

CITI ISLAMIC INVESTMENT BANK E.C.

FINANCIAL STATEMENTS

31 December 2025

Commercial registration	:	35731-1 (registered with Central Bank of Bahrain as an Islamic wholesale investment bank)
Ultimate holding company	:	Citigroup Inc., USA
Office	:	Citibank House Seef District P.O. Box 548, Manama, Kingdom of Bahrain Telephone 17588588, Fax 17588654
Directors	:	Mr. Naveed Kamal (Chairman) Mr. Faisal Fazli (Deputy Chairman) Mr. Omer Emre Karter Mr. Kamal Benkabbou Mr. Michel Sawaya Ms. Iman Abdel Khalek (<i>upto May 2025</i>)
Auditors	:	KPMG Fakhro, Bahrain

FINANCIAL STATEMENTS
for the year ended 31 December 2025

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BOARD OF DIRECTORS' REPORT
For the year ended 31 December 2025

US\$ 000's

We have the pleasure in presenting the audited financial statements of Citi Islamic Investment Bank E.C. (the "Bank" or "CIIB") for the year ended 31 December 2025.

FINANCIAL PERFORMANCE

The financial highlights of the Bank for the year 2025 are as follow:

	2025	2024
Total income	4,098	4,227
Profit for the year	1,567	1,990
Total assets	16,100	16,432
Total equity	15,750	15,977

Profit for the year is lower as compared to the year 2024 mainly as a result of decrease of income from Murabaha contracts and decrease of income from restricted investment accounts. In terms of Income from Murabaha contracts decreased from US\$ 680 thousand in 2024 to US\$ 554 thousand in 2025 and in terms of income from restricted investment accounts decreased from US\$ 267 thousand in 2024 to US\$ 182 thousand in 2025, the reason for such decrease is the decrease in the average market profit rate.

FINANCIAL INDICATORS

The key financial indicators of the Bank for the past five years are as follows:

	2025	2024	2023	2022	2021	2020
Return on average equity (ROAE)	9.88%	12.60%	11.80%	8.80%	6.59%	7.70%
Return on average assets (ROAA)	9.63%	11.62%	10.49%	8.13%	6.31%	7.50%
Cost to income ratio	55.17%	52.92%	56.79%	63.21%	65.65%	57.98%
Earnings per share (USD\$)	0.157	0.199	0.180	0.130	0.096	0.112

No event has occurred subsequent to 31 December 2025 to date which would have a material effect on the 2025 financial statements.

As part of the Bank obligation to maintain utmost transparency, we are pleased to attach the table below that shows the remuneration the Executive Management for the fiscal year ended 31 December 2025. No remuneration was paid to the board of directors since all members of the board are a Citi employees and are compensated for their respective roles in their business segment and geography.

BOARD OF DIRECTORS REPORT (continued)
For the year ended 31 December 2025

US\$ 000's

First: Board of directors' remuneration details

Name	Fixed remunerations				Variable remunerations				End-of-service award	Aggregate amount (Does not include expense allowance)	Expenses Allowance
	Remunerations of the chairman and BOD	Total allowance for attending Board and committee meetings	Others	Total	Remunerations of the chairman and BOD	Incentive plans	Others	Total			
First: Independent Directors:											
-	-	-	-	-	-	-	-	-	-	-	-
Second: Non-Executive Directors:											
-	-	-	-	-	-	-	-	-	-	-	-
Third: Executive Directors:											
1- Mr. Naveed Kamal	-	-	-	-	-	-	-	-	-	-	-
2- Mr. Faisal Fazli											
3- Mr. Omer Emre Karter	-	-	-	-	-	-	-	-	-	-	-
4- Mr. Kamal Benkabbou	-	-	-	-	-	-	-	-	-	-	-
5- Mr. Michel Sawaya	-	-	-	-	-	-	-	-	-	-	-
6- Ms. Iman Abdel Khalek (upto May 2025)	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Second: Executive management remuneration details in BHD.

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 Senior Financial Officer**	-	-	-	-

Note: All amounts must be stated in Bahraini Dinars

* The highest authority in the Executive Management of the company, the name may vary: (CEO, President, General Manager (GM), Managing Director...etc).

** The company's highest financial officer (CFO, Finance Director, ...etc)

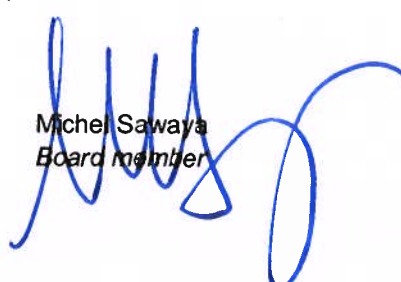
Notes:

- The Bank has no person, who is considered executive management and key management personnel of the Bank. The key management personnel is outsourced to Citibank N.A. UAE - DIFC Branch.
- The Bank has no financial control function as it has been outsourced to Citibank, N.A., Bahrain Branch – Wholesale Bank.

On behalf of the Board of Directors. Citi Islamic Investment Bank E.C.



Naveed Kamal
Chairman



Michel Sawaya
Board member

SHARI'A SUPERVISORY BOARD REPORT as at 31 December 2025

SHARI'A SUPERVISORY BOARD REPORT

9th Ramadan 1447 AH

26th February 2026 AD

SHARI'A SUPERVISORY BOARD REPORT TO THE SHAREHOLDERS

On the Activities of Citi Islamic Investment Bank E.C. for the financial year ending 31st December 2025

In the name of Allah, The Beneficent, The Merciful

Prayers and Peace upon the Last Apostle and Messenger, Our Prophet Mohammed, His Family and Companions.

In compliance with our terms of appointment, the Shari'a Supervisory Board ("SSB") hereby presents the following report to the Shareholders on the activities of Citi Islamic Investment Bank E.C. ("CIIB") for the financial year ending 31st December 2025.

Respective responsibility of the Board of Directors and the SSB

The SSB confirms that as a general principle and practice, CIIB's management is responsible for ensuring that it conducts its business in accordance with Islamic Shari'a rules and principles. The SSB's responsibility is to form an independent Shari'a opinion based on our review of the Bank's operations and to prepare this report.

Basis of opinion

In compliance with the Shari'a Governance and based on SSB's Fatawa, pronouncements, resolutions and the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") Shari'a standards, the SSB through its periodic meetings have reviewed the Internal Shari'a Audit Reports conducted by Islamic Control Function ("ICF") through a sample-test method to ensure its compliance with the Shari'a rules and principles, based on the approved Annual Internal Shari'a Audit Plan. In addition, the SSB has reviewed the Independent External Shari'a Compliance Audit ("IESCA") report. The SSB in collaboration with the ICF has reviewed contracts, agreements, Sukuk structures, documentations, related policies, consolidated Financial Statements and attached notes for the year ended 31st December 2025.

Opinion

Based on our review, the SSB is satisfied that:

1. The contracts, agreements transactions and dealings entered into by the Bank that have been reviewed by the SSB are in compliance with the Shari'a rules and principles.
2. The allocation of profits and charging of losses 'if any' on investments conform to the basis that had been approved by the SSB and in accordance with Shari'a rules and principles.
3. No earnings resulted by means prohibited by the Shari'a rules and principles.
4. The Bank is not obliged to pay Zakah as per Shari'a rules and principles. Further, the Bank does not collect or pay Zakah on behalf of its shareholders and investors in restricted investment accounts.
5. The Bank is in compliance with Shari'a rules and principles, SSB's Fatawa, pronouncements and resolutions, Shari'a related policies and procedures, AAOIFI's Shari'a standards, relevant rulings of the Centralised Shari'a Supervisory Board ("CSSB") and the regulations, resolutions and directives issued by the CBB.

We pray to Allah the Almighty to grant us all success and prosperity.

