bond Principles and UN Sustainable Development Goals ("SDGs").

Movement of sukuks and bonds issued during the period / year is as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at the beginning of the period / year	4,601,975	3,653,558
Proceeds during the period / year	2,081,808	1,572,008
Interest expense during the period / year	140,695	270,541
Repayments during the period / year	(1,025,000)	(894,132)
Balance at the end of the period / year	**5,799,478**	4,601,975

13 COMMITMENTS AND GUARANTEES

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Commitments to underwrite and fund loans	1,854,347	2,106,362
Letters of credit	160,173	260,917
Letters of guarantee	314,947	372,591
Expected credit losses	(26,025)	(13,778)
	2,303,442	2,726,092
Commitments to subscribe capital investments	170,849	192,023
Other commitments	1,819	2,056
	2,476,110	2,920,171

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13 COMMITMENTS AND GUARANTEES (continued)

The following table shows reconciliations from the opening to the closing balance of the gross exposure of credit commitments and contingencies:

	30 June 2025			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total Gross Exposure**
Opening balance at 1 January 2025	2,447,132	292,738	-	2,739,870
Transfer to life-time ECL, not credit impaired	-	-	-	-
Net commitments – issued / expired and matured during the year	(325,095)	(85,308)	-	(410,403)
Balance as at 30 June 2025	**2,122,037**	**207,430**	**-**	**2,329,467**

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January 2024	1,851,878	462,762	-	2,314,640
Transfer to life-time ECL, not credit impaired	(176,587)	176,587	-	-
Net commitments – issued / expired and matured during the year	771,841	(346,611)	-	425,230
Balance as at 31 December 2024	2,447,132	292,738	-	2,739,870

The Group has expected credit losses against commitments and guarantees of US$ 26.0 million as of 30 June 2025 (31 December 2024: US$ 13.8 million). The movement of expected credit losses related to commitments and guarantees is as below:

	30 June 2025			
	12-month ECL	**Lifetime ECL not credit impaired**	**Lifetime ECL credit impaired**	**Total**
Opening allowance at 1January 2025	**3,238**	**10,540**	**-**	**13,778**
Transfer to life-time ECL, not credit impaired	-	-	-	-
ECL on newly originated commitments and guarantees	1,169	284		1,453
Net charge for the year	5,130	5,664		10,794
Balance as at 30 June 2025	**9,537**	**16,488**	**-**	**26,025**

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1January 2024	1,796	11,971	-	13,767
Transfer to life-time ECL, not credit impaired	(3,283)	3,283	-	-
ECL on newly originated commitments and guarantees	705	3,030	-	3,735
Net (reversal) / charge for the year	4,020	(7,744)	-	(3,724)
Balance as at 31 December 2024	3,238	10,540	-	13,778

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14 DERIVATIVE FINANCIAL INSTRUMENTS

Fair value hedges

The Group enters into fixed-for-floating-interest-rate swaps to manage the exposure to changes in fair value due to movements in market interest rates on certain fixed rate financial instruments which are not measured at fair value through profit or loss, including debt securities held and issued.

Other derivatives held for risk management

The Group uses derivatives, not designated in qualifying accounting hedge relationship, to manage its exposure to market risks. The Group enters into foreign exchange forward contracts to manage against foreign exchange fluctuations. Fair values of the forward currency contracts are estimated based on the prevailing market rates of interest and forward rates of the related foreign currencies, respectively.

The derivatives are valued based on observable inputs. The fair values of derivative financial instruments held by the Group as at 30 June are provided below:

The tables below summarise the positive and negative fair values of derivative financial instruments, together with the notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the period/year-end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group's exposure to credit risk, which is generally limited to the positive fair value of the derivatives, nor market risk.

