

# Annual Report

2025

A Year of Innovative Investments

# About this Report

BNH presents its Annual Financial and Sustainability Report (the "Report") for the year 2025, summarising the Company's financial performance as well as its progress on key material environmental, social and governance (ESG) topics.

## Reporting Boundary

This Report covers the Business activities and the consolidated financial performance of BNH during the period from 1 January 2025 to 31 December 2025 unless otherwise stated.

## Reporting Frameworks

The Report has been prepared in accordance with recognised reporting standards and frameworks. These include:

- The International Financial Reporting Standards ("IFRS")
- Bahrain Commercial Companies Law ("BCCL") No. 21 of 2001 and its amendments
- Corporate Governance Code of Bahrain ("CGC")
- The Central Bank of Bahrain ("CBB") and Financial Institutions Law 2006
- CBB Rulebook – Volume 6
- Bahrain Bourse Listing Rules
- The CBB ESG rulebook and requirements module 2023 and all other applicable rules and regulations issued by the CBB
- The ESG Reporting Guide of the Bahrain Bourse and its 32 ESG metrics, where relevant

## Feedback

BNH welcomes any feedback that may support the enhancement of our reporting. Readers can submit comments and questions via the following channels:

- **Email:** [bnh@bnh.bh](mailto:bnh@bnh.bh)
- **Phone:** +973 1758 7300
- **LinkedIn, Instagram:** [bnh\\_group](#)

## Bahrain National Holding B.S.C.

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Seef Business District  
P.O Box. 843, Kingdom of Bahrain

[www.bnh.bh](http://www.bnh.bh)



To view the 2025 Annual Financial & Sustainability Report in PDF format, please visit [www.bnh.bh/investor-relations](http://www.bnh.bh/investor-relations)



His Highness  
**Shaikh Isa bin Salman Al Khalifa**

Late Amir



His Majesty  
**King Hamad bin Isa Al Khalifa**

The King of the Kingdom  
of Bahrain



His Royal Highness  
**Prince Salman bin Hamad Al Khalifa**

Crown Prince and Prime  
Minister of the Kingdom of Bahrain

# Contents

<b>04</b>	<b>06</b>	<b>08</b>
BNH Overview	Chairman's Message	Group CEO's Message
<b>10</b>	<b>14</b>	<b>16</b>
About BNH	Bahrain Economic Overview 2025	Financial Highlights
<b>22</b>	<b>23</b>	<b>24</b>
Subsidiaries	Associates	A Compelling Transition
<b>26</b>	<b>30</b>	<b>46</b>
Corporate Governance	Board of Directors	Executive Management
<b>60</b>	<b>62</b>	<b>168</b>
Organisation Structure & Contacts	Financial Report	Sustainability at BNH
<b>170</b>	<b>182</b>	<b>192</b>
Environment	Social & Community	Governance

# BNH Overview



# Chairman's Message



Throughout the year, we have strengthened our foundations, advanced our strategic priorities, and embraced opportunities that position us for sustainable progress.

**Abdulhusain Khalil Dewani**  
Chairman

## Dear Shareholders

On behalf of the Board of Directors, it is my pleasure to welcome you to Bahrain National Holding Company's Annual Report of 2025.

This report reflects not only our financial performance over the past year, but also our continued commitment to resilience, responsible growth, and long-term value creation. Despite an evolving economic landscape, BNH has remained steadfast in its purpose: guided by sound governance, disciplined investment strategy, and the trust you have placed in us.

Throughout the year, we have strengthened our foundations, advanced our strategic priorities, and embraced opportunities that position us for sustainable progress. These achievements reflect the dedication of the BNH team and the continued confidence of our shareholders and partners.

As you review this report, I invite you to reflect on the milestones achieved and the ambitions ahead. With clarity of vision and unity of purpose, we remain committed to delivering performance with integrity and shaping a future of continued growth for BNH and the Kingdom of Bahrain.

On behalf of the Board of Directors, I would like to extend our heartfelt appreciation and gratitude to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, for their visionary leadership and unwavering support of the Kingdom's financial sector. We also wish to express our thanks to the ministries, institutions, and government agencies, particularly the Ministry of Industry and Commerce, the Central Bank of Bahrain, the Ministry of Finance, Tamkeen, and the Bahrain Bourse, for their valuable guidance and ongoing support. Furthermore, we would like to acknowledge and thank our shareholders and business partners for their confidence in us. Our gratitude also goes to the Board of Directors, Executive Management, and all employees for their dedication and commitment throughout 2025.

# Group CEO's Message



BNH made significant progress in achieving key strategic goals designed to drive sustainable shareholder returns, as promised with BNH's new direction as an investment holding platform. 2025 was a year of remarkable achievement that positions BNH for future growth.

**Raed Abdulla Fakhri**  
Group CEO

It is with great pride that I present to you the Annual Report for Bahrain National Holding (BNH) for the fiscal year ended December 31, 2025.

I would like to begin by expressing my sincere appreciation to all our stakeholders who contributed to BNH achieving such a remarkable result at the close of 2025. Underpinning this unprecedented performance is our focus on active portfolio management approach and disciplined execution towards managing capital.

Key milestones included the successful completion of the sale of our insurance businesses and an investment in the UAE's healthcare landscape.

I reiterate that managing our capital effectively to deliver shareholder returns is our utmost priority. BNH's assets under management and equity (net worth) continue to increase year on year, and our portfolio of assets continue to perform well.

Looking forward, BNH's strong liquidity position and financial flexibility, will enable us to redeploy the proceeds towards high return assets, in line with our investment priorities. I look forward to building on this momentum in 2026.

# About BNH

Bahrain National Holding (“BNH”) has a legacy spanning generations, with roots dating back to 1969. As an investment holding company, we are committed to growing assets under management and maximizing sustainable returns for our shareholders.

Our growth strategy is built on forging alliances, leveraging our deep investment expertise, and utilizing our extensive network to drive value.

People remain at the core of our philosophy. We are committed to developing, empowering, and rewarding our teams, recognising that they are fundamental to the success of our operations. Our strategy is designed around agility, capital discipline, and scalable impact, enabling us to capture emerging opportunities and strengthen our market position.

Deploying principal capital at our core, we selectively identify and execute transactions that support BNH’s long-term success in an evolving investment landscape.

## Activities



### Direct Investments

At Bahrain National Holding, we are committed to maximizing value creation, both within our existing portfolio and through strategic mergers and acquisitions. Our Direct Investments strategy prioritises strong capital gains and sustainable cash flow to enhance shareholder returns and drive sustainable long-term growth.

### Marketable Portfolio

Our investment approach is driven by a robust Strategic Asset Allocation framework designed to achieve long-term objectives. Guided by an investment philosophy that encourages forward-looking analysis and recognises the power of time and compounding while adhering to a strong governance and risk management framework.

## Treasury

Bahrain National Holding has consistently demonstrated a proven track record in cash and liquidity management. Our treasury team's strategic approach has allowed us to maximise returns while carefully managing liquidity and risk. By leveraging deep expertise, a robust network of shareholders and stakeholders, and a commitment to market-leading best practices, we ensure strong performance and financial flexibility

## Real Estate

Bahrain National Holding manages a focused real estate portfolio that supports long-term value creation. Key assets include the 10-storey BNH Tower in Seef District area, in the heart of the favorite business spot in Kingdom of Bahrain, with spacious office spaces.



# BNH Overview

With a heritage that traces back to 1969, Bahrain National Holding B.S.C. (BNH) is a leading Bahraini organization, renowned for securing the trust of both local and regional shareholders over the years, thanks to its experience and track record. Today, BNH is a household name in the Kingdom of Bahrain.

Emerging from a strategic merger between Bahrain Insurance Company and National Insurance Company in 1998, BNH has since grown as a publicly traded company listed on the Bahrain Bourse.



## Subsidiaries:



- iAssist Middle East W.L.L.

## Associates



- Al Kindi Hospital B.S.C. (c)
- National Finance House B.S.C. (c)
- Health 360 Ancillary Services W.L.L.

## Promise

We commit to responsible growth, transparent reporting, and delivering long-term value for our shareholders and community.

## Mission

Continuously generate value for all stakeholders, through active ownership and diversification.

## Vision

The investment holding platform of choice.

## Values

Trust, Collaboration, Growth

# Dear Shareholders



Board of Directors ("BOD") of Bahrain National Holding B.S.C. ("BNH"), we are pleased to present the Annual Report for the year ended 31 December 2025, highlighting BNH's key achievements and financial performance during the year.



Bahrain's economy continued to demonstrate resilience and gradual diversification throughout the year, supported by prudent fiscal management, structural reforms, and sustained non-oil sector growth. The Kingdom remains focused on strengthening its economic fundamentals while navigating a complex global environment characterised by geopolitical uncertainty, evolving monetary conditions, and moderate global growth.

The non-oil sector remains the primary driver of economic activity, underpinned by stable performance across financial services, manufacturing, logistics, tourism, and real estate. Ongoing investments in infrastructure, digital transformation, and human capital development has further supported private-sector expansion and improved productivity across key industries.

The financial services sector remains a cornerstone of the economy, benefiting from Bahrain's well-established regulatory framework, established banking ecosystem, and expanding presence in Islamic finance and fintech. Manufacturing activity, particularly in aluminum-related industries, continues to contribute meaningfully to exports and employment.

Bahrain's continued commitment to fiscal consolidation and sustainability reflects a balanced approach between growth-supportive spending and revenue-enhancing measures. The sustained implementation of fiscal reforms and disciplined expenditure management reinforces Bahrain's economic outlook and strengthens its competitiveness in the years ahead.



# Bahrain Economic Overview 2025

# Financial Highlights



# Financial Performance

## BNH Financial Performance 2025

During 2025, BNH delivered a one-time record financial performance, reflecting continued progress in executing our long-term strategy. The strength of BNH's balance sheet, disciplined capital allocation, and prudent risk management underpin our focus on long-term value creation for all stakeholders.

BNH remains well positioned to capture growth opportunities while maintaining flexibility and agility in capital deployment through its "Three Pillars" – Direct Investments, Marketable Portfolio and Treasury. Together, these pillars aim to optimise returns and pursue opportunities that support sustainable shareholder value. Underpinning this framework is BNH's commitment to strong governance, disciplined investment processes, and robust performance and risk monitoring. Active portfolio management and enhanced oversight remain central to earnings quality and financial stability.

Despite evolving market conditions, our objective remains clear: to continue delivering strong returns while positioning BNH for sustained long-term success. The Company's results reflect resilience, strategic alignment, and a continued commitment to sustainable growth.

We remain optimistic about the outlook ahead and confident in BNH's ability to build on its strong foundation in the years to come.

## 2025 in a Glance

For the year ended 31 December 2025, BNH achieved a net profit attributable to the shareholders of BD 27.5 million, compared to BD 5.16 million during the last year, an increase of 432%. The increase in net profit for the year 2025 compared to the previous year is primarily attributable to BNH's successful exit from two of its subsidiaries, resulting in non-recurring gain of BD 29.82 million, in addition to higher investment income as a result of the immediate deployment of exit proceeds. BNH's investment income resulting from continuing operations, including profit from associates, increased by 201% to BD 3.79 million.

Earnings per share increased to 232 fils compared to 43 fils for the year 2024. The total comprehensive income attributable to the shareholders for the year ended 31 December 2025 increased to BD 19.99 million, compared to BD 5.94 million during the last year of 2024, an increase of 236%.

The total shareholders' equity (excluding non-controlling interest) at the end of the year 2025 increased to BD 81.65 million compared to BD 72.12 million as at the end of the previous year, an increase of 13%.

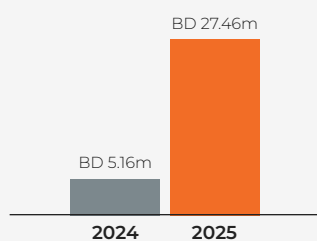
The total assets reached BD 86.38 million compared to BD 111.92 at the end of last year, a decrease of 23% which is primarily attributable to BNH's exit from two of its subsidiaries.

In view of the performance in 2025, and after taking into consideration BNH's future capital requirements, the Board of Directors is pleased to recommend a total cash dividend of 85 fils per share amounting to BD 10.02 million. This comprises of 50 fils per share, amounting to BD 5.90 million, which was paid as an interim dividend during the year, and a final dividend of 35 fils per share, amounting to BD 4.12 million, to be paid, subject to shareholders' approval at the Annual General Meeting. This compares to a total dividend of 35 fils per share approved in 2024, amounting to BD 4.15 million.

## 2024 vs 2025 Performance Overview

Change

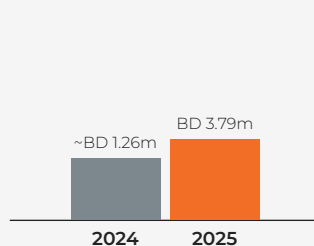
**↑ 432%**



Net profit attributable to shareholders

Change

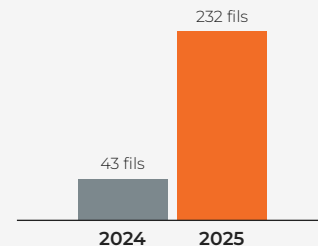
**↑ 201%**



Investment Income from Continuing Operations

Change

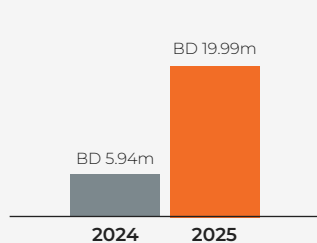
**↑ 435%**



Earnings per share

Change

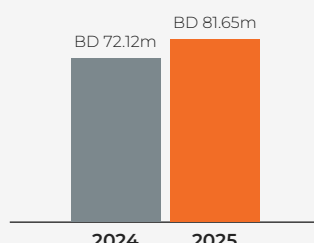
**↑ 236%**



Total Comprehensive Income

Change

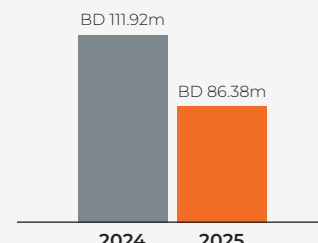
**↑ 13%**



Shareholders' Equity

Change

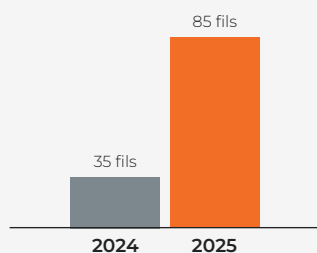
**↓ 23%**



Total Assets

Change

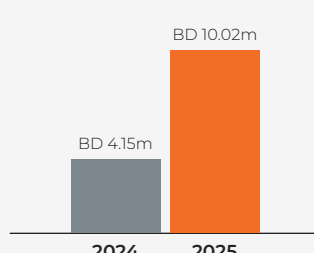
**↑ 143%**



Dividends Per Share

Change

**↑ 141%**



Total Dividends

# Business Highlights

## Sale of BNI and BNL

During the year, BNH completed the exit from its wholly owned subsidiaries, Bahrain National Insurance Co. B.S.C. (c) and Bahrain National Life Assurance Company B.S.C. (c) for a total consideration of BD 75.0 million, representing 100% of both entities.

Strategically, the transaction has significantly strengthened BNH's liquidity position and enhanced financial flexibility. The Board of Directors views this as a pivotal step in advancing a disciplined capital management strategy, supporting sustainable shareholder returns, and reinforcing BNH's ability to maintain dividend distributions.

## Bahrain National Holding Company B.S.C. Declaration of Interim Dividends

The Board of Directors of BNH resolved, at its meeting held on 11 August 2025, to declare the distribution of interim dividend for the period ended 30 June 2025 to shareholders registered in the Company's register as at the Record Date. The distribution was Cash Interim Dividend of 50% of share nominal value, equivalent to 50 fils per share amounting to BD 5.9 million. This was a strategic capital action in light of the goal of creating sustainable value to the shareholders specially in exceptional business performance years like 2025.

Below were the key dates of the interim dividends distribution:

Event	Date
<b>Cum-Dividend Date</b> (Last day of trading with entitlement to dividends)	<b>17th</b> <b>August 2025</b>
<b>Ex-Dividend Date</b> (First day of trading without entitlement to dividends)	<b>18th</b> <b>August 2025</b>
<b>Record Date</b> (The Day on which all shareholders whose names are on the share register will be entitled to dividends)	<b>19th</b> <b>August 2025</b>
<b>Payment Date</b> (The Day on which the dividends will be paid to the entitled shareholders)	<b>31st</b> <b>August 2025</b>

### Sale of BNI and BNL

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Transaction value:

**75.0** BHD million

One-time gain:

**29.82** BHD million

### Interim Dividend (At a Glance:)

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of share nominal value

**50%**

Total distribution amount:

**5.9** BHD million

### Sale of Sanad Building

During the year, BNH complete the divestment of its commercial building in Sanad as part of its real estate portfolio optimisation and capital management strategy. The transaction supports balance sheet optimisation, disciplined capital allocation, and the continued recycling of capital into priority investment areas.

### Investment in Dr. Michael's Dental Group

BNH, alongside ASCA Capital, completed an investment in Dr. Michael's Dental Group. The transaction was structured and financed by ASCA Capital and enables the repayment of existing bank debt while providing growth capital.

BNH participated as a key investor in the transaction which reflects its continued commitment to supporting high-quality, scalable healthcare businesses and partnering with experienced founders across the GCC. The investment will support the expansion of Dr. Michael's Dental Group through the opening and acquisition of new clinics, the development of complementary patient services, and the recruitment of additional dentists and practitioners.

# Subsidiaries:



## iAssist Middle East

Established: 2020

iAssist is a state-of-the-art car body shop facility.

**Paid-up capital:**

*BD 1.2 Million*

**BNH share:**

*100%*

# Associates:



## National Finance House

Established: 2005

National Finance House (NFH) specialises in providing consumer and corporate financing for the purchase of private, commercial, and heavy vehicles.

[www.nfh.com.bh](http://www.nfh.com.bh)

**Paid-up capital:**

*BD 7.5 Million*

**BNH share:**

*34.93%*



## Al Kindi Specialised Hospital

Established: 2008

Al Kindi is a private specialist hospital offering high standards of primary and secondary medical care. Al Kindi Specialised Hospital is equipped with a 24-hour clinic, radiology unit, medical laboratory and pharmacy.

[www.alkindihospital.com](http://www.alkindihospital.com)

**Paid-up capital:**

*BD 3.3 Million*

**BNH share:**

*27%*



## Health 360 Ancillary Services W.L.L

Established: 2013

Health 360 Ancillary Services W.L.L. is a Third Party Administrator (TPA) company based in the Kingdom of Bahrain. The company is providing claims management for insurance companies providing medical covers through a network of medical service providers.

[www.health360.bh](http://www.health360.bh)

**Paid-up capital:**

*BD 0.6 Million*

**BNH share:**

*22.2%*

# A Compelling Transition

There are several fundamental reasons that may justify a major rebranding. When many of these factors converge, it signals a clear need to recalibrate and reposition. At BNH, this represented the right moment to move forward with renewed direction and clarity of purpose.

## 01

We adopted a new strategic vision of becoming the investment platform of choice, a destination defined by a three-pillar roadmap that charts the path toward this vision.

## 02

Following the major restructuring of our operations through the exit from our subsidiaries, it was key to recognise that we were shifting our strategy as a group.

## 03

Our activities and value proposition would naturally evolve to align with our new trajectory.

## 04

Our audiences would also evolve, requiring us to strengthen and deepen relationships with partners, stakeholders, and shareholders, while proactively pursuing new opportunities and strategic partnerships.

## 05

Beyond our relationship focus, our growth strategy would now be anchored in leveraging our deep investment expertise and utilizing our extensive network to steer value creation.

## 06

Through such a rebrand, we would now be better positioned to elevate our brand equity and stand Last line should be left-justified.

Having compelling reasons to rebrand represents a rare and pivotal moment, one that was carefully considered and thoroughly evaluated. With this significant step, BNH believes the new brand will unlock new opportunities and position the Company to navigate the future with greater clarity, confidence, and purpose.

The logo for Bahrain National Holding (BNH) features the letters 'BNH' in a bold, black, sans-serif font. The letter 'N' is stylized with a gold-colored diagonal bar. Below the letters, the full name 'BAHRAIN NATIONAL HOLDING' is written in a smaller, black, all-caps sans-serif font.

**BNH**  
BAHRAIN NATIONAL HOLDING

# Corporate Governance



# Corporate Governance

## Corporate Governance Commitment

Bahrain National Holding commits to implement a system that is in line with the Bahrain Commercial Companies Law ("BCCL") No. 21 of 2001 and its amendments, Corporate Governance Code ("CGC") of Bahrain, which was enacted by the Ministry of Industry & Commerce ("MOIC") and endorsed by the Central Bank of Bahrain ("CBB") in 2010; that was amended in 2018 and later in 2022, in particular to High-Level Controls ("HC") Module of CBB Rulebook in relation to Companies' Corporate Governance and the Company's relevant policies and guidelines, which are subject to periodic reviews, noting that the last updated version was adopted and implemented on February 2022.

BNH implements the corporate governance requirements in every aspect of its operations and responsibilities and recognises it as a system whereby the Company business operations are financially and commercially directed and controlled.

The governance Organisational structure defines the distribution of rights and responsibilities among the various parties involved in the Company, such as Shareholders, Board of Directors, Board Committees, Executive Management, and other stakeholders. In addition, it acts as a guideline for the Company decision-making and strategy in order to set a model that determines its objectives, and the means that should be followed to achieve these objectives and a measure to monitor its performance.

## Regulatory Authorities

BNH maintained its full commitment to all applicable rules and regulations issued by the Central Bank of Bahrain and other regulatory authorities, without reporting any monetary penalties during the year 2025.

## Ownership of Shares

BNH shares are listed on the Bahrain Bourse ("BHB"). The Company has issued 119,175,000 ordinary shares, each with a nominal value of 100 fils. All shares are fully paid.

## Statement of shareholders equity classification

Shareholder classification	Shareholding %			
	Individuals	Corporate	Government or Organisations	Total
Local	56.474%	29.348%	0.229%	86.051%
Arab	0.671%	13.138%	-	13.809%
Foreign	0.140%	-	-	0.140%
<b>Total</b>	<b>57.285%</b>	<b>42.486%</b>	<b>0.229%</b>	<b>100.00%</b>

### Description of Shareholders according to their Nationality

Nationality	No of Shareholders	No of shares	% of shareholding
BAHRAINI	710	102,550,818	86.05%
EMARATI	4	81,500	0.07%
KUWAITI	10	184,603	0.15%
QATARI	5	11,624	0.01%
SAUDI	8	562,168	0.47%
EGYPTIAN	1	543	0.00%
INDIAN	6	166,277	0.14%
IRAQI	3	15,617,467	13.10%
<b>Total</b>	<b>747</b>	<b>119,175,000</b>	<b>100.00%</b>

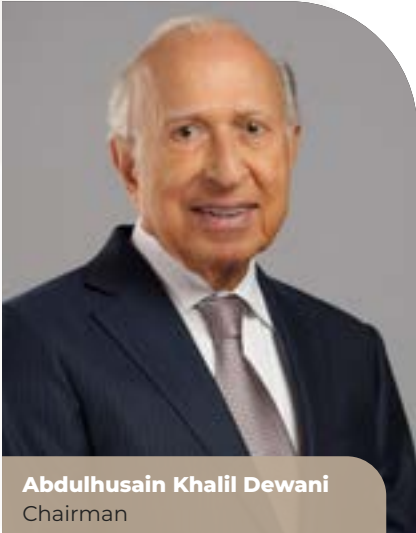
### Description of Shareholders according to their respective shareholding

Shareholding (share)	No of shareholders	Number of shares held	% of shareholding
<50,000	553	6,252,171	5.25%
50,000 to 500,000	148	23,989,079	20.13%
500,001 to 5,000,000	44	72,520,566	60.85%
>5,000,001	2	16,413,184	13.77%
<b>Total</b>	<b>747</b>	<b>119,175,000</b>	<b>100.00%</b>

### Major Shareholders (Shareholders who hold 5% or more of BNH share capital)

Name	Number of shares held	% of shareholding	Name of the natural person (final)	Nationality
Abdulhameed Zainal Mohamed Zainal	8,604,450	7.22%	NA	Bahraini
National Insurance Company	7,808,734	6.55%	NA	Iraqi

# Board of Directors



**Abdulhusain Khalil Dewani**  
Chairman

**Date of Appointment**

Board Member since 1999

**Status**

Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

Certificate in Commercial Studies, University of Westminster, England.

**Board & Committee membership at BNH**

- Chairman of Bahrain National Holding (BNH)
- Chairman of Nomination, Remuneration and Corporate Governance Committee of Bahrain National Holding Company (BNH)

**Board memberships in other companies**

- Chairman of Dawani Group Holding B.S.C., Bahrain
- Chairman of Deeko Bahrain W.L.L., Bahrain

- Chairman of Dawanco W.L.L., Bahrain
- Chairman of Dawani Properties W.L.L., Bahrain
- Chairman of Al Jazira Group, Bahrain
- Chairman of Collection W.L.L., Bahrain
- Chairman of Capital Laundry W.L.L.
- Chairman of Legend Paints Company W.L.L., Bahrain
- Chairman of Tomina Trading W.L.L, Bahrain
- Chairman of Bahrain Surface Coating Company W.L.L.
- Chairman of Bahrain Foundation Construction Company, Bahrain

**Awards & Recognitions**

Awarded with His Majesty the King, Hamad bin Isa Al Khalifa's Medal for Competence in 2010.