Members of CIIB's Shari'a Supervisory Board



His Eminence Sheikh
Dr. Nazih Hammad, Chairman



His Eminence Sheikh
Dr. Nedham Yaqoobi, Member



His Eminence Sheikh
Dr. Mohamed Elgari, Member



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CR No. 6220 - 2

Independent auditors' report

To the Shareholders

*Citi Islamic Investment Bank E.C.
Manama, Kingdom of Bahrain*

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Citi Islamic Investment Bank E.C. (the "Bank") which comprise the statement of financial position as at 31 December 2025, the statements of income, comprehensive income, changes in owners' equity, cash flows and changes in off-balance sheet assets under management for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2025, and its results of operations, changes in owners' equity, its cash flows and changes in off balance sheet assets for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI").

In our opinion, the Bank has also complied with the Islamic Shariah Principles and Rules as determined by the Bank's Shariah Supervisory Board during the year ended 31 December 2025.

Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions ("ASIFIs") issued by AAOIFI. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions and International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (together "the Code"), together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Bahrain, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The board of directors is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditors' report thereon. Prior to the date of this auditors' report, we obtained the board of 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 financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the 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 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 Financial Statements

The board of directors is responsible for the Bank's undertaking to operate in accordance with Islamic Sharia Rules and Principles as determined by the Bank's Shariah Supervisory Board.

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

In preparing the financial statements, the board of directors is responsible for assessing the Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 ASIFIs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Bank'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 Bank'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 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Independent auditors' report to the shareholders (continued)
Citi Islamic Investment Bank E.C.

Report on Other Regulatory Requirements

As required by the Commercial Companies Law 2001 (as amended) and Volume 2 of the Rulebook issued by the Central Bank of Bahrain ("CBB") Rule Book, we report that:

- a) the Bank has maintained proper accounting records and the financial statements are in agreement therewith;
- b) the financial information contained in the board of directors' report is consistent with the financial statements;
- c) we are not aware of any violations during the year of the Commercial Companies Law 2001 (as amended), the CBB and Financial Institutions Law No. 64 of 2006 (as amended), the CBB Rule Book (Volume 2, applicable provisions of Volume 6 and CBB directives), or the terms of the Bank's memorandum and articles of association that would have had a material adverse effect on the business of the Bank or on its financial position; and
- d) satisfactory explanations and information have been provided to us by management in response to all our requests.



KPMG Fakhro
Partner Registration Number 100
26 February 2026

STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

US\$ 000's

	Note	31 December 2025	31 December 2024
Assets			
Bank balances		2,103	2,487
Murabaha receivables	4	13,064	13,081
Other assets	5	933	864
Total assets		16,100	16,432
Liabilities and equity			
Liabilities			
Payables and accrued expenses	6	350	455
Total liabilities		350	455
Equity			
Share capital	7	10,000	10,000
Statutory reserve		4,339	4,182
Staff reserve		(4)	-
Retained earnings		1,415	1,795
Total equity		15,750	15,977
Total liabilities and equity		16,100	16,432

The financial statements were approved by the Board of Directors on 26 February 2026 and signed on its behalf by:



Naveed Kamal
Chairman



Michel Sawaya
Board member

The accompanying notes 1 to 18 form an integral part of these financial statements.

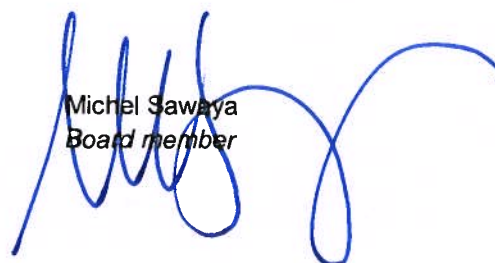
INCOME STATEMENT
for the year ended 31 December 2025

US\$ 000's

	Note	2025	2024
Income from advisory services		3,362	3,280
Income from Murabaha contracts		554	680
Income from restricted investment accounts		182	267
Total income		4,098	4,227
Staff cost	8	465	319
Other expenses	9	1,796	1,918
Total expenses		2,261	2,237
Profit before tax		1,837	1,990
Income tax expense	3(m)	270	-
Profit for the year		1,567	1,990



Naveed Kamal
Chairman



Michel Sawaya
Board member

The accompanying notes 1 to 18 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2025

US\$ 000's

	Note	2025	2024
Profit for the year		1,567	1,990
Other comprehensive income			
Items that will not be reclassified to income statement in subsequent periods:			
Remeasurement of defined benefits		(4)	(1)
Total other comprehensive income for the year		(4)	(1)
Total comprehensive income for the year		1,563	1,989

The accompanying notes 1 to 18 form an integral part of these financial statements.

STATEMENT OF CHANGES IN OWNERS' EQUITY
for the year ended 31 December 2025

US\$ 000's

2025	Share capital	Statutory reserve	Staff reserve	Retained earnings	Total
At 1 January 2025	10,000	4,182	-	1,795	15,977
Comprehensive income					
Profit for the year	-	-	-	1,567	1,567
Other comprehensive income	-	-	(4)	-	(4)
Total comprehensive income for the year	-	-	(4)	1,567	1,563
Dividends declared for 2024	-	-	-	(1,790)	(1,790)
Transfer to statutory reserve	-	157	-	(157)	-
At 31 December 2025	10,000	4,339	(4)	1,415	15,750

2024	Share capital	Statutory reserve	Staff reserve	Retained earnings	Total
At 1 January 2024	10,000	3,983	4	1,627	15,614
Comprehensive income					
Profit for the year	-	-	-	1,990	1,990
Other comprehensive income	-	-	(1)	-	(1)
Total comprehensive income for the year	-	-	(1)	1,990	1,989
Dividends declared for 2023	-	-	-	(1,623)	(1,623)
Movement	-	-	(3)	-	(3)
Transfer to statutory reserve	-	199	-	(199)	-
At 31 December 2024	10,000	4,182	-	1,795	15,977

The accompanying notes 1 to 18 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

US\$ 000's

	Note	2025	2024
OPERATING ACTIVITIES			
Advisory income received		3,294	3,194
Income from restricted investment accounts received		182	267
Income from Murabaha contracts received		554	680
Management fees paid	10	(926)	(802)
Payment to customers, net		(409)	(1,599)
Payments for operating expenses		(1,306)	(1,605)
Net cash generated from operating activities		1,389	135
FINANCING ACTIVITIES			
Dividends paid		(1,790)	(1,623)
Net cash used in financing activities		(1,790)	(1,623)
Net decrease in cash and cash equivalents during the year		(401)	(1,488)
Cash and cash equivalents at 1 January		15,568	17,056
Cash and cash equivalents at 31 December		15,167	15,568
Cash and cash equivalents comprise:			
Bank balances		2,103	2,487
Murabaha receivables	4	13,064	13,081
		15,167	15,568

The accompanying notes 1 to 18 form an integral part of these financial statements.

STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT
for the year ended 31 December 2025

US\$ 000's

	2025	2024
At 1 January	166,658	470,770
Net funds paid*	(18,933)	(321,839)
Gross income	7,838	17,994
Bank's income as an agent	(182)	(267)
At 31 December*	155,381	166,658

*Include USD 900 thousand fund received from an investor (principal) under restricted agency contract end solely for the purpose of investing in commodity Murabaha subsequent to year end.

The Bank acts as an agent and invests the funds only in commodity Murabaha transactions on behalf of its customers.

The accompanying notes 1 to 18 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

USD 000's

1 REPORTING ENTITY

Citi Islamic Investment Bank E.C. (the "Bank") was incorporated in the Kingdom of Bahrain as an exempt closed shareholding Bank on 29 June 1996. 99.99% of the Bank's shares are owned by Citicorp Banking Corporation (the "Parent Company"), USA and 0.01% of the Bank's shares are owned by Citicorp Global Holding Inc. USA. The Bank operates as Wholesale Islamic Investment Bank under a license granted by the Central Bank of Bahrain (the "CBB").

