MENA Industrial Bank B.S.C. (c)

INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2026 (REVIEWED)

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REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF MENA INDUSTRIAL BANK B.S.C. (c)

Introduction

We have reviewed the accompanying interim condensed financial statements of MENA Industrial Bank B.S.C. (c) (the "Bank") as at 30 June 2026, comprising of the interim statement of financial position as at 30 June 2026, and the related interim statement of profit or loss and other comprehensive income for the three-month period and six-month period then ended, and interim statement of cash flows and changes in equity for the six-month period then ended and explanatory notes. The management of the Bank is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

Ernst & Young

27 August 2026
Manama, Kingdom of Bahrain

MENA INDUSTRIAL BANK B.S.C. (c)

INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 June 2026 (Reviewed)

	Notes	***30 June 2026 (Reviewed) USD '000***	*31 December 2025 (Audited) USD '000*
ASSETS			
Cash and short-term deposits	4	**53,520**	73,963
Investment securities	5	**36,704**	20,796
Other assets		**675**	732
Right-of-use assets		**449**	517
Furniture and equipments	6	**2,951**	3,115
Intangible assets under development	7	**6,585**	4,446
TOTAL ASSETS		**100,884**	103,569
EQUITY AND LIABILITIES			
EQUITY			
Share capital		**100,000**	100,000
Accumulated losses		**(5,192)**	(2,555)
Total Equity		**94,808**	97,445
LIABILTIES			
Customer deposits		**3,046**	-
Lease liabilities		**486**	519
Other liabilities		**2,544**	5,605
Total liabilities		**6,076**	6,124
TOTAL EQUITY AND LIABILITIES		**100,884**	103,569

H.E. Shaikh Humoud Shamlan A H Alsabah
Chairman of the Board of Directors

Mohamed Tareq Mohamed Sadeq Mohamed Akbar
Member of the Board of Directors

Shamzani Hussain
Chief Executive Officer

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Six-month period ended 30 June 2026 (Reviewed)

	Notes	**Three months ended 30 June 2026 (Reviewed) USD '000**	*Three months ended 30 June 2025 (Reviewed) USD '000*	**Six months ended 30 June 2026 (Reviewed) USD '000**	*For the period from 28 July 2024 (date of incorporation) to 30 June 2025 (Reviewed) USD '000*
Operating Income					
Interest income		**1,021**	996	**2,000**	1,146
Interest expense		**(23)**	-	**(46)**	-
Net interest income		**998**	996	**1,954**	1,146
Operating expenses					
Staff costs	8	**(1,022)**	(70)	**(2,056)**	(70)
Other operating expenses	9	**(1,097)**	(392)	**(2,220)**	(392)
Pre-incorporation expenses		**-**	(1,089)	**-**	(1,089)
Depreciation and amortisation		**(129)**	-	**(258)**	-
Total operating expenses		**(2,248)**	(1,551)	**(4,534)**	(1,551)
Net operating loss before expected credit loss (ECL)		**(1,250)**	(555)	**(2,580)**	(405)
ECL reversal / (charge) on financial assets	10	**212**	(25)	**(57)**	(25)
Net and total comprehensive loss for the period		**(1,038)**	(580)	**(2,637)**	(430)

H.E. Shaikh Humoud Shamlan A H Alsabah
Chairman of the Board of Directors

Mohamed Tareq Mohamed Sadeq Mohamed Akbar
Member of the Board of Directors

Shamzani Hussain
Chief Executive Officer

The attached notes 1 to 13 form part of these financial statements

INTERIM STATEMENT OF CASH FLOWS

Six-month period ended 30 June 2026 (Reviewed)