**Ghassan Qasim Fakhroo**  
Vice Chairman

**Date of Appointment**

Board Member since 2008

**Status**

Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

- BSc in Electrical Engineering - University of Bahrain, Kingdom of Bahrain.
- MBA, University of Bahrain, Kingdom of Bahrain

**Board & Committee membership at BNH**

- Vice Chairman of Bahrain National Holding (BNH)
- Chairman of the Executive & Investment Committee (EIC) - Bahrain National Holding Company (BNH)

**Board memberships in other companies**

- Chief Executive of Mohamed Fakhroo & Bros Bahrain
- Managing Director & Partner of Fakhroo Information Technology Services, Bahrain
- Chairman of Qasim Mohamed Fakhroo & Sons W.L.L. Bahrain
- Director & Partner of Fakhroo Investment Company Bahrain
- Director & Partner of Areej Trading Establishment, Bahrain
- Director at General Poultry Company B.S.C, Bahrain
- Chairman at National Poultry Company B.S.C, Bahrain



**Jehad Yusuf Ameen**  
Director

**Date of Appointment**

Board Member since 1999

**Status**

Independent Non-Executive Director

**Nationality**

Bahraini

**Board & Committee memberships at BNH**

- Member of the Executive & Investment Committee (EIC) - Bahrain National Holding Company (BNH)
- Vice Chairman of the Nomination, Remuneration & Governance Committee (NRGC) - Bahrain National Holding Company (BNH)

**Board memberships in other companies**

- Director at General Company for Trading & Food industries (TRAFICO), Bahrain
- Vice Chairman at Bahrain Maritime & Mercantile International Company (BMMI), Bahrain
- Director at Bahrain Livestock, Bahrain
- Vice Chairman at Bahrain Duty Free Complex, Bahrain



**Sami Mohamed Sharif Zainal**  
Director

**Date of Appointment**

Board Member since 2008

**Status**

Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

Bachelor of Business Administration - Saint Edward University in Texas, USA  
MBA, University of Bahrain, Kingdom of Bahrain

**Board & Committee memberships at BNH**

Vice Chairman of the Executive & Investment Committee (EIC) - Bahrain National Holding Company (BNH)

**Board memberships in other companies**

- Chairman of General Poultry Company, Bahrain.
- Vice Chairman – Bahrain Food Holding Company (Ghitha)
- Director at Zainal Enterprises, Bahrain
- Director at National Poultry Company
- Marketing Director of Mohamed Ali Zainal Abdulla (MAZA), Bahrain

**Other key positions:**

- Member of Commercial Arbitration Committee, Bahrain Chamber of Commerce



**Abdulrahman Mohamed Juma**  
Director

**Date of Appointment**

Board Member since 1999

**Status**

Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

Mechanical Engineer, University of North London, England

**Board & Committee membership at BNH**

Audit, Compliance and Risk Committee ("ACRC")

**Board memberships in other companies**

- President – Abdulraman bin Mohamed Juma & Sons W.L.L., Bahrain
- Chairman of UNEECO B.S.C.(c)
- Chairman of Prudent Solutions W.L.L.
- Chairman of Universal Laboratories W.L.L.
- Chairman of Prudent, Saudi Arabia
- Chairman – Unique Power Switchgear
- Director at Bin Juma Holdings

# Board of Directors



**Sameer Ebrahim AlWazzan**  
Director

**Date of Appointment**  
Board Member since 2024

**Status**  
Non-Executive Director

**Nationality**  
Bahraini

**Educational Background**

- Higher Diploma -Swansea Polytechnic, UK
- BSC.Huddersfield Polytechnic, UK
- Diploma in Executive Management University of Bahrain
- Executive Development Program - Manchester Business School
- Executive program for small companies - Graduate School of Business Stanford University

**Board & Committee membership at BNH**  
Member of the Nomination, Remuneration &Governance Committee (NRGC) - Bahrain National Holding Company(BNH)

**Board memberships in other companies**

- Vice Chairman - United Insurance Co.B.S.C
- Vice Chairman - Arabian Shield Cooperative Insurance Co. Saudi Arabia



**Ayad Saad Algoaibi**  
Director

**Date of Appointment**  
Board Member since 2008

**Status**  
Independent Non-Executive Director

**Nationality**  
Bahraini

**Educational Background**

- BSBA in International Business, American University, Washington D.C., USA
- MBA in International Finance and Marketing, American University, Washington D.C., USA

**Board & Committee membership at BNH**  
· Vice Chairman of the Audit, Compliance & Risks Committee (ACRC) – Bahrain National Holding Company (BNH)

**Board memberships in other companies**  
Chairman of Khalifa A. Algoaibi Investment Co. CJSC, Dammam, Saudi Arabia



**Ali Hasan Mahmood**  
Director

**Date of Appointment**  
Board Member since 1999 & Re-elected in 2011

**Status**  
Non-Executive Director

**Nationality**  
Bahraini

**Educational Background**  
Bachelor's in business administration and marketing, North Western College, London England

**Board memberships in other companies**

- Chairman of Euro Gulf Oil Energy Services, Bahrain
- Chairman of United International Décor W.L.L., Bahrain
- Chairman of Bed Center W.L.L., Bahrain

- Chairman of United Marketing International Company W.L.L., Bahrain
- Chairman and Managing Director of Hasan & Habib s/o Mahmood Group of Companies, Bahrain
- Chairman and Managing Director of Al Jazeera Shipping Company. W.L.L., Bahrain
- Chairman and Managing Director of Al Jazeera Marine Services L.L.C, Sharjah, UAE
- Chairman and Managing Director of Al Jazeera Shipping Agencies, Bahrain
- Director at Bahrain Specialist Hospital, Bahrain



**Abbas Radhi**  
Director

**Date of Appointment**

Board Member since 2023

**Status**

Independent Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

- Certified Public Accountant (CPA)- USA
- Certified Arab Accountant
- Certificate by LNSEAD as a Board Director with a high level of Corporate Governance Competence
- M.B.A. Financing & Business Law, University of Maine, USA
- M.S.B. Accounting, Husson College, Maine, USA
- BSc. Accounting, Kuwait University

**Board & Committee membership at BNH**

- Chairman of the Audit, Compliance & Risks Committee

**Board memberships in other companies**

- Director at BMMI BSC, Bahrain
- Director at Shaheen Group Holding B.S.C Closed, Bahrain
- Director at Al Kindi Hospital

**Other Key Positions**

- Chairman of Bahrain Accountants Association
- Chairman of Schools of Business Oversight Board-Ahlia University



**Husain Abdulhameed Al Shehab**  
Director

**Date of Appointment**

Board Member since 2023

**Status**

Independent Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

- Master in International Business Management, Leeds Metropolitan University, United Kingdom
- BEng (Hons) Mechanical Engineering University of Bradford, United Kingdom
- Leaders for Democracy Fellowship, Syracuse University, USA
- Executive Education Sustainable Business Strategy, Harvard University
- GCC Board of Directors Institute, Best Practices of Audit & Risk Committees

- Executive Management Leadership Program, Harvard
- GCC Board of Directors Institute, Building Better Boards: Global Best Practices
- Associate Value Specialist, SAVE International

**Board memberships in other companies**

- Board Member, Gulf Hotel Group B.S.C.
- Board member in Inovest B.S.C.
- Board member in Alkhaleej Development Company (Tameer) W.L.L.

**Other Key positions**

- CEO at Growth Consultancy and Management
- Founder of Vorganica Perfumes
- Founder of Dukan Café



**Talal Fuad Kanoo**  
Director

**Date of Appointment**

Board Member since 2008

**Status**

Non-Executive Director

**Nationality**

Bahraini

**Educational Background**

Bachelor of Business Administration – Management, The American University, Washington D.C., USA

**Board memberships in other companies**

- Chairman of National Finance House B.S.C. (c), Bahrain
- Managing Director of E. K. Kanoo B.S.C (c), Bahrain

# Corporate Governance

(Continued)

## The Board

BNH's BOD consists of 11 non-executive members, with ten (10) members elected by the Shareholders and one (1) appointed member. All selections, both elected and appointed, were approved by the Central Bank of Bahrain in March 2023 for a three-year term. The primary purpose of the BOD is to serve as representatives of the Shareholders, safeguarding their rights and interests. Upon appointment, the BOD acknowledged the duties, responsibilities, attendance requirements, adherence to the code of conduct, and confidentiality associated with such a role.

Furthermore, in line with the corporate governance laws, rules, and regulations, the Board members are subject to periodic training courses, which are organised by BNH either internally or in cooperation with external training and education institutions. In addition, the BOD, and Board Committees' members are subjected to an annual evaluation system in accordance with the relevant rules of governance to regularly assess the members' effectiveness and contribution.

The Board is committed to following and adhering to BNH's internal policies in relation to the business code of ethics as it is responsible for the stewardship of BNH's business and affairs on behalf of the Shareholders, with a view to enhancing long-term Shareholders' value while protecting the rights and interests of other stakeholders while maintaining high standards of transparency and accountability. This has been achieved through the monitoring system that the Board has put in place via its Audit, Compliance and Risk Committee (ACRC), whose Chairman represents to the Board the matters discussed in relation to compliance with the applicable laws and regulations. Moreover, in order for the Board to ensure the implementation of the transparency policy, the Board is devoted to providing open communication channels with BNH's Shareholders via BNH's website, emails, the press, and its social networking sites, as well as at the periodic Shareholders' meetings. The names and profiles of Directors are listed on page (30-33) .

## Independence of Directors

An independent director is a member of the BOD who does not have a material relationship with BNH that can interfere with a director's judgement and is not involved with the day-to-day operations of BNH. In line with the obligations of the CBB's HC Module and the Corporate Governance Code, BNH has adopted comprehensive procedures to review and determine the independence of directors on an annual basis. In 2025, four members of the Board have met the legal requirements to be categorised as 'Independent Directors'.

## Election system of Directors

The BOD are elected through the secret cumulative voting in the General Assembly meeting, and cumulative voting is a method where each Shareholder shall be granted voting power in proportion to number of shares he/she holds. This method ensures the achievement of BNH's objectives and increase the opportunity for the minority Shareholders to be represented in the BOD.

### Termination of the Director(s)

BNH follows the regulations and laws set forth by MOIC, CBB, BHB, and BNH's article and memorandum of association in respect to the termination of a Board Member.

Accordingly, the Director's membership of the Board may terminate in the following events:

- In accordance with Article (18) and (197) of the BCCL.
- If he was appointed or elected contrary to the provisions of the Central Bank of Bahrain rules and regulations, the Commercial Companies Law and/or BNH's article of association.
- If he forfeits any of the conditions of Membership of the BOD as stated in BNH's article of association and Article (25)
- If he misuses his position as Director in carrying on personal matters or business in which he has a personal interest, or that is competitive to that of BNH or if he causes any type of actual damage to BNH or adversely affected its reputation. Termination from the BOD shall not prejudice BNH's right to compensation.
- If he fails to attend at least 75% of all the Board meetings in a given financial year without lawful excuse notified in writing to the Board, and the Board shall resolve this matter as it may deem fit.
- If he resigns or withdraws from his office, provided the foregoing shall be done in an opportune and suitable time, otherwise he shall be liable to pay compensation to BNH.
- If he accepts appointment in any other office in BNH for which he would receive salary or remuneration other than that which the BOD may decide from time to time to remunerate him because of the executive nature of his duties.

### Removal of Directors:

The general assembly may remove all, or some, of the members of the BOD even if BNH's Articles of Incorporation provides otherwise. A request for this purpose shall be submitted by a number of Shareholders representing at least ten percent (10%) of the capital, and the BOD shall submit the request to the general assembly within no more than one month from the date it is submitted, or else the Ministry of Commerce and Industry shall send out the invitation. The general assembly may not debate the removal request if it is not listed on its agenda, unless serious developments take place during the meeting. The member removed may claim compensation from BNH if his removal is made without an acceptable reason or at an inopportune time.

The member of the BOD may resign his office provided that this should be at a suitable time, or else he shall be liable to pay compensation.

# Corporate Governance

(Continued)

## Board Duties

- Adopting the commercial and financial policies associated with BNH's performance and achievement of its objectives, drawing, oversee reviewing BNH's plans, policies and strategies.
- Setting and supervising the regulations and systems of BNH's internal control.
- Determining BNH's optimal capital structure, strategies and financial objectives and approving annual budgets.
- Approving BNH's quarterly and annual financial statements.
- Monitoring the executive Management's activities.
- Forming specialised committees emerging from the BOD.
- Setting a mechanism to regulate transactions with related parties in order to minimise conflicts of interest.
- Assuring equitable treatment of Shareholders, including the minority Shareholders.

## Material Transactions that require the Board's approval

Material transactions requiring approval by the Board include large transactions and any other significant strategic, investment or major funding decisions in accordance with the Board-approved authority matrix approved by the Board and as prescribed under Board-approved policies and procedures

## Membership statistics by gender in the BOD

No. of members of the BOD	Male	Percentage	Female	Percentage
11	11	100%	-	-

There was a female nominee last election (2023) but did not obtain sufficient votes for a seat in the Board.

### Ownership of BNH shares by the BOD and Executive Management (from January to December 2025)

Name of Shareholder ( Directors )	Title	Shares as of 01/01/2025	Shares as of 31/12/2025	Changes
Abdulhussain Khalil Dewani	Chairman	1,427,152	1,427,152	-
Ghassan Qasim Fakhroo	Vice Chairman	105,000	105,000	
Abdulrahman Mohamed Juma	Board Member	915,398	935,398	20,000
Jehad Yusuf Amin	Board Member	3,578,000	3,600,000	22,000
Ali Hasan Mahmood	Board Member	904,999	904,999	-
Ayad Saad AlGosaibi	Board Member	105,000	105,000	-
Sami Mohamed Sharif Zainal	Board Member	64,058	64,058	-
Talal Fuad Kanoo	Board Member	152,037	152,037	-
Sameer Ebrahim Alwazzan	Board Member	114,741	114,741	-
Hussain Abdulhameed Alshehab	Board Member	577	35,641	35,064

### Description of the transactions made by the directors, their spouses, and their sons on the Group's shares during the year 2025:

Name	Position/kinship	Shares as of 31/12/2025	Total sale transaction	Total purchase transaction
Abdulrahman Mohamed Juma	Board Member	935,398	-	20,000
Jehad Yusuf Amin	Board Member	3,600,000	-	22,000
Hussain Abdulhameed Alshehab	Board Member	35,641		35,064

# Corporate Governance

(Continued)

## Directors' Attendance at Board Meetings in 2025

Board members	Title	1 <sup>st</sup> Meeting 11 Feb	2 <sup>nd</sup> Meeting 25 Feb	3 <sup>rd</sup> Meeting 12 May	4 <sup>th</sup> Meeting 11 Aug	5 <sup>th</sup> Meeting 11 Nov	6 <sup>th</sup> Meeting 24 Dec	Attendance percentage
Abdulhusain Khalil Dewani	Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Ghassan Qasim Fakhroo	Vice Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Jehad Yusuf Amin	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Sami Mohamed Sharif Zainal	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Ayad Saad Algozaibi	Board Member (Independent Non-Executive Director)	✓	✓	✓*	✓*	✓	✓	100%
Abdulrahman Mohamed Juma	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100 %
Talal Fuad Kanoo	Board Member (Non-Executive Director)	✓	✗	✓	✓	✗	✓	67 %
Ali Hasan Mahmood	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100 %
Abbas Abdulmohsen Radhi	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%
Hussain Abdulhameed Alshehab	Board Member (Independent Non-Executive Director)	✗	✓	✓	✓	✓	✓	83%
Sameer Ebrahim Alwazzan	Board Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	100%

\* Attended remotely

- Mr. Abdulhusain Khalil Dewani is the Chairman of the Board.
- The induction and orientation process is carried out for the BOD with the assistance of BNH's Chief Executive Officer and the Corporate Secretary. The process is managed by means of continuous meetings and discussions with the Senior Management, and both External and Internal Auditors, for the purpose of increasing awareness of current issues and market trends.
- The BOD is required to meet at least four times in a financial year, and Board members must attend at least 75% of meetings held during a financial year.
- The remuneration for Directors is determined by the Shareholders at the Annual General Meeting.
- BNH's Board held six meetings during the year 2025.

Description of the remunerations including sitting fees to the directors for their membership and attendance of the Board and Board's committees in the financial year 2025 according to the following table:

Name	Fixed remunerations					Variable remunerations					End-of-service award		
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD (proposed)	Bonus	Incentive plans	Others	Total	Aggregate amount (Does not include expense allowance)	Expenses Allowance	
<b>Independent Directors:</b>													
Jehad Yusuf Amin	-	11,000	-	3,024	<b>14,024</b>	100,000	-	-	-	<b>100,000</b>	-	<b>114,024</b>	-
Ayad Saad Algosabi	-	8,500	-	1,351	<b>9,851</b>	20,000	-	-	-	<b>20,000</b>	-	<b>29,851</b>	-
Abbas Abdulmohsen Radhi	-	9,200	-	3,024	<b>12,224</b>	20,000	-	-	-	<b>20,000</b>	-	<b>32,224</b>	-
Hussain Alshehab	-	4,167	-	938	<b>5,105</b>	20,000	-	-	-	<b>20,000</b>	-	<b>25,105</b>	-
<b>Non-Executive Directors:</b>													
Abdulhussain Khalil Dewani	-	8,000	-	3,024	<b>11,024</b>	40,000	-	-	-	<b>40,000</b>	-	<b>51,024</b>	-
Abdulrahman Mohamed Juma	-	8,000	-	3,024	<b>11,024</b>	20,000	-	-	-	<b>20,000</b>	-	<b>31,024</b>	-
Sami Mohamed Sharif Zainal	-	8,500	-	1,351	<b>9,851</b>	30,000	-	-	-	<b>30,000</b>	-	<b>39,851</b>	-
Ghassan Qassim Fakhroo	-	9,200	-	2,851	<b>12,051</b>	100,000	-	-	-	<b>100,000</b>	-	<b>112,051</b>	-
Ali Hasan Mahmood	-	5,000	-	2,587	<b>7,587</b>	20,000	-	-	-	<b>20,000</b>	-	<b>27,587</b>	-
Talal Fuad Kanoo	-	3,333	-	1,351	<b>4,684</b>	20,000	-	-	-	<b>20,000</b>	-	<b>24,684</b>	-
Sameer AlWazzan	-	7,500	-	3,024	<b>10,524</b>	20,000	-	-	-	<b>20,000</b>	-	<b>30,524</b>	-
<b>Executive Directors:</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>82,400</b>	-	<b>25,549</b>	<b>107,949</b>	<b>410,000</b>	-	-	-	<b>410,000</b>	-	<b>517,949</b>	-

# Corporate Governance

(Continued)

## BOARD COMMITTEES

### Audit, Compliance & Risks Committee (ACRC)

#### Responsibilities

- Oversee the selection performance, and remuneration of the External Auditors, and recommend their appointment to the Board for approval at the Annual General Meeting.
- Approve the Head of Internal Audit's appointment, replacement, reassignment or dismissal.
- Review and approve the annual plans for Internal Audit, Compliance and Risk.
- Review the reviewed and/or audited annual, quarterly, and semi-annual Financial Statements, discuss them with Management, and recommend them to the Board for approval.
- Assist in developing the Risk Management framework.
- Ensure compliance with applicable regulatory and legal rules and requirements.
- Carry out investigations as instructed by the Board.
- Review the arrangements for Whistleblowing and ensure that whistleblowers are heard and their rights are safeguarded.
- Oversee procedures and internal controls consistent with the Corporate Governance framework.
- Monitor the effectiveness and integrity of internal control systems.
- Ensure that all ACRC members are familiar with significant accounting, reporting, and auditing matters, including Management estimates and relevant professional and regulatory pronouncements, and understand their impact on the Financial Statements.
- Review and discuss the adequacy of internal audit resources, procedures, and controls, as well as the compliance function and any risk Management systems.
- Ensure appropriate processes are established and maintained to address critical financial reporting risks and enhance the transparency and reliability of financial reporting.
- Assess the independence, accountability, and effectiveness of the External Auditors.

### Directors' Attendance at ACRC Meetings in 2025

Board members	Title	1 <sup>st</sup> Meeting 17 FEB	2 <sup>nd</sup> Meeting 5 MAR **	3 <sup>rd</sup> Meeting 6 MAY	4 <sup>th</sup> Meeting 19 MAY **	5 <sup>th</sup> Meeting 6 AUG	6 <sup>th</sup> Meeting 11 SEP **	7 <sup>th</sup> Meeting 6 Nov	Attendance percentage	Sitting Fees per Meeting (BD)	Aggregate Sitting Fees (BD)
Abbas Abdulmohsen Radhi	Chairman (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	100%	600	4,200
Ayad Saad AlGosaibi	Vice Chairman (Independent Non-Executive Director)	✓	✓	✓	✓	✓*	✓	✓	100%	500	3,500
Abdulrahman Mohamed Juma	Member (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✗	86%	500	3,000

\* Attended remotely

- **\*\* The following Members attended the meeting by invitation**
- Ghassan Fakhroo – by invitation in his capacity as EIC Chairman
- Mr. Abbas Abdulmohsen Radhi is the Chairman of the ACRC.
- The ACRC is required to meet at least four times in a financial year.
- BNH's ACRC held seven meetings during the year 2025.

# Corporate Governance

(Continued)

## BOARD COMMITTEES

### Executive & Investment Committee (EIC)

#### Responsibilities

- Monitor the development and execution of BNH's strategy in line with the approved business plan.
- Guide, oversee and coordinate the Management and performance of BNH in line with approved strategies, business plans, and budgets.
- Develop, review and monitor BNH's investment policies as part of the overall business planning process.
- Review and recommend investment opportunities to the BOD, as appropriate.
- Review BNH's portfolio of investments on an ongoing basis and assess performance against strategic and financial objectives.
- Recommend remedial actions where required, including value creation initiatives, restructuring, divestments, or other strategic interventions.
- Assist in overseeing BNH's financial requirements, including ensuring that effective performance monitoring tools in place and that Key Performance Indicators (KPIs) are tracked and achieved.

### Directors' Attendance at EIC Meetings in 2025

Board members	Title	1 <sup>st</sup> Meeting 5 FEB	2 <sup>nd</sup> Meeting 23 FEB	3 <sup>rd</sup> Meeting 8 MAY	4 <sup>th</sup> Meeting 3 JUNE	5 <sup>th</sup> Meeting 10&11 AUG	6 <sup>th</sup> Meeting 9 NOV	7 <sup>th</sup> Meeting 22 DEC	Attendance percentage	Sitting Fees per Meeting (BD)	Aggregate Sitting Fees (BD)
Ghassan Qasim Fakhroo	Chairman (Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	100%	600	4,200
Sami Mohamed Sharif Zainal	Vice Chairman (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	100%	500	3,500
Jehad Yusuf Amin	Board Member (Independent Non-Executive Director)	✓	✓	✓	✓	✓	✓	✓	100%	500	3,500

- Mr. Ghassan Fakhroo is the Chairman of the EIC.
- The EIC is required to meet at least four times in a financial year.
- BNH's EIC held seven meetings during the year 2025.

## Nomination, Remuneration & Corporate Governance Committee (NRGC)

### Responsibilities

- Monitor the establishment and ongoing effectiveness of an appropriate Corporate Governance framework.
- Nominate members of the Board and its Committees, as well as BNH CEO, CFO, CIO and Corporate Secretary
- Make recommendations to the Board regarding changes to the composition of the Board and its Committees.
- Assist the Board in developing and maintaining succession plans for Directors and Senior Executives.
- Recommend to the Board the remuneration policy and individual remuneration packages for Senior Executives.
- Evaluate the performance of the Board, its Committees, and Senior Executives.

### Directors' Attendance at NRCG Meetings in 2025

Board members	Title	1 <sup>st</sup> Meeting 24 FEB	2 <sup>nd</sup> Meeting 27 APRIL	3 <sup>rd</sup> Meeting 11 AUG	4 <sup>th</sup> Meeting 9 NOV	5 <sup>th</sup> Meeting 31 DEC	Attendance percentage	Sitting Fees per Meeting (BD)	Aggregate Sitting Fees (BD)
Abdulhusain Khalil Dewani	Chairman (Non-Executive Director)	✓	✓	✓	✓	✓*	100%	600	3,000
Jehad Yusuf Amin	Vice Chairman (Independent Non-Executive Director)	✓	✓	✓	✓	✓*	100%	500	2,500
Sameer Ebrahim Alwazzan	Member (Non-Executive Director)	✓	✓	✓	✓	✓*	100%	500	2,500

\* Attended remotely

- Mr. Abdulhusain Khalil Dewani is the Chairman of the NRGC.
- The NRGC is required to meet at least twice a year.
- BNH's NRGC held five meetings during the year 2025.

# Corporate Governance

(Continued)

## Performance Evaluation of Board & Committees

In accordance with Corporate Governance requirements, the Board conducts an annual self-evaluation of its performance, the performance of each Board committee, and individual Directors. The evaluation is carried out through a structured questionnaire based pre-defined assessment criteria.

At BNH, the Nomination, Remuneration and Governance Committee oversees the evaluation process and reviews the results to ensure that the Board and its Committees have effectively discharged their responsibilities. The Committee also ensures that any recommendations arising from the evaluation are appropriately considered and addressed.

## The Annual General Meeting

In accordance with the Commercial Companies Law Decree No. 21 of 2001 (and as amended), all shareholding companies shall hold an Annual General Meeting (AGM). The AGM serves as a formal forum for Shareholders to discuss company matters, review performance and vote on resolutions.

The AGM represents BNH's highest decision-making body, providing Shareholders with the opportunity to review and evaluate BNH's performance and participate in key governance decisions. The Corporate Governance Framework encourages BNH's Directors to attend the AGM to present the annual financial statements and the BOD' Report. The AGM also serves as the platform through which Shareholders approve resolutions and vote on Board elections.

At BNH's last annual Shareholders meeting dated 23 March 2025, 11 Directors attended the AGM. Shareholders approved a dividend of 35 Fils per share, which was subsequently paid in April 2025.

Statutory requirements govern the notice period to convening the AGM. Notices must be issued to Shareholders, their representatives and Bahrain Bourse at least 21 days before the meeting. BNH publishes its AGM notice in local newspapers and through a Bahrain Bourse announcement, including the meeting invitation and agenda items.

AGMs must meet the legal quorum requirements under the Commercial Companies Law to ensure the validity of the voting results. Following the meeting, BNH makes the AGM minutes available to Shareholders and the competent authorities within 15 days from the date of the meeting.

## The Extraordinary General Meeting

An Extraordinary General Meeting (EGM) refers to any Shareholders' meeting convened by a company other than the Annual General Meeting, and is held to address specific matters as prescribed under Article (210) of the Bahrain Commercial Companies Law (BCCL). BNH convened an EGM on 23 March 2025 to address matters of significance as part of BNH's ongoing governance process.

## Shareholders' Rights

BNH consistently complies with the statutory obligations set out under the BCCL and its amendments with respect to Shareholders' rights and general assemblies. BNH has dedicated a section on its website, ([www.bnh.bh](http://www.bnh.bh)) outlining Shareholders' rights to convene, attend and vote at Shareholder meetings, as well as to communicate openly with BNH.

## The Management

The Board has delegated responsibility for the day-to-day Management of BNH's operations to BNH Chief Executive Officer (Group CEO), who is supported by an experienced Senior Management team and a number of operational committees, as outlined in this report. The names and profiles of BNH CEO and Senior Management team are presented in page (48-49) of this annual report.

The total of the top 6 remunerations paid in 2025 to the Key Management staff including salaries, privileges, allowances and annual bonus: **BD 1,104,313**

Executive Management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO and CFO	586,500	265,835	251,978	1,104,313

### Notes:

- Remuneration earned if the executives are also on the BOD of subsidiaries or other entities of BNH are excluded.
- Disclosure is for the top 6 executives who are employed by BNH at any time during 2025.

# Executive Management



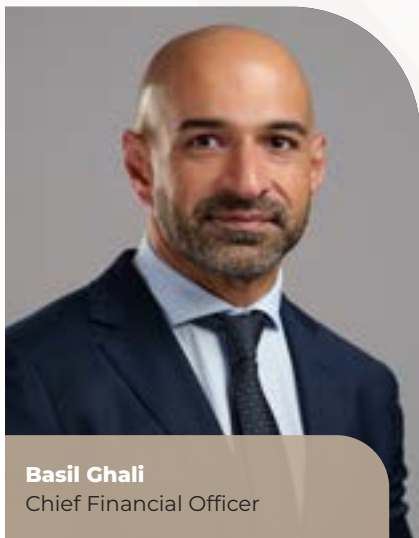
**Raed Abdulla Fakhri**  
Group CEO

Raed has over 30 years of experience in investments, business development, and engineering. Prior to his previous position as Advisor of Local Impact Investments at Mumtalakat, he held several senior leadership roles, including Managing Director of Local Impact Investments and Vice President of Investments at Mumtalakat, Investment Director at Capinvest Investment Bank, Senior Manager at Batelco, and Engineer at Gulf Petrochemical Industries. He is also the Co-Founder of BDI Partners, which was established in 2010, and has led the firm as its Managing Director.

Throughout his career, Raed has served on several boards, including Gulf Air Group, The

Cranemere Group, and the American University of Bahrain. He also held the position of Board Member and Deputy Chairman at BEYON. In 2025, Raed was appointed to the Board of Directors of Bahrain Bourse. In addition to the Bahrain Bourse, Raed currently serves on the boards of National Finance House (NFH) and Aljabr Finance in Saudi Arabia.

Raed holds an Executive MBA from the University of Bahrain and a Bachelor of Science in Electronics Engineering Technology from the University of Central Florida in Orlando, USA.



**Basil Ghali**  
Chief Financial Officer

With over 19 years of experience in Finance, Restructuring, and Portfolio Operations, Basil brings a wealth of expertise to BNH. Prior to joining BNH, Basil served as the Senior Director of Local Impact Investments at Mumtalakat, overseeing a portfolio of assets undergoing transformations.

Before that, Basil was the Chief Financial Officer of Shoaibi Group in Saudi Arabia. Basil began his career at Macquarie Capital in London, UK, focusing on proprietary investments.

Basil has successfully managed transactions exceeding US\$ 4.5bn across various industries and asset classes, from SMEs to large organisations, consistently demonstrating

a successful track record in operational turnarounds and transformations.

Currently, he sits on the boards of Al Kindi Hospital B.S.C and iAssist Middle East W.L.L. Basil has held multiple leadership roles and board memberships, including positions with BIC Holding, Bahrain International Circuit W.L.L., Al Dana Amphitheatre B.S.C., and Bahrain Flour Mills B.S.C., Gulf Customer Experience B.S.C., as well as contributing to several board committees of these entities.

Basil holds a Bachelor's degree in Accounting and Finance and a Master's degree in Management from the London School of Economics and Political Science (LSE).



**Ahmed Adnan Al-Aseeri**  
Chief Investment Officer

Ahmed has over 18 years of experience in consulting and investment management, with a track record of investments in startups, greenfield projects, mature companies, and turnarounds of distressed assets. He started his career at KPMG and then progressed across roles in real estate and private equity investments at Investate, Oasis Capital, and Mumtalakat, before his current role at Bahrain National Holding Company. Throughout his career, he has managed assets with combined values exceeding \$3 billion, executed transactions from inception through execution to successful exits, and implemented value creation plans to drive growth and improve performance across portfolio companies.

Ahmed has served on several boards and board committees, including as Chairman of Southern Tourism Company (now rebranded as Masar), and as a board member of Silah Gulf, The Royal Golf Club, FAI rent-a-jet, Mueller Middle East, and others. He currently serves on the board of National Finance House.

He holds a Bachelor's degree in Computer Science from Trinity College Dublin and an MBA from Cass Business School.