The Bank's principal activities are to undertake and carry out banking and investment activities in compliance with the principles of Islamic Shari'a.

The Bank's activities are supervised by a Shari'a Supervisory Board (the "SSB") consisting of three members. The role of the SSB is defined in a separate agreement between the Bank and SSB members. The Financial Control and administrative activities of the Bank are carried out by Citibank N.A., Bahrain under service agreements between the two parties.

The transactions, balances and results reported in these financial statements are those of Citi Islamic Investment Bank E.C. Bahrain, only and accordingly do not include the results of other Islamic banking activities carried out by Citibank N.A. or any of its affiliates worldwide.

2 BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with Financial Accounting Standards (FAS) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI).

In line with the requirements of AAOIFI and the CBB rule book, for matters not covered under AAOIFI standards, the Bank uses guidance from IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

(b) Basis of measurement

The financial statements are prepared on the historical cost basis.

(c) Functional and presentation currency

Items included in the financial statements of the Bank are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in US dollars, which is the Bank's functional and presentation currency.

(d) New Standards, Amendments and Interpretations Issued but not yet Effective

AAOIFI has issued Financial Accounting Standard ("FAS") 46 "Off-Balance-Sheet Assets Under Management" during 2023. The objective of this standard is to establish principles and rules for recognition, measurement, disclosure, and derecognition of off-balance-sheet assets under management, based on Shari'a and international best practices. The standard aims to improve transparency, comparability, accountability, and governance of financial reporting related to off-balance-sheet assets under management.

This standard is applicable to all IFIs with fiduciary responsibilities over asset(s) without control, except for the following:

- The participants' Takaful fund and / or participants' investment fund of a Takaful institution; and
- An investment fund managed by an institution, being a separate legal entity, which is subject to financial reporting in line with the requirements of the respective AAOIFI FAS.

This standard shall be effective for the financial reporting periods beginning on or after 1 January 2026 with an option to early adopt.

The Bank does not expect any significant impact on its financial statement from the adoption of this standard.

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 December 2025**

USD 000's

2 BASIS OF PREPARATION (continued)**(e) Use of estimates and judgments**

The preparation of financial statements may require the use of certain critical accounting estimates. It also may require management to exercise its judgement in the process of applying the Bank's accounting policies. There were no significant estimates and judgements made in the process of preparation of financial statements for the year ended 31 December 2025.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of the financial statements, which are set out below, have been applied consistently to all periods presented in the financial statements.

(a) Foreign currencies 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 income statement.

(b) Murabaha receivables

Murabaha receivables comprise placements with Citicorp Banking Corporation, Bahrain. Murabaha receivables are stated at amortised cost less impairment allowances, if any. Murabaha receivables are impaired when they are considered to be uncollectible. The deferred income relating to Murabaha contracts is netted off against the related receivable for the purpose of presentation in the financial statements.

(c) Restricted investment accounts

Restricted investment accounts represent assets acquired using funds provided by holders of restricted investment accounts and their equivalent and managed by the Bank as an agent. The restricted investment accounts are exclusively designated for investment in specified instruments as directed by the investments account holders. Restricted investment accounts are not included in the Bank's statement of financial position and are considered as funds under management.

(d) Income from murabaha contracts

Income from Murabaha contracts is recognised on a time-apportioned basis over the period of the contract.

(e) Income from advisory services

Income from advisory services is measured at the fair value of the consideration received and receivable and recognised at a point in time when the service is provided and income is earned. This is usually when the Bank has performed all significant acts in relation to the service, and it is highly probable that the economic benefits from the transaction will flow to the Bank and income can be reliably measured.

Income from advisory services includes fees earned by the Bank in its capacity as an agent for Shari'a compliant structuring, arranging and execution of Islamic financing deals. The Bank mainly provides such advisory services in relation to financing deals in which other Citigroup entities originate/ participate.

For such deals, advisory income is recognised only on completion of the transaction. The recognition of fees earned from syndication is dependent upon the level of participation of Citigroup in the syndication, the aggregate fees received by Citigroup and the fees received by other participants.

The fee earned on each financing transaction is shared between the Bank and other Citigroup entities on an agreed proportion by way of a charge as per the service level agreement. The Bank recognises revenue at a point in time only when it is highly probable that it will be entitled to its share of income from participation in each deal. The Bank recognises revenue, net of expenses paid to other Citigroup entities as part of syndication.

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 December 2025**

USD 000's

3 SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Income from restricted investment accounts**

The Bank's share of fee charged as an agent to restricted investment accounts are normally recognised on the basis of the Bank's entitlement to receive such revenue from the restricted investment accounts, on a time-apportioned basis over the period of the contract, as per agreed contractual terms, except when the Bank elects to waive its entitlement in favour of its customers.

(g) Trade date accounting

All "regular way" purchases and sales of financial assets are recognised on trade date, i.e. the date that the Bank contracts to purchase or deliver the asset. Regular way purchases or sale are purchases or sale of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

(h) Segment reporting

The Bank's activities are limited to carrying out banking and investment advisory activities in compliance with the principles of Islamic Shari'a. The Bank does not have any reportable segments and the revenue, assets, liabilities and performance is evaluated on an entity basis. Accordingly, no segment information is reported in these financial statements.

(i) Provisions

A provision is recognised in the balance sheet when the Bank has a legal or constructive obligation as a result of a past event that can be measured reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

(j) Offsetting

Financial assets and liabilities are offset only when there is a legal enforceable right to set off the recognised amounts and the Bank intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

(k) Employee benefits*(i) Short-term benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or other benefits if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post-employment benefits

Pensions and other social Benefits for Bahraini employees are covered by the Social Insurance Organisation ("SIO") scheme to which employees and employers contribute monthly on a fixed-percentage-of-salaries basis. Contributions by the Bank are recognised as an expense in income statement when they are due.

Expatriate employees on fixed contracts are entitled to leaving indemnities payable under the Bahraini Labour Law, based on length of service and final remuneration. Provision for this unfunded commitment has been 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 Bank.

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 December 2025**

USD 000's

3 SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Impairment of financial instruments**

The Bank recognises loss allowances for Expected Credit Losses ("ECL") on financial assets measured at amortised cost. The Bank measures loss allowances at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition when estimating ECLs, the Bank considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Bank's historical experience and informed credit assessment including forward-looking information.

The Bank assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Bank considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Bank in full, without recourse by the Bank to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Bank applies a three-stage approach to measuring ECL on financial assets carried at amortised cost. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1: 12-month ECL

Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since initial recognition or that have low credit risk. 12-month ECL is the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2: Lifetime ECL - not credit impaired

Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the lifetime probability of default ('PD').

Stage 3: Lifetime ECL - credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date in accordance with the indicators specified in the CBB's rule book. For these assets, lifetime ECL is recognised.

Measurement of ECLs

The estimation of credit exposure for risk management purposes is complex and requires the use of models, as the exposure varies with changes in market conditions, expected cash flows and the passage of time. The assessment of credit risk of a portfolio of assets entails further estimations as to the likelihood of defaults occurring, of the associated loss ratios and of default correlations between counterparties. The Bank measures expected credit loss using Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

Write-off

The gross carrying amount of a financial asset is written off when the Bank has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, (if any), the Bank individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Bank expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS**for the year ended 31 December 2025**

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3 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Income tax**

The Citigroup Inc. group is subject to the OECD Global Anti-Base Erosion Pillar Two Model Rules ("GloBE rules") that apply to multinational enterprise ("MNE") groups with total annual consolidated revenue exceeding EUR 750 million in at least two of the four preceding fiscal years.