30 June 2025 (Unaudited)	**Positive fair value**	**Negative fair value**	**Notional amount total**	**Within 3 months**	**3-12 months**	**1-5 years**	**Over than 5 years**
Held as fair value hedges:							
Interest rate swaps	198,344	124,032	7,894,025	1,016,800	1,391,482	4,883,963	601,780
Foreign currency	-	339	38,196	38,196	-	-	-
Total	**198,344**	**124,371**	**7,932,221**	**1,054,996**	**1,391,482**	**4,883,963**	**601,780**

31 December 2024 (Audited)	Positive fair value	Negative fair value	Notional amount total	Within 3 months	3-12 months	1-5 years	Over than 5 years
Held as fair value hedges:							
Interest rate swaps	87,385	172,096	6,635,458	7,000	1,226,200	4,916,017	486,241
Foreign currency	890	-	19,000	19,000	-	-	-
Total	88,275	172,096	6,654,458	26,000	1,226,200	4,916,017	486,241

15 IMPAIRMENT LOSS ON FINANCIAL INSTRUMENTS, NET

	30 June 2025 (Unaudited)	30 June 2024 (Unaudited)
Placements with banks	(4,011)	6
Loans and advances (Note 7)	16,859	(11,377)
Debt securities at FVOCI	4,622	2,123
Loan commitments and financial guarantees	(12,247)	(1,125)
	5,223	(10,373)

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16 RELATED PARTY TRANSACTIONS AND BALANCES

The Corporation's principal related parties are its shareholders. Other related parties are entities owned by shareholders. Although the Group does not transact any commercial business directly with the shareholders themselves, it is engaged in financing activities with companies, which are either controlled by the shareholder governments or over which they have significant influence.

	Affiliates	Shareholders	Key management
Assets			
30 June 2025 (Unaudited)			
Loans outstanding – net	3,666,326	-	-
Commitments to underwrite and fund loans – net	416,850	-	-
Investments & Commitments	1,451,054	-	-
31 December 2024 (Audited)			
Loans outstanding – net (note 21)	3,849,652	-	-
Commitments to underwrite and fund loans - net	638,756	-	-
Investments & Commitments (note 21)	1,431,856	-	-
Liabilities			
30 June 2025 (Unaudited)			
Deposits	2,568	161,356	-
Term financing	500,000	-	-
Dividend payable	5,492	-	-
31 December 2024 (Audited)			
Deposits	122,513	158,142	-
Term financing	500,000	-	-
Dividend payable	22,162	-	-

Significant transactions with related parties in the ordinary course of business included in the interim condensed consolidated financial information are summarized below:

	Affiliates	Shareholders	Key management
Profit and Loss			
30 June 2025 (Unaudited)			
Interest expense	13,556	3,569	-
Interest income	124,827	-	-
Expected credit losses reversal	(15,441)	-	-
Fees and dividends	14,014	-	-
Salaries, end of service benefits	-	-	2,456
Board of directors' remunerations and related committees	-	-	1,904
30 June 2024 (Unaudited)			
Interest expense	24,399	4,068	-
Interest income	134,933	-	-
Expected credit losses reversal	(1,186)	-	-
Fees and dividends	22,629	-	-
Salaries, end of service benefits	-	-	1,893
Board of directors' remunerations and related committees	-	-	1,812

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17 FAIR VALUES OF FINANCIAL INSTRUMENTS

a) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary 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.

b) Fair value hierarchy

The Group uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data.
- Level 3: Valuation techniques for which any significant input is not based on observable market data.

The table below analyses financial instruments, measured at fair value as at the end of the period, by level in the fair value hierarchy into which the fair value measurement is categorized:

30 June 2025 (Unaudited)	**Carrying Value**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value					
Loans and advances at FVTPL	43,536	-	-	43,536	**43,536**
Debt securities at FVOCI:					
- *Treasury Bills*	1,149,744	-	1,149,744	-	**1,149,744**
- *Fixed-rate bonds*	1,953,290	-	1,953,290	-	**1,953,290**
- *Floating-rate bonds*	86,729	-	86,729	-	**86,729**
Investments at FVTPL					
Debt securities	1,174	1,174	-	-	**1,174**
Managed funds	305,209	-	151,869	153,340	**305,209**
Listed equities	179,702	179,702	-	-	**179,702**
Equity securities at FVOCI					
Unlisted equities	928,932	-	-	928,932	**928,932**
Listed equities	92,695	92,695	-	-	**92,695**
Positive fair value of derivatives	198,344	-	198,344	-	**198,344**
	4,939,355	**273,571**	**3,539,976**	**1,125,808**	**4,939,355**
Financial liabilities measured at fair value					
Negative fair value of derivatives	**124,371**	**-**	**124,371**	-	**124,371**

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17 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

b) Fair value hierarchy (continued)

The table below analyses financial instruments, measured at fair value as at the end of the period, by level in the fair value hierarchy into which the fair value measurement is categorized:

31 December 2024 (Audited)	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Loans and advances at FVTPL	43,536	-	-	43,536	43,536
Debt securities at FVOCI:					
- *Treasury Bills*	1,224,190	-	1,224,190	-	1,224,190
- *Fixed-rate bonds*	1,781,469	-	1,781,469	-	1,781,469
- *Floating-rate bonds*	155,027	-	155,027	-	155,027
Investments at FVTPL					
Debt securities	48,213	48,213	-	-	48,213
Managed funds	273,303	-	143,974	129,329	273,303
Listed equities	195,625	195,625	-	-	195,625
Equity securities at FVOCI					
Unlisted equities	913,815	-	-	913,815	913,815
Listed equities	102,346	102,346	-	-	102,346
Positive fair value of derivatives	88,275	-	88,275	-	88,275
	4,825,799	346,184	3,392,935	1,086,680	4,825,799
Financial liabilities measured at fair value					
Negative fair value of derivatives	172,096	-	172,096	-	172,096

The fair values of commission bearing deposits, sukuk and bond issued, term financing loan and advances and other financial instruments which are carried at amortized cost, are not significantly different from the carrying values included in the interim condensed consolidated financial information, since the current market commission rates for similar financial instruments are not significantly different from the contracted rates, and due to the short duration of these financial instruments. An active market for these instruments is not available and the Group intends to realize the carrying value of these financial instruments through settlement with the counter party at the time of their respective maturities.

The valuation technique and significant unobservable inputs are as follows:

1) **Investment held at FVOCI and Sukuks, bonds & equities**
   Fair valued using the broker quoted prices or estimating present value by discounting cash flows using adjusted discount rate, revenue and market multiple.
2) **Forward foreign exchange contracts**
   Fair valued using discounted Notional techniques that use observable market data inputs for Foreign Exchange (FX) and yield curves.
3) **Interest rate swaps and equities**
   The fair value is determined by discounting the future cash flows using observable market data inputs for yield curves. Listed equity securities are fair valued based on market prices as available on stock exchange.

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17 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

b) Fair value hierarchy (continued)

Movement on Level 3 fair values are as follows:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Balance at beginning of the period / year	**1,086,680**	1,074,367
Total gains or losses:		
In statement of comprehensive income	**15,905**	(77,706)
In profit and loss	**2,049**	15,357
Purchases	**21,174**	93,157
Sold	**-**	(18,495)
Balance at end of the period / year	**1,125,808**	1,086,680

There were no transfers between the levels of fair value hierarchies during the period.

18 SEGMENT ANALYSIS

Reportable segments
Operating segments are identified based on management's view of the business.

The Group's reportable segments under IFRS 8 *Operating Segments* are therefore as follows:

Corporate banking – caters mainly to the banking requirements of corporate and institutional banking.

Equity Investments – includes activities of the Group's equity securities, investment in its associates and subsidiaries.

Treasury and Capital markets – manages the Group's liquidity, currency, and interest rate risks. It is also responsible for funding the Group's operations and managing the Group's fixed income portfolio and liquidity position. This segment also holds the capital for the group and manages deployment for the same.