**Ali Al Musawi**  
Director – Investments

Ali Al Musawi is the Director of Investments at Bahrain National Holding Company (BNH), where he is responsible for sourcing, evaluating, and managing investments, as well as driving value creation initiatives across BNH's portfolio. He brings over a decade of experience in direct investments, portfolio management, and strategic value enhancement across a wide range of sectors.

Prior to joining BNH, Mr. Al Musawi held key roles at Bahrain Mumtalakat Holding Company, where he was actively involved in the execution and management of strategic investments. During his tenure, he played a key role in business transformation initiatives, portfolio oversight, and the development and implementation of value creation strategies across several portfolio companies.

Throughout his career, Mr. Al Musawi has been responsible for evaluating investment opportunities, conducting due diligence, structuring, and executing transactions, and overseeing post-investment performance. He has led and supported turnaround and transformation strategies aimed at improving operational efficiency, strengthening governance, and enhancing financial performance, ultimately contributing to sustainable value creation within portfolio companies.

Mr. Al Musawi has also worked closely with management teams and boards to drive strategic initiatives, monitor performance against key metrics, and support long-term growth objectives.

His experience spans multiple stages of the investment lifecycle, from initial assessment and execution to active ownership and exit planning. Mr. Al Musawi is a CFA charterholder and holds the CAIA designation. He earned a Bachelor of Science (Honours) in Economics from University College London (UCL).



**Dr. Maryam AlAhmed**  
Director – Corporate Services

Dr. Maryam joined Bahrain National Holding Company in July 2021 and brings over two decades of progressive experience in human capital management, organisational development, and corporate services. She holds a Bachelor's degree in Computer Science and a Master's degree in Human Resources Management from DePaul University, reflecting a strong blend of technical and people-centric expertise.

Prior to joining Bahrain National Holding Company, Dr. Maryam served as HR & Administration Manager at Seef Properties, where she played a key role in strengthening HR frameworks and supporting organisational growth. Earlier in her career, she held the position of Assistant HR Manager at Kuwait

Finance House – Bahrain (KFHB), gaining valuable experience within a regulated financial services environment.

Dr. Maryam began her professional career in human resources in 2003 as a Career Counselor at the University of Bahrain's Career Counseling Office. During her tenure, she expanded her focus to Organisational Culture Development and Talent Management and later continued to deepen this specialisation at Batelco. Across these roles, she was actively involved in leading and supporting organisational transformation initiatives.

Throughout her career, Dr. Maryam has worked on numerous strategic projects and led organizational change initiatives in areas

including performance management and competitiveness, leadership development, employee engagement and development, the utilisation of assessments and key performance indicators (KPIs) in designing career progression frameworks, and organisational restructuring associated with joint ventures, mergers, and acquisitions.

In addition to her corporate leadership roles, Dr. Maryam has also pursued consulting engagements and academic lecturing, contributing to knowledge sharing and professional development within the HR field. In 2022, she earned her PhD in Innovation from the Arabian Gulf University (AGU). Her doctoral research focused on "The Impact of HR Practices on Innovative Work Behavior," further reinforcing her expertise at the intersection of human capital management and innovation.

Currently, Dr. Maryam is responsible for leading the Corporate Services line at Bahrain National Holding Company, overseeing Human Capital, Corporate Communication and Investor Relations, Facility and Property Management, IT and Procurement functions, and plays a key role in supporting BNH's strategic and operational objectives. Recently Dr. Maryam has been appointed as a Board member of iAssist Middle East W.L.L., a subsidiary owned by BNH.

# Corporate Governance

(Continued)

## OPERATIONAL COMMITTEES

### Management Committee (“MC”)

#### Objectives and Responsibilities:

The purpose of the MC is to oversee the day-to-day operations of BNH and ensure that it is meeting its goals and objectives. This includes monitoring performance, identifying areas for improvement, and making recommendations to the BOD, as appropriate.

#### The MC’s Key responsibilities include the following:

#### 1. Monitoring the Organisational Performance

- Monitor BNH’s operational and financial performance on a regular basis.
- Review financial statements, operational reports, and other relevant Management information.

#### 2. Identifying Areas for Improvement

- Identify opportunities to enhance performance, including growth initiatives, cost efficiencies, and process improvements.

#### 3. Recommendations to the Board of Directors and Board Committees:

- Recommend to the BOD on matters related to BNH’s operations, including budgets, resourcing, and other operational matters.
- Provide regular updates to the BOD and relevant committees on the MC’s activities, findings and recommendations.

#### Composition:

Function Title	Name	Role
Group Chief Executive Officer	Raed Fakhri	Chairman
Chief Financial Officer	Basil Ghali	Member
Chief Investment Officer	Ahmed Al-Aseeri	Member
Corporate Services – Director	Dr Maryam Al Ahmed	Member
GCEO Office Manager	Dalia Al Shebli	MC Secretary

## Management Investment Committee (“MIC”)

### Objectives and Responsibilities:

The primary objective of the MIC is to oversee and guide the investment strategy and Management of BNH’s portfolio of assets. This includes the prudent oversight of both the Marketable Portfolio and the Direct Investments portfolio.

The MIC is responsible for ensuring that these portfolios are managed effectively and in a manner consistent with BNH's overall investment objectives, risk tolerance, and financial goals, as set out in Board-approved investment policies. Through this mandate, the MIC support’s BNH's long-term financial stability and growth.

### The MIC’s Key responsibilities include the following:

#### 1. Strategic Investment Oversight and Recommendations to the Board of Directors:

- Formulate and periodically review BNH's investment strategy for both the Marketable Portfolio and the Direct Investments portfolio.
- Provide recommendations to the BOD and the relevant Board committee(s) regarding investment decisions and strategies.
- Propose actions or changes in strategy based on market analysis, performance outcomes, and risk assessments.
- Ensure alignment of the investment strategies with the BNH’s overall financial goals and risk appetite.
- Oversee the asset allocations and diversification strategies within the Board-approved limits, to optimise the balance between risk and return.

#### 2. Performance Monitoring:

- Regularly review and assess the performance of the investment portfolios against established benchmarks and objectives.
- Analyse performance reports and provide insights into the results, identifying areas for improvement or adjustment.
- Ensure that performance metrics are relevant, accurate, and provide a clear picture of the portfolios' status.

#### 3. Risk Management:

- Oversee the identification, evaluation, and Management of investment risks across both portfolios.
- Ensure that risk Management strategies and tools are effectively employed to minimise adverse impacts on the portfolios.

# Corporate Governance

(Continued)

## 4. Policy and Guidelines Review:

- Develop and maintain comprehensive investment policies and guidelines that govern the management of the Marketable Portfolio and the Private Equity portfolio.
- Provide recommendations to the Board of Directors to update these policies periodically to reflect changes in market conditions, Company strategy, and regulatory requirements.
- Ensure that investment decisions are made within the framework of these established policies and guidelines.

## 5. Legal, Compliance and Regulatory Oversight:

- Monitor investment activities for compliance with legal, regulatory, and ethical standards.
- Stay abreast of changes in the legal and regulatory environment and ensure that investments are managed accordingly.

## 6. Limitations and Exclusions:

- While the MIC has a broad scope of responsibilities, it is not directly involved in the day-to-day management of investment operations, which is delegated to respective investment teams or external managers.

### Composition:

Function Title	Name	Role
Group Chief Executive Officer	Raed Fakhri	Chairman
Chief Financial Officer	Basil Ghali	Member
Chief Investment Officer	Ahmed Al-Aseeri	Member
Risk Manager	Outsourced	Non-voting member
GCEO Office Manager	Dalia Al Shebli	MC Secretary

## Procurement Committee (“PC”)

### Objectives and Responsibilities:

The PC is responsible for overseeing BNH's procurement framework to ensure alignment with its strategic objectives, regulatory requirements, and industry best practices, while supporting the national economy through engagement with local vendors and suppliers.

### The PC's Key responsibilities include:

- Develop, review and maintain procurement policies and procedures that align with BNH's strategic goals, legal requirements and best practices, including processes for vendor registration and conflict-of-interest declarations.
- Ensure procurement activities adhere to best practice standards that promote fairness, transparency and competitive sourcing.
- Recommend updates to procurement policies and procedures to the BOD, as required.
- Collaborate with business units to develop the annual procurement plan and budget, ensuring accuracy and alignment with operational requirements.
- Ensure procurement activities are executed accordance with approved plans and budgets.
- Review the annual procurement plan to ensure alignment with Key KPIs and targets, including identifying opportunities for cost savings and, where applicable, revenue generation through economies of scale, effective negotiations and efficient procurement practices.
- Monitor and evaluate vendor and supplier performance against agreed deliverables to ensure value for money for BNH and its Shareholders.
- Identifying procurement-related risks and ensure appropriate mitigation measures are implemented across BNH and its portfolio companies.

### Composition:

Function Title	Name	Role
Corporate Services – Director	Dr Maryam Al Ahmed	Chairwoman
Chief Financial Officer	Basil Ghali	Member
Chief Investment Officer	Ahmed Al-Aseeri	Member
VP - Finance	Nada Ayoob	Member
Corporate Services – Senior Specialist	Mohamed Alkooheji	PC Secretary

# Corporate Governance

(Continued)

## Compliance

BNH recognises its responsibilities and commitments to regulatory compliance and ensures that all business activities adhere to the applicable rules, regulations, and guidelines issued by the Central Bank of Bahrain and other relevant regulatory authorities. The Compliance function is responsible for overseeing compliance matters and reports directly to the Board's ACRC. It also serves as the primary point of contact with regulatory authorities.

As part of its mandate to assess the adequacy and effectiveness of BNH's compliance framework, the Compliance Department maintains an internally developed Compliance Matrix to support ongoing monitoring process (Compliance Monitoring Programme). In addition, a compliance calendar is maintained to ensure the timely submission of all regulatory filings and date-sensitive requirements.

Compliance activities are carried out in accordance with a plan approved by the Board's ACRC. Legal matters are overseen by the Legal Department, while risk Management activities are outsourced to an external service provider

## Anti-Money Laundering (AML)

BNH is committed to complying with the applicable requirements relating to anti-money laundering, counter-terrorist financing, and the prevention of the proliferation of weapons, in accordance with the Anti-Money Laundering Law Decree No. (4) of 2001, and the regulations issued by the Central Bank of Bahrain.

The Company applies appropriate internal policies and procedures to prevent, identify, and report any activities that may involve money laundering, terrorist financing, or proliferation-related risks, in line with the applicable regulatory requirements.

BNH periodically reviews its AML-related policies and procedures and promotes employee awareness of relevant obligations, as necessary, to support ongoing compliance with applicable laws and regulatory guidelines.

## Risk Management

The risk Management function has been outsourced to Acuity Analytics (formerly Acuity Knowledge Partners), one of the world's largest outsourcing firms providing risk Management and related professional services.

Acuity Analytics will support the design and implementation of a robust Enterprise Risk Management ("ERM") framework for BNH, including defining BNH wide risk universe across all functions for investment & non- investment categories. This will involve active monitoring of Key Risk Indicators (KRIs) to generate actionable insights, enabling timely risk identification and mitigation at a group level. Additionally, Acuity Analytics will also establish mechanisms to track and report risk Management activities, provide due diligence support, and prepare risk assessment notes on investments for BNH's executive Management.

The arrangement became effective in October 2025 and was implemented to strengthen BNH's risk Management capabilities through access to specialised expertise, advanced analytical tools, and industry best practices. Oversight of the risk Management framework and accountability for risk related decisions remain with Management and the BOD.

## Internal Audit

The BOD appointed Protiviti Member Firm Bahrain W.L.L. as BNH's Internal Auditor in June 2024. The internal auditor conducted an assessment of the adequacy and effectiveness of internal control systems and developed a comprehensive internal audit plan, which was subsequently approved by the Audit, Compliance and Risk Committee (ACRC).

Protiviti performs its internal audit activities in accordance with internationally recognised auditing standards and best practices. The Internal Audit function contributes to the evaluation and enhancement of BNH's risk Management, internal control, and governance processes. Internal Audit supports BNH in mitigating risks and strengthening its overall governance framework.

# Corporate Governance

(Continued)

## External Auditors

Based on the recommendation of the BOD, Shareholders appointed KPMG as the external auditor for the 2025 consolidated financial statements, as well as for the review of 2025's quarterly, half-yearly and year-end financial reports.

KPMG conducts its audit in accordance with the International Standards on Auditing (ISAs) with the objective of obtaining reasonable assurance that BNH's consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes an independent audit opinion. While reasonable assurance represents a high level of assurance, it does not guarantee that an audit performed in accordance with ISAs will always detect material misstatements.

KPMG is independent of BNH in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements applicable in the Kingdom of Bahrain. The auditors have complied with all ethical responsibilities under these standards.

In addition to external audit services, KPMG provides certain non-audit related services, including Agreed-Upon Procedures, in accordance with the International Standard on Related Services applicable as requested by Central Bank of Bahrain and Ministry of Industry & Commerce.

## Audit and non-audit fees paid by BNH for 2025

	Amount BD
Audit and review fees	18,600
Non-audit fees	11,200

## Whistleblowing Policy

In its commitment to the highest standards of corporate governance, BNH has implemented a Whistleblowing Policy that enables employees, vendors, service providers, customers or any third party to report misconduct or concerns in a confidential manner. The policy sets out clear procedures reporting such matters to the appropriate channels, without fear of retaliation. The policy is accessible to employees through BNH's intranet and to customers and third parties via BNH's website.

## Transparency & Efficiency

In developing its Corporate Governance framework, BNH aims to promote transparency and efficiency across all governance processes for the benefit of its stakeholders. Particular emphasis is placed on areas such as insider and Key person trading, anti-money laundering, information security and the prudent Management of financial assets.

## Employment of Relatives

As a general principle, Management does not permit the employment of closely related individuals within BNH. However, where no actual or perceived conflict of interest arises from personal or business relationship, such employment may be approved by BNH CEO or the BOD, based on a review of the specific circumstances of each case.

BNH fully complies with the CGC and has adopted additional measures to ensure its effective implementation. In certain areas, BNH applies standards that are more stringent than those prescribed under the Code.

By way of example, the definition of "relatives" under the CGC is narrower than the scope applied by BNH. For the purposes of BNH policies, the term "closely related" includes spouses, parents, children, siblings, and in-laws (including father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, and daughter-in-law). All such relationships must be fully disclosed to BNH prior to the commencement of employment. Failure to make the required disclosure may result in disciplinary action, up to and including termination of employment.

For the avoidance of doubt, the term "employee" includes all CBB-approved persons, including members of the BOD, the Head of Compliance, and other designated roles. Closely related individuals are not permitted to be employed within the same department.

## Policies & Procedures

In 2025, BNH continued to regularly review and update Key policies and procedures, covering critical operational and governance areas across all functions of the organisation. These reviews were undertaken to ensure continued alignment with applicable regulatory requirements, best practices, and the evolving needs of the business and to support effective risk Management, internal controls, and organisational oversight.

# Corporate Governance

(Continued)

## Directors & Officers Liability Insurance

BNH is covered under a Directors & Officers Liability Insurance Policy. The adequacy of the coverage is regularly assessed with reference to the size of the assets and future growth expectations. It is worth mentioning that no claims have been reported under the policy over the past ten years.

## Key Persons Trading

BNH's compliance with the latest Key Persons Trading regulations of the Central Bank of Bahrain and the Bahrain Bourse is overseen by the ACRC which reports directly to the BOD. In line with regulatory requirements, BNH has submitted its Internal Audit report for the year 2025 in accordance with the requirements of the Central Bank of Bahrain.

## Code of Conduct

BNH has established a Code of Business Ethics that sets out the expected standards of conduct and professional behaviour and working practices of the Directors, Management, and employees. Compliance with the code of Business Ethics is actively monitored, with Management overseeing adherence by staff. The Board of Directors, collectively or individually, maintains overall oversight to ensure consistent and effective application across the organisation.

## Penalties

During the year, BNH did not incur or pay any monetary penalties to the Central Bank of Bahrain.

## Communications

BNH is committed to maintaining effective, timely, transparent, and professional communication with its stakeholders, both internal and external. BNH utilises a range of communication channels to ensure the consistent dissemination of relevant information, including the Annual General Meeting, quarterly and annual reports, audited financial statements, corporate publications, the corporate website, internal communication platforms, press releases and announcements through the local and regional media. These channels support informed decision making by stakeholders and reinforce BNH's commitment to good governance and transparency.

## Corporate Secretary

In accordance with the Corporate Governance Code and the applicable principles of the Kingdom of Bahrain, BNH maintains a dedicated corporate secretarial function. The corporate secretary is responsible for ensuring the integrity of BNH's governance framework, ensuring the efficient administration of the Company, maintaining compliance with statutory and regulatory requirements and facilitating the effective implementation of decisions made by the BOD.

The Corporate Secretary provides ongoing support to the Board and its committees by ensuring the orderly and efficient conduct of meetings, including the timely convening of meetings, proper documentation and circulation of materials, and the accurate recording and maintenance of minutes and resolutions.

## Succession plan

In line with the requirements and principles of Corporate Governance, the BOD has reviewed and approved BNH's succession plan, including the policies and principles for selecting BNH CEO's successor, both in emergency situations and as part of normal business continuity planning. In addition, Management, in coordination with the BOD, has established succession plans for Key Senior Management positions within BNH, which are being implemented and periodically reviewed to ensure continuity of leadership, effective knowledge transfer, and the long term sustainability of BNH's operations.

## Conflict of Interests

Directors, key shareholders, senior executives, and employees of BNH are required to avoid situations that may lead to actual or potential conflicts of interest with BNH. Any such situations are to be managed in accordance with the provisions of the Commercial Companies Law and the Corporate Governance Code of Bahrain.

In accordance with the BOD's internal regulations, any director or member of the executive Management who has a direct or indirect interest in a transaction involving a conflict of interest must obtain approval from the BOD. Any officer or director who, personally or through a related party, has a joint or conflicting interest in a matter presented to the Board must disclose such interest to the Board, and the disclosure must be recorded in the minutes of the meeting.

The concerned individual is not permitted to participate in the deliberation, discussion or voting on the relevant transaction(s). Disclosures must address the substance and potential impact of the transaction on the integrity of BNH's decisions and transactions, rather than just its legal form.

The Chairman shall report to the general assembly the results of the related-party transactions approved by the BOD at the first meeting following the implementation of the transaction. Such reporting shall be on a case-by-case basis and accompanied by a report from the external auditor. Details of the related-party transactions and the classification of the amounts due to these parties and the receivables therefrom are disclosed to the Shareholders.

BNH's external auditors are responsible for verifying that related parties perform their obligations arising from approved transactions and for ensuring appropriate disclosure in accordance with applicable international financial reporting standards and relevant laws.

# Corporate Governance

(Continued)

## Related Parties Transactions

The Commercial Companies Law, CBB's regulations and BNH's Corporate Governance Policy emphasise on a Director's duty to avoid situations that may give rise to actual or potential conflicts of interest. This includes circumstances where a Director has other responsibilities or business interest(s) with another entity that may conflict with the interests of BNH. Any Director with a direct or indirect interest in a contract or transaction is required to declare such conflict, including all material facts, and to abstain from deliberation and voting on the relevant matter.

As stipulated in BNH's Corporate Governance framework, the concerned Directors do not participate in decisions where they have or may have a potential conflict of interest.

Details of related party transactions involving BNH in 2025 are disclosed in Note 26 of the financial statements. BNH applies enhanced procedures for related parties' transactions and has established a mechanism to regulate transactions with related parties in order to minimise conflicts of interest.

The approval process for related-party transactions includes:

- Identifying the accounts of all related parties including personal and associate companies
- Identifying and documenting all transactions and balances related to the identified accounts
- Obtaining Board approval on quarterly basis
- Shareholders review and approval at the Annual General Assembly Meeting (AGM)

## Status of compliance with CBB's High Level Controls Module

BNH as a Bahrain Bourse listed company is required to comply with the HC Module of the CBB Rulebook, Volumes 6. The HC Module contains both Rules and Guidance; Rules must be complied with, but Guidance may either be complied with or noncompliance explained to the Shareholders by way of an annual report and to the CBB.

BNH has provided the following explanations in relation to the below Guidance in Module HC Volume 6:

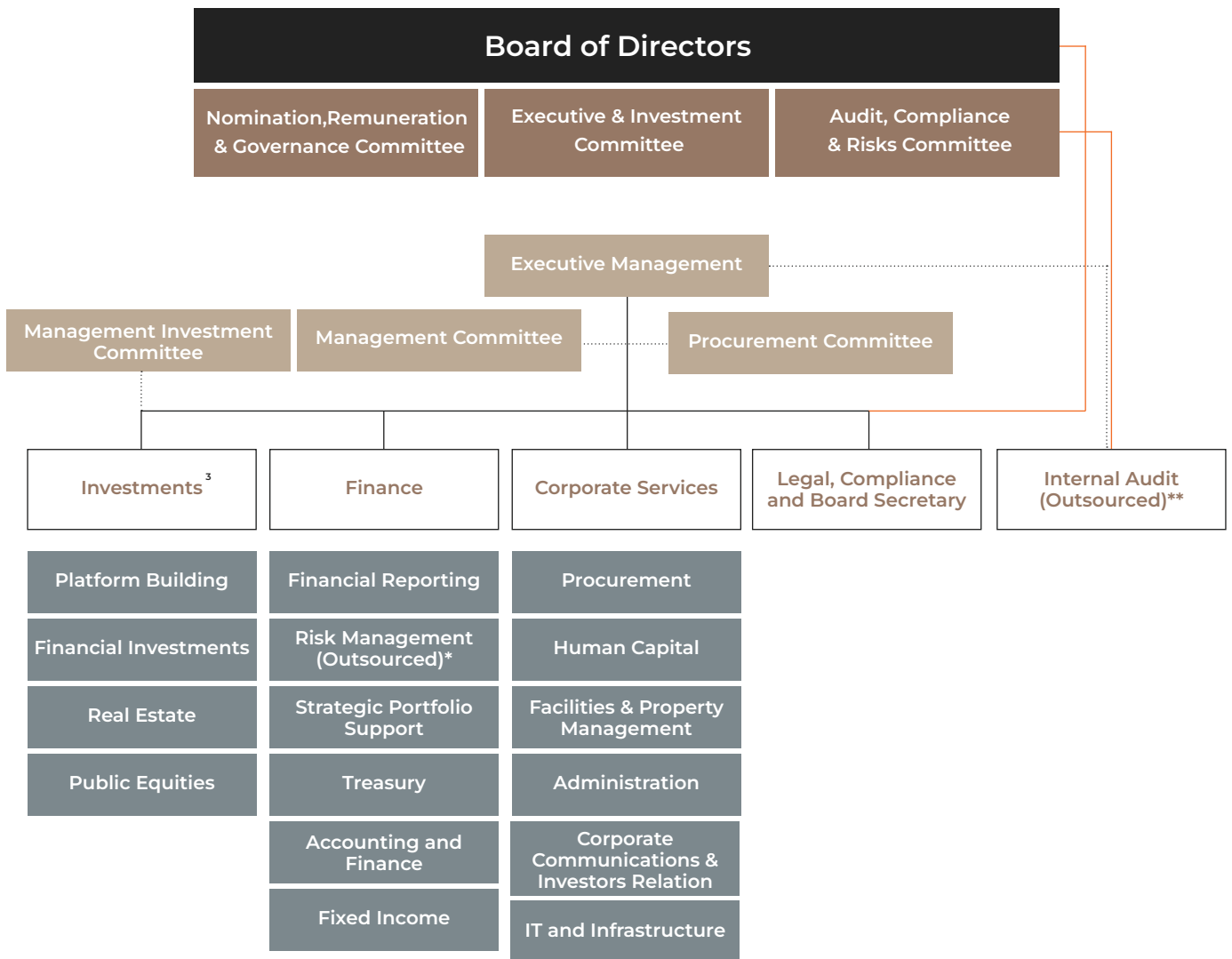
Guidance HC-1.3.6 provides that no Director should hold more than 3 Directorships in public companies in Bahrain, subject to the condition that no conflict of interest exists (including having an interest in companies operating in the same line of business), and the Board should not propose the election or re-election of any Director who does not meet this guidance. One of BNH's Directors, Mr. Jehad Amin holds more than three but not more than 5 directorships in public companies in Bahrain which is in compliance with principle 1 of the Corporate Governance Code 2018 and there is no conflict of interests between Mr. Jehad Amin's other directorships and his role at BNH and that his external commitments do not adversely affect his ability to effectively discharge his duties to BNH.

### Corporate Governance Officer

BNH has an appointed Corporate Governance Officer in accordance to the Corporate Governance Code.

Name	Date of Appointment	Contact Details
Amina Jasim Bushaar	5-January-2026	Tel: 17587308 Email: amina.bushaar@bnh.bh

# Organisation Structure



**Notes :**

\* Risk Management function is outsourced to Acuity Analytics <https://www.acuityanalytics.com>

\*\* Internal Audit function is outsourced to Protivity Global Business Consulting <https://www.protiviti.com>

# Contacts

## **Bahrain National Holding B.S.C.**

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Block 428, Seef District  
P.O Box 843  
Kingdom of Bahrain  
Tel: +973 1758 7300

[www.bnh.bh](http://www.bnh.bh)

## **Auditors of the Company**

KPMG Fakhro  
P.O Box 710,  
Kingdom of Bahrain

## **Primary Bankers of the Company**

Kuwait Finance House  
National Bank of Bahrain  
National Bank of Kuwait

## **Registrars of the Company**

KFin Technologies (Bahrain) W.L.L.

# Financial Report



# Financial Report

## Remunerations of the Board Members and Senior Executives


Transparent and comprehensive reporting on the Board of Directors' compensation and benefits is an essential element of good corporate governance. Following is the Board of Directors' remuneration and sitting fees and top 6 senior executives' salaries and benefits:

Name	Fixed remunerations					Variable remunerations							
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Salaries	Others	Total	Remunerations of the chairman and BOD (proposed)	Bonus	Incentive plans	Others	Total	End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
<b>Independent Directors:</b>													
Jehad Yusuf Amin	-	11,000	-	3,024	<b>14,024</b>	100,000	-	-	-	<b>100,000</b>	-	<b>114,024</b>	-
Ayad Saad Algosaibi	-	8,500	-	1,351	<b>9,851</b>	20,000	-	-	-	<b>20,000</b>	-	<b>29,851</b>	-
Abbas Abdulmohsen Radhi	-	9,200	-	3,024	<b>12,224</b>	20,000	-	-	-	<b>20,000</b>	-	<b>32,224</b>	-
Hussain Alshehab	-	4,167	-	938	<b>5,105</b>	20,000	-	-	-	<b>20,000</b>	-	<b>25,105</b>	-
<b>Non-Executive Directors:</b>													
Abdulhussain Khalil Dewani	-	8,000	-	3,024	<b>11,024</b>	40,000	-	-	-	<b>40,000</b>	-	<b>51,024</b>	-
Abdulrahman Mohamed Juma	-	8,000	-	3,024	<b>11,024</b>	20,000	-	-	-	<b>20,000</b>	-	<b>31,024</b>	-
Sami Mohamed Sharif Zainal	-	8,500	-	1,351	<b>9,851</b>	30,000	-	-	-	<b>30,000</b>	-	<b>39,851</b>	-
Ghassan Qassim Fakhroo	-	9,200	-	2,851	<b>12,051</b>	100,000	-	-	-	<b>100,000</b>	-	<b>112,051</b>	-
Ali Hasan Mahmood	-	5,000	-	2,587	<b>7,587</b>	20,000	-	-	-	<b>20,000</b>	-	<b>27,587</b>	-
Talal Fuad Kanoo	-	3,333	-	1,351	<b>4,684</b>	20,000	-	-	-	<b>20,000</b>	-	<b>24,684</b>	-
Sameer AlWazzan	-	7,500	-	3,024	<b>10,524</b>	20,000	-	-	-	<b>20,000</b>	-	<b>30,524</b>	-
<b>Executive Directors:</b>													
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>82,400</b>	-	<b>25,549</b>	<b>107,949</b>	<b>410,000</b>	-	-	-	<b>410,000</b>	-	<b>517,949</b>	-

Executive Management	Total paid salaries and allowances	Total paid remuneration (Bonus)	Any other cash/ in kind remuneration for 2025	Aggregate Amount
Top 6 remunerations for executives, including CEO and CFO	586,500	265,835	251,978	1,104,313

On behalf of the Board of Directors, we would like to extend our heartfelt appreciation and gratitude to His Majesty King Hamad bin Isa Al Khalifa and His Royal Highness Prince Salman bin Hamad Al Khalifa, Crown Prince and Prime Minister, for their visionary leadership and unwavering support of the Kingdom's financial sector. We also wish to express our thanks to the ministries, institutions, and government agencies, particularly the Ministry of Industry and Commerce, the Central Bank of Bahrain, the Ministry of Finance, Tamkeen, and the Bahrain Bourse, for their valuable guidance and ongoing support.