Citi Islamic Investment Bank E.C ("the Bank"), 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 constituent entities of MNE groups which are subject to the GloBE rules, effective from fiscal years starting on or after 1 January 2025.

The Bank has assessed that it is in scope of the Bahrain DMTT law as a constituent entity of the Citigroup Inc. MNE Group. The Ultimate Parent Entity (UPE) of the MNE group, Citigroup Inc., is domiciled and operates in the United States of America.

Another Bahrain resident constituent entity of the Citigroup Inc. MNE Group is the designated filing constituent entity responsible for undertaking DMTT filings on behalf of the constituent entities of the Citigroup Inc. MNE Group operating in the Kingdom of Bahrain.

The Bank has applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

The Bank has created a top-up tax provision of USD 270 thousand for the year ended 31 December 2025 based on management's assessment. The provision is based on the tax allocation / sharing mechanism agreed with the management of the designated filing constituent entity and other Bahrain resident constituent entities of the Citigroup Inc. MNE Group.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

USD 000's

4 MURABAHA RECEIVABLES

	2025	2024
Gross contract value	13,110	13,150
Less: Deferred profits	(40)	(63)
Less: Expected credit loss	(6)	(6)
	13,064	13,081

5 OTHER ASSETS

	2025	2024
Prepayments	34	34
Other receivables	899	830
	933	864

Other receivables include balances of US\$ 759 (2024: US\$ 768) due from related parties (note 10).

6 PAYABLES AND ACCRUED EXPENSES

	2025	2024
Customer payable accounts	11	429
Other payables and accrued expenses	339	26
	350	455

7 SHARE CAPITAL

	2025	2024
<i>Authorised</i>		
20,000,000 shares of US\$ 1 each	20,000	20,000
<i>Subscribed, issued and paid-up</i>		
10,000,000 shares of US\$ 1 each	10,000	10,000

Dividends distributed for the year amounted to US\$ 1,790 thousand (2023: US\$ 1,623 thousand).

8 STAFF COST

	2025	2024
Salaries and benefits	423	312
Social security costs	42	7
	465	319

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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9 OTHER EXPENSES

	2025	2024
Management fees	926	802
Head office charges	500	810
Shari'a Supervisory Board expenses	208	104
Professional fees	68	71
CBB license fees	34	34
Others	60	97
	1,796	1,918

10 RELATED PARTY TRANSACTIONS

A significant portion of the Bank's transactions in the normal course of business are with other Citigroup entities. All transactions are subject to controls embedded in respective processes in line with the Citigroup policies and procedures.

The significant income, expenses and balances arising from dealing with related parties included in the financial statements are as follows:

	2025	2024
Assets and Liabilities		
Murabaha receivables	13,064	13,081
Bank balances	2,103	2,487
Other assets	759	768
Payables related to key management personnel	152	-
Payables related to other related parties	60	-
Income		
Income from advisory services	3,049	3,064
Income from Murabaha contracts	554	680
Expense		
Management fees	926	802
Head office charges	500	810
Expenses related to key management personnel	-	292
Sharia board expenses	208	104

No remuneration is being paid to the board of directors during the year (2024: nil).

11 ZAKAH

The Bank is not obliged to pay Zakah based on the current applicable guidelines. Further, the Bank does not collect or pay Zakah on behalf of its shareholders and investors in restricted investment accounts.

12 SHARI'A SUPERVISORY BOARD

The Bank's Shari'a Supervisory Board consists of three Islamic scholars who review the Bank's compliance with general Shari'a principles and specific fatwas, rulings and guidelines issued. Their review primarily includes examination of evidence relating to the documentation and procedures adopted by the Bank to ensure that its activities are conducted in accordance with Islamic Shari'a principles. There has been no non-Shari'a income for the financial year ending 31st December 2025 (2024: nil).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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13 CONCENTRATION OF ASSETS, LIABILITIES AND RESTRICTED INVESTMENT ACCOUNTS

The concentration of the Bank's credit exposures on financial instruments and the distribution of other assets (excluding prepayments) and liabilities as at reporting date were as follows:

(a) Sectoral classification

31 December 2025

	Banks and financial institutions	Inter-Bank	Others	Total
Bank balances	-	2,103	-	2,103
Murabaha receivables	-	13,064	-	13,064
Other assets	140	759	-	899
Total assets	140	15,926	-	16,066
Payables and other accrued expenses	11	9	330	350
Total liabilities	11	9	330	350
Restricted investment accounts	-	155,381	-	155,381

31 December 2024

	Banks and financial institutions	Inter-Bank	Others	Total
Bank balances	-	2,487	-	2,487
Murabaha receivables	-	13,081	-	13,081
Other assets	55	768	7	830
Total assets	55	16,336	7	16,398
Payables and other accrued expenses	429	-	26	455
Total liabilities	429	-	26	455
Restricted investment accounts	-	166,658	-	166,658

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

USD 000's

13 CONCENTRATION OF ASSETS, LIABILITIES AND RESTRICTED INVESTMENT ACCOUNTS
(Continued)

(b) Geographical distribution

31 December 2025	Middle East	Asia	Europe	Americas	Total
Bank balances	308	-	-	1,795	2,103
Murabaha receivables	13,064	-	-	-	13,064
Other assets	174	-	356	369	899
Total assets	13,546	-	356	2,164	16,066
Payables and other accrued expenses	339	-	11	-	350
Total liabilities	339	-	11	-	350
Restricted investment accounts	155,381	-	-	-	155,381

31 December 2024	Middle East	Asia	Europe	Americas	Total
Bank balances	218	-	-	2,269	2,487
Murabaha receivables	13,081	-	-	-	13,081
Other assets	69	-	2	759	830
Total assets	13,368	-	2	3,028	16,398
Payables and other accrued expenses	305	139	11	-	455
Total liabilities	305	139	11	-	455
Restricted investment accounts	166,658	-	-	-	166,658

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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14 MATURITY PROFILE

This note presents the expected maturity profile of assets and liabilities of the Bank. The contractual maturity of the assets (excluding prepayments) and liabilities is not significantly different from the profile presented below.

31 December 2025	Within 8 days	9 days to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year	Total
Bank balances	2,103	-	-	-	-	2,103
Murabaha receivables	5,044	-	8,020	-	-	13,064
Other assets	-	899	-	-	-	899
Total assets (a)	7,147	899	8,020	-	-	16,066
Payables and other accrued expenses	-	97	128	-	125	350
Total liabilities (b)	-	97	128	-	125	350
Net (a-b)	7,147	802	7,892	-	(125)	15,716

31 December 2024	Within 8 days	9 days to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year	Total
Bank balances	2,487	-	-	-	-	2,487
Murabaha receivables	5,053	-	8,028	-	-	13,081
Other assets	-	830	-	-	-	830
Total assets (a)	7,540	830	8,028	-	-	16,398
Payables and other accrued expenses	-	429	26	-	-	455
Total liabilities (b)	-	429	26	-	-	455
Net (a-b)	7,540	401	8,002	-	-	15,943

The maturity profile of restricted investment accounts:

31 December 2025	Within 8 days	9 days to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Total
Restricted investment accounts	20,207	89,239	45,935	-	155,381

31 December 2024	Within 8 days	9 days to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Total
Restricted investment accounts	14,049	106,723	45,886	-	166,658

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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15 FINANCIAL RISK MANAGEMENT

OVERVIEW

Financial instruments consist of financial assets and financial liabilities.

Financial assets of the Bank include bank balances, murabaha receivables and other assets (excluding prepayment). Financial liabilities of the Bank include payables and other accrued expenses.

The Bank has the following risks from the use of financial instruments:

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

This note presents information about the Bank's exposure to each of the above risks and the Bank's risk management including capital management.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Bank's risk management framework is aligned with Citibank risk policies and procedures.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, 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 Bank's activities.

a) CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Bank attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, continually assessing the creditworthiness of counterparties and securing exposures by collateral, where appropriate.