Others – assets and liabilities held centrally which are not directly attributed to any of the above business lines. This also includes overall general and administrative expenses, which are not allocated to respective business segments.

30 June 2025 (Unaudited)	**Corporate Banking**	**Equity Investments**	**Treasury and Capital Markets**	**Others**	**Total**
Segment assets	**5,928,724**	**1,495,341**	**4,387,902**	**230,441**	**12,042,408**
Segment liabilities	**-**	**-**	**8,365,336**	**228,439**	**8,593,775**
Interest income	207,625	-	107,732	-	**315,357**
Interest expense	(150,952)	-	(53,198)	-	**(204,150)**
Net interest income	56,673	-	54,534	-	**111,207**
Non-interest income	17,775	11,137	10,856	-	**39,768**
Operating income	**74,448**	**11,137**	**65,390**	**-**	**150,975**
Operating expenses	-	-	-	(27,096)	**(27,096)**
Impairment reversal	4,612	-	611	-	**5,223**
Net income / (loss) for the period	**79,060**	**11,137**	**66,001**	**(27,096)**	**129,102**

Attributable to:

Shareholders of the Corporation	**129,102**
Non-controlling interests	**-**

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18 SEGMENT ANALYSIS (continued)

31 December 2024 (Audited)	Corporate Banking	Equity Investments	Treasury and Capital Markets	Others	Total
Segment assets	5,756,687	1,477,691	3,561,970	121,656	10,918,004
Segment liabilities	-	-	7,279,347	285,129	7,564,476
Interest income	433,564	-	198,697	-	632,261
Interest expense	(328,514)	-	(86,319)	(1,244)	(416,077)
Net interest income	105,050	-	112,378	(1,244)	216,184
Non-interest income	13,731	89,207	12,269	26,051	141,258
Operating income	118,781	89,207	124,647	24,807	357,442
Operating expenses	-	-	-	(67,712)	(67,712)
Impairment charge	(17,916)	-	(6,152)	-	(24,068)
Net income / (loss) for the year	100,865	89,207	118,495	(42,905)	265,662

Attributable to:

Shareholders of the Corporation	265,663
Non-controlling interests	(1)

19 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed consolidated statement of cash flows comprise the following:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash and bank balances	87,440	69,659
Placements with banks maturing within ninety days of acquisition	108,208	67,357
Total	**195,648**	137,016

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20 CAPITAL ADEQUACY

The Group uses the standardized approach of Basel III to calculate the Risk Weighted Assets (RWAs) and Pillar -1 capital (including Credit Risk, Market Risk and Operational Risk).

The Group's capital base primarily comprises:

Common Equity Tier 1 capital (CET 1) of the Group comprises share capital, statutory reserve, other reserves, proposed dividend, retained earnings, Tier 1 eligible debt securities, foreign currency translation reserve and non-controlling interests less treasury shares, goodwill, intangible assets and other prescribed deductions.

Tier 2 Capital includes expected credit losses.

The following table summarizes the Group's Pillar-1 Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
CET 1 Capital	**3,448,629**	3,353,508
Tier 2 Capital	**124,435**	129,047
Total capital base	**3,573,064**	3,482,555
Risk weighted assets	**12,052,022**	11,958,917
Common equity tier 1 ratio	**28.61%**	28.04%
Tier 1 capital ratio	**28.61%**	28.04%
Capital adequacy ratio	**29.65%**	29.12%

21 COMPARATIVE FIGURES

Certain prior period figures have been reclassified to conform with the current period's presentation.

Following the Group's re-evaluation of the presentation of certain balances in the annual consolidated financial statements as of 31 December 2024, the loss of US$ 6.0 million as of 30 June 2024 was reclassified from Other (loss)/income, net to Net change in fair value of financial assets at FVTPL.

22 APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

This interim condensed consolidated financial information was approved by the Board of Directors of the Group on 6 September 2025.