Furthermore, we would like to acknowledge and thank our shareholders, and business partners, for their steadfast confidence in us. Our gratitude also goes to the Board of Directors, Executive Management, and all employees for their dedication and commitment throughout 2025.



**Abdulhussain Khalil Dewani**

Chairman of the Board

25 February 2026



**Ghassan Qasim Fakhroo**

Vice Chairman of the Board

25 February 2026

**Notes:**

1. Remuneration earned if the executives are also on the Board of Directors of subsidiaries or other entities of the Group are excluded.
2. Disclosure is for the top 6 executives who are employees of the entity as on the reporting date.

# Financial Report

## Independent Auditor's Report

### Opinion

We have audited the consolidated financial statements of Bahrain National Holding Company B.S.C. (the "Company") and its subsidiary (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of the consolidated financial statements of public interest entities in the Kingdom of Bahrain. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Disposal of insurance subsidiaries (Refer to Note 31 and 32 of the consolidated financial statements)

### The key audit matter

During the year, the Group disposed of its entire shareholding in Bahrain National Insurance Company B.S.C. (c) and Bahrain National Life Assurance Company B.S.C. (c) (together, the “Disposal Group”) for total cash consideration of BHD 75.0 million and recognized a profit of BHD 29.8 million.

The disposal was significant to the consolidated financial statements and required management to exercise judgement, in particular in:

- assessing whether the disposal met the relevant derecognition criteria and the appropriate accounting treatment in accordance with IFRS;
- determining the carrying amounts of the net assets disposed of and related adjustments;
- determining the gain or loss on disposal, including the measurement of the consideration received and any contingent consideration; and
- ensuring appropriate presentation and disclosures in the consolidated financial statements in accordance with IFRS 10 Consolidated Financial Statements and IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

Given the materiality of the transaction and the level of judgement involved in the accounting and disclosures, we considered this to be a key audit matter.

### How the matter was addressed in our audit

Our audit procedures in this area included, amongst others:

- Assessing management’s judgements relating to classification and derecognition under IFRS.
- Reviewing the sale agreement and assessing the key terms of disposal, and verifying the consideration received, including any contingent arrangements, with reference to supporting documentation.
- Testing management’s calculation of the gain or loss on disposal, including verifying the carrying amount of the net assets disposed of and related adjustments.
- Evaluating the adequacy of the financial statement disclosures relating to the disposal, including disclosures of key judgements and assumptions applied

# Financial Report

## Other Information

The board of directors is responsible for the other information. The other information comprises the annual report but does not include the consolidated financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the Directors' report which forms part of the annual report, and the remaining sections of the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Board of Directors for the Consolidated Financial Statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

# Financial Report

## Report on Other Regulatory Requirements

### 1) As required by the Commercial Companies Law 2001 (as amended), we report that:

- the Company has maintained proper accounting records and the consolidated financial statements are in agreement therewith;
- the financial information contained in the Board of directors' report is consistent with the consolidated financial statements;
- we are not aware of any violations during the year of the Commercial Companies Law 2001 (as amended) or the terms of the Company's memorandum and articles of association that would have had a material adverse effect on the business of the Company or on its financial position; and
- satisfactory explanations and information have been provided to us by management in response to all our requests.

### 2) As required by the Ministry of Industry and Commerce in their letter dated 30 January 2020 in respect of the requirements of Article 8 of Section 2 of Chapter 1 of the Corporate Governance Code, we report that the Company has:

- a corporate governance officer; and
- a Board approved written guidance and procedures for corporate governance.

The engagement partner on the audit resulting in this independent auditors' report is Salman Manjlai.



**KPMG Fakhro**

Partner Registration Number 213

25 February 2026

## Consolidated Statement of Financial Position (As at 31 December 2025)

(In thousands of Bahraini Dinars)

ASSETS	Note	31 December 2025	31 December 2024
Cash and cash equivalents	7	20,168	497
Financial investments	8	53,773	12,889
Equity accounted investees	9	9,032	10,587
Investment properties	11	1,267	1,953
Property and equipment	12	942	1,813
Other assets	13	1,194	292
Assets held for sale	31	-	83,888
<b>Total assets</b>		<b>86,376</b>	<b>111,919</b>
LIABILITIES			
Other provisions and liabilities	14	4,729	941
Liabilities directly associated with the assets held for sale	31	-	38,861
<b>Total liabilities</b>		<b>4,729</b>	<b>39,802</b>
<b>Net assets</b>		<b>81,647</b>	<b>72,117</b>
EQUITY			
Share capital	16b	11,918	11,918
Treasury shares	16c	(707)	(300)
Share premium	16g	3,990	3,990
Statutory reserve	17a	5,959	5,959
Other reserves	17b, 17c	(938)	11,948
Retained earnings		61,425	38,602
<b>Total equity</b>		<b>81,647</b>	<b>72,117</b>

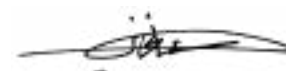
The consolidated financial statements were approved by the Board of Directors on 25 February 2026 and signed on its behalf by:



**Abdulhussain Khalil Dewani**  
Chairman of the Board



**Ghassan Qasim Fakhroo**  
Vice Chairman of the Board



**Raed Abdulla Fakhri**  
Group Chief Executive Officer

# Financial Report

## Consolidated Statement of Profit or Loss for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

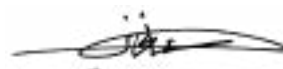
CONTINUING OPERATIONS	Note	2025	2024
Net investment income	20	2,942	142
Gain on disposal of subsidiaries	32	29,821	-
Share of profit of equity accounted investees	9b	845	1,116
Expenses	21	(6,807)	(2,768)
Other income / (expenses), net		(40)	(172)
<b>Results from continuing operations</b>		<b>26,761</b>	<b>(1,682)</b>
<b>Discontinued operations</b>			
Results from discontinued operations	31	697	7,044
<b>Profit for the year</b>		<b>27,458</b>	<b>5,362</b>
<b>PROFIT ATTRIBUTABLE TO:</b>			
Parent company		27,458	5,164
Non-controlling interest		-	198
		27,458	5,362
<b>EARNINGS PER SHARE</b>			
Basic and diluted earnings per share	16e	232 fils	43 fils
<b>EARNINGS PER SHARE FOR CONTINUING OPERATIONS</b>			
Basic and diluted earnings per share		226 fils	(14) fils



**Abdulhussain Khalil Dewani**  
Chairman of the Board



**Ghassan Qasim Fakhroo**  
Vice Chairman of the Board




**Raed Abdulla Fakhri**  
Group Chief Executive Officer

## Consolidated Statement of Comprehensive Income for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)


CONTINUING OPERATIONS	Note	2025	2024
<b>Profit for the year</b>		<b>27,458</b>	<b>5,362</b>
Other comprehensive income			
Continuing operations:			
Items that will not be reclassified to profit or loss:			
- Equity investments at FVOCI – net change in fair value	8b	(7,296)	462
Items that are or may be reclassified subsequently to profit or loss:			
Equity accounted investees			
- Share of other comprehensive income	9c	6	1
<b>Other comprehensive income from continuing operations</b>		<b>(7,290)</b>	<b>463</b>
<b>Discontinued operations:</b>			
Other comprehensive income from discontinued operations		(179)	321
<b>Total comprehensive income</b>		<b>19,989</b>	<b>6,146</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Continuing operations		19,471	(1,219)
Discontinued operations		518	7,365
		<b>19,989</b>	<b>6,146</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>			
Parent company		19,989	5,942
Non-controlling interest		-	204
		<b>19,989</b>	<b>6,146</b>



**Abdulhussain Khalil Dewani**  
Chairman of the Board



**Ghassan Qasim Fakhroo**  
Vice Chairman of the Board



**Raed Abdulla Fakhri**  
Group Chief Executive Officer

# Financial Report

## Consolidated Statement of Changes in Equity for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

2025

	Attributable to the shareholders of the Parent company									Non- controlling interest	Total equity
	Share capital	Treasury shares	Share premium	Statutory reserve	General reserve	Fair value reserve	Reserve of disposal group held for sale	Retained earnings	Total		
Balance at 1 January 2025	11,918	(300)	3,990	5,959	9,419	(2,210)	4,739	38,602	<b>72,117</b>	-	<b>72,117</b>
Profit for the year	-	-	-	-	-	-	-	27,458	<b>27,458</b>	-	<b>27,458</b>
Other comprehensive income for the year	-	-	-	-	-	(7,469)	-	-	<b>(7,469)</b>	-	<b>(7,469)</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>(7,469)</b>	-	<b>27,458</b>	<b>19,989</b>	-	<b>19,989</b>
Transfer from fair value reserve on sale of equity Investments	-	-	-	-	-	(835)	-	835	-	-	-
Dividends declared for 2024	-	-	-	-	-	-	-	(4,150)	<b>(4,150)</b>	-	<b>(4,150)</b>
Interim dividends for 2025	-	-	-	-	-	-	-	(5,902)	<b>(5,902)</b>	-	<b>(5,902)</b>
Purchase of treasury shares	-	(407)	-	-	-	-	-	-	<b>(407)</b>	-	<b>(407)</b>
Other comprehensive income from discontinued operations	-	-	-	-	-	179	(179)	-	-	-	-
Transfer on reclassification of equity accounted investee (note 9)	-	-	-	-	-	(22)	-	22	-	-	-
Disposal of discontinued operations (note 31)	-	-	-	-	-	-	(4,560)	4,560	-	-	-
<b>Balance as at 31 December 2025</b>	<b>11,918</b>	<b>(707)</b>	<b>3,990</b>	<b>5,959</b>	<b>9,419</b>	<b>(10,357)</b>	<b>-</b>	<b>61,425</b>	<b>81,647</b>	<b>-</b>	<b>81,647</b>

**Consolidated Statement of Changes in Equity  
for the year ended (31 December 2025) (Continued)**

(In thousands of Bahraini Dinars)

2024

	Attributable to the shareholders of the Parent company										
	Share capital	Treasury shares	Share premium	Statutory reserve	Other reserves			Retained earnings		Non-controlling interest	Total equity
General reserve					Fair value reserve	Reserve of disposal group held for sale		Total			
Balance at 1 January 2024	11,918	-	3,990	5,959	13,585	(1,886)	-	36,484	<b>70,050</b>	3,602	<b>73,652</b>
Profit for the year	-	-	-	-	-	-	-	5,164	<b>5,164</b>	198	<b>5,362</b>
Other comprehensive income for the year	-	-	-	-	-	778	-	-	<b>778</b>	6	<b>784</b>
<b>Total comprehensive income for the year</b>	-	-	-	-	-	<b>778</b>	-	<b>5,164</b>	<b>5,942</b>	<b>204</b>	<b>6,146</b>
Transfer from fair value reserve on sale of equity Investments	-	-	-	-	-	(522)	-	522	-	-	-
Dividends declared for 2023	-	-	-	-	-	-	-	(4,171)	<b>(4,171)</b>	(210)	<b>(4,381)</b>
Purchase of treasury shares	-	(300)	-	-	-	-	-	-	<b>(300)</b>	-	<b>(300)</b>
Acquisition of non-controlling interest	-	-	-	-	-	(7)	-	603	<b>596</b>	(3,596)	<b>(3,000)</b>
Disposal of discontinued operations (note 31)	-	-	-	-	(4,166)	(573)	4,739	-	-	-	-
<b>Balance as at 31 December 2024</b>	<b>11,918</b>	<b>(300)</b>	<b>3,990</b>	<b>5,959</b>	<b>9,419</b>	<b>(2,210)</b>	<b>4,739</b>	<b>38,602</b>	<b>72,117</b>	-	<b>72,117</b>

# Financial Report

## Consolidated Statement of Cash Flows for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

OPERATING ACTIVITIES	Note	2025	2024
<b>Investment operations</b>			
Proceeds from sale of subsidiaries		75,000	-
Transaction cost on the sale of subsidiaries		(1,768)	-
Dividends paid to the buyer on the sale of subsidiaries		(5,854)	-
Cash and cash equivalents held by the subsidiaries at the disposal date		(15,804)	-
Dividends and interest received		3,087	3,878
Proceeds from sale and redemptions of financial investments		7,296	8,917
Payments for purchases of financial investments		(21,727)	(6,229)
Bank deposits with maturities of more than three months		(40,277)	(12,308)
Redemption proceeds from bank deposits		16,350	23,897
Dividends received from equity accounted investees		1,053	880
Payment for investment properties		(39)	(4)
Rent received		393	165
<b>Cash flows from investment operations</b>		<b>17,710</b>	<b>19,196</b>
<b>Insurance operations (discontinued)</b>			
Premiums received		9,779	55,023
Claims and expenses paid, net of salvage recoveries		(10,365)	(36,664)
Insurance acquisition costs paid		(572)	(2,945)
Premiums paid to reinsurers, net of commission		(4,469)	(21,536)
Claims recovered from reinsurers		4,518	10,636
<b>Cash flows (used in)/ from insurance operations</b>		<b>(1,109)</b>	<b>4,514</b>
Expenses paid		(4,835)	(4,150)
<b>Cash flows from operating activities</b>		<b>11,766</b>	<b>19,560</b>

**Consolidated Statement of Cash Flows**  
**for the year ended (31 December 2025) (Continued)**

(In thousands of Bahraini Dinars)

<b>INVESTMENT ACTIVITIES</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Proceeds from the sale of fixed asset		1,300	-
Purchase of equipment and intangible assets		(58)	(48)
<b>Cash flows from/ (used in) investment activities</b>		<b>1,242</b>	<b>(48)</b>
<b>FINANCING ACTIVITIES</b>	<b>Note</b>	<b>2025</b>	<b>2024</b>
Dividends paid to shareholders		(10,052)	(4,171)
Dividends paid to non-controlling interest		-	(210)
Acquisition of non-controlling interest		-	(3,000)
Purchase of treasury shares		(407)	(300)
Payments of lease liabilities		(7)	(52)
<b>Cash flows used in financing activities</b>		<b>(10,466)</b>	<b>(7,733)</b>
<b>Net change in cash and cash equivalents</b>		<b>2,542</b>	<b>11,779</b>
Cash and cash equivalents at 1 January		17,663	5,884
<b>Cash and cash equivalents at 31 December</b>	<b>7</b>	<b>20,205</b>	<b>17,663</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 1. REPORTING ENTITY

Bahrain National Holding B.S.C (the "Company") is registered in the Kingdom of Bahrain under commercial registration number 42210-1. The Company's registered office at 9th floor, BNH Tower, Seef Business District, Manama, Kingdom of Bahrain, P.O. Box 843.

These consolidated financial statements as at and for the year ended 31 December 2025 comprise the Company and its subsidiary (together referred to as the "Group"). The principal activities of the Group are to transact in investment activities.

### 2. BASIS OF ACCOUNTING AND MEASUREMENT

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in conformity with Commercial Companies Law 2001 (as amended).

The consolidated financial statements have been drawn up from the accounting records of the Company and its subsidiaries under the historical cost convention, except for investment securities carried at fair value through profit or loss and at fair value through other comprehensive income, which are stated at fair value.

These consolidated financial statements were authorized for issue by the Board of Directors on 25 February 2026.

#### a) Functional and presentation currency

These consolidated financial statements are presented in Bahraini Dinar, which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

#### b) Use of judgements and estimates

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 6.

**c) New standards, amendments and interpretations effective from 1 January 2025.**

The relevant new standard and amendment to the standards, which became effective as of 1 January 2025, had no material impact on the consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21)

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

A number of new accounting standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

***IFRS 18 – Presentation and Disclosure in Financial Statements***

IFRS 18 will replace IAS 1 Presentation of Financial Statements and applies for annual reporting periods beginning on or after 1 January 2027. The new standards introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

***Other accounting standards***

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7); and
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 3. BASIS OF CONSOLIDATION

### a) Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately.

Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

### b) Subsidiaries

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 entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ceases.

### c) Non-controlling interest (NCI)

Non-controlling interest represents their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction.

**d) Loss of control**

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 resulting gain or loss is recognised in the consolidated statement of profit or loss. Any interest retained in the former subsidiary is measured at measured at fair value when control is lost.

**e) Interest in equity-accounted investees**

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, until the date on which significant influence or joint control ceases.

**f) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES

### i) Financial assets and financial liabilities

#### a. Recognition and initial measurement

The Group recognises deposits with financial institution on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for a financial asset or financial liability not measured at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

#### b. Classification and subsequent measurement

##### Financial assets

##### Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

The Group elects to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

### **Business model assessment**

The Group assesses the objective of the business model in which a financial asset is held for each portfolio of financial assets because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice, including whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales. In prior periods, the reasons for such sales and expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group's stated objective for managing the financial assets is achieved and how cash flows are realised.

Portfolios of financial assets that are managed and whose performance is evaluated on a fair value basis, which include underlying items of participating contracts, and portfolios of financial assets that are held for trading are measured at FVTPL because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

### **Assessment of whether contractual cash flows are SPPI**

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 4. MATERIAL ACCOUNTING POLICIES (continued)

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
- features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

### Subsequent measurement and gains and losses

<b>Financial assets at FVTPL</b> ◇◇◇◇◇◇◇◇	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.
<b>Debt investments at FVOCI</b> ◇◇◇◇◇◇◇◇	Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
<b>Equity investments at FVOCI</b> ◇◇◇◇◇◇◇◇	Measured at fair value. Dividends are recognised as income in profit or loss when the Group's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.
<b>Financial assets at amortised cost</b> ◇◇◇◇◇◇◇◇	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

#### 4. MATERIAL ACCOUNTING POLICIES (continued)

##### Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees, into one of the following categories: -

financial liabilities at FVTPL, and within this category as:

- held-for-trading;
- derivative hedging instruments; or
- designated as at FVTPL; and -

financial liabilities at amortised cost.

##### Subsequent measurement and gains and losses

###### Financial liabilities at FVTPL



Measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in profit or loss, unless they arise from derivatives designated as hedging instruments in net investment hedges.

###### Financial liabilities at amortised cost



Measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Interest on financial instruments

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance

#### Financial assets not credit-impaired on initial recognition



If the financial asset is not credit-impaired, then interest income is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the asset, but not ECL.

#### Financial assets credit-impaired on initial recognition



If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

For information on when financial assets are credit-impaired, see (b).

Interest income is calculated by applying a credit adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

## Financial liabilities



Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI.

### c. Impairment

The Group recognises loss allowances for ECL on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- lease receivables.

The Group measures loss allowances at an amount equal to lifetime ECL, except in the following cases, for which the amount recognised is 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) for which credit risk has not increased significantly since initial recognition.

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. 12-month ECL are the portion of ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Financial instruments for which lifetime ECL are recognised because of a significant increase in credit risk since initial recognition but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'.

In all cases, the maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets measured at amortised cost, debt investments at FVOCI and lease receivables are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

### Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Although the Group expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

## d. Derecognition

### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of ownership or (b) when it has neither transferred or retained substantially all the risks and rewards and when it no longer has control over the financial asset, but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any cumulative gain/ loss recognised in OCI in respect of equity investment securities designated as at FVOCI is not recognised in profit or loss on derecognition of such securities. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Group is recognised as a separate asset or liability.

### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Group currently has certain debt securities measured at FVOCI and equity investment designated as at FVOCI. For debt securities measured at FVOCI, gains and losses are recognised in OCI, except for the following, which are recognised in profit or loss in the same manner as for financial assets measured at amortised cost:

- Interest expense using the effective interest method;
- Expected Credit Losses (ECL) and reversals; and
- Foreign exchange gains and losses.

When debt security measured at FVOCI is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

The Group elects to present in OCI changes in the fair value of certain investments in equity instruments that are not held for trading. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable. Gains and losses on such equity instruments are never reclassified to profit or loss and no impairment is recognised in profit or loss. Dividends are recognised in profit or loss, unless they clearly represent a recovery of part of the cost of the investment, in which case they are recognised in OCI. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### e. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when it is required or permitted by a standard – e.g. gains and losses arising from a group of similar transactions such as the gains and losses on financial assets measured at FVTPL.

### ii) Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances and short-term highly liquid assets (placements with financial institutions) with maturities of three months or less, when acquired.

### iii) Intangible assets

Software acquired by the Group is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is calculated to write off cost of intangible assets less their estimated residual values using straight line method over their estimated useful lives and is generally recognised in profit or loss. The estimated useful life of software for the current and comparative periods is five years.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

### iv) Property and equipment

Property and equipment are measured at cost, less accumulated depreciation and any impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads. Properties include certain properties that the Group splits them between investment properties and properties for the Group's own use. The part under the Group's own use is reported under property and equipment.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits are embodied in the item of property and equipment. All other expenditure is recognised in the consolidated statement of profit or loss as an expense when incurred.

### Depreciation

Depreciation is calculated to write off cost of equipment less their estimated residual values using straight line method over their estimated useful lives and is generally recognised in profit or loss

#### The useful lives of different categories of property and equipment are as follows:

Categories	Useful live in years
Building	25 years
Machinery	10 years
Furniture, fixtures and telephone systems	5 years
Computer and office equipment	4 years
Motor vehicles	4 years
Office improvements	3 years

Depreciation is charged to profit or loss. When an item of property and equipment is sold, transferred or otherwise permanently withdrawn from use, the cost and accumulated depreciation relating thereto are eliminated from the consolidated statement of financial position, the resulting gain or loss being recognised in the consolidated statement of profit or loss.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### v) Investment properties

Investment properties, which are held to earn rentals or for capital appreciation, are measured at cost, including transaction costs, less accumulated depreciation and accumulated impairment, if any. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day- to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on disposal of investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the consolidated profit or loss.

### vi) Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16.

#### As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, (including IT equipment). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of other revenue.

Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from IFRS 16 except for the classification of the sub-lease entered into during current reporting period that resulted in a finance lease classification.

**vii) Impairment of non-financial assets**

The carrying amount of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated or impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets of cash generating units (CGU's). The recoverable amount of an asset or a cash generating unit is the greater of its value in use or fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the assets or CGU.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**viii) Employees' benefits****Bahraini employees**

Pensions and other social benefits for Bahraini employees are covered by the Social Insurance Organisation, which is a "defined contribution scheme" in nature under IAS 19 'Employee Benefits', and to which employees and employers contribute monthly on a fixed-percentage-of- salaries basis.

For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### Expatriate employees

Expatriate employees are entitled to leaving indemnities payable under the Bahraini Labour Law for the Private Sector, based on length of service and final remuneration. The provision for this unfunded commitment which represents a defined benefit plan under International Accounting Standard 19 – Employee benefits, is made by calculating the notional liability had all employees left at the reporting date.

Effective 1 March 2024, all Bahrain based employers are required to make monthly contributions in relation to the expatriate indemnity to SIO, who would be responsible to settle leaving indemnities for expatriates at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Company.

### Employee savings scheme

The Group has a voluntary employees saving scheme. The Group and the employee contribute monthly on a fixed percentage of salaries basis to the scheme.

### ix) Share Capital

Equity shares are classified as equity. Incremental costs directly attributable to the issue of the ordinary shares and share options are recognized as a deduction from equity.

### x) Treasury shares

When share capital of the Company is repurchased, the amount of consideration paid is recognised as a change in equity. Repurchased shares classified as treasury shares are carried at cost and are presented as a deduction from equity. Gains/ losses on disposal of treasury shares are recognised in equity.

### xi) Dividends

Dividends to shareholders are recognised as a liability in the period in which they are declared.

**xii) Directors' remunerations**

Directors' remunerations are charged to the consolidated statement of profit or loss in the year in which they are incurred.

**xiii) Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Board of Directors and Group's Investment and Executive Committee to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors and Executive Committee include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

**xiv) Foreign currency translation****Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary items classified as FVOCI financial assets are included in fair value reserve.

**Other group companies**

The other group companies functional currencies are denominated in Bahraini Dinar, and hence, there is no translation of financial statements of the Group's companies.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 4. MATERIAL ACCOUNTING POLICIES (continued)

### xv) Discontinued operation

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographic area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS)

### i) Insurance, reinsurance and investment contracts – Classification

Contracts under which the Group accepts significant insurance risk are classified as insurance contracts. Contracts held by the Group under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Group to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Group, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Group, unless otherwise stated.

Some contracts entered into by the Group have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are classified as financial liabilities and are referred to as 'investment contracts' (see (iii)).

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Group expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Some of these contracts are measured under the PAA (see (ii)(f)).

## ii) Insurance and reinsurance contracts

### a) Separating components from insurance and reinsurance contracts

At inception, the Group separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments (see note 4(i)):

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Group separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Group provides a significant service of integrating the good or service with the insurance component.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### b) Aggregation and recognition of insurance and reinsurance contracts

#### Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Group's practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group.

An insurance contract issued by the Group is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Group provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

## Reinsurance contracts

Groups of reinsurance contracts are established such that each group comprises a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Group concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Group's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following date.

- Reinsurance contracts initiated by the Group that provide proportionate coverage: The date on which any underlying insurance contract is initially recognised. This applies to the Group's quota share reinsurance contracts.
- Other reinsurance contracts initiated by the Group: The beginning of the coverage period of the group of reinsurance contracts. However, if the Group recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date. This applies to the Group's excess of loss and stop loss reinsurance contracts.
- Reinsurance contracts acquired: The date of acquisition.

### c) Insurance acquisition cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

The Group uses a systematic and rational method to allocate:

- Insurance acquisition cash flows that are directly attributable to a group of insurance contracts: to that group; and
- to groups that include insurance contracts that are expected to arise from the renewals of the insurance contracts in that group.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of consolidated financial position, a separate asset for insurance acquisition cash flows is recognised for each related group. The asset for insurance acquisition cash flow is derecognised from the consolidated statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Group:

- A. recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- B. if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Group reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

### d) Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

#### Insurance contracts



Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services).

A substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Group has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Group, which may include both insurance and financial risks, but exclude lapse and expense risks.

## Reinsurance contracts



Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Group is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time.

### e) Measurement – Contracts not measured under the PAA

#### Insurance contracts – Initial measurement

On initial recognition, the Group measures a group of insurance contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Group's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Group will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (c)) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

For groups of contracts acquired in a transfer of contracts or a business combination, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss, or as an adjustment to goodwill or a gain on a bargain purchase if the contracts are acquired in a business combination. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Insurance contracts – Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

#### Changes relating to future services

◇◇◇◇◇◇◇◇

Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)

#### Changes relating to current or past services

◇◇◇◇◇◇◇◇

Recognised as insurance finance income or expenses

#### Effects of the time value of money, financial risk and changes therein on estimated future cash flows

◇◇◇◇◇◇◇◇

Recognised

The CSM of each group of contracts is calculated at each reporting date as follows.

### Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - ◊ any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component; or
  - ◊ any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and
- changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Direct participating contracts

Direct participating contracts are contracts under which the Group's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Group's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Group provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Group adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Group then adjusts any CSM for changes in the amount of the Group's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Group's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
  - ◇ the Group has applied the risk mitigation option to exclude from the CSM changes in the effect of financial risk on the amount of its share of the underlying items or fulfilment cash flows;
  - ◇ a decrease in the amount of the Group's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component; or
  - ◇ an increase in the amount of the Group's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year.

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees.

### Reinsurance contracts

To measure a group of reinsurance contracts, the Group applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Group measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Group to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Group recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Reinsurance of onerous underlying insurance contracts

The Group adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Group expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

- the amount of the loss component that relates to the underlying contracts at the date of acquisition; and
- the percentage of claims on the underlying contracts that the Group expects at the date of acquisition to recover from the reinsurance contracts.

For reinsurance contracts acquired in a business combination, the adjustment to the CSM reduces goodwill or increases a gain on a bargain purchase.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Group uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid.

### f) Measurement – Contracts measured under the PAA

In the non-life and short-term life assurance segments, the Group uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

- Insurance contracts: The coverage period of each contract in the group is one year or less. Some of these contracts provide compensation for the cost of rebuilding or repairing a property after a fire; for these contracts, the Group determines the insured event to be the occurrence of a fire and the coverage period to be the period in which a fire can occur for which a policyholder can make a valid claim.
- Loss-occurring reinsurance contracts: The coverage period of each contract in the group is one year or less.
- Risk-attaching reinsurance contracts: The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies in (e). When comparing the different possible measurements, the Group considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

However, certain groups of insurance contracts are acquired in their claims settlement period. The claims from some of these groups are expected to develop over more than one year. The Group measures these groups under the accounting policies in (e).