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:

	2025	2024
Bank balances	2,103	2,487
Murabaha receivables	13,064	13,081
Other assets	899	830
	16,066	16,398

The Bank's exposure to credit risk on these financial assets is limited as exposure to Murabaha receivables, bank balance and majority of other assets are with Citibank entities. During the year, there has been no transfer of exposures between stages. All exposures are classified as stage 1 and the expected credit loss is also allocated to stage 1. There are no exposures which are past due as at reporting date (2024: Nil).

b) LIQUIDITY RISK

Liquidity risk is the Bank's inability to meet a financial commitment to a customer, creditor, or investor when due, on account of maturity mis-match between assets and liabilities. This risk is dimensioned and continuously monitored through limits on maximum cumulative outflow across various tenors.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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15 FINANCIAL RISK MANAGEMENT (continued)

The Bank's exposure to liquidity risk is limited as it does not have any significant liabilities. For maturity profile of assets and liabilities refer to note 14.

LCR has been developed to promote short-term resilience of a bank's liquidity risk profile. The LCR requirements aim to ensure that a bank has an adequate stock of unencumbered high quality liquidity assets (HQLA) that consist of assets that can be converted into cash immediately to meet its liquidity needs for a 30 calendar day stressed liquidity period. The stock of unencumbered HQLA should enable the Bank to survive until day 30 of the stress scenario, by which time appropriate corrective actions would have been taken by management to find the necessary solutions to the liquidity crisis.

LCR is computed as a ratio of Stock of HQLA over the net cash outflows over the next 30 calendar days. Effective from 30 June 2019, the Bank is required to maintain LCR greater than 100%. As of 31 December 2025, the Bank's LCR is 5733% (2024: 1710%).

NSFR is to promote the resilience of banks' liquidity risk profiles and to incentivise a more resilient banking sector over a longer time horizon. The NSFR will require banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood that disruptions to a bank's regular sources of funding will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits overreliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability.

NSFR as a percentage is calculated as "Available stable funding" divided by "Required stable funding". Effective from 31 December 2019, the Bank is required to maintain NSFR ratio greater than 100%. As of 31 December 2025, the Bank's NSFR is 549% (2024: 565%).

c) MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, profit rates and equity prices will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Bank does not have a trading portfolio and is therefore not exposed to equity price risk.

Profit rate risk

Profit rate risk arises due to different timing of re-pricing of the Bank's assets and liabilities. The Bank's profit rate risk arises from murabaha receivables and is considered limited due to the short-term nature of murabaha receivables.

Foreign exchange risk

Foreign exchange risk is the risk that the Bank's earning will be affected as a result of fluctuations in currency exchange rates. The Bank's exposure to foreign exchange risk is limited as most of its transactions are in US\$ which is the Bank's functional and presentational currency or in Bahraini dinars which is pegged to US\$.

d) OPERATIONAL RISK

Operational risk is the risk of loss arising from systems and control failures, fraud and human errors, which can result in financial and reputation loss, and legal and regulatory consequences. The Bank manages operational risk through appropriate controls, instituting segregation of duties and internal checks and balances, including internal audit and compliance. The Bank has limited operational risk given the size of its operation.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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16 ACCOUNTING CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

(i) Accounting classification

All financial assets and liabilities of the Bank are classified as at amortized cost.

(ii) Fair value

Fair values represent the amount at which an asset could be exchanged or a liability settled, in a transaction between knowledgeable, willing parties in an arm's length transaction. Differences can therefore arise between the book values under the historical cost method and fair value estimates.

The estimated fair values of the financial assets and liabilities are not significantly different from their book values as the items are primarily short-term in nature.

17 CAPITAL MANAGEMENT

The Bank's lead regulator, the CBB, sets and monitors capital requirements for the Bank. In implementing the current capital requirements, the CBB requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets. The CBB's capital adequacy framework is based on the Basel III accord which became effective 1 January 2015 and IFSB guidelines. The Bank has adopted the standardised approach to credit and market risk management and the basic indicator approach for operational risk management. The Bank's policy is to maintain sufficient capital to sustain investor and market confidence and to support future development of the business.

The Bank's regulatory capital position at 31 December was as follows:

	2025	2024
Tier 1 Capital	15,750	15,977
Tier 2 Capital	7	6
Total capital base (tier 1 + tier 2)	15,757	15,983
Total risk-weighted assets	15,584	14,816
Total regulatory capital expressed as a percentage of total risk weighted assets	101.11%	107.88%

The Bank has complied with all externally imposed capital requirements throughout the year.

18 NET STABLE FUNDING RATIO

The CBB's Net Stable Funding Ratio (NSFR) regulations became effective on 31 December 2019. The objective of the NSFR is to promote the resilience of banks' liquidity risk profile and to incentivise a more resilient banking sector over a longer time horizon. The NSFR requires banks to maintain a stable funding profile in relation to assets and off-balance sheet activities. A sustainable funding structure is intended to reduce the likelihood of disruptions to a bank's regular sources of funding that will erode its liquidity position in a way that would increase the risk of its failure and potentially lead to broader systemic stress. The NSFR limits over-reliance on short-term wholesale funding, encourages better assessment of funding risk across all on-balance sheet and off-balance sheet items, and promotes funding stability.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2025

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18 NET STABLE FUNDING RATIO (continued)

The tables below provides information on the Bank's NSFR:

The NSFR as at 31 December 2025 is calculated as follows:

Item	Unweighted value (before applying factors)				Total weighted value
	No specified maturity	Less than 6 months	More than 9 months and less than one year	Over one year	
Available Stable Funding (ASF)					
Capital:					
Regulatory capital	15,750	-	-	7	15,757
Other capital instruments					
Retail deposits and deposits from small business customers:					
Stable deposits	-	-	-	-	-
Less stable deposits	-	-	-	-	-
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	-	-	-	-
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	225	-	125	125
Total ASF	15,750	225	-	132	15,882
Required Stable Funding (RSF):					
Total NSFR high-quality liquid assets (HQLA)	2,103	-	-	-	-
Unencumbered financing to and deposits with financial institutions	-	13,070	-	-	1,961
Performing financing and sukuk/securities:					
Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	-	-	-	-
Performing financing to nonfinancial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	-	-	-	-
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
Other assets:					
Physical traded commodities, including gold	-	-	-	-	-
"Assets posted as initial margin for Shari'a- compliant hedging contracts and contributions to default funds of CCPs"	-	-	-	-	-
NSFR Shari'a-compliant hedging assets	-	-	-	-	-
NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above					
Categories	933	-	-	-	933
OBS items	-	-	-	-	-
Total RSF	3,036	13,070	-	-	2,894
NSFR (%)					549%

NOTES TO THE FINANCIAL STATEMENTS
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18 NET STABLE FUNDING RATIO (continued)

The NSFR as at 31 December 2024 is calculated as follows:

Item	Unweighted value (before applying factors)				Total weighted value
	No specified maturity	Less than 6 months	More than 9 months and less than one year	Over one year	
<u>Available Stable Funding (ASF)</u>					
Capital:					
Regulatory capital	15,977	-	-	6	15,983
Other capital instruments					
Retail deposits and deposits from small business customers:					
Stable deposits	-	-	-	-	-
Less stable deposits	-	-	-	-	-
Wholesale funding:					
Operational deposits	-	-	-	-	-
Other wholesale funding	-	-	-	-	-
Other liabilities:					
NSFR Shari'a-compliant hedging contract liabilities	-	-	-	-	-
All other liabilities not included in the above categories	-	455	-	-	-
Total ASF	15,977	455	-	6	15,983
<u>Required Stable Funding (RSF):</u>					
Total NSFR high-quality liquid assets (HQLA)	2,487	-	-	-	-
Unencumbered financing to and deposits with financial institutions	-	13,087	-	-	1,963
Performing financing and sukuk/securities:					
Performing financing to financial institutions secured by Level 1 HQLA	-	-	-	-	-
Performing financing to financial institutions secured by non-level 1 HQLA and unsecured performing financing to financial institutions	-	-	-	-	-
Performing financing to nonfinancial corporate clients, financing to retail and small business customers, and financing to sovereigns, central banks and PSEs, of which:	-	-	-	-	-
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	-	-
Performing residential mortgages, of which:					
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-
Securities/sukuk that are not in default and do not qualify as HQLA, including exchange-traded equities	-	-	-	-	-
Other assets:					
Physical traded commodities, including gold	-	-	-	-	-
"Assets posted as initial margin for Shari'a- compliant hedging contracts and contributions to default funds of CCPs"	-	-	-	-	-
NSFR Shari'a-compliant hedging assets	-	-	-	-	-
NSFR Shari'a-compliant hedging contract liabilities before deduction of variation margin posted	-	-	-	-	-
All other assets not included in the above					
Categories	864	-	-	-	864
OBS items	-	-	-	-	-
Total RSF	3,351	13,087	-	-	2,827
NSFR (%)					
					565%

CORPORATE GOVERNANCE

A) FRAMEWORK

The Bank's Board of Directors comprise five executive directors. The Directors on a regular basis maintain oversight into the activities of the Bank. The nature of the Bank's business is two-fold: offering a Shari'a compliant Murabaha-based investment product to Islamic Financial Institutions and Corporates and to provide structuring services to other Citigroup entities in respect of markets, capital market and risk management transactions. The Bank at present does not offer, or intends to offer, any asset products.

Michel Sawaya (Managing Director, CIIB) and the Citi Country Officer ("CCO") of Citibank, N.A., Bahrain Branch ("Citibank") chairs the combined Country Coordinating Committee ("CCC") of all Citigroup Inc. entities in the Kingdom of Bahrain. Furthermore, the Bank's Shari'a Supervisory Board conducts meetings on a frequent basis in order to review and approve all Islamic transactions undertaken by the Bank.

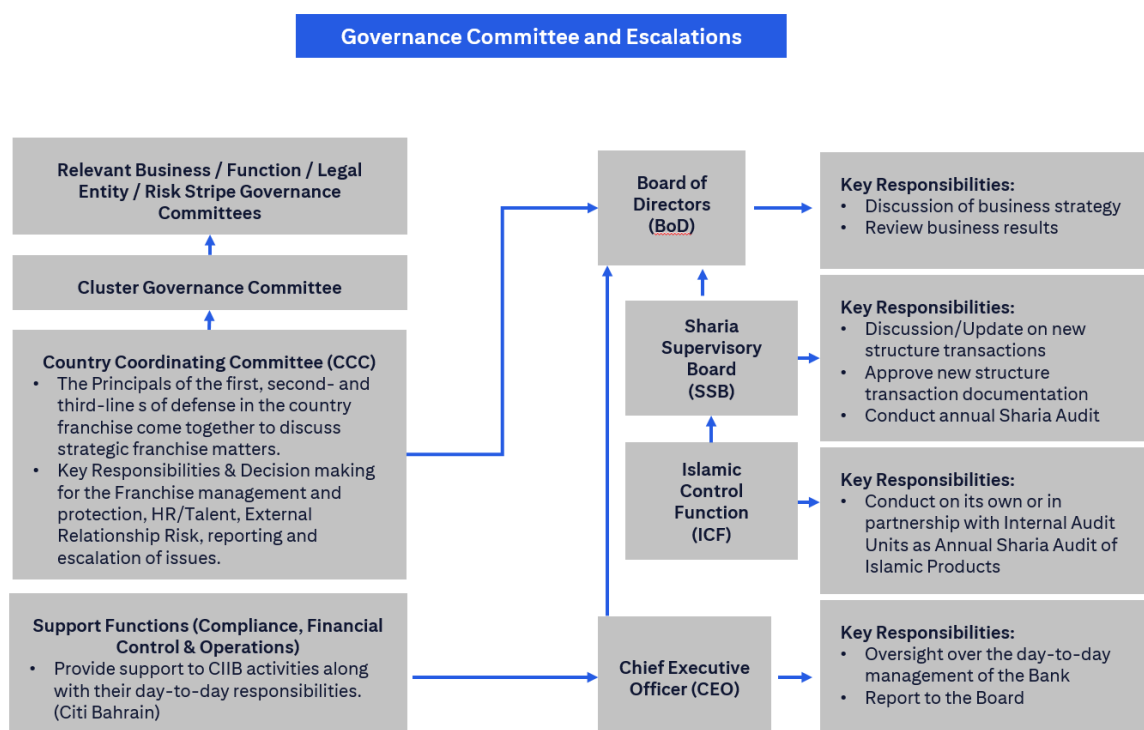
During the year, the Bank has outsourced executive management function to Citibank N.A, UAE - DIFC Branch as a result of resignation of Bank's CEO who left the Bank in September 2024.

B) ORGANISATION STRUCTURE

The Bank operates with all functions and services outsourced to Citibank, except for, front office desk and internal Islamic Control Function which are currently staffed with one employee each. Since the scope of activities of the Bank is fairly limited, it utilizes services from various departments of Citibank and other Citigroup entities via Intra Citi Service Agreements. This includes control functions i.e. risk management, internal audit, operation, financial controls, AML and compliance functions.

Employment of Relatives:

CIIB maintains Employment of Relatives policy to prevent creating actual or perceived conflicts of interest. In the same context, CIIB's SSB Charter indicates the need to report / notify in such a conflict of interest.



CORPORATE GOVERNANCE

C) COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors of the Bank consist of the following:

- | | |
|-------------------------|--|
| 1) Mr. Naveed Kamal | (Chairman - Executive Director) |
| 2) Mr. Faisal Fazli | (Deputy Chairman - Executive Director) |
| 3) Mr. Omer Emre Karter | (Board Member - Executive Director) |
| 4) Mr. Kamal Benkabbou | (Board Member - Executive Director) |
| 5) Mr. Michel Sawaya | (Board Member - Executive Director) |

The Board of Directors are appointed for a period of three years subject to re-appointment.

Upon appointment, each Director is provided with a comprehensive, formal and tailored induction which includes, amongst other things, a review of the Board's role and duties and the relevant Director's roles and duties to the Bank; meetings with the Bank's senior management; presentations to explain the Bank's strategic plans and significant financial, accounting, risk and legal issues and compliance programs. The Board is also individually evaluated and assessed for their performance effectiveness and their contributions. The Board has conducted an evaluation of its performance and each individual director during the year 2025.

Profile of the Directors

1. Mr. Naveed Kamal – Chairman – Executive Director

Profession	:	Banker
Business title	:	Managing Director – Vice-Chair, Corporate Banking, MEA, CEO, Citi Regional Headquarters, KSA Sub-Cluster and Banking Head, MEP
Experience in years	:	32 years
Qualifications	:	Master of Business Administration
Start of term	:	14 January 2020
Term on the Board	:	2 nd

Naveed joined Citi in 1994. In 2004, Naveed moved to the UAE as the Investment Banking Head for the GCC and in 2018 took over as the Corporate Bank Head for UAE and later the Head of Corporate Banking business in MENA. Naveed now provides senior client coverage in MEA and drives business growth, working closely with product partners. He is a Senior Credit Officer L2. Naveed has been involved in various capacities in transactions including Acquisition Finance, Loan Syndications and Debt Capital Markets. His M&A experience includes petrochemicals and privatisation of banking and refining assets. Naveed has also advised investors on acquisition opportunities in sectors such as telecom, energy and chemicals.