	Notes	**Six months ended 30 June 2026 (Reviewed) USD '000**	*For the period from 28 July 2024 (date of incorporation) to 30 June 2025 (Reviewed) USD '000*
OPERATING ACTIVITIES			
Net loss for the period		**(2,637)**	(430)
Depreciation and amortisation		**258**	-
ECL charge on financial assets	10	**57**	25
Interest expense		**46**	-
Amortisation of investment securities		**39**	-
		(2,237)	(405)
Changes in operating assets and liabilities:			
Other assets		**57**	(993)
Other liabilities		**(15)**	808
Net cash used in operating activities		**(2,195)**	(590)
INVESTING ACTIVITIES			
Purchase of investment securities		**(25,866)**	-
Purchase of intangible assets under development		**(2,139)**	-
Purchase of furniture and equipments		**-**	(29)
Cash flow used in investing activities		**(28,006)**	(29)
FINANCING ACTIVITIES			
Issue of share capital		**-**	100,000
Payment of lease liabilities		**(69)**	-
Net cash (used in) / generated from financing activities		**(69)**	100,000
Net (decrease) / increase in cash and cash equivalents		**(30,269)**	99,381
Cash and cash equivalents at beginning of the period		**89,745**	-
Cash and cash equivalents at end of the period	13	**59,476**	99,381

INTERIM STATEMENT OF CHANGES IN EQUITY

Six-month period ended 30 June 2026 (Reviewed)

	Share capital	*Accumulated losses*	*Total*
	USD '000	*USD '000*	*USD '000*
At 31 December 2025	**100,000**	**(2,555)**	**97,445**
Net and total comprehensive loss for the period	**-**	**(2,637)**	**(2,637)**
At 30 June 2026 (reviewed)	**100,000**	**(5,192)**	**94,808**
At 28 July 2024 (date of incorporation)	-	-	-
Issue of share capital	100,000	-	100,000
Net and total comprehensive income for the period	-	(430)	(430)
At 30 June 2025 (reviewed)	100,000	(430)	99,570

1 INCORPORATION AND ACTIVITIES

MENA Industrial Bank B.S.C (c) (the "Bank") is a conventional wholesale bank, incorporated in the Kingdom of Bahrain. The Bank operates under a conventional wholesale banking license issued by the Central Bank of Bahrain (the "CBB") on 26 February 2025. The Bank is registered with the Ministry of Industry and Commerce in the Kingdom of Bahrain and operates under commercial registration number 176708-1 obtained on 28 July 2024. The Bank's registered office is at Flat 1601, Building 1411, Road 4626, Block 346, Manama, Kingdom of Bahrain.

The Bank is a subsidiary of MENA Development W.L.L (the "Ultimate Parent") which holds 80% of the share capital of the Bank. The other shareholder of the Bank is ERTH ARABIA SPV Limited which holds 20% of the share capital.

The Bank is principally engaged in the provision of wholesale banking services.

The interim condensed financial statements have been approved by the Board of Directors on 24 August 2026 and authorised for issue on 27 August 2026.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed financial statements for the six-month period ended 30 June 2026 have been presented in accordance with the International Accounting Standard 34 Interim financial reporting (IAS 34).

The Bank was incorporated and commenced operations on 28 July 2024. As a result, comparative information for the interim condensed financial statements of profit or loss and other comprehensive income, cash flows and changes in equity relates to the period from 28 July 2024 to 30 June 2025, which exceeds the duration of the current interim period. Management has presented the comparative information on this basis as no shorter comparable interim period existed, and accordingly, the comparative figures are not directly comparable with those of the current period.

The interim condensed financial statements do not contain all information and disclosures required for annual financial statements prepared in accordance with the IFRS Accounting Standards as issued by International Accounting Standards Board (IASB). In addition, results for the period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the financial period ending 31 December 2026. The interim condensed financial statements have been prepared under the historical cost convention.

The interim condensed financial statements have been presented in United State Dollars (USD) which is also the functional currency of the Bank and are rounded to the nearest USD thousands except when otherwise indicated.

2.2 New and amended standards and interpretations effective as of 1 January 2026

The following new amendments to the accounting standards became effective in 2026 and have been adopted by the Bank in preparation of these interim condensed financial statements as applicable. Further, the Bank has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

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

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the ‘settlement date’ and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;

2 BASIS OF PREPARATION (continued)

2.2 New and amended standards and interpretations effective as of 1 January 2026 (continued)

Amendments to Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (continued)

- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

The amendments had no impact on the Bank's interim condensed financial statements.