### **Insurance contracts**

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under (c)). The Group has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided and any additional insurance acquisition cash flows allocated after initial recognition.

On initial recognition of each group of contracts, the Group expects that the time between providing each part of the services and the related premium due date is no more than a year. Accordingly, the Group has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Group recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage. The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted.

The Group recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Reinsurance contracts

The Group applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component is created for a group of reinsurance contracts measured under the PAA, then the Group adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

### g) Derecognition and contract modification

The Group derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Group also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Group treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Group entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Group received the premium that it would have charged less any additional premium charged for the modification.

## h) Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under (c) are included in the carrying amount of the related portfolios of contracts.

The Group disaggregates amounts recognised in the statement of profit or loss into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net expenses from reinsurance contracts' in the insurance service result.

The Group does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

### Insurance revenue – Contracts not measured under the PAA

The Group recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Group expects to receive consideration, and comprises the following items of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

- A release of the CSM, measured based on coverage units provided (see 'Release of the CSM' below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts, which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment and amounts related to incurred policyholder tax expenses for the participating segment.

In addition, the Group allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Group recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. In addition, life savings contracts may also provide investment services for generating an investment return for the policyholder, but only if:

- an investment component exists or the policyholder has a right to withdraw an amount (e.g. the policyholder's right to receive a surrender value on cancellation of a contract);
- the investment component or withdrawal amount is expected to include an investment return; and
- the Group expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

### Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Group allocates the expected premium receipts to each period based on the passage of time.

## Loss components

For contracts not measured under the PAA, the Group establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for nonfinancial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of the Group's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

## Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- Incurred claims and other insurance service expenses: For some life risk contracts, incurred claims also include premiums waived on detection of critical illness.
- Amortisation of insurance acquisition cash flows: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Group amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 5. MATERIAL ACCOUNTING POLICY FOR INSURANCE BUSINESS (DISCONTINUED OPERATIONS) (continued)

### Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Group recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Group expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Group establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Group expects to recover from the reinsurance contracts.

### Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses. They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

There is an option to disaggregate part of the movement of liability for incurred claims resulting from changes in discount rate and present this in OCI. The Group elected to present insurance finance income or expenses in profit or loss for all groups of insurance contracts.

### iii) Investment contracts

Investment contracts comprise investment-linked contracts that do not transfer significant insurance risk. Such contracts are separated into two components: a financial liability (investment contract) and an investment management service contract. Recurring fees are conditional on the provision of investment management services and are attributed to the investment management service contract component. If an amount received from a customer exceeds the fair value of the investment contract issued, then the excess is attributed to the investment services component as an up-front fee. Group entities also charge recurring fees for investment management services to a number of collective investment schemes. Interests in consolidated funds held by unrelated third parties are classified as financial liabilities.

#### a) Financial liabilities

The Group recognises a financial liability, representing its contractual obligation to pass on the return on the underlying investments after the deduction of investment management fees, when the Group becomes a party to the contractual provisions. It derecognises the financial liability when the obligations specified in the contract expire or are discharged or cancelled. Amounts collected and paid that are attributable to the financial instrument component are adjusted against the financial liability.

The Group has designated investment contract liabilities as at FVTPL on initial recognition. This is because these liabilities as well as the related assets are managed and their performance is evaluated on a fair value basis.

All investment contract liabilities have a unit-linking feature whereby the amount due to contract holders is contractually determined on the basis of specified assets. The effect of the unit-linking feature on the fair value of the liability is asset-specific performance risk and not credit risk, and the liabilities are fully collateralised. The Group has determined that any residual credit risk is insignificant and has not had any impact on the fair value of the liabilities.

Financial liabilities arising from investment contracts are designated as at FVTPL on initial recognition. This is because these liabilities as well as the related assets are managed and their performance is evaluated on a fair value basis. The fair value is the amount payable on demand because the holders can cancel their contracts at any time after contract inception.

### Investment management service contracts

Recurring fees are calculated and recognised as revenue on a daily basis. Non-refundable up-front fees give rise to material rights for future investment management services and are recognised as revenue over the period for which a customer is expected to continue receiving investment management services.

Commissions and fees paid to brokers for securing new customers are generally recognised as assets, unless the Group does not expect to recover these costs. Contract costs are amortised over the estimated duration of the contracts on a straight-line basis and are reviewed for impairment regularly.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 6. USE OF JUDGEMENTS AND ESTIMATES

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### a) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

#### i) Impairment of financial assets

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 approval of models used to measure ECL;

#### ii) Classification of financial assets

Assessing the business model within which the assets are held and whether the contractual terms of the assets are SPPI on the principal amount outstanding;

#### iii) Equity accounted investees

Whether the Group has significant influence over an investee; and

#### iv) Consolidation

Determining whether the Group controls an investee.

## b) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

- classification of investment securities: assessment of business model within which the assets are held (note 4(i)(b));
- measurement of the fair value of equity securities on the basis of significant unobservable inputs (notes 4(i)(b) and 27)); and
- impairment of financial assets: determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information (notes 4 (i)(c), 8, and 22(i)).

## 7. CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS	31 December 2025	31 December 2024
Cash and bank accounts*	1,139	5,095
Fixed deposits with maturities of three months or less	10,179	6,692
Treasury bills with maturities of three months or less	8,887	5,876
<b>Cash and cash equivalents in the consolidated statement of cash flows</b>	<b>20,205</b>	<b>17,663</b>
Loss allowance	(37)	(38)
Classified to assets held for sale (note 31)	-	(17,128)
<b>Cash and cash equivalents in the statement of consolidated financial position</b>	<b>20,168</b>	<b>497</b>

\* This includes BD nil that is not available for day-to-day operation (2024: BD 128 thousand). Information about the Group's exposure to interest rate and credit risks are included in note 23.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 8. FINANCIAL INVESTMENTS

FINANCIAL INVESTMENTS	31 December 2025	31 December 2024
Fair value through profit or loss (a)	4,715	9,469
Fair value through other comprehensive income (b)	8,754	23,311
Debt securities at amortized cost (c)	11,727	16,194
Placements with banks, with maturities of more than three months (d)	28,577	12,107
	<b>53,773</b>	<b>61,081</b>
Classified to assets held for sale (note 31)	-	<b>(48,192)</b>
	53,773	12,889
<b>a) Fair Value Through Profit or Loss (FVTPL)</b>		
Listed securities:		
- Equity securities	-	118
- Government debt securities	-	694
- Corporate debt securities	-	3,271
- Managed funds	-	3,374
Unlisted funds	4,715	2,012
	<b>4,715</b>	<b>9,469</b>
<b>Movement during the year:</b>		
Opening balance	9,469	9,480
Purchases	4,142	328
Disposal of investment related to discontinued operation	(9,211)	-
Sales	(213)	(605)
Fair value movement	528	266
	<b>4,715</b>	<b>9,469</b>

The Group has designated the following equity investments as at FVOCI because it intends to hold them for the long term.

b) Fair Value through Other Comprehensive Income (FVOCI)	31 December 2025	31 December 2024
Quoted equity securities	7,384	22,680
Unquoted equity securities*	1,370	631
	<b>8,754</b>	<b>23,311</b>
<b>Movement during the year:</b>		
Opening balance	23,311	21,405
Purchases	188	3,006
Disposal of investment related to discontinued operation	(10,792)	-
Reclassification of equity accounted investee	3,744	-
Sales	(223)	(1,883)
Fair value movement	(7,474)	783
	<b>8,754</b>	<b>23,311</b>

The Group has sold equity securities held at FVOCI in line with the Group's investment strategy. Dividend income recognized from investments measured at FVOCI amounted to BD 385 thousand (2024: BD 708 thousand).

\*This includes the investment in United Insurance Company BSC (c) previously classified as equity accounted investee (see note 9).

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 8. FINANCIAL INVESTMENTS (Continued)

FVOCI investments by industry	31 December 2025	31 December 2024
Communication services	2	2,527
Consumer discretionary	759	1,901
Consumer staples	-	38
Consumer cyclical	-	40
Consumer non-cyclical	-	143
Energy	-	1,019
Financial Institutions	7,927	13,810
Industrials	66	1,899
Information technology	-	427
Materials	-	826
Real estate	-	380
Utilities	-	301
	<b>8,754</b>	<b>23,311</b>
<b>c) Debt securities at amortized cost</b>		
Government debt securities	11,690	7,863
Corporate debt securities	37	8,334
	<b>11,727</b>	<b>16,197</b>
Loss allowance	-	<b>(3)</b>
	11,727	16,194
<b>Movement during the year:</b>		
Opening balance	16,194	19,361
Purchases	17,397	2,895
Disposal of investment related to discontinued operation	(15,021)	-
Matured securities	(6,860)	(6,136)
Accretion of discount	17	67
Reversal of allowance	-	7
	<b>11,727</b>	<b>16,194</b>

d) Placements with banks	31 December 2025	31 December 2024
Placements with banks, with maturities of more than 3 months	28,777	12,160
Loss allowance	(200)	(53)
	<b>28,577</b>	<b>12,107</b>

#### e) Policyholders' investments

The Group identified specific investments as policyholders' investments. These investments represent the funding of the life assurance actuarial reserve. The Group has adopted this step as a measure of protection for policyholders. Surpluses, if any, of these investments over the life assurance actuarial reserve may be dealt with at the discretion of the Group. The carrying value of the policyholders' financial assets (including financial assets of the staff retirement scheme) at the reporting date, included under financial assets are as follows:

e) Policyholders' investments	31 December 2025	31 December 2024
Cash equivalents	-	60
Placements with banks	-	912
Financial investments	-	2,271
	-	<b>3,243</b>

Information about the Group's exposure to credit and market risk, maturity profile, geographical concentration and fair value measurement, is included in Notes 23, 24, 25, and 27, respectively.

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 9. EQUITY ACCOUNTED INVESTEEES

#### a) Interests in associates

Details of each of the Group's associates at the end of the reporting period are as follows:

Name of the entity	Location of business / country	Percentage of ownership interest		Nature of relationship	Principal activities
		2025	2024		
National Finance House BSC (c)	Kingdom of Bahrain	34.93%	34.93%	Associate	Engaged in consumer and auto finance business
Al Kindi Specialised Hospital W.L.L.	Kingdom of Bahrain	27.00%	27.00%	Associate	Engaged in providing private medical services
Health 360 Ancillary Services W.L.L.	Kingdom of Bahrain	22.22%	22.22%	Associate	Processing insurance claims as a third party administrator

#### b) Group's previous associate

Name of the entity	Location of business / country	Percentage of ownership interest		Nature of relationship	Principal activities
		2025	2024		
United Insurance Company BSC (c)	Kingdom of Bahrain	10.00%	20.00%	Associate	Primarily provides insurance coverage for motor vehicles

As of 31 December 2024, United Insurance Company BSC (c) ("UIC") was an associate of the Group which primary provides insurance coverage for motor vehicles. Following the disposal of Bahrain National Insurance Company BSC (c) on 16 April 2025 to Solidarity Group (see note 32), the Group percentage of ownership in UIC has decreased from 20% as at 31 December 2024 to 10% as at 16 April 2025. As a result, the investment in UIC has been reassessed for existence of "significant influence" in line with the Group's accounting policies.

The management has concluded that the “significant influence” has ceased considering the reduction of the Group representation at board of directors of UIC from two board members to one board member, and diluted shareholding has fallen significantly to 10%. Therefore, the investment has been reclassified as Financial Investment at Fair Value Through Other Comprehensive Income (“FVOCI”), effective 16 April 2025.

Based on above and in accordance with the relevant accounting standards, a gain on derecognition of equity accounted investee of BD 2,044 thousand, representing the difference between carrying value of BD 1,700 thousand and the fair value of BD 3,744 thousand as of 16 April 2025. Other reserves of BD 22 thousand have been recycled from investment fair value reserve to retained earnings in the consolidated statement of changes in equity.

**c) The movement in the investment in associates is as follows:**

2025	National Finance House	Al Kindi Specialised Hospital	Health 360 Ancillary Services	United Insurance Company	Total
Opening balance	6,262	2,230	253	3,684	12,429
Share of profit (continuing operation)	491	113	36	205	845
Dividends declared (continuing operation)	(262)	(58)	(33)	(350)	(703)
Share of other comprehensive income	-	-	-	6	6
Share of profit (discontinued operation)	-	-	-	205	205
Dividends declared (discontinued operation)	-	-	-	(350)	(350)
Disposal of discontinued operation (note 31)	-	-	-	(1,700)	(1,700)
Reclassified to financial investment at FVOCI	-	-	-	(1,700)	(1,700)
	<b>6,491</b>	<b>2,285</b>	<b>256</b>	-	<b>9,032</b>

2024	National Finance House	Al Kindi Specialised Hospital	Health 360 Ancillary Services	United Insurance Company	Total
Opening balance	5,939	2,153	241	3,237	11,570
Share of profit	323	131	38	1,246	1,738
Dividends received	-	(54)	(26)	(800)	(880)
Share of other comprehensive income	-	-	-	1	1
	<b>6,262</b>	<b>2,230</b>	<b>253</b>	<b>3,684</b>	<b>12,429</b>
<b>Classified to assets held for sale (note 31)</b>	-	-	-	(1,842)	(1,842)
	<b>6,262</b>	<b>2,230</b>	<b>253</b>	<b>1,842</b>	<b>10,587</b>

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 9. EQUITY ACCOUNTED INVESTEEES (Continued)

d) Latest available financial information of the material associates of the Group are as follows:

2025	National Finance House	Al Kindi Specialised Hospital
Total assets	46,465	10,817
Total liabilities	27,882	2,576
Net assets	18,583	8,241
<b>Group's share of net assets</b>	<b>6,491</b>	<b>2,285</b>
Revenue	3,716	8,899
Profit	1,451	421
Total comprehensive income	1,451	421
<b>Group's share in total comprehensive income</b>	<b>491</b>	<b>113</b>

2024	National Finance House	Al Kindi Specialised Hospital
Total assets	46,957	11,053
Total liabilities	29,030	3,017
Net assets	17,927	8,036
<b>Group's share of net assets</b>	<b>6,262</b>	<b>2,230</b>
Revenue	3,212	8,973
Profit	988	484
Total comprehensive income	988	484
<b>Group's share in total comprehensive income</b>	<b>323</b>	<b>131</b>

e) Reporting dates of financial information of associates

For the equity accounted investees existing as of 31 December 2025, the information is taken from the financial information for the year ended 31 December 2025 and 2024.

## 10. INVESTMENT IN SUBSIDIARIES

Set out below are the Group's subsidiaries at 31 December. Unless otherwise stated, they have share capital consisting solely of ordinary shares, that are held directly by the Group and the proportion of ownership interests held equals to the voting rights held by the Group. The country of incorporation or registration is also their principal place of business:

Name of the entity	Place of business / country of incorporation	Date of incorporation	Ownership interest held by the Group		Principal activities
			2025	2024	
Bahrain National Insurance BSC (c)	Kingdom of Bahrain	30 December 1998	-	100%	Transact various types of general insurance business.
Bahrain National Life Assurance BSC (c)	Kingdom of Bahrain	2 October 2000	-	100%	Transact the business of life assurance, medical insurance, retirement planning and savings.
iAssist Middle East WLL	Kingdom of Bahrain	14 January 2010	100%	100%	Transact the business of automobile smash repairs, roadside assistance and automobile services.

On 11 August 2024, the Group publicly announced the decision of its Board of Directors to accept a binding offer received to sell 100% of its wholly owned subsidiaries, Bahrain National Insurance Company B.S.C. (c) and Bahrain National Life Assurance Company B.S.C. (c) (the "Subsidiaries") for a total purchase price of BHD 75 million (the "Transaction") subject to shareholders' approval. The shareholders approved the Transaction on 3 October 2024 and the Transaction was completed on 16 April 2026. See note 31 Disposal Groups Held for Sale.

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 11. INVESTMENT PROPERTIES

2025	BNH Tower in Seef	BNH Building in Sanad	Total
<b>Cost</b>			
At 1 January	2,927	1,933	4,860
Additions	-	39	39
Disposal	-	(2,366)	(2,366)
Reclassification from property and equipment	1,656	394	2,050
<b>At 31 December</b>	<b>4,583</b>	<b>-</b>	<b>4,583</b>
<b>Accumulated depreciation</b>			
At 1 January	2,032	875	2,907
Depreciation	127	52	179
Disposal	-	(1,105)	(1,105)
Reclassification from property and equipment	1,157	178	1,335
<b>At 31 December</b>	<b>3,316</b>	<b>-</b>	<b>3,316</b>
<b>Net book value at 31 December</b>	<b>1,267</b>	<b>-</b>	<b>1,267</b>
<b>Fair value at 31 December*</b>	<b>4,110</b>	<b>-</b>	<b>4,110</b>
2024	BNH Tower in Seef	BNH Building in Sanad	Total
<b>Cost</b>			
At 1 January	2,927	1,929	4,856
Additions	-	4	4
At 31 December	2,927	1,933	4,860
<b>Accumulated depreciation</b>			
At 1 January	1,940	824	2,764
Depreciation	92	51	143
<b>At 31 December</b>	<b>2,032</b>	<b>875</b>	<b>2,907</b>
<b>Net book value at 31 December</b>	<b>895</b>	<b>1,058</b>	<b>1,953</b>
<b>Fair value at 31 December*</b>	<b>2,015</b>	<b>1,860</b>	<b>3,875</b>

\*The fair value was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the properties being valued. The valuation has been prepared on the basis of market as defined by the RICS Valuation Professional Standards (July 2017). The income capitalisation approach was applied by the valuers, as applicable, in considering the market value of the properties.

## Notes to the consolidated financial statements for the year ended ( 31 december 2025 )

(In thousands of Bahraini Dinars)

### 12. PROPERTY AND EQUIPMENT

2025	Right-of-use assets	Lands and buildings	Machinery	Furniture & equipment	Total
<b>Cost</b>					
At 1 January	257	4,607	799	1,994	7,657
Additions – continuing operations	-	43	2	12	57
Additions – discontinuing operations	-	-	-	1	1
Disposals – continuing operations	-	-	-	(33)	(33)
Fixed assets related to disposed subsidiaries	(257)	(511)	-	(1,106)	(1,874)
Reclassification to investment property	-	(1,797)	(253)	-	(2,050)
<b>At 31 December</b>	<b>-</b>	<b>2,342</b>	<b>548</b>	<b>868</b>	<b>3,758</b>
<b>Accumulated depreciation</b>					
At 1 January	200	2,374	763	1,869	5,206
Depreciation	25	86	7	47	165
Impairment	-	87	-	-	87
Disposals – continuing operations	-	-	-	(32)	(32)
Fixed assets related to disposed subsidiaries	(225)	-	-	(1,050)	(1,275)
Reclassification to investment property	-	(1,088)	(247)	-	(1,335)
<b>At 31 December</b>	<b>-</b>	<b>1,459</b>	<b>523</b>	<b>834</b>	<b>2,816</b>
<b>Net book value at 31 December</b>	<b>-</b>	<b>883</b>	<b>25</b>	<b>34</b>	<b>942</b>
2024	Right-of-use assets	Lands and buildings	Machinery	Furniture & equipment	Total
<b>Cost</b>					
At 1 January	685	4,865	789	1,976	8,315
Additions	25	-	10	33	68
Disposals	(453)	(258)	-	(15)	(726)
<b>At 31 December</b>	<b>257</b>	<b>4,607</b>	<b>799</b>	<b>1,994</b>	<b>7,657</b>
<b>Accumulated depreciation</b>					
At 1 January	329	2,504	758	1,813	5,404
Depreciation	35	128	5	66	234
Disposals	(164)	(258)	-	(10)	(432)
<b>At 31 December</b>	<b>200</b>	<b>2,374</b>	<b>763</b>	<b>1,869</b>	<b>5,206</b>
<b>Net book value at 31 December</b>	<b>57</b>	<b>2,233</b>	<b>36</b>	<b>125</b>	<b>2,451</b>
Classified to assets held for sale (note 31)	(57)	(511)	-	(70)	(638)
	<b>-</b>	<b>1,722</b>	<b>36</b>	<b>55</b>	<b>1,813</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 13. OTHER ASSETS

OTHER ASSETS	2025	2024
Accrued income	1,081	1,377
Intangible assets	15	264
Statutory deposits	-	147
Recoverable deposits	2	51
Receivables from investment brokers	17	174
Lease receivables	84	85
Loss allowance on lease receivables	(59)	(74)
Prepayments and advances	32	81
VAT recoverable	1	180
Miscellaneous	21	877
Loss allowance on other assets	-	(158)
	<b>1,194</b>	<b>3,004</b>
Classified to assets held for sale (note 31)	-	<b>(2,712)</b>
	<b>1,194</b>	292

### 14. OTHER LIABILITIES

OTHER LIABILITIES	2025	2024
Provision for employees' benefits	3,343	746
Employees' leaving indemnities	76	227
Lease liabilities	-	62
VAT payables	-	271
Medical claims care fund	-	160
Hit and run levy fee	-	134
Others	1,310	1,406
	<b>4,729</b>	<b>3,006</b>
Classified to liabilities directly associated with the assets held for sale (note 31)	-	<b>(2,065)</b>
	<b>4,729</b>	941

## 15. RETIREMENT BENEFITS COST

As at 31 December 2025, the Group employed 13 Bahrainis (2024: 155 Bahrainis) and 5 expatriates (2024: 13 expatriates).

Bahrainis are covered by the pension scheme of Social Insurance Organisation of the Government of Bahrain. Employees and the Group contribute monthly to this scheme on a fixed-percentage-of-salaries basis. The Group's contributions in respect of Bahraini employees for 2025 amounted to BD 201 thousand (2024: BD 382 thousand), which cover other benefits besides pension entitlements.

The Group also offers, on a voluntary basis, to its Bahraini employees, a defined contribution plan, which is determined by the annual contributions paid by the Group and the employees to a post-employment benefit plan, together with investment returns arising from the contributions. The Group's contributions in 2025 amounted to BD 33 thousand (2024: BD 84 thousand). The scheme is administered by Bahrain National Life Assurance Company B.S.C. (c) on behalf of the Group.

The liability towards the retirement plan as at 31 December 2025 amounted to BD nil (2024: BD 950 thousand) and is included in the Investment contract liabilities (note 31). The liability is funded by way of contributions from the retirement scheme. The contributions received are invested as part of policyholders' investments (note 8e).

Expatriate employees on limited-term contracts are entitled to leaving indemnities payable under the Bahrain Labour Law for the Private Sector 2012 (as amended), based on length of service and final remuneration. The liability, which is unfunded, is provided for on the basis of the notional cost had all employees left service at the reporting date.

As per the changes in end-of-service benefits system for expatriate employees introduced by Social Insurance Organisation (SIO) effective from 1 March 2024, employers are required to pay the monthly end-of-service contributions electronically through the SIO portal in relation to the expatriate employees. SIO would be responsible to settle leaving indemnities for expat employees at the time of end of service. Any indemnity liability prior to 1 March 2024 and pending transfer to the SIO in subsequent periods remains the obligation of the Company.

Movement in expatriate employees' leaving indemnities:	2025	2024
Balance at 1 January	227	218
Charge for the year	25	52
Payments of indemnity	(82)	(30)
Indemnity related to disposed subsidiaries	(83)	-
Transferred to SIO during the year	(11)	(13)
<b>Balance at 31 December</b>	<b>76</b>	<b>227</b>

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 16. SHARE CAPITAL

SHARE CAPITAL	Number 2025	Amount 2025	Number 2024	Amount 2024
a) Authorised shares 100 fils each	200,000,000	20,000	200,000,000	20,000
b) Issued and fully paid	119,175,000	11,918	119,175,000	11,918

### c) Treasury shares:

The Company's Articles of Association permit the Company to hold up to 10% (or such other limit as may be prescribed under law) of its own issued shares as treasury shares.

Treasury shares:	Number 2025	Amount 2025
Balance at 1 January	599,250	300
Purchases of treasury shares during the year	802,319	407
<b>Balance at 31 December</b>	<b>1,401,569</b>	<b>707</b>

### d) Performance per 100 fils share (excluding treasury shares)

	2025	2024
Basic and diluted earnings per share – fils	232.3	43.4
Proposed final cash dividend – fils	35.0	35.0
Interim dividend paid - fils	50.0	-
Book value per share – fils	690.7	605.1
Stock exchange price at 31 December – fils	531.0	505.0
Market capitalization at 31 December – in thousands of BD	62,537.7	59,880.8
Price/Earnings ratio at 31 December	2.3	11.6

### e) Earnings per share

The calculation of earnings per share is based on the net profit attributable to the shareholders for the year of BD 27,458 thousand (2024: BD 5,164 thousand), attributable to 118,214,865 ordinary shares (2024: 118,950,944 ordinary shares) for basic earnings, being the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share have not been presented separately because Group has no dilutive potential ordinary shares in issue.

## f) Major shareholders

Names and nationalities of the major shareholders and the number of shares held in which they have an interest of 5% or more outstanding shares:

	Nationality	No. of shares	Shareholding (%)
Abdulhameed Zainal Mohamed Zainal	Bahraini	8,604,450	7.22%
National Insurance Company	Iraqi	7,808,734	6.55%

## g) Share premium

During the 2005 financial year, the Company issued 20,000,000 shares at 300 fils (share premium 200 fils) per share.

## h) Additional information on shareholding pattern

- i. The Company has only one class of equity shares and the holders of the shares have equal voting rights.
- ii. Distribution schedule of equity shares, setting out the number of holders and percentage in the following categories:

Shareholding (share)	Number of shareholders	Number of shares held	Shareholding (%)
Less than 50,000	553	6,252,171	5.25%
50,000 to 500,000	148	23,989,079	20.13%
500,001 to 5,000,000	44	72,520,566	60.85%
More than 5,000,000	2	16,413,184	13.77%
<b>TOTAL</b>	<b>747</b>	<b>119,175,000</b>	<b>100.00%</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 17. RESERVES

#### a) Statutory reserve

Commercial Companies Law, which applies to the parent company, requires appropriation of 10% of the net profit each year, until the reserve equals 50% of the paid-up capital. Commercial Companies Law, which applies to the Group, requires appropriation of 10% of the net profit each year, until the reserve equals 50% of the paid-up capital. These limits are applied separately to each company within the Group.

#### b) General reserves

General reserves are appropriated from retained earnings and are available for distribution.

#### c) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity securities measured at FVOCI. Upon de-recognition of any security, the corresponding gain or loss, recognised earlier directly in the investment fair value reserve, is transferred to retained earnings.

### 18. PROPOSED APPROPRIATIONS AND DIRECTORS' REMUNERATION

PROPOSED APPROPRIATIONS AND DIRECTORS' REMUNERATION	2025	2024
Profit as per consolidated statement of profit or loss	27,458	5,362
Net profit attributable to non-controlling interest	-	(198)
<b>Profit attributable to shareholders of Parent company</b>	<b>27,458</b>	<b>5,164</b>
<b>Proposed appropriations:</b>		
Dividend to shareholders	10,024	4,171
Retained earnings	17,434	993
	<b>27,458</b>	<b>5,164</b>

Proposed directors' remuneration is BD 410 thousand (2024: BD 121 thousand). The appropriation of the 2025 profit is subject to approval by shareholders at the Annual General Meeting.

The Company has only one class of equity shares and the holders of these shares have equal voting rights.

At the Annual General Meeting held on 23 March 2025, the Company's shareholders approved the Board of Directors' proposal to pay dividends of BD 0.035 per share, amounting to BD 4,150 thousand for the financial year ended 31 December 2024 (2023: BD 0.035 per share, amounting BD 4,171 thousand).

The Board of Directors proposed a cash dividend of BD 0.085 per share (2024: BD 0.035 per share), including interim dividends of BD 0.050 per share (2024: nil). The interim dividends were approved by the Board of Director's and paid on 31 August 2025, net of treasury shares.

## 19. INSURANCE REVENUE

The following tables present an analysis of the insurance revenue recognised in the period.