2. Mr. Faisal Fazli – Deputy Chairman – Executive Director

Profession	:	Banker
Business title	:	Capital Management
Experience in years	:	23 years
Qualifications	:	B.A. Economics from McGill University
Start of term	:	01 April 2024
Term on the Board:	:	1 st

Mr. Faisal joined Citi in 2007 in the Islamic banking team. He has executed a large number of Islamic finance transactions across Islamic loans and Sukuk. He has also been involved in developing Islamic structured products: the Oasis structured note platform, and Islamic repo product, which was first executed with a client managed by him. He has been in leadership roles for the last 10 years. Currently part of Citi's Capital Management team, he is responsible for credit risk mitigation. He previously headed Middle East & Africa (MEA) Corporate Finance & Structuring, and prior to that FIG relationships in the UAE and Saudi.

CORPORATE GOVERNANCE

3. Mr. Omer Emre Karter – Board member – Executive Director

Profession	: Banker
Business title	: CEO Citibank, A.S. Türkiye Head of Central Asia & Transcaucasia
Experience in years	: 30 years
Qualifications	: M.Sc. in Intl Business and Finance – New Hampshire College, Manchester, NH, USA
Start of term	: 14 January 2020
Term on the Board	: 2 nd

Emre Karter is the CEO and Board Member of Citibank A.S. Türkiye.

In addition to this role, he is responsible for managing Citi's Hub-Managed Countries in Central Asia and Transcaucasia.

Prior to his current role, he served as the Treasury and Trade Solutions Cluster Head for the Middle East and North Africa, based in Dubai, where he led the Citi's Treasury and Trade Solutions business. Emre Karter's other previous experience include managing the Transaction Services business for Russia, CIS, Central & Eastern Europe, based in Moscow. Earlier in his career, Mr. Karter held several sales & coverage roles, leading origination and client management for Citi's multinational and financial institutions client segments in Türkiye.

Emre joined Citi in 1996, starting as a banker in Corporate Bank Türkiye before taking on a Belgium based role coordinating the Bank's multinational franchise across Central and Eastern Europe, Middle East and Africa (CEEMEA).

Before joining Citi, Emre worked at Coca-Cola in Turkey and Prudential Securities in the United States. Emre holds a B.Sc. in Management from Bilkent University and a M.Sc. in International Business and Finance from New Hampshire College.

He is currently the Chairman of AmCham Türkiye and Citibank Kazakhstan JSC, as well as having Board Memberships in Citibank NV Netherlands, Citibank A.Ş. Türkiye, TAIK (Türkiye US Business Council), Bank Association of Türkiye and YASED (International Investors Association).

4. Mr. Kamal Benkabbou – Board member – Executive Director

Profession	: Banker
Business title	: Managing Director Markets Head (MEEP)
Experience in years	: 19 years
Qualifications	: Masters in Management from ESCP Europe in France
Start of term	: 25 th October 2021
Term on the Board	: 2 nd

Kamal Benkabbou is Citi's Head of Markets for Middle East, Egypt and Pakistan (MEEP) and is based in Dubai. With his extensive experience in Markets and Securities in Paris, London and Dubai, Kamal is in charge of driving and implementing a fully integrated client-centric growth strategy for Markets in the region leveraging Citi's local infrastructure and global capabilities.

Kamal joined Citi in 2011 and was previously the MENA Head of Financial Institutions Sales and Solution covering Sovereign Wealth Funds, Pension Funds, Central Banks and Banks. He was responsible for delivering Citi's Markets products and solutions to financial institutions in MENA across all asset classes. Prior to joining Citi, Kamal worked at Barclays Capital in London in a similar role. He began his career as an M&A Analyst at Lazard.

CORPORATE GOVERNANCE

Mr. Benkabbou holds a Masters in Management from ESCP Europe in France (2006). He also holds a qualification in Islamic Finance (IFQ).

5. Mr. Michel Sawaya – Board member – Executive Director

Profession	: Banker
Business title	: CEO and Corporate Banking Head of Citibank, N.A., Bahrain Branch
Experience in years	: 29 years
Qualifications	: Bachelor of Business Administration and a Bachelor of Science in Biology from the American University of Beirut
Start of term	: 25 th October 2021
Term on the Board	: 2 nd

Michel Sawaya was appointed as the Citi Country Officer of Citi Bahrain with effect from 5th of May 2021. Prior to this appointment and since April 2016 Michel was the CCO and Head of Corporate Banking for Citi Lebanon. He joined Citi in October 1995 as part of a team responsible for the reestablishment of the franchise in the country. Since that time, he has held several positions in Operations Technology and Internal Controls before moving to Treasury Trade Solutions. In June 2006 he expanded that role to become Head of TTS for Levant Cluster in 2010. In 2013 Mr. Sawaya was appointed as Head of Corporate Banking in addition to his role as the Lebanon TTS Head. He holds a Bachelor of Business Administration and a Bachelor of Science in Biology from the American University of Beirut.

As part of Mr. Sawaya's community involvement, he is a Board Member at the American Chamber of Commerce in Bahrain and Injaz Junior Achievement Bahrain, a non-profit organization dedicated to educating students about work readiness, entrepreneurship and financial literacy through hands on training programs. He also is a board member at the Bahrain International School Association.

D) FUNCTIONS OF THE BOARD OF DIRECTORS:

The Board is responsible for the overall business performance and strategy of the Bank.

The Board establishes the objectives of the Bank, the adoption of strategy and annual review thereof, including management structure and responsibilities and the systems and controls framework. It monitors, through regular meetings and oversight, management performance and the implementation of strategy by management, keeps watch over conflicts of interest, including adherence to Citigroup Inc.'s code of ethics and conduct and prevents abusive related party transactions as all related party transactions are approved by the board of directors. Further the board members, as a policy, do not vote in any resolution should there be a conflict of interest in any transaction with the Bank. During the year, there was no instance where any board member had conflict of interest with the Bank that required abstention of voting.

The Board delegates management the responsibility for the day-to-day management of the Bank in accordance with policies, guidelines and parameters set by the Board and approved by the Central Bank of Bahrain as also mentioned in section A hereinabove.

The Board of Directors is accountable to shareholders for the creation and delivery of strong sustainable financial performance and long-term shareholder value. To achieve this, the Board approves and monitors the Bank's strategy and financial performance, within a framework of sound corporate governance and effective risk management.

The Board of Directors of the Bank has responsibility for:

- 1 Preparation and fair presentation of financial statements in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") and for such internal controls as the Board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

CORPORATE GOVERNANCE

- 2 The Bank's undertaking to operate in accordance with Islamic Shari'a rules and principles.
- 3 Complying with the Commercial Companies Law 2001 (as amended), the Central Bank of Bahrain (CBB) and Financial Institutions Law No. 64 of 2006 (as amended), the CBB Rule Book (Volume 2, applicable provisions of Volume 6 and CBB directives), the terms of the Bank's memorandum and articles of associations.
- 4 Making available to the auditor's access to all information of which management is aware that it is relevant to the preparation of the financial statements such as records, documentation, other matters and additional information required for the purpose of the audit and unrestricted access to persons within the entity from whom it is necessary to obtain audit evidence.

E) BOARD MEETINGS

As for the internal policies, the Board members are required to meet at least four times a year.

Summary of meetings of Board of Directors and attendance during the year:

Board Member	20 March 2025	30 June 2025	30 September 2025	8 December 2025	% of attendance
Mr. Naveed Kamal	Yes	Yes	Yes	Yes	100%
Mr. Omer Emre Karter	Yes	Yes	Yes	Yes	100%
Mr. Faisal Fazli	Yes	Yes	Yes	Yes	100%
Mr. Michel Sawaya	Yes	Yes	Yes	Yes	100%
Mr. Kamal Benkabbou	Yes	Yes	Yes	Yes	100%
Ms. Iman Abdel Khalek	Yes	No (Resigned from the Board)	No	No	25%

F) CODE OF ETHICS

The Board has adopted Citigroup Inc.'s Code of Ethics for Financial Professionals governing all the Bank employees. A copy of Citi Ethics Office Privacy Statement is available on Citigroup website <https://www.citigroup.com/rcs/citigpa/storage/public/Citi-Global-Ethics-Office-Privacy-Statement.pdf>.