Annual Improvements to IFRS accounting Standards – Volume 11

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

The amendments had no impact on the Bank's interim condensed financial statements.

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

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

- Clarify the application of the 'own-use' requirements for in-scope contracts;
- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in - scope contracts; and
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments had no impact on Bank's interim condensed financial statements.

2.3 Impact of geopolitical escalation risk and related uncertainty

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Bahrain, resulting in regional disruptions and increased uncertainty. The Bank has assessed the implications of these events on its operations, financial position and performance, including relevant quantitative and qualitative factors when assessing significant increases in credit risk and indicators of impairment.

The Bank has also considered the impact of market volatility on the fair values of financial assets. While reported amounts reflect management's best estimates based on available market information, asset values remain sensitive to evolving market conditions. Management continues to monitor developments, and as at the date of authorisation of these interim condensed financial statements, the financial impact cannot be reliably estimated due to the evolving nature of the events, however the management assesses the same as very limited due to strong liquidity and capitalization and no obligations vis-a-vis third-party customers.

During the period, the Bank received government grant amounting to US$ 76 thousand (30 June 2025: US$ Nil) as part of the business support initiatives of the Government of the Kingdom of Bahrain. The received grant has been recognized as a reduction of staff costs in the interim statement of profit or loss and other comprehensive income.

3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The accounting policies, estimates and assumptions used in the preparation of these interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the period ended 31 December 2025 except for adoption of new standards and amendments effective from 1 January 2026.

4 CASH AND SHORT-TERM DEPOSITS

	Notes	***30 June 2026 (Reviewed) USD '000***	*31 December 2025 (Audited) USD '000*
Balances with banks	4.1	**21,984**	7,848
Short-term deposits	4.2	**31,586**	66,180
Cash and short-term deposit before ECL allowance		**53,570**	74,028
ECL allowances	10	**(50)**	(65)
Cash and short-term deposits - net		**53,520**	73,963

4.1 This includes call and currents accounts of the Bank with other reputable financial institutions rated between "AA- to B" in the Kingdom of Bahrain which carries effective interest rate of 2.6% per annum (31 December 2025: 1.9% per annum) on average balance.

4.2 The Bank has invested in short-term deposits with reputable financial institutions rated between "A+ to B" in the Kingdom of Bahrain. These carry an effective interest rate of 4.6% per annum (31 December 2025: 4.5% per annum) and primarily with an original maturity between 1 to 12 months.

Cash and short-term deposits are classified under Stage 1 as of 30 June 2026 and 31 December 2025.

5 INVESTMENT SECURITIES

	Notes	***30 June 2026 (Reviewed) USD '000***	*31 December 2025 (Audited) USD '000*
Government treasury bills	5.1	**11,131**	20,879
Other investment securities	5.2	**25,728**	-
ECL allowances	10	**(155)**	(83)
Investment securities - net		**36,704**	20,796

5 INVESTMENT SECURITIES (continued)

5.1 These represent investments in Government treasury bills issued by the CBB with the original maturity between 3 to 12 months from the date of issuance which are carried at amortised cost. As at 30 June 2026 and 31 December 2025, all debt instruments were rated "B" and classified as stage 1. The fair value of investment securities as of 30 June 2026 is USD 11.1 million under level 1 (31 December 2025: USD 20.9 million under level 1) of fair value hierarchy.

5.2 These represent investments in debt instruments with the original maturity between 5 to 7 years from the date of issuance which are carried at amortised cost. As at 30 June 2026, all debt instruments were rated between "A to B-" and classified as stage 1. The fair value of investment securities as of 30 June 2026 is USD 25.2 million (31 December 2025: nil) under level 1 of fair value hierarchy.