2025	Life assurance	Non-life	Total
<b>Contracts not measured under the PAA</b>			
Amounts relating to changes in liabilities for remaining coverage			
· CSM recognised for services provided	20	-	20
· Change in risk adjustment for nonfinancial risk for risk expired	1	-	1
· Expected incurred claims and other insurance service expenses	28	-	28
Recovery of insurance acquisition cash flows	-	-	-
	49	-	49
<b>Contracts measured under PAA</b>	<b>1,325</b>	<b>10,018</b>	<b>11,343</b>
<b>Total insurance revenue</b>	<b>1,374</b>	<b>10,018</b>	<b>11,392</b>
2024	Life assurance	Non-life	Total
<b>Contracts not measured under the PAA</b>			
Amounts relating to changes in liabilities for remaining coverage			
· CSM recognised for services provided	65	-	65
· Change in risk adjustment for nonfinancial risk for risk expired	5	-	5
· Expected incurred claims and other insurance service expenses	117	-	117
Recovery of insurance acquisition cash flows	1	-	1
	188	-	188
<b>Contracts measured under PAA</b>	<b>5,377</b>	<b>48,475</b>	<b>53,852</b>
<b>Total insurance revenue</b>	<b>5,565</b>	<b>48,475</b>	<b>54,040</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 20. NET INVESTMENT INCOME

NET INVESTMENT INCOME	2025	2024
Interest income on placements with banks	2,369	1,594
Interest income on debt securities	629	1,038
Dividend income	412	931
Net change of fair value on investments at FVTPL	513	227
Net gain/ (loss) on disposal of financial investments	3	(1)
ECL allowance on investments	(224)	27
Investment properties' income	350	185
Accretion of discount on debt securities at amortised cost	17	67
Foreign exchange losses	(16)	-
Depreciation charges on investment properties	(179)	(143)
Other investment properties' expenses	(69)	(68)
Investment administration expenses	(35)	(69)
	<b>3,770</b>	<b>3,788</b>
Represented by:		
Investment income from continuing operation	2,942	142
Investment income from discontinuing operation (note 31)	828	3,646
	<b>3,770</b>	<b>3,788</b>

### 21. EXPENSES

EXPENSES	2025	2024
Claims and benefits	6,274	35,663
Fees and commissions	626	2,770
Claims management fees	185	831
Employee costs	5,563	4,556
Depreciation and amortisation	180	307
IT expenses	184	503
Other expenses	1,996	2,349
	<b>15,008</b>	<b>46,979</b>
Presented by:		
<b>Continuing operations</b>		
Expenses	6,807	2,768
<b>Discontinued operations</b>		
Insurance service expenses on discontinued operations (note 31)	7,842	42,822
Other expenses on discontinued operations (note 31)	359	1,389
	<b>15,008</b>	<b>46,979</b>

## 22. OPERATING SEGMENTS

For operational and management reporting purposes, the Group was organized into two main business segments, "Insurance" and "Corporate and Asset Management". The insurance segment was sub-segmented into: "Motor Insurance", "Property and General Insurance", "Medical Insurance", and "Life Assurance".

However, due to the disposal of the insurance segment during 2025 (see note 31), the reporting of the operating segments provided to the chief operating decision-maker has change to be only "Asset Management", which comprises of the following: "Marketable Portfolio", "Direct Investments", and "Treasury".

The Group has not restated the comparative segmental information due to the lack of information and excessive cost to develop the information. The Group has disclosed segmental information for the current period both on the new basis and old basis of segmentation.

These segments are the basis on which the Group reports its primary segment information.

The following table presents revenues and profit information about the Group's operating segments for the year ended 31 December 2025:

2025 - current basis	Asset Management			Disposal / Discontinued Operations	Total
	Marketable Portfolio	Direct Investment	Treasury		
Net investment income	52	729	2,161	1,179	<b>4,121</b>
Share of profit of equity accounted investees	-	845	-	-	<b>845</b>
Net insurance results	-	-	-	(149)	<b>(149)</b>
Expenses	(270)	(371)	(447)	-	<b>(1,088)</b>
Other income / (expenses), net	-	(138)	-	(295)	<b>(433)</b>
Segment results before adjustments	(218)	1,065	1,714	735	<b>3,296</b>
Consolidation / inter-segment adjustments	-	-	-	(38)	<b>(38)</b>
<b>Segment results</b>	<b>(218)</b>	<b>1,065</b>	<b>1,714</b>	<b>697</b>	<b>3,258</b>
Unallocated other income	-	-	-	-	<b>98</b>
Unallocated gain on disposal of subsidiaries	-	-	-	-	<b>29,821</b>
Unallocated expenses	-	-	-	-	<b>(5,719)</b>
<b>Profit for the year</b>					<b>27,458</b>

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 22. OPERATING SEGMENTS (continued)

2025 - previous basis	Motor (Discontinued)	Property & General (Discontinued)	Medical (Discontinued)	Life Assurance (Discontinued)	Corporate & Asset Management	Total
<b>Insurance revenue</b>	<b>3,183</b>	<b>3,632</b>	<b>3,203</b>	<b>1,374</b>	-	<b>11,392</b>
Insurance service expenses	(3,251)	(16)	(3,363)	(1,212)	-	<b>(7,842)</b>
Net expenses from reinsurance contracts	(50)	(3,421)	(92)	(109)	-	<b>(3,672)</b>
<b>Insurance service results</b>	<b>(118)</b>	<b>195</b>	<b>(252)</b>	<b>53</b>	-	<b>(122)</b>
Net finance from insurance contracts	(43)	(148)	(60)	(36)	-	<b>(287)</b>
Net finance expenses from reinsurance contracts	-	172	69	45	-	<b>286</b>
Net investment income	265	265	69	229	2,942	<b>3,770</b>
Share of profit of equity accounted investees	102	103	-	-	845	<b>1,050</b>
Gain on disposal of subsidiaries	-	-	-	-	29,821	<b>29,821</b>
Expenses	-	-	-	-	(6,807)	<b>(6,807)</b>
Other (expense)/ income	(73)	(167)	13	14	(40)	<b>(253)</b>
<b>Segment results</b>	<b>133</b>	<b>420</b>	<b>(161)</b>	<b>305</b>	<b>26,761</b>	<b>27,458</b>
2024	Motor (Discontinued)	Property & General (Discontinued)	Medical (Discontinued)	Life Assurance (Discontinued)	Corporate & Asset Management	Total
<b>Insurance revenue</b>	<b>13,302</b>	<b>15,730</b>	<b>19,443</b>	<b>5,565</b>	-	<b>54,040</b>
Insurance service expenses	(10,840)	(9,526)	(18,347)	(4,109)	-	<b>(42,822)</b>
Net income / (expenses) from reinsurance contracts	(282)	(6,157)	(141)	(991)	-	<b>(7,571)</b>
<b>Insurance service results</b>	<b>2,180</b>	<b>47</b>	<b>955</b>	<b>465</b>	-	<b>3,647</b>
Net finance expenses from insurance contracts	(145)	(357)	(67)	(163)	-	<b>(732)</b>
Net finance (expenses) / income from reinsurance contracts	6	425	64	67	-	<b>562</b>
Investment return	1,197	1,197	288	964	142	<b>3,788</b>
Share of profit of equity accounted investees	311	311	-	-	1,116	<b>1,738</b>
Corporate expenses	-	-	-	-	(2,768)	<b>(2,768)</b>
Other income	438	66	122	62	(172)	<b>516</b>
Other expenses	(857)	(491)	(15)	(26)	-	<b>(1,389)</b>
<b>Segment results</b>	<b>3,130</b>	<b>1,198</b>	<b>1,347</b>	<b>1,369</b>	<b>(1,682)</b>	<b>5,362</b>

Assets and liabilities are not reported on segment basis as these are managed on an aggregate basis.

## 23. RISK AND CAPITAL MANAGEMENT

### a) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the risk management department reporting to a risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Group's Audit, Compliance and Risk Committee on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit, Compliance and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit, Compliance and Risk Committee is assisted in its oversight role by the outsourced Internal Audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Group's Audit, Compliance and Risk Committee.

### b) Financial and operational risk management

The Group has exposure to the following risk

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 23. RISK AND CAPITAL MANAGEMENT (continued)

### (i) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's investments in debt securities, placement with banks, and cash and cash equivalents.

#### Overall exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Financial assets	2025	2024
Insurance contract assets	-	10
Reinsurance contract assets	-	13,366
Financial investment securities:	-	-
· FVTPL debt instruments	-	3,965
· Debt instruments at amortized cost	11,727	16,197
· Placements with banks	28,777	12,160
Cash equivalents with banks	20,205	17,659
Lease receivables	84	85
Statutory deposits	-	147
Other assets	1,154	2,740
	<b>61,947</b>	<b>66,329</b>

The carrying amounts of financial assets do not include any assets that either are past due or impaired. The Group has no financial assets or reinsurance contracts assets that would be past due or impaired whose terms have been renegotiated. The Group does not hold any collateral as security or any credit enhancements (such as guarantees, credit derivatives and netting arrangements that do not qualify for offset).

## Credit quality analysis

The following table sets out information about the credit quality of debt instruments. The ratings given below are by established rating agencies.

Debt instruments measured at FVTPL and at amortized cost	2025	2024
A- to A+	-	3,350
BBB- to BBB+	11,727	15,651
Unrated	-	1,158
	<b>11,727</b>	<b>20,159</b>

## Concentrations of credit risk

The Group monitors concentrations of exposures by industry sector and geographic location of the counterparty as well as by individual counterparties. Counterparty concentration occurs mainly because of the investment management accounts maintained with the various investment bankers. Geographical concentrations at the reporting date have been presented in note 25.

The specific concentration of risk from the top counterparties where receivables for any one counterparty or group of connected counterparties is BD 1 million or more at the year-end is as follows:

Concentrations of credit risk	2025	2024
<b>Debt instruments:</b>		
Government of Bahrain	11,690	14,282
<b>Bank balances and receivables:</b>		
Arab Bank	11,667	7,445
Bank of Bahrain and Kuwait	7,385	3,116
National Bank of Kuwait	6,112	-
Mashreq Bank	6,078	6,057
Khaleeji Bank	2,504	-
The Housing Bank for Trade and Finance	1,986	2,004
Al Salam Bank	1,969	-
Kuwait Finance House (previously Ahli United Bank)	1,707	2,902
National Bank of Bahrain	-	1,373

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 23. RISK AND CAPITAL MANAGEMENT (continued)

#### Amounts arising from ECL on financial assets

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance by class of financial instrument. Transfers due to changes in credit risk are determined in accordance with the accounting policy set out in note 4(i)(c).

Amounts arising from ECL on financial assets	2025 Stage 1: 12-month ECL	2024 Stage 1: 12-month ECL
<b>Debt instruments as amortized cost</b>	3	10
Balance at 1 January	(3)	(7)
ECL from disposed subsidiaries	-	<b>3</b>
<b>Cash and cash equivalents and placements with banks with maturities of more than three months</b>	91	114
Balance at 1 January	234	(23)
Net remeasurement of loss allowance	(88)	-
ECL from disposed subsidiaries	<b>237</b>	<b>91</b>

Impairment on cash and cash equivalents, placements with banks and debt instruments has been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that these financial assets have low credit risk based on the external credit ratings of the counterparties.

	2025 Stage 3: Lifetime ECL credit-impaired	2024 Stage 3: Lifetime ECL credit-impaired
<b>Lease receivables</b>	74	<b>71</b>
Balance at 1 January	(15)	3
Net remeasurement of loss allowance	<b>59</b>	74
<b>Other assets</b>	158	154
Balance at 1 January	(158)	4
ECL from disposed subsidiaries	-	<b>158</b>

The Group classified certain lease receivables as credit-impaired because of significant financial difficulties being experienced by the counterparties. The Group has no collateral in respect of these financial assets.

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Liquidity requirements are monitored on a regular basis and the management ensures that sufficient funds are available to meet any future commitments. In the normal course of business, the Group does not normally resort to borrowings but, given its gearing, has the ability to raise funds from banks at short notice. The maturity profile of the Group's investments is set out in note 24.

**Management of liquidity risk**

The Group limits liquidity risks by continually reconciling the cash flows and assets of the Group with payment liabilities. Methodologies adopted for Group assets and liabilities valuation have been disclosed in material accounting policies in note 4 and 5.

The Board sets limits on the liquidity of investment in the portfolio apart from a minimum liquidity reserve that is updated every quarter by the risk management department based on rolling cash flows trends.

The Group's approach to managing its liquidity risk is as follows:

- Assets purchased by the Group are required to satisfy specified liquidity requirements and limits;
- The Group has a board approved Liquidity Contingency Plan, that will be activated in the event of a liquidity event; and
- The Group also maintain a minimum liquidity reserve that is updated every quarter based on cash flows trends.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 23. RISK AND CAPITAL MANAGEMENT (continued)

### Exposure to liquidity risk

An analysis of the contractual maturities of the Group's financial liabilities (including contractual undiscounted interest payments) is presented as follows:

2025 - Financial liabilities	Undiscounted contractual cash flows						
	Carrying amount	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
Insurance contract liabilities	-	-	-	-	-	-	-
Reinsurance contract liabilities	-	-	-	-	-	-	-
Other payables	4,729	4,729	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-	-
2024 - Financial liabilities	Carrying amount	Less than 1 year	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
Insurance contract liabilities	32,612	34,100	-	-	-	-	-
Reinsurance contract liabilities	2,357	2,844	-	-	-	-	-
Other payables	2,944	2,944	-	-	-	-	-
Lease liabilities	62	40	27	-	-	-	-

### (iii) Market risk

Market risk is the risk that the value of financial instrument will fluctuate as a result of changes in market prices on account of factors specific to the individual security or to its issuer or factors affecting the securities market. The Group is exposed to market risk with respect to its investments in securities. The Group manages market risk by maintaining a well-diversified portfolio and by continuous monitoring of pertinent developments in international securities markets. In addition, the Group actively monitors the key factors that are likely to affect the prices of securities, including operational and financial performance of investees. The geographical concentration of the Group's investments is set out in note 25.

## Management of liquidity risk

All entities in the Group manage market risks locally in accordance with their asset/liability management framework. The boards of each entity approve the allocation limits and investment strategy. At Group level, the Board monitors the asset allocation and investment performance on a quarterly basis.

For each of the major components of market risk, the Group has policies and procedures in place which detail how each risk should be managed and monitored. The management of each of these major components of major risk and the exposure of the Group at the reporting date to each major risk are addressed below.

## Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in the market rates of interest.

The Group's short-term deposits are at fixed interest rates and mature within one year. Investments in Government bonds are at fixed interest rates. Investment in corporate bonds consists of both fixed and floating rate instruments.

The effective interest rate is the historical annual yield on fixed rate instruments carried at amortised cost and the current market yield for a floating rate instrument or a short-term deposit. The following table presents the effective rates of the financial instruments:

Interest rate risk	2025 Aggregate principal	2025 Effective rate	2024 Aggregate principal	2024 Effective rate
Cash and deposits	48,982	5.13%	29,823	5.61%
Bonds	11,727	5.55%	20,159	5.56%

## Equity price risk

The Group's exposure to equity price risk arises from its investments in equity securities.

The Group risk committee regularly monitors equity price risk and manages material investments on an individual basis. Investment limits require business units to hold diversified portfolios of assets and restrict concentrations to geographies and industries. The Group does not have a significant concentration of equity price risk.

## Derivatives

The Group does not normally use derivative financial instruments, other than forward currency contracts from time to time, to hedge its currency exposures.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 23. RISK AND CAPITAL MANAGEMENT (continued)

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. As protection against exchange rate fluctuations, the Group have a very large extent by funds.

The Group has deposits and investments in currencies other than Bahraini dinars and United States dollars. The Bahraini Dinar is effectively pegged to the United States dollar; thus, currency risk is expected to occur only in respect of other currencies.

The Group's exposure to currency risk, other than United States dollars and Bahraini Dinars, as well as the currency-wise concentration, expressed in the equivalent of Bahraini dinars is summarised as follows:

### Net currency-wise concentration

Financial Assets	2025	2024
Euros	-	152
Pounds sterling	-	16
Other currencies	-	666
<b>Total open foreign exchange position at 31 December</b>	-	<b>834</b>
United States dollars	5,031	29,831
GCC Currencies	6,660	18,239
Bahraini dinars	72,461	58,200
	<b>84,152</b>	<b>107,104</b>
<b>This comprises of:</b>		
Financial investments	53,773	61,081
Cash and cash equivalents	20,168	17,625
Equity accounted investees	9,032	12,429
Insurance and reinsurance contract assets	-	13,376
Others	1,179	2,593
	<b>84,152</b>	<b>107,104</b>

Financial Liabilities	2025	2024
Bahraini dinars	4,729	33,521
United States dollars	-	2,915
GCC Currencies	-	3,303
Euros	-	15
Pounds sterling	-	18
Other currencies	-	30
	<b>4,729</b>	<b>39,802</b>
<b>This comprises of:</b>		
Insurance and reinsurance contract liabilities	-	34,969
Investment contract liabilities	-	1,827
Other payables	4,729	3,006
	<b>4,729</b>	<b>39,802</b>

The assets and liabilities above were translated at exchange rates at the reporting date.

The nature of the Group's exposures to currency risk and its objectives, policies and processes for managing currency risk have not changed significantly from the prior period.

### Sensitivity analysis – currency risk

A 1% weakening/strengthening of the Bahrain Dinars against the following currencies would have increased/ (decreased) equity and profit and loss by the amounts shown below.

This analysis assumes that all other variables, in particular interest rates, remain constant.

Net financial assets and liabilities	2025 Profit or loss	2025 Equity	2024 Profit or loss	2024 Equity
US Dollars	50	50	261	265
GCC currencies	1	67	30	182
Euro	-	-	-	-
Pounds Sterling	-	-	-	2
Other currencies	-	-	-	7

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 23. RISK AND CAPITAL MANAGEMENT (continued)

### Sensitivity analysis to market risks

The table below shows the results of sensitivity testing on the Group's statement of profit or loss and equity by type of business. The sensitivity analysis indicates the effect of changes in market risk factors arising from the impact of the changes in these factors on the Group's financial assets and liabilities.

31 December	2025 CSM	2025 Profit or loss	2025 Equity	2024 CSM	2024 Profit or loss	2024 Equity
<b>Interest rate risk</b>						
+1 percent shift in yield curves	-	-	-	2	556	556
-1 percent shift in yield curves	-	-	-	(2)	(556)	(556)
<b>Equity price risk</b>						
+1 percent increases in equity prices	-	-	74	-	1	234
-1 percent decrease in equity prices	-	-	(74)	-	(1)	(234)

### (iv) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Group's processes, personnel, technology and infrastructure, and from external factors other than credit, liquidity and market risks, such as the risk of mis-selling products, modelling errors and non-compliance with legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all Group's operations.

The Group's objectives in managing operational risk is to balance the avoidance of financial losses and damage to the Group's reputation with overall cost-effectiveness and innovation. In all cases, Group's policy requires compliance with all applicable legal and regulatory requirements.

The Board of Directors has delegated responsibility for operational risk to the Group's Audit, Compliance and Risk Committee, which is responsible for the development and implementation of controls to address operational risk.

This responsibility is supported by the risk management function and the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- development of contingency plans;
- training and professional development;
- ethical and business standards; and
- risk mitigation, including insurance where this is cost-effective.

In addition, the Group uses the following approaches in monitoring and mitigating the various aspects of operational risks:

#### **Risk Registers:**

The Group identifies and analyses the root causes of various types of operational risks; recommend necessary mitigations and controls and records/documents such observations in its respective risk registers.

#### **Others:**

The Group has set the followings programs for mitigating and controlling operational risks:

- Business Continuity Program
- Fraud Control Framework
- Outsourcing Risk policy and procedures

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 23. RISK AND CAPITAL MANAGEMENT (continued)

### c) Capital Management

The Board's policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business.

The Board of Directors monitors the return on capital, which the Group defines as net operating income divided by total shareholders' equity, excluding non-controlling interests. The Group's objectives for managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

All of the regulated companies in the Group are supervised by regulatory bodies that set out certain minimum capital requirements. It is the Group's policy to hold capital as an aggregate of the capital requirement of the relevant supervisory body and a specified margin, to absorb changes in both capital and capital requirements.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, or sell assets. There were no significant changes in the Group's approach to capital management during the year.

The Group has a system of allocating risk based capital to its high level business units and operations. This Economic Capital Model is used to create benchmarks for the management to gauge and guide their performance and also ensure a good foundation for decision making and added comfort to the Board.

## 24. MATURITY PROFILE OF INVESTMENTS

2025	Less than 1 year	1 – 5 years	5 – 10 years	Over 10 years / no maturity	Total
Equities	-	-	-	8,754	<b>8,754</b>
Government bonds	11,554	-	136	-	<b>11,690</b>
Corporate bonds	37	-	-	-	<b>37</b>
Equity accounted investees	-	-	-	9,032	<b>9,032</b>
	<b>11,591</b>	<b>-</b>	<b>136</b>	<b>17,786</b>	<b>29,513</b>
2024	1 – 2 years	2 – 3 years	3 – 4 years	4 – 5 years	More than 5 years
Equities	-	-	-	23,311	<b>23,311</b>
Government bonds	676	4,484	2,703	-	<b>7,863</b>
Corporate bonds	970	5,665	1,025	671	<b>8,331</b>
Equity accounted investees	-	-	-	12,429	<b>12,429</b>
	<b>1,646</b>	<b>10,149</b>	<b>3,728</b>	<b>36,411</b>	<b>51,934</b>

This balance comprises of:	2025	2024
FVOCI securities	8,754	23,311
Securities measured at amortized cost	11,727	16,194
Equity accounted investees	9,032	12,429
	<b>29,513</b>	<b>51,934</b>

Managed funds not having a fixed maturity date are classified as maturing after ten years. Securities carried at FVTPL and placements with banks with maturities of more than three months are readily realisable and intended to be held for short term purposes. These are not included in the above maturity profile of investments.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 25. GEOGRAPHICAL CONCENTRATION OF INVESTMENTS

	2025	2024
Bahrain	51,497	40,745
Other GCC countries	11,308	20,390
North America	-	4,379
Europe	-	2,144
China and India	-	5,350
Other global/multi-regional	-	502
	<b>62,805</b>	<b>73,510</b>
<b>This comprises of:</b>		
FVTPL securities	4,715	9,469
FVOCI securities	8,754	23,311
Securities measured at amortized cost	11,727	16,194
Placements with banks	28,577	12,107
Equity accounted investees	9,032	12,429
	<b>62,805</b>	<b>73,510</b>
<b>Net investment income by segment</b>		
Equities	412	708
Bonds	584	1,170
Managed funds	-	391
Unlisted funds	578	-
Bank balances and short-term deposits	2,129	1,614
Investment properties	350	185
<b>Gross investment income</b>	<b>4,053</b>	<b>4,068</b>
Investment properties' expenses	(248)	(211)
Investment administration expenses	(35)	(69)
<b>Net investment income</b>	<b>3,770</b>	<b>3,788</b>

## 26. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related parties include transactions with associate companies, key management personnel including Directors of the Company and other companies in which the Directors control.

The related party transactions and balances included in these consolidated financial statements are as follows:

### a) Related party balances

2025	Associates	Key management personnel	Companies under Directors control	Total
Insurance receivables	-	-	-	-
Other assets	-	-	-	-
Retirement and saving plan obligation	-	-	-	-
Insurance liabilities	-	-	-	-
Other liabilities	-	-	-	-
<b>2024</b>				
Insurance receivables	565	11	663	<b>1,239</b>
Other assets	15	-	-	<b>15</b>
Retirement and saving plan obligation	778	-	99	<b>877</b>
Insurance liabilities	59	-	1,044	<b>1,103</b>
Other liabilities	-	-	169	<b>169</b>

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 26. RELATED PARTIES (continued)

### b) Transactions with related parties

2025	Associates	Key management personnel	Companies under Directors control	Total
Premiums received	209	2	186	<b>397</b>
Claims paid	135	-	41	<b>176</b>
Claims recovered	32	-	-	<b>32</b>
Retirement and saving plan contributions received	28	-	2	<b>30</b>
Retirement and saving plan benefits Paid	11	-	-	<b>11</b>
General and administration expenses	114	1,528	-	<b>1,642</b>
Dividend received	1,053	-	-	<b>1,053</b>
2024				
Premiums received	434	17	2,241	<b>2,692</b>
Claims paid	1,075	3	1,410	<b>2,488</b>
Claims recovered	631	-	-	<b>631</b>
Retirement and saving plan contributions received	109	-	5	<b>114</b>
Retirement and saving plan benefits Paid	56	-	-	<b>56</b>
General and administration expenses	344	1,422	290	<b>2,056</b>
Dividend received	880	-	-	<b>880</b>

### c) Transactions with key management personnel

Key management personnel of the Group comprise of the Chief Executive Officer, Board of Directors and key members of management having authority and responsibility for planning, directing and controlling the activities of the Group.

The key management personnel compensation is as follows:	2025	2024
Salaries and allowances	462	691
Other benefits	548	394
Board remuneration and attendance fees paid	518	337

## 27. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer liability in an ordinary transaction between market participant at the measurement date in the principle or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The table below sets out the Group's classification of each class of financial assets and liabilities, and their fair values.

31 December 2025	FVTPL	FVOCI	Amortised cost	Total carrying value	Fair value
Cash and cash equivalents	-	-	20,168	20,168	20,168
<b>Financial investments</b>					
· Debt securities	-	-	11,727	11,727	11,736
· Equity securities	-	8,754	-	8,754	8,754
· Managed funds	-	-	-	-	-
· Placements with Banks	-	-	28,577	28,577	28,577
· Unlisted funds	4,715	-	-	4,715	4,715
<b>Total financial assets</b>	<b>4,715</b>	<b>8,754</b>	<b>60,472</b>	<b>73,941</b>	<b>73,950</b>
Investment contract liabilities	-	-	-	-	-
Other liabilities	-	-	4,729	4,729	4,729
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,729</b>	<b>4,729</b>	<b>4,729</b>
<b>31 December 2024</b>					
Cash and cash equivalents	-	-	17,625	17,625	17,625
<b>Financial investments</b>					
· Debt securities	3,965	-	16,194	20,159	20,043
· Equity securities	118	23,311	-	23,429	23,429
· Managed funds	5,386	-	-	5,386	5,386
· Placements with Banks	-	-	12,107	12,107	12,107
<b>Total financial assets</b>	<b>9,469</b>	<b>23,311</b>	<b>45,926</b>	<b>78,706</b>	<b>78,590</b>
Investment contract liabilities	-	-	1,827	1,827	1,827
Other liabilities	-	-	3,006	3,006	3,006
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>4,833</b>	<b>4,833</b>	<b>4,833</b>

The carrying amount of the Group's investments in debt securities at amortized cost equals BD 11,727 thousand (2024: BD 16,194 thousand) whereas the fair value of the investments is BD 11,736 thousand (2024: BD 16,078 thousand).

The carrying amount of the Group's other financial assets and liabilities approximate their fair values due to their short-term nature.

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 27. FAIR VALUE MEASUREMENT (continued)

### Fair value hierarchy

The fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Group determines fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1**  
 ◇◇◇◇◇ quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2**  
 ◇◇◇◇◇ inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3**  
 ◇◇◇◇◇ inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

This hierarchy requires the use of observable market data when available. The Group considers relevant and observable market prices in its valuations where possible.

31 December 2025	Level 1	Level 2	Level 3	Total	Carrying Value
FVTPL	-	-	4,715	4,715	4,715
FVOCI – equity securities	7,384	-	1,370	8,754	8,754
	<b>7,384</b>	<b>-</b>	<b>6,085</b>	<b>13,469</b>	<b>13,469</b>
31 December 2024					
FVTPL	5,922	1,535	2,012	9,469	9,469
FVOCI – equity securities	22,165	515	631	23,311	23,311
	<b>28,087</b>	<b>2,050</b>	<b>2,643</b>	<b>32,780</b>	<b>32,780</b>

The Group recognizes transfers between levels of the fair value hierarchy as of the reporting date which the transfer has occurred.

The following table shows a reconciliation from the opening balances to the closing balances for recurring fair value measurements in Level 3 of the fair value hierarchy and analyses the total gains and losses recognised in consolidated profit or loss during the year.

	2025	2024
At the beginning of the year	2,643	2,520
Purchases	4,142	78
Disposals related to discontinued operation	(2,540)	(81)
Reclassification of equity accounted investee	3,744	-
Fair value (losses)/ gains	(1,904)	126
<b>At the end of the year</b>	<b>6,085</b>	<b>2,643</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 28. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2025, the Group has commitments to make investments amounting to BD14 thousand (2024: BD126 thousand).

### 29. RECONCILIATION OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

Lease liabilities:	2025	2024
Balance at 1 January	62	41
<b>Cash flows from financing cash flows</b>		9
Payment of lease liabilities	<b>(7)</b>	(52)
Other changes		
New lease	-	25
Termination of leases	(56)	(337)
Interest expense	1	7
	(55)	(305)
<b>Balance at 31 December</b>	<b>-</b>	<b>62</b>

### 30. GLOBAL MINIMUM TAX

The multinational enterprise (MNE) group is subject to the OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules') that apply to MNE groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

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

As per the Group's assessment of applicability of the DMTT law, it has assessed and concluded that it is not in scope for the Bahrain DMTT law or the OECD Global Anti-Base Erosion Pillar Two Model Rules ('GloBE rules'). The reason for this conclusion is:

- it is not an MNE group as it only operates in Bahrain; and
- it does not have total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Accordingly, it does not expect to be subject to the Bahrain DMTT law and GloBE rules.