G) CODE OF CONDUCT

The Board has adopted Citigroup Inc.'s Code of Conduct, which outlines the laws, rules, regulations and Citi policies that govern the activities of Citi and sets the standards of business behavior and ethics that apply across Citigroup. The Code of Conduct applies to every director, officer and employee of the Bank. All employees, directors and officers are required to read and follow the Code of Conduct. In addition, other persons performing services for CIIB are subject to the Code of Conduct by contract or agreement. A copy of the Code of Conduct is available on Citigroup website at <https://www.citigroup.com/global/investors/corporate-governance#code-of-conduct>.

H) CHANGES IN THE STRUCTURE OF THE BOARD DURING THE YEAR

Iman Abdel Khalek resigned from the Board and Citigroup to pursue other opportunities outside.

I) SHARI'A COMPLIANCE

CIIB maintains Shari'a compliance of its activities through a dedicated Shari'a Supervisory Board ("SSB") and an internal Islamic Control Function ("ICF"). Under the SSB's oversight, the ICF conducts regular Shari'a audits. In addition, as mandated by the regulator, an independent external firm performs an annual review of the Bank's Shari'a compliance. Throughout the year, the Bank has complied with Shari'a requirements, including AAQIFI Shariah Standards.

J) SOCIAL RESPONSIBILITY

The Bank discharges its social responsibility at a Citibank level in Bahrain.

CORPORATE GOVERNANCE

K) COMMUNICATIONS POLICY

The disclosure policy applies to all modes of communication to the public including written, oral and electronic communications. These disclosures are made on a timely basis in a manner required by applicable local and international laws and regulatory requirements. This includes retaining at least the last five years of financial data on the bank's website. Information on new products or any change in existing products will be placed on the Bank's website [Citi - Citi Islamic Investment Bank E.C. - About Us - Financial Reports](#) / and / or published in the media. Product details are also shared with customers through brochures and / or advertisements. During the year, the Bank has not introduced any new products or services

L) COMPLAINT HANDLING

The Bank takes disputes and complaints from all customers very seriously. These have the potential for a breakdown in relationships and can adversely affect the Bank's reputation. Left unattended these can also lead to litigation and possible censure by the regulatory authorities. The Bank has a comprehensive policy on handling of external complaints. No complaints were lodged with the Bank during the year.

The customers may provide their feedback, suggestion or complaint through telephone or email provided on the Bank's website [Customer Feedback 2025.pdf](#). If the complaints team is unable to resolve the matter immediately; the complaints team will send a written acknowledgment of the complaints to the client within 5 working days.

M) MATERIAL TRANSACTIONS

Given the size of the Bank most of the transactions are subject to review and approval by the Board of Directors. For day-to-day operations, the Board has delegated authority to the management and the newly appointed CEO operating from the Citibank, N.A, DIFC Branch to approve transactions. All transactions are subject to the wider Citigroup policies and approval processes. All non-routine transactions outside the normal course of business shall be subject to approval by the Board of Directors.

N) COMPLIANCE WITH HC MODULE

In relation to the corporate governance requirements as specified in the HC module, the Bank has a practice to explain its non-compliance if any to its shareholders at the annual general meeting. Further, the Bank has been exempted by the CBB vide letter dated 3 May 2012 from the requirements under paragraphs 1.2.7, 1.8, 1.9, 3.2, 3.3, 4.2 to 4.4, and 5.1 to 5.5, and vide letter dated 19 March 2012 from paragraphs 1.4.6, 1.4.8 and 1.5.2, subject to an annual re-assessment, whereby the CBB has the right to revoke the exemptions as it sees fit.

O) COMPLIANCE WITH SG MODULE

In relation to the Shari'a Governance requirements as specified in the SG module, the Bank has been exempted by the CBB vide letter dated 11 December 2017 from the requirements under paragraphs SG-1.1.2, SG-2.3.3, SG-2.3.9, SG-2.3.29 and SG-4.

In reference to SG-2.5.4, none of the Bank's SSB members are part of the Corporate Governance Committee for CIIB given the scale and scope of CIIB's business as the Committee is merged in the one-Citi CCC.

P) REMUNERATION POLICIES

The Bank's employees are remunerated as per the Citigroup global remuneration policies. The operations, compliance and other support functions are carried out by Citibank N.A., Bahrain as per a service level agreement between CIIB and Citibank N.A., Bahrain. No remuneration is awarded by the Bank to the Board of Directors of the Bank. The Sharia Supervisory Board is paid attendance fee for the meetings held which is as per the resolution approved by the Board. The Shari'a Supervisory Board total remunerations for 2025 were USD 104 thousand which is as per the resolution approved by the Board.

Citi Islamic Investment Bank follows Citigroup's global remuneration policy which is governed by Citigroup Global Remuneration Committee. The Citigroup global remuneration policy was last reviewed by Citigroup's global Remuneration Committee, known as 'Personnel and Compensation Committee' (the "P&C Committee") in 14 February 2025, however the review process has not resulted to any amendment or change in the Policy during the year.

CORPORATE GOVERNANCE

P&C Committee is a duly constituted committee of the Board of Directors of the overall US parent company, Citigroup Inc. The P&C Committee draws on considerable experience of the non- executive directors of the Board of Citigroup Inc., and is empowered to draw upon internal and external expertise and advice as it determines appropriate.

The Europe, Middle East, and Africa (EMEA) Remuneration Oversight Group (EMEA ROG) is an executive group to provide EMEA wide oversight and governance support across EMEA.

The following are members of the EMEA Remuneration Oversight Group: EMEA Senior HR Officer (Chair); CEO of CGML, UK CCO, and Cluster Head for UK, Jersey, and Israel; CEO of CEP; CEO of CGME, and Cluster Head of Europe; Head of CBNA London Branch, CBNA EMEA Regional Coordinator, and EMEA Chief Administrative Officer; EMEA Head of Legal; EMEA Chief Risk Officer; EMEA Chief Financial Officer; EMEA Head of Compliance; Cluster Head of EMEA Emerging Markets.

The P&C Committee retains ultimate oversight of Citi's remuneration matters.

Citi's global compensation principles are developed and approved by the P&C Committee in consultation with management, independent consultants and Citi's senior risk officers, and is subject to annual review process by the P&C committee on annual basis. The P&C Committee comprises independent directors who have experience evaluating compensation structures, especially for senior executives. Citi's compensation principles are designed to advance Citi's business strategy by attracting, retaining and motivating the best talent available to execute the strategy, while ensuring, among other things, unnecessary or excessive risk-taking is not encouraged.

The Link between Remuneration and Performance

Citi is committed to responsible compensation practices and structures. Citi seeks to balance the need to compensate its employees fairly and competitively based on their performance, while assuring that their compensation reflects principles of risk management and performance metrics that reward long-term contributions to sustained profitability.

Citi's compensation programs aim to enhance stockholder value through the practice of responsible finance, facilitate competitiveness by attracting and retaining the best talent, promote meritocracy by recognising employee contributions and manage risk through sound incentive compensation practices.

Individual Performance Assessment and Award Determination Process

Citi has an annual performance management process which operates through the Performance Management module of the cloud-based enterprise application Workday.

The performance assessment is based on individually tailored goals as well as Manager/Business cascaded goals and an assessment against Citi's Core Leadership Principles which align an employee's individual performance and development with Citi's culture (and strategic objectives). The appraisal process also incorporates risk management and