6 FURNITURE AND EQUIPMENTS

2026	***Furniture and fittings USD '000***	***Equipments USD '000***	***Total USD '000***
Cost:			
At 31 December 2025 (audited)	106	3,089	3,195
At 30 June 2026 (reviewed)	**106**	**3,089**	**3,195**
Accumulated depreciation:			
At 31 December 2025 (audited)	3	77	80
Charge for the period	11	154	164
At 30 June 2026 (reviewed)	**14**	**231**	**244**
Net book value:			
At 30 June 2026 (reviewed)	**92**	**2,858**	**2,951**

2025	*Furniture and fittings (Audited) USD '000*	*Equipments (Audited) USD '000*	*Total (Audited) USD '000*
Cost:			
At 28 July 2024 (date of incorporation)	-	-	-
Additions during the period	106	3,089	3,195
At 31 December 2025	106	3,089	3,195
Accumulated depreciation:			
At 28 July 2024 (date of incorporation)	-	-	-
Charge for the period	3	77	80
At 31 December 2025	3	77	80
Net book value:			
At 31 December 2025	103	3,012	3,115

7 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible assets under development represents work in progress related to Core Banking and other softwares related to banking activities. These are still under development and therefore no amortisation has been charged for the period ended 30 June 2026 (31 December 2025: nil).

8 STAFF COSTS

	Six months ended 30 June 2026 (Reviewed) USD'000	*For the period from 28 July 2024 (date of incorporation) to 30 June 2025 (Reviewed) USD'000*
Salaries	**1,551**	70
Social Insurance Organization (SIO) charges	**203**	-
Medical insurance expenses	**82**	-
Training expenses	**31**	-
Other expenses	**189**	-
	2,056	70

9 OTHER OPERATING EXPENSES

	Six months ended 30 June 2026 (Reviewed) USD'000	*For the period from 28 July 2024 (date of incorporation) to 30 June 2025 (Reviewed) USD'000*
Core banking expenses	**832**	-
Professional and advisory expenses	**428**	-
Fee to the Board of Directors	**459**	380
IT equipments and subscriptions	**238**	-
Others	**263**	12
	2,220	392

10 EXPECTED CREDIT LOSSES ("ECL") ON FINANCIAL ASSETS

	At 31 December 2025 (Audited)	***ECL charge / (reversal) during the period (Reviewed)***	***At 30 June 2026 (Reviewed)***
	USD'000	***USD'000***	***USD'000***
Balances with banks	**7**	**13**	**20**
Short-term deposits	**58**	**(28)**	**30**
Investment securities	**83**	**72**	**155**
	148	**57**	**205**

	At 28 July 2024	*ECL charge during the period (Reviewed)*	*At 30 June 2025*
	USD'000	*USD'000*	*USD'000*
Balances with banks	-	3	3
Short-term deposits	-	22	22
Investment securities	-	-	-
	-	25	25

11 TRANSACTIONS WITH RELATED PARTIES

Related parties represent the ultimate parent, major shareholders, associates, directors and key management personnel of the Bank and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Bank's management.

The expenses in respect of related parties included in the financial statements are as follows:

	Six months ended 30 June 2026 (Reviewed)	*For the period from 28 July 2024 (date of incorporation) to 30 June 2025 (Reviewed)*
	USD'000	*USD'000*
Board of Directors' fee	**459**	380
Remuneration to key management personnel	**750**	39
Pre-incorporation expenses with other related party:	**-**	1,003

12 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial assets and liabilities carried at fair value or for which fair values are disclosed have been classified into three levels according to the observability of the significant inputs used to determine the fair values. Changes in the observability of significant valuation inputs during the reporting period may result in a transfer of assets and liabilities within the fair value hierarchy. The Bank recognises transfers between levels of the fair value hierarchy when there is a significant change in either its principal market or the level of observability of the inputs to the valuation techniques as at the end of the reporting period.

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 that are observable either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs that are based on unobservable inputs (Level 3).

The Bank's financial assets and liabilities are measured at their carrying amount less any impairment charge. Financial instruments mainly consists of short-term deposits carried at amortised cost and carrying values of the financial assets approximates their fair values.

There were no transfers between level 1 and level 2 during the period ended 30 June 2026 (31 December 2025: nil).

13 CASH AND CASH EQUIVALENTS

	Note	***30 June 2026 (Reviewed) USD '000***	*30 June 2025 (Reviewed) USD '000*
Cash and short-term deposits	4	**53,570**	99,381
Investment securities with original maturity of 3 months		**5,906**	-
		59,476	99,381