### 31. DISPOSAL GROUPS HELD FOR SALE

On 11 August 2024, the Group publicly announced the decision of its Board of Directors to accept a binding offer received to sell 100% of its wholly owned subsidiaries, Bahrain National Insurance Company B.S.C. (c) and Bahrain National Life Assurance Company B.S.C. (c) (the “Subsidiaries”) for a total purchase price of BHD 75 million (the “Transaction”) subject to shareholders’ approval. The shareholders approved the Transaction on 3 October 2024. Accordingly, the Subsidiaries have been classified as assets held for sale and as discontinuing operations.

The Group’s assessment was mainly based on the fact that the Group remains committed to the Transaction, assets subject to the disposal plan were available for immediate sale in present condition. The Group publicly announced on 9 January 2025 that Bahrain National Holding Company B.S.C. (“BNH”) and Solidarity Bahrain B.S.C. (“Solidarity”) have signed the Shares Sale and Purchase Agreement (“SPA”).

The Transaction was completed on 16 April 2025 after obtaining all the legal formalities and necessary regulatory approvals.

A. ASSETS AND LIABILITIES OF THE DISPOSAL GROUPS HELD FOR SALE	Note	31 December 2025	31 December 2024
<b>ASSETS</b>			
Cash and cash equivalents		-	17,128
Financial investments	7	-	48,192
Insurance contract assets	8	-	10
Reinsurance contract assets		-	13,366
Equity accounted investees	9	-	1,842
Property and equipment		-	638
Other assets		-	2,712
<b>Assets held for sale</b>		-	<b>83,888</b>
<b>LIABILITIES</b>			
Insurance contract liabilities		-	32,612
Reinsurance contract liabilities		-	2,357
Investment contract liabilities		-	1,827
Other provisions and liabilities		-	2,065
<b>Liabilities directly associated with the assets held for sale</b>		-	<b>38,861</b>

# Financial Report

Notes to the Consolidated Financial Statements  
for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

## 31. DISPOSAL GROUPS HELD FOR SALE (continued)

B. CUMULATIVE INCOME OR EXPENSES IN OCI	Note	31 December 2025	31 December 2024
<b>Amounts included in accumulated OCI:</b>			
General reserve		-	4,166
Fair value reserve of equity investments		-	573
<b>Reserve of disposal groups classified as held for sale</b>		-	<b>4,739</b>
<b>C. RESULTS OF DISCONTINUING OPERATIONS</b>			
Insurance revenue	19	11,392	54,040
Insurance service expenses	21	(7,842)	(42,822)
Net expenses from reinsurance contracts		(3,672)	(7,571)
<b>Insurance service result</b>		<b>(122)</b>	<b>3,647</b>
Investment return		829	3,646
Net finance expenses from insurance contracts		(287)	(732)
Net finance income from reinsurance contracts		286	562
<b>Net financial result</b>		<b>828</b>	<b>3,476</b>
Share of profit of equity accounted investees		205	622
Other income		145	688
Other expenses	21	(359)	(1,389)
<b>Profit for the year</b>		<b>697</b>	<b>7,044</b>
<b>Basic and diluted earnings per share</b>		<b>6 Fils</b>	<b>58 fils</b>
<b>D. CASH FLOWS FROM DISCONTINUING OPERATIONS</b>			
Net cash from operating activities		4,575	19,318
Net cash used in investing activities		(21)	(27)
Net cash used in financing activities		(5,883)	(7,608)
<b>Net cash flow (used in)/ from the year</b>		<b>(1,329)</b>	<b>11,683</b>

## E. Insurance and reinsurance contracts

The table below sets out the carrying amounts of insurance and reinsurance contract assets and liabilities at the end of the reporting period:

E. INSURANCE AND REINSURANCE CONTRACTS	31 December 2025	31 December 2024
<b>Insurance contracts</b>		
Insurance contract assets	-	10
Insurance contract liabilities	-	32,612
<b>Reinsurance contracts</b>		
Reinsurance contract assets	-	13,366
Reinsurance contract liabilities	-	2,357

### Movement in insurance and reinsurance contract balances

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts changed during the period as a result of cash flows and amounts recognised in the condensed consolidated statement of profit or loss.

The Group presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the condensed consolidated statement of profit or loss.

A second reconciliation is presented for contracts not measured under the PAA, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non- financial risk and the CSM.

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

#### a. Insurance contracts

##### i. Analysis by remaining coverage and incurred claims

31 December 2025	Liabilities for remaining coverage		Liabilities for incurred claims			Total
	Excluding loss component	Loss component	Contracts not measured under PAA	Contract measured under PAA	Risk adjustment for non- financial risk	
Opening assets, 1 January 2025	(86)	-	-	73	3	(10)
Opening liabilities, 1 January 2025	8,478	714	-	22,133	1,287	32,612
<b>Net opening balance, 1 January 2025</b>	<b>8,392</b>	<b>714</b>	<b>-</b>	<b>22,206</b>	<b>1,290</b>	<b>32,602</b>
<b>Changes in the statement of profit or loss</b>						
<b>Insurance revenue</b>	<b>(11,392)</b>	-	-	-	-	<b>(11,392)</b>
<b>Insurance service expenses</b>						
Incurred claims and other insurance service expenses	-	-	5	10,330	-	10,335
Amortisation of insurance acquisition cash flows	627	-	-	-	-	627
Losses and reversals of losses on onerous contracts	-	(137)	-	-	-	(137)
Adjustments to liabilities for incurred Claims	-	-	-	(2,597)	(386)	(2,983)
Investment components	(30)	-	30	-	-	-
<b>Insurance service result</b>	<b>(10,795)</b>	<b>(137)</b>	<b>35</b>	<b>7,733</b>	<b>(386)</b>	<b>(3,550)</b>
Net finance expenses from insurance contracts	(7)	1	-	293	-	287
<b>Total changes in the statement of profit or loss</b>	<b>(10,802)</b>	<b>(136)</b>	<b>35</b>	<b>8,026</b>	<b>(386)</b>	<b>(3,263)</b>
<b>Cash flows</b>						
Premiums received	9,779	-	-	-	-	9,779
Claims and other insurance service expenses paid	-	-	(35)	(10,330)	-	(10,365)
Insurance acquisition cash flows	(572)	-	-	-	-	(572)
<b>Total cash flows</b>	<b>9,207</b>	<b>-</b>	<b>(35)</b>	<b>(10,330)</b>	<b>-</b>	<b>(1,158)</b>
Closing asset, as at disposal date	(7,228)	-	-	3,193	96	(3,939)
Closing liabilities, as at disposal date	14,025	578	-	16,709	808	32,120
<b>Net closing balance, as at disposal date</b>	<b>6,797</b>	<b>578</b>	<b>-</b>	<b>19,902</b>	<b>904</b>	<b>28,181</b>
Disposal of insurance operations (note 32)	(6,797)	(578)	-	(19,902)	(904)	(28,181)
31 December 2025	-	-	-	-	-	-

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

31 December 2024	Liabilities for remaining coverage		Liabilities for incurred claims			Total
	Excluding loss component	Loss component	Contracts not measured under PAA	Contract measured under PAA	Risk adjustment for non- financial risk	
Opening assets, 1 January 2025	-	-	-	-	-	-
Opening liabilities, 1 January 2025	7,583	500	-	18,526	1,065	27,674
<b>Net opening balance, 1 January 2025</b>	<b>7,583</b>	<b>500</b>	<b>-</b>	<b>18,526</b>	<b>1,065</b>	<b>27,674</b>
<b>Changes in the statement of profit or loss</b>						
<b>Insurance revenue</b>	<b>(54,040)</b>	-	-	-	-	<b>(54,040)</b>
<b>Insurance service expenses</b>						
Incurring claims and other insurance service expenses	-	-	151	36,513	-	36,664
Amortisation of insurance acquisition cash flows	2,771	-	-	-	-	2,771
Losses and reversals of losses on onerous contracts	-	205	-	-	-	205
Adjustments to liabilities for incurred Claims	-	-	(79)	3,036	225	3,182
Investment components	(79)	-	79	-	-	-
<b>Insurance service result</b>	<b>(51,348)</b>	<b>205</b>	<b>151</b>	<b>39,549</b>	<b>225</b>	<b>(11,218)</b>
Net finance expenses from insurance contracts	79	9	-	644	-	732
<b>Total changes in the statement of profit or loss</b>	<b>(51,269)</b>	<b>214</b>	<b>151</b>	<b>40,193</b>	<b>225</b>	<b>(10,486)</b>
<b>Cash flows</b>						
Premiums received	55,023	-	-	-	-	55,023
Claims and other insurance service expenses paid	-	-	(151)	(36,513)	-	(36,664)
Insurance acquisition cash flows	(2,945)	-	-	-	-	(2,945)
<b>Total cash flows</b>	<b>52,078</b>	<b>-</b>	<b>(151)</b>	<b>(36,513)</b>	<b>-</b>	<b>15,414</b>
<b>Net closing balance, 31 December 2024</b>	<b>8,392</b>	<b>714</b>	<b>-</b>	<b>22,206</b>	<b>1,290</b>	<b>32,602</b>
<b>Closing assets, 31 December 2024</b>	<b>(86)</b>	<b>-</b>	<b>-</b>	<b>73</b>	<b>3</b>	<b>(10)</b>
<b>Closing liabilities, 31 December 2024</b>	<b>8,478</b>	<b>714</b>	<b>-</b>	<b>22,133</b>	<b>1,287</b>	<b>32,612</b>
<b>Net closing balance, 31 December 2024</b>	<b>8,392</b>	<b>714</b>	<b>-</b>	<b>22,206</b>	<b>1,290</b>	<b>32,602</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

#### ii) Analysis by measurement component – Contracts not measured under the PAA

31 December 2025	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contractual Service Margin (CSM)	Total
<b>Net opening balance, 1 January 2025</b>	<b>1,122</b>	<b>66</b>	<b>467</b>	<b>1,655</b>
<b>Changes in the statement of profit or loss</b>				
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(20)	(20)
Change in risk adjustment for non-financial risk for risk expired	-	(2)	-	(2)
Experience adjustments	(26)	-	-	(26)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	(7)	1	6	-
Experience adjustments	45	(2)	2	45
Changes in estimates that adjust the CSM	-	-	-	-
Changes in estimates that do not adjust the CSM	-	-	-	-
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	-	-	-	-
<b>Insurance service result</b>	<b>12</b>	<b>(3)</b>	<b>(12)</b>	<b>(3)</b>
Net finance expenses from insurance contracts	(14)	1	7	(6)
<b>Total changes in the statement of profit or loss</b>	<b>(2)</b>	<b>(2)</b>	<b>(5)</b>	<b>(9)</b>
<b>Cash flows</b>				
Premiums received	51	-	-	51
Insurance acquisition cash flows	(35)	-	-	(35)
Claims and other insurance service expenses paid	-	-	-	-
<b>Total cash flows</b>	<b>16</b>	<b>-</b>	<b>-</b>	<b>16</b>
<b>Net closing balance, as at disposal date</b>	<b>1,136</b>	<b>64</b>	<b>462</b>	<b>1,662</b>
Disposal of insurance operations (note 32)	(1,136)	(64)	(462)	(1,662)
<b>31 December 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

31 December 2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contractual Service Margin (CSM)	Total
<b>Net opening balance, 1 January 2025</b>	<b>1,118</b>	<b>37</b>	<b>420</b>	1,575
<b>Changes in the statement of profit or loss</b>				
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(65)	(65)
Change in risk adjustment for non-financial risk for risk expired	-	(5)	-	(5)
Experience adjustments	(65)	-	-	(65)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the year	(10)	6	25	21
Experience adjustments	(19)	20	33	34
Changes in estimates that adjust the CSM	(29)	2	27	-
Changes in estimates that do not adjust the CSM	(15)	3	-	(12)
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	-	-	-	-
<b>Insurance service result</b>	<b>(138)</b>	<b>26</b>	<b>20</b>	<b>(92)</b>
Net finance expenses from insurance contracts	59	3	27	89
<b>Total changes in the statement of profit or loss</b>	<b>(79)</b>	<b>29</b>	<b>47</b>	<b>(3)</b>
<b>Cash flows</b>				
Premiums received	221	-	-	221
Insurance acquisition cash flows	14	-	-	14
Claims and other insurance service expenses paid	(152)	-	-	(152)
<b>Total cash flows</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>83</b>
<b>Net closing balance, 31 December 2024</b>	<b>1,122</b>	<b>66</b>	<b>467</b>	<b>1,655</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

#### b. Reinsurance contracts

##### i. Analysis by remaining coverage and incurred claims

	31 December 2025				31 December 2024			
	Assets for remaining coverage		Assets for incurred claims	Total	Assets for remaining coverage		Assets for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
Opening assets	(6,086)	38	19,414	<b>13,366</b>	(3,206)	-	14,139	<b>10,933</b>
Opening liabilities	(6,071)	13	3,701	<b>(2,357)</b>	(7,634)	15	3,713	<b>(3,906)</b>
<b>Net opening balance</b>	<b>(12,157)</b>	<b>51</b>	<b>23,115</b>	<b>11,009</b>	(10,840)	15	17,852	<b>7,027</b>
<b>Allocation of reinsurance premiums paid</b>	<b>(5,516)</b>	-	-	<b>(5,516)</b>	(25,106)	-	-	<b>(25,106)</b>
<b>Amounts recoverable from reinsurers</b>								
Recoveries of incurred claims and other insurance service expenses	401	-	2,921	<b>3,322</b>	2,266	-	10,545	<b>12,811</b>
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	(32)	-	<b>(32)</b>	(1)	38	-	<b>37</b>
Adjustments to assets for incurred claims	-	-	(1,446)	<b>(1,446)</b>	-	(3)	4,690	<b>4,687</b>
	<b>401</b>	<b>(32)</b>	<b>1,475</b>	<b>1,844</b>	2,265	35	15,235	<b>17,535</b>
<b>Net expenses from reinsurance contracts</b>	<b>(5,115)</b>	<b>(32)</b>	<b>1,475</b>	<b>(3,672)</b>	(22,841)	35	15,235	<b>(7,571)</b>
Net finance expenses from reinsurance contracts	-	-	286	286	(12)	1	573	<b>562</b>
<b>Total changes in the statement of profit or loss</b>	<b>(5,115)</b>	<b>(32)</b>	<b>1,761</b>	<b>(3,386)</b>	(22,853)	36	15,808	<b>(7,009)</b>
<b>Cash flows</b>	<b>4,469</b>	-	-	4,469	21,536	-	-	<b>21,536</b>
Premiums paid, net of commissions	-	-	(4,518)	(4,518)	-	-	(10,545)	<b>(10,545)</b>
Amounts received relating to incurred claims	4,469	-	(4,518)	<b>(49)</b>	21,536	-	(10,545)	<b>10,991</b>
<b>Total cash flows</b>	<b>3,634</b>	<b>5</b>	<b>17,318</b>	20,957	(6,086)	38	19,414	<b>13,366</b>
Closing assets	(16,437)	14	3,040	(13,383)	(6,071)	13	3,701	<b>(2,357)</b>
Closing liabilities	(12,803)	19	20,358	<b>7,574</b>	(12,157)	51	23,115	<b>11,009</b>
Disposal of insurance operations (note 32)	12,803	(19)	(20,358)	(7,574)	-	-	-	-
<b>Net closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	(12,157)	51	23,115	<b>11,009</b>

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

ii) Analysis by measurement component – Contracts not measured under the PAA

31 December 2025	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contractual Service Margin (CSM)	Total
<b>Opening balance, 1 January 2025</b>	<b>60</b>	<b>(15)</b>	<b>39</b>	<b>84</b>
<b>Changes in the statement of profit or loss</b>				
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(3)	(3)
Change in risk adjustment for non-financial risk for risk expired	-	1	-	1
Experience adjustments	(13)	-	-	(13)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	-	-	-	-
Experience adjustments	-	-	-	-
Changes in estimates that adjust the CSM	-	-	-	-
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>(13)</b>	<b>1</b>	<b>(3)</b>	<b>(15)</b>
Net finance income from reinsurance contracts	-	-	1	1
<b>Total changes in the statement of profit or loss</b>	<b>(13)</b>	<b>1</b>	<b>(2)</b>	<b>(14)</b>
<b>Cash flows</b>				
Premiums received	(18)	-	-	(18)
Claims and other insurance service expenses paid	26	-	-	26
<b>Closing balance, as at disposal date</b>	<b>55</b>	<b>(14)</b>	<b>37</b>	<b>78</b>
Disposal of insurance operations (note 32)	(55)	14	(37)	(78)
<b>31 December 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Financial Report

## Notes to the Consolidated Financial Statements for the year ended (31 December 2025)

(In thousands of Bahraini Dinars)

### 31. DISPOSAL GROUPS HELD FOR SALE (continued)

31 December 2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contractual Service Margin (CSM)	Total
<b>Opening balance, 1 January 2025</b>	<b>(50)</b>	<b>(7)</b>	<b>162</b>	<b>105</b>
<b>Changes in the statement of profit or loss</b>				
<b>Changes that relate to current services</b>				
CSM recognised for services provided	-	-	(5)	(5)
Change in risk adjustment for non-financial risk for risk expired	-	2	-	2
Experience adjustments	(7)	-	-	(7)
<b>Changes that relate to future services</b>				
Contracts initially recognised in the period	11	(2)	(16)	(7)
Experience adjustments	121	(9)	(109)	3
Changes in estimates that adjust the CSM	-	2	(2)	-
Changes in estimates that do not adjust the CSM	-	-	-	-
<b>Changes that relate to past services</b>				
Adjustments to liabilities for incurred claims	-	-	-	-
<b>Net expenses from reinsurance contracts</b>	<b>125</b>	<b>(7)</b>	<b>(132)</b>	<b>(14)</b>
Net finance income from reinsurance contracts	3	(1)	9	11
<b>Total changes in the statement of profit or loss</b>	<b>128</b>	<b>(8)</b>	<b>(123)</b>	<b>(3)</b>
<b>Cash flows</b>				
Premiums received	(73)	-	-	(73)
Claims and other insurance service expenses paid	55	-	-	55
<b>Total cash flows</b>	<b>(18)</b>	<b>-</b>	<b>-</b>	<b>(18)</b>
<b>Closing balance, 31 December 2024</b>	<b>60</b>	<b>(15)</b>	<b>39</b>	<b>84</b>

### 32. DECONSOLIDATION OF SUBSIDIARIES

On 16 April 2025, the Group has deconsolidated both its subsidiaries, Bahrain National Insurance Company B.S.C. (c) and Bahrain National Life Assurance Company B.S.C.(c), due to the completion of the Transaction and loss of control on 16 April 2025. The subsidiaries were classified as held for sale in the 2024 consolidated financial statements (see note 31).

The consideration was fully received in cash during the period. At the date of disposal, the carrying amount of the disposed subsidiaries' net assets were as follows:

<b>ASSETS</b>	
Cash and cash equivalents	15,804
Financial investments	42,287
Insurance contract assets	3,939
Reinsurance contract assets	20,957
Equity accounted investees	1,700
Property and equipment	623
Other assets	3,344
<b>Total assets</b>	<b>88,654</b>
<b>LIABILITIES</b>	
Insurance contract liabilities	32,120
Reinsurance contract liabilities	13,383
Investment contract liabilities	1,834
Other provisions and liabilities	1,716
<b>Total liabilities</b>	<b>49,053</b>
<b>Total net assets</b>	<b>39,601</b>
Adjustments for dividends received from disposed subsidiaries	5,854
<b>Net assets disposed (A)</b>	<b>45,455</b>
Proceeds received	75,000
Transaction costs	(1,768)
<b>Net proceeds (B)</b>	<b>73,232</b>
<b>Gain on disposal (B-A)</b>	<b>27,777</b>
Gain on reclassification of equity accounted investee to financial asset (note 9)	2,044
<b>Total gain on disposal of subsidiaries</b>	<b>29,821</b>

### 33. SUBSEQUENT EVENTS

There were no other events subsequent to 31 December 2025 and occurring before the date of the report that are expected to have a significant impact on these financial statements.

# Sustainability at BNH



# Environment



# Environment

## Data & Outcomes

### Energy Consumption

In 2025, BNH recorded a notable reduction in overall electricity consumption, from 2,437,730 kWh in 2024 to 2,322,900 kWh in 2025, representing an approximate 4.7% year-on-year reduction due to the sale of our Sanad Property.

BNH completed the divestment of its Sanad property in 2025. As the Sanad building accounted for a measurable share of electricity, water, and fuel consumption, its removal from BNH's operational footprint is expected to further reduce total energy consumption in 2026 and beyond, consolidating BNH's resource use into a smaller, more efficient asset base.

BNH is also engaging with the Electricity and Water Authority ("EWA") to participate in the national KAFA'A Programme, which aims to enhance energy efficiency across major consuming buildings in Bahrain. Through this initiative, BNH expects to implement targeted improvements that will reduce electrical demand, minimise wastage, and strengthen long-term operational sustainability.

Energy Consumption (Absolute)	2024	2025
Electricity(kWh)	<b>2,437,730</b>	<b>2,322,900</b>
Fuel (Petrol in Liters)	<b>5,724</b>	<b>9,162</b>

Energy Consumption (GJ)	2024	2025
Electricity	<b>8,775.83</b>	<b>2,927.60</b>
Fuel	<b>200.8</b>	<b>11.2</b>

CBB ESG Reporting (Disclosure E.2: Energy Consumption)

## Energy Intensity

In 2025, BNH continued to analyse and monitor its energy intensity metrics to assess the efficiency of its operations relative to economic output. BNH's overall energy intensity decreased in line with the reduction in total electricity consumption and the consolidation of its operational footprint following Sanad Complex divestment.

As BNH begins the transition toward a more streamlined real estate presence, supported by potential future participation in the KAFA'A Programme, energy intensity is expected to improve further. This aligns with BNH's broader commitment to cost efficiency, responsible consumption, and enhanced sustainability performance.

Energy Intensity (Absolute)	2024	2025
Electricity Intensity (kWh)	<b>17,168.32</b>	<b>16,359.60</b>
Fuel Intensity (Petrol in Litres)	<b>40.31</b>	<b>64.53</b>

Energy Intensity (GJ)	2024	2025
Electricity (GJ)	<b>61.8</b>	<b>58.9</b>
Fuel (GJ)	<b>1.41</b>	<b>0.23</b>
<b>Total</b>	<b>63.21</b>	<b>59.12</b>

CBB ESG Reporting (Disclosure E.3: Energy Intensity)

# Environment

## Data & Outcomes

### Energy Mix

BNH's energy mix in 2025 continues to be dominated by grid electricity, with a smaller contribution from fuel consumption associated with business travel and fleet use. Electricity accounted for 99% of total energy use, while fuel consumption totaled 9,162 liters, reflecting BNH's limited reliance on vehicle-based activities.

No renewable energy sources were utilised during the reporting year. However, BNH's planned engagement with the national KAFA'A Program opens opportunities for future adoption of energy-efficient technologies, demand-management practices, and potentially renewable-ready infrastructure improvements, should the opportunity present itself.

Energy Mix	2024	2025
Electricity (Fossil Fuel Based)	<b>97.76%</b>	<b>99.61%</b>
Fuel (Petroleum)	<b>2.24%</b>	<b>0.39%</b>
Renewable Energy	<b>0%</b>	<b>0%</b>

CBB ESG Reporting (Disclosure E.4: Energy Mix)

### Greenhouse Gas Emissions

BNH calculates greenhouse gas (GHG) emissions in accordance with the GHG Protocol, covering Scope 1 (fuel), Scope 2 (electricity), and Scope 3 (business-travel-related emissions). In 2025, total emissions decreased proportionally with the reduction in electricity consumption and the limited use of fuel, continuing the downward trajectory observed in previous years.

The upcoming alignment with KAFA'A and the structural changes to BNH's owned properties are expected to reduce Scope 2 emissions further in 2026, reinforcing BNH's efforts to support Bahrain's national climate objectives and transition toward a more energy-efficient economy.

GHG Emissions*	2024	2025
Scope 1 Emissions (mtCO <sub>2</sub> -eq)	<b>13.8</b>	<b>21.2</b>
Scope 2 Emissions (mtCO <sub>2</sub> -eq)	<b>1703</b>	<b>1,501</b>
Scope 3 Emissions (mtCO <sub>2</sub> -eq)	<b>0.182</b>	<b>0.902</b>
<b>Total Emissions (mtCO<sub>2</sub>-eq)</b>	<b>1,716.98</b>	<b>1,522.66</b>

CBB ESG Reporting (Disclosure Table E.5: GHG Emissions)

## Emission Intensity

Total GHG emissions decreased from 1,716.98 tCO<sub>2</sub>-eq in 2024 to 1,502.25 tCO<sub>2</sub>-eq in 2025, reflecting lower electricity consumption during the year.

Emission intensity, calculated as total emissions per full-time employee, increased from 63.59 to 83.46 tCO<sub>2</sub>-eq per FTE. This increase was driven by the reduction in total FTEs from 27 in 2024 to 18 in 2025, which resulted in emissions being allocated across a smaller employee base, despite the decline in absolute emissions.

BNH continues to monitor both absolute emissions and emission intensity to ensure a balanced assessment of environmental performance. As the Company further optimises its operational footprint and progresses with KAFA'A-aligned energy-efficiency initiatives, emission intensity is expected to stabilise and improve over time.

GHG Emissions Intensity	2024	2025
Total Emissions (mtCO <sub>2</sub> -eq)	<b>1,716.98</b>	<b>1,522.66</b>
Total FTEs	<b>27</b>	<b>18</b>
<b>Emissions Intensity</b>	<b>63.591</b>	<b>84.59</b>

CBB ESG Reporting (Disclosure Table E.6: Emission Intensity)

# Environment

## Data & Outcomes

### Water Usage

Water consumption for 2025 totaled 3,236.575 m<sup>3</sup>, encompassing the Seef and Sanad properties. The Sanad divestment finalised during the year is expected to significantly lower total water usage from 2026 onwards, with future reporting to reflect only the Seef premises.

BNH continues to adhere to fair-allocation and chargeback mechanisms for multi-tenant facilities and remains focused on improving water-use efficiency in line with national sustainability aspirations such as Bahrain’s Economic Vision 2030 and the National Water Strategy.

Water Usage (liters)	2024	2025
Water Consumed/ Withdrawn	6,141	3,237
Water Recycled	0	0

CBB ESG Reporting (Disclosure Table E.8: Water Usage)

### Waste Generation

Consistent with prior years, waste generated by BNH in 2025 primarily consisted of routine office waste such as paper, food waste, and general refuse. While waste tracking is not yet formally measured by volume or classification, all waste continues to be disposed of through municipal channels in compliance with national regulations.

In addition to standard disposal practices, BNH has strengthened its commitment to responsible waste management through its ongoing partnership with Nidukki, a local recycling initiative. Through this collaboration, BNH actively supports the collection and recycling of paper, cardboard, and plastic materials, ensuring that recyclable waste is diverted from landfills and processed through environmentally responsible channels.

As BNH continues exploring participation in national sustainability programmes, future opportunities may arise to enhance waste tracking systems, reduce paper-based processes, and expand structured waste-management practices across its operations.

Waste Generation (kgs)	2025
Total Hazardous Waste	0
Total Non-Hazardous Waste	N/A

CBB ESG Reporting (Disclosure Table E.9: Waste Generation)

## Emission Targets

BNH remains supportive of Bahrain's national commitment to achieve net-zero emissions by 2060. While there are currently no specific emission-reduction obligations applicable to BNH, we continue to monitor regulatory developments and assess its readiness to comply with future requirements.

Through the consolidation of its operational footprint, the anticipated adoption of KAFA'A energy-efficiency measures, and ongoing improvements in monitoring and reporting, BNH is positioning itself to progressively reduce emissions and contribute to the national decarbonisation agenda.

CBB ESG Reporting (Disclosure Table E.10: Emission Targets)

# Sustainability at BNH

## ESG Governance

At BNH, ESG governance is a central element of how we exercise oversight as a holding company. While BNH does not engage in direct operational activities, we are responsible for setting the strategic direction and governance expectations for our portfolio companies. This includes integrating environmental, social, and governance (ESG) considerations into investment decisions, risk assessments, and long-term planning. BNH's ESG Governance is led by the Board of Directors, with executive management responsible for implementing ESG priorities at the Group level.

### Board Level Governance

At BNH, the Board of Directors plays a central role in overseeing the Company's commitment to strong governance and responsible business conduct. ESG governance is embedded within the broader framework of risk, compliance, and audit oversight—primarily through the work of the Audit, Compliance, and Risk Committee (ACRC). The ACRC is instrumental in ensuring that internal controls, compliance systems, and risk management frameworks are robust, transparent, and aligned with both regulatory expectations and emerging sustainability considerations.

The Committee's mandate includes evaluating the effectiveness of risk management systems—an increasingly important function as ESG-related risks, such as climate impact, regulatory shifts, and reputational concerns, become more prominent. By shaping and reviewing these frameworks, the ACRC supports the Group's ability to anticipate, assess, and address such risks across its portfolio. Additionally, the Committee reinforces the Group's ethical foundation through its supervision of whistleblower mechanisms, regulatory compliance, and corporate governance procedures—core components of the Governance. As ESG expectations continue to evolve, the ACRC's work enhances transparency, accountability, and trust—laying a strong foundation for the Group's long-term sustainability objectives.

### Executive Level Implementation – ESG Committee

The BNH MC Committee is the senior management body responsible for overseeing the Company's approach to sustainability. It plays a central role in identifying, monitoring, and responding to ESG-related risks and opportunities, reflecting BNH's commitment to embedding sustainability into strategic decision-making and governance structures.

Comprising cross-functional executives, the Committee supports the Company's priorities in areas such as environmental stewardship, diversity and inclusion, health and safety, and corporate governance. It is tasked with shaping the Group's ESG strategy, recommending relevant policies and disclosures, and preparing an annual ESG plan for Board consideration. The Committee also monitors emerging ESG risks, regulatory developments, and global trends, and serves as a key advisor to the Board and its Committees on ESG matters. Key responsibilities of the ESG Committee include:

- Defining ESG priorities, targets, and strategic direction
- Coordinating and oversee ESG initiatives across the Group
- Supporting the Board and management in ESG oversight
- Enhancing ESG awareness and knowledge within the Group

Note:

CBB ESG Reporting (Disclosure E.1: Environmental Oversight)

# Sustainability at BNH

## Impact & Outcomes

### Environment

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#### Total Emissions



#### Emission Intensity



#### GHG Emissions

Scope 1, 2, and 3 GHG Emissions are reported in line with the GHG Protocol.

#### Energy Consumption



#### Water Usage



### Governance

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*Ethics and  
Anti-Corruption  
Compliance*



*Instances of  
Whistleblowing  
incidents*

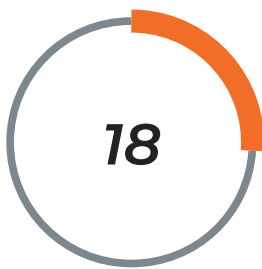


*Instances of  
Data Privacy  
violations*

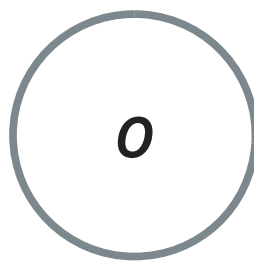
Social

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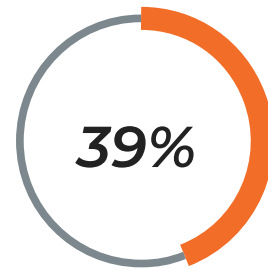
Total Workforce



Health & Safety Incidents



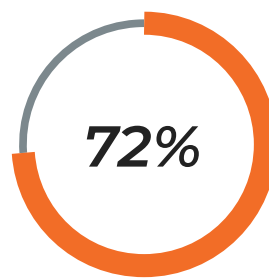
Women constitute of total staff



Learning and Development – Average Training Hours Per FTE

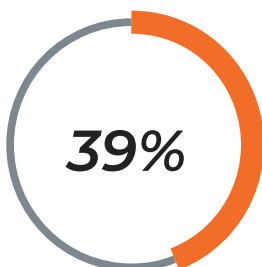


Nationalisation

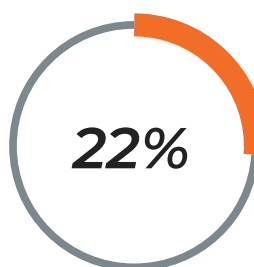


Workforce composition by management level

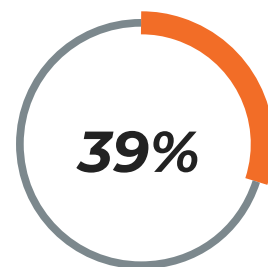
Entry-Level



Mid-Level



Senior-Level



# Social & Community



# Social & Community

## Data & Outcomes

### Total Workforce Composition

BNH monitors and reports on its workforce composition with a focus on gender and age distribution. Gender data is tracked across all employment levels to support equitable representation and inform talent management practices.

As of the end of 2025, Bahrain National Holding (BNH) maintained a lean and fully full-time workforce comprising 18 employees, reflecting the nature of its operations as an investment holding company with centralised administrative and strategic functions. The workforce demonstrates a relatively balanced gender distribution, with 11 male and 7 female employees, representing 39% female participation, indicative of inclusive hiring practices within the organisation.

In terms of age demographics, the majority of employees (78%) fall within the 30–50 years age group, reflecting a workforce with a strong mid-career profile, bringing experience and professional maturity to the company's operations. Employees under 30 years represent 5% of the total workforce, while those over 50 years account for 17%, indicating some generational diversity while maintaining an operational focus on experienced professionals.

All employees are engaged on a full-time basis, with no part-time staff or interns during the reporting period. This reflects the Company's staffing model, which is built around stable, long-term employment structures aligned with BNH's operational needs and governance functions.

Workforce Composition		2024	2025
<b>Total Employees</b>		<b>27</b>	<b>18</b>
<b>By Gender</b>	Male	<b>15</b>	<b>11</b>
	Female	<b>12</b>	<b>7</b>
<b>By Age</b>	Under 30 years	<b>3</b>	<b>1</b>
	30 – 50 years	<b>19</b>	<b>14</b>
	Over 50 years	<b>5</b>	<b>3</b>
<b>By Employment Type</b>	Full-Time Employee	<b>27</b>	<b>18</b>
	Part-Time Employee	<b>0</b>	<b>0</b>
	Interns	<b>0</b>	<b>0</b>

CBB ESG Reporting (Disclosure S.1: Total Workforce Composition)

## Child & Forced Labour

At BNH, we fully comply with the Bahrain Labor Law (Law No. 36 of 2012) and its applicable provisions related to juvenile employment. Child and Forced Labor considerations are embedded within our broader Human Resources Policy, which governs all aspects of recruitment, employment, and operational practices across the organisation and our supply chain.

We maintain a zero-tolerance approach to child and forced labor, enforced through robust operating procedures. The Human Resources policy is periodically reviewed and approved by the Board of Directors and relevant management authorities to ensure ongoing alignment with legal obligations and best practices in labor and human rights. In 2025, nil incidents related to child and forced labor were reported.

CBB ESG Reporting (Disclosure S.2: Child & Forced Labour)

## Employee Turnover

In 2025, BNH recorded a total workforce turnover of 8 employees, representing nearly 30% of its total staff. The turnover was equal among male employees (4) and females (4). Notably, 12% of total turnover occurred within the under 30 age group, 63% between 30-50 age group, while the remaining turnover was from the above 50 age group.

BNH experienced a stabilised employee turnover during the reporting period, primarily driven by organisational changes related to the divestment of our subsidiaries. As a result, employees associated with post-divestment transfer to these subsidiaries are no longer reflected within BNH's workforce. Alongside the retirement benefit that senior employees in BNH utilised and benefit from to start their retirement.

This change is a structural shift rather than a reflection of attrition due to internal workplace factors. BNH remains committed to workforce stability and continues to prioritise employee engagement, well-being, and development within its ongoing operations.

Workforce Composition		2024	2025
<b>Employees Turnover Ratio</b>		<b>45%</b>	<b>30%</b>
<b>Total Turnover</b>		<b>13</b>	<b>8</b>
<b>By Gender</b>	Male	<b>8</b>	<b>4</b>
	Female	<b>5</b>	<b>4</b>
<b>By Age</b>	Under 30 years	<b>8</b>	<b>1</b>
	30 – 50 years	<b>5</b>	<b>5</b>
	Over 50 years	<b>0</b>	<b>2</b>

CBB ESG Reporting (Disclosure S.3: Employee Turnover Ratio)

# Social & Community

## Data & Outcomes

### Gender Pay Ratio

Our current gender pay parity ratio, calculated as the median compensation of women to that of men, stands at 0.61. This metric is regularly monitored as part of our broader commitment to transparency and equity in compensation practices.

We recognise that this figure reflects underlying structural and role-based dynamics within the organisation and industry. Ongoing analysis helps us better understand the factors influencing this ratio, including role distribution, tenure, and representation across functions and levels.

We continue to evaluate compensation frameworks and workforce data to ensure pay practices remain fair, consistent, and aligned with our principles of equity and inclusion.

Gender Pay Ratio	2024	2025
Median Women's Compensation to Median Men's Compensation	<b>0.61</b>	<b>0.67</b>

CBB ESG Reporting (Disclosure S.4: Gender Pay Ratio)

### Nationalisation

Approximately 72% of our workforce is comprised of Bahraini nationals, reflecting our strong commitment to supporting local talent development and contributing to national employment objectives.

We remain fully compliant with the Labor Market Regulatory Authority (LMRA) regulations regarding the required proportion of nationals in the workforce and actively supports initiatives that enhance the capabilities and career progression of Bahraini professionals across all levels of the organisation.

Gender Pay Ratio	2024	2025
Total Employees	<b>27</b>	<b>18</b>
Total Employees (Nationals)	<b>20</b>	<b>13</b>
Proportion of Nationals	<b>74%</b>	<b>72%</b>

CBB ESG Reporting (Disclosure S.7: Nationalisation)

## Health & Safety

At BNH, safeguarding the health, safety, and wellbeing of our employees remains a fundamental commitment and an integral part of our corporate responsibility. We recognize that a resilient, high-performing workforce is critical to the long-term sustainability and success of our business. Accordingly, we continue to embed occupational health and safety (OHS) as a core pillar of our organisational culture and operational excellence.

We remain in full compliance with the Kingdom of Bahrain's Labour Law (Chapter 15), which governs workplace safety, environmental health, and occupational wellbeing. Our efforts include conducting periodic internal inspections, risk assessments, and third-party audits to monitor and enhance our work environment. We also deliver targeted capacity-building programs—such as safety awareness campaigns, firefighting simulations, certified first aid training, and annual fire drills—ensuring our employees are well-equipped to respond to emergencies and uphold best practices.

Through these initiatives, we aim to maintain zero incidents, promote physical and mental wellness, lower healthcare-related costs, and ultimately drive operational efficiency across the organisation. Our commitment to health and safety extends beyond compliance - it reflects our dedication to responsible business conduct and our duty of care toward every individual at BNH.

Health & Safety	2024	2025
Number of injuries and fatalities	0	0
Lost days due to work injury	0	0

CBB ESG Reporting (Disclosure S.5: Health & Safety)

## Non-Discrimination

At BNH, we comply with the Bahrain Labor Law (Law No. 36 of 2012) and its applicable provisions, which prohibit discrimination in employment. Discrimination based on gender, age, nationality, physical disability, or any other legally protected characteristic is not permitted in any aspect of employment, including recruitment, promotion, compensation, training, or termination.

This requirement is incorporated into the organisation's Human Resources Policy, which applies to all personnel, and governs employment practices across the organisation.

The policy is subject to periodic review and approval by the Board of Directors and relevant management authorities to ensure compliance with applicable legislation and consistency with international labor and human rights standards.

In 2025, nil incidents related to discrimination were reported.

CBB ESG Reporting (Disclosure S.6: Non-Discrimination)

# Social & Community

## Data & Outcomes

### Supports the Insulin Pump Initiative for Children in Collaboration with the Royal Humanitarian Foundation

BNH participated in supporting the Second Charity Marathon: Miles for Children's Health, an initiative aimed at providing insulin pumps for children with Type 1 diabetes. The initiative was organized by the Royal Humanitarian Foundation as part of its ongoing efforts to enhance social responsibility and support the most vulnerable groups in society.

This sponsorship aligns with BNH's strategy to support vital sectors in the Kingdom of Bahrain, particularly the healthcare sector, and to champion initiatives that serve children requiring specialised medical care. Modern insulin pumps play a crucial role in helping children manage their condition more easily, reducing health complications, and enabling them to lead more stable and comfortable lives.

BNH praises the Royal Humanitarian Foundation, praising the foundation's pioneering role in supporting families in need and delivering impactful initiatives that embody the values of compassion and solidarity within the Bahraini community. These values: trust, collaboration, and growth are core principles the Company embraces in its own mission.

BNH further emphasised that its support for this initiative forms part of a broader portfolio of social programs and community projects the company will continue to pursue in the coming period, particularly in the sectors of education and entrepreneurship.

The Company concluded by reaffirming its commitment to strengthening the role of the private sector as an active partner in supporting national efforts and contributing to building a healthier and more sustainable society, in line with Bahrain's development vision. In future reporting periods, guided by principles of relevance, transparency, and positive social impact.

Community Investments	2024	2025
Amount Invested (BHD)	0	5,000
Amount invested as percentage of revenue	N/A	N/A

CBB ESG Reporting (Disclosure S.8: Community Investments)

## Human Rights

At BNH, we do not currently have a standalone Human Rights policy; however, the principles of human rights are firmly embedded in our HR policies and procedures, which guide our approach to employee relations, workplace ethics, and organisational conduct. We uphold key human rights principles such as non-discrimination, fair and respectful treatment, safe and healthy working conditions, and the protection of personal dignity and privacy. These values are reflected in how we hire, develop, and support our people, and form the foundation of our commitment to creating a just and inclusive workplace.

Our employment practices are fully aligned with the Labor Law of the Kingdom of Bahrain, which outlines critical protections related to workers' rights, safety, and fair employment. By adhering to this legal framework, we naturally align with internationally recognised standards, including the Universal Declaration of Human Rights (UDHR) and core conventions of the International Labour Organisation (ILO), to which the Kingdom of Bahrain is a signatory. We remain committed to strengthening our internal systems and culture in a way that respects and advances human rights across all levels of our organisation.

CBB ESG Reporting (Disclosure S.9: Human Rights)

# Social & Community

## Data & Outcomes

### Management Composition/ Diversity

The composition of our management team reflects progress and continued focus in advancing gender diversity. At all levels, gender parity has been achieved, indicating a strong commitment to inclusive representation of young talent.

This is a positive indicator of a healthy talent pipeline with a more balanced gender representation.

We remain committed to a balanced gender representation through various initiatives such as early-career mentorship, equitable promotion practices, and inclusive hiring strategies.

Management Composition/ Diversity	2024	2025
<b>Total Employees</b>	<b>27</b>	<b>18</b>
<b>Entry Level</b>	<b>12</b>	<b>7</b>
Male	6	4
Female	6	3
<b>Mid Level</b>	<b>7</b>	<b>4</b>
Male	3	2
Female	4	2
<b>Senior Level</b>	<b>8</b>	<b>7</b>
Male	6	5
Female	2	2

CBB ESG Reporting (Disclosure S.10: Management Composition/ Diversity)

### Development & Training

At BNH, we recognise that continuous learning and skills enhancement are essential to sustaining a capable, agile, and future-ready workforce. In 2025, we continued to invest in the professional development of our employees through a diverse range of training programs covering technical knowledge, regulatory compliance, leadership, and soft skills.

Key development initiatives included participation in of all Board members and the Executive Management Team participated in a customised, tailor-made training programme delivered by GCC BDI, aimed at enhancing governance excellence, strategic oversight, and sustainable value creation. The programme covered the evolving role of the Board, succession planning and board composition, effective board dynamics and performance dialogue, senior talent and CEO succession planning, as well as alignment and leadership calibration. It further addressed core principles of corporate governance, emerging governance trends, and business ethics. In addition, the sessions explored strategy creation—clarifying the roles of the Board and Management, differentiating corporate and business strategy, avoiding common pitfalls, and strengthening strategic thinking—alongside value creation topics, including business model effectiveness, strategy evaluation, and fostering a high-performance culture.

Two members of the Executive Management team participated in the National Executive Leadership Programme organised in the Kingdom of Bahrain by Harvard Business School, in collaboration with Tamkeen and EMIC. The programme is designed to strengthen national leadership capabilities by equipping senior executives with advanced strategic, financial, and organisational leadership skills to drive sustainable growth and competitiveness. Through a series of intensive modules, participants explored strategy execution, financial acumen for value creation, leading organisational transformation, innovation and growth, governance and accountability, and leading high-performance teams. The programme also emphasised adaptive leadership, decision-making under uncertainty, and fostering a forward-looking mindset aligned with Bahrain's economic development ambitions.

Throughout 2025, employees actively participated in a range of professional development initiatives aimed at strengthening both technical expertise and leadership capabilities. Training programmes included specialised courses in AI and Fintech in Financial Markets, equipping participants with insights into emerging technologies, digital transformation, and innovation in financial services. Employees also completed Real Estate Financial Modeling training to enhance analytical capabilities, investment evaluation, and financial structuring skills within the property sector. In addition, Interpersonal Skills Coaching sessions were conducted to further develop communication, collaboration, and leadership effectiveness, supporting a culture of high performance and continuous growth across the organisation. Integration, structured induction programs were delivered across BNH and its subsidiaries. These efforts reflect our belief that investing in people is key to both individual growth and organisational resilience especially in the context of an evolving regulatory, digital, and ESG landscape.

Average Training Hours	2024	2025
Male	1.05	34
Female	13.0	2.5
Total	7.33	21.8

CBB ESG Reporting (Disclosure S.11: Development & Training)

#### Note:

Across all training activities, the average training hours per employee stood at 21.8 hours. When disaggregated by gender, female employees averaged 2.5 hours, while male employees averaged 34 hours. This higher hours for male staff is attributed to the participation of several male staff members in long-duration certification programs, such as the Executive Leadership Programme, which require extended engagement and multiple learning modules.

Despite the variance, all employees had access to tailored learning opportunities based on their roles, developmental needs, and regulatory requirements.

# Governance



# Governance

## Data & Outcomes

### Board Composition

As of the reporting period, BNH's Board of Directors consists of a total of 11 members. All members serve in a non-executive capacity, reinforcing our commitment to independent oversight and effective governance. Of the 11 members, four are classified as independent directors, in accordance with applicable regulatory requirements.

Board appointments reflect a combination of shareholder representation and institutional participation. One member has been appointed by a major shareholder, while the remaining ten have been elected by other shareholders, ensuring diverse stakeholder representation.

While the current Board does not include female representation, we continue to strengthen our governance framework and nomination processes to identify opportunities for improved diversity on the Board.

Further details on Board structure, diversity, and governance practices can be found in our Corporate Governance Report.

Board Composition	2024	2025
<b>Total Members</b>	<b>11</b>	<b>11</b>
Female Members	0	0
Executive	0	0
Non-Executive	11	11
Independent	4	4
Appointed	1	1
Elected	10	10

CBB ESG Reporting (G.1. Board Composition)

## Board Committees.

BNH's Board of Directors plays a central role in guiding the Group's strategic direction and upholding its commitment to transparency, accountability, and ethical leadership. To strengthen the effectiveness of its oversight and decision-making functions, the Board is supported by three specialised committees, each governed by formal charters that clearly define their responsibilities and authority.

- Audit, Compliance & Risk Committee (ARC)
- Executive & Investment Committee (EC)
- Nomination, Remuneration & Governance Committee (NRGC)

Board Composition	ARC	EC	NRGC
<b>Total Members</b>	<b>3</b>	<b>3</b>	<b>3</b>
Female Members	0	0	0
Male Members	3	3	3

- The Audit, Compliance & Risk Committee (ACRC) oversees the integrity of BNH's internal control systems, risk management processes, and compliance with applicable laws and regulations. It also supervises the appointment, performance, and independence of external auditors, and ensures appropriate mechanisms are in place to protect the rights of whistleblowers.
- The Executive & Investment Committee (EIC) monitors the Group's strategic direction, reviews financial and operational performance, and advises on key business initiatives. It also provides recommendations on investment opportunities in line with the Group's overall business plan and risk appetite.
- The Nomination, Remuneration & Governance Committee (NRGC) is responsible for Board and executive succession planning, performance evaluations, and the design of fair and competitive remuneration frameworks. The Committee also oversees the implementation and continual enhancement of BNH's corporate governance practices and plays a key role in the integration of sustainability considerations into strategic and operational decision-making.

These committees collectively ensure that the Board operates with independence, diligence, and in full alignment with the Group's strategic priorities and stakeholder expectations. Through this structure, BNH reinforces its commitment to strong governance, ethical conduct, and sustainable value creation.

CBB ESG Reporting (G.1. Board Composition)

# Governance

## Data & Outcomes

### Collective Bargaining

BNH recognises the importance of upholding labor rights, including the right to freedom of association and collective bargaining, as outlined in Bahrain’s Labor Law No. 36 of 2012. The law provides employees with the legal right to form and join trade unions, elect representatives, and engage in collective bargaining to negotiate terms and conditions of employment.

As of the reporting period, there are no active labor unions operating within the organisation, and no formal requests have been made by employees to establish such representation. While collective bargaining is not currently practiced at BNH, we remain fully compliant with applicable provisions of labor laws. In the absence of union representation, we maintain open and transparent communication channels with our employees. Regular feedback mechanisms, staff engagement surveys, and internal communication forums support our commitment to fair labor practices and a positive work environment.

CBB ESG Reporting (Disclosure G.2: Collective Bargaining)

### Whistleblowing

In line with our commitment to regulatory compliance and ethical conduct, we have established a Whistleblowing Policy aimed at providing a secure and confidential mechanism for raising concerns. This policy is designed to empower employees, vendors, service providers, customers, and any third party to report any misconduct or unethical behavior they may witness or become aware of, without fear of retaliation.

The policy clearly outlines the process for reporting concerns directly to the appropriate officials, ensuring that all disclosures are handled with a high level of confidentiality and integrity. It emphasises the organisation’s zero-tolerance stance on any form of retaliatory action against individuals who come forward in good faith. To ensure transparency and accessibility, the Whistleblowing Policy is made available to all employees through the organisation’s intranet, and to customers and third parties via our official website.

Whistleblowing	2024	2025
Instances reported under whistleblowing policy	0	0

CBB ESG Reporting (Disclosure G.3: Whistleblowing)

## Data Privacy

At BNH, our data privacy practices are guided by provisions stated in Bahrain's Personal Data Protection Law (PDPL) and our internal governance standards, ensuring responsible collection, use, and protection of personal data. We collect personal information only when necessary. For example, in connection with service requests, employment applications, or other direct interactions. All information is handled with strict confidentiality and is maintained securely within BNH's systems for the purposes of fulfilling service obligations or regulatory requirements.

Access to personal data is restricted to authorised personnel who are bound by confidentiality agreements and trained in data protection protocols. We do not sell, lease, or disclose personally identifiable information to third parties, except as required by law or as necessary to deliver services through trusted third-party providers under strict contractual safeguards. BNH does not disclose non-public personal information to affiliates or unaffiliated third parties unless permitted by law. Any third parties engaged by BNH are contractually obligated to use the information solely for the intended purpose and to maintain strict confidentiality. Our commitment to data privacy reflects our broader ESG objectives, ensuring transparency, accountability, and respect for stakeholder rights in all aspects of our operations.

Data Privacy	2024	2025
Number of data privacy violations reported	0	0
Number of data privacy violations reported involving personally identifiable information	0	0

CBB ESG Reporting (Disclosure G.4: Data Privacy)

## Disclosure Practices

BNH does not currently disclose or submit data to external sustainability frameworks such as the Global Reporting Initiative (GRI), United Nations Global Compact (UNGC), or other similar reporting standards. Since 2020, we have been consistently publishing an ESG report that provides detailed and transparent data on our environmental, social, and governance performance. The report is publicly available through our website.

In 2025, we commenced aligning our ESG disclosures with the Central Bank of Bahrain's ESG Reporting Requirements (Common Volume – Part A)

CBB ESG Reporting (Disclosure G.5: Disclosure Practices)

# Governance

## Data & Outcomes

### Conflict of Interest

At BNH, Directors, Key Shareholders, Senior Executives, and employees are required to avoid any situations that may lead to conflicts of interest with the Company. As per BNH's Corporate Code of Conduct, matters pertaining to conflicts of interest are managed in accordance with the Commercial Companies Law and the Corporate Governance Code of Bahrain.

Our Board of Directors' internal regulations mandate that any Director or Executive Management member involved in a transaction that presents a potential conflict of interest must obtain prior approval from the Board. Individuals with a joint or conflicting interest—either personally or on behalf of others—are obligated to fully disclose the nature of their interest to the Board, which is formally recorded in the minutes. These individuals are excluded from participating in discussions, deliberations, and voting related to such transactions. Any abstention from voting due to a conflict of interest, or approval of a conflict-related contract or transaction, will be disclosed to shareholders in the Annual Report in line with applicable local law. The disclosure focuses on the substance and potential impact of the transaction on the integrity of the Group's decisions, rather than merely its legal form.

The Chairman reports all approved related-party transactions to the General Assembly at its first meeting following the transaction, with reporting conducted on a case-by-case basis and supported by an external auditor's report. Details of related-party transactions, including classifications of amounts payable and receivable, are transparently disclosed to shareholders. External auditors also monitor compliance, ensuring related parties fulfill their obligations in the year following the transaction. All disclosures adhere to relevant international standards and financial reporting laws to ensure accuracy and transparency.

CBB ESG Reporting (Disclosure G.6: Conflict of Interest)

### Supplier Code of Conduct

Currently, BNH does not have a standalone Supplier Code of Conduct. We have implemented comprehensive internal policies and procedures that govern our procurement activities, vendor due diligence, and supplier registration processes. These robust frameworks are designed to ensure that all suppliers and vendors are thoroughly evaluated and selected based on criteria that include ethical business practices, compliance with applicable laws, and alignment with our commitment to sustainability.

Our procurement and supplier management processes emphasise transparency, integrity, and accountability, enabling us to maintain strong partnerships and mitigate risks associated with our supply chain. While we do not have a separate code specifically for suppliers, these internal controls collectively support responsible sourcing and reinforce our commitment to upholding high standards throughout our vendor network.

CBB ESG Reporting (Disclosure G.7: Supplier Code of Conduct)

## Incentivised Pay

As of the current reporting period i.e. 2025, no portion of executive remuneration or incentive compensation is contingent upon or linked to the achievement of sustainability-related outcomes or environmental, social, and governance (ESG) performance indicators. Executive compensation is determined in accordance with established corporate governance policies and applicable regulatory requirements.

Any potential integration of sustainability-linked incentives shall be subject to Board approval and aligned with evolving best practices and stakeholder expectations.

CBB ESG Reporting (Disclosure G8: Incentivised Pay)

## Ethics & Anti-Corruption

At BNH, we are committed to the highest standards of ethical conduct, integrity, and compliance across all areas of our operations. The Group maintains a zero-tolerance approach to corruption, financial misconduct, and unethical behavior, reinforced through robust governance frameworks and internal controls. We uphold comprehensive Anti-Money Laundering (AML), Counter Financing of Terrorism (CFT), and Counter Proliferation Financing (CPF) policies and procedures in line with AML Law Decree No. (4) of 2001 and the regulations of the Central Bank of Bahrain (CBB). These measures are designed to detect, prevent, and report any illicit financial activity through well-defined that enhance screening, monitoring, and escalation processes.

Annual reviews of compliance policies are conducted alongside mandatory training and awareness programs, ensuring that employees remain informed and vigilant. The Company also ensures full compliance with CBB's Key Persons Trading regulations and regularly submits required internal audit and external assurance reports to regulatory authorities. Oversight of these ethical and compliance obligations is provided by the Audit, Compliance, and Risk Committee (ACRC), which reports directly to the Board, ensuring continuous alignment with regulatory standards and corporate governance best practices. Relevant trainings and learning modules are assigned to all our employees to ensure awareness and compliance with the applicable laws. 100% of our employees have undergone trainings related to Ethics and Anti-Corruption.

CBB ESG Reporting (Disclosure G.9: Ethics and Anti-Corruption)

## Assurance

BNH does not currently engage any third-party or external organisations to validate or verify its ESG data disclosures. We are committed to ensuring that all information presented in our ESG reporting is accurate, complete, and reliable. Internal controls and review processes are in place to maintain the integrity of our data, supporting transparency and accountability to our stakeholders.

CBB ESG Reporting (Disclosure G.10: Assurance)

SCAN TO VIEW



BAHRAIN NATIONAL HOLDING B.S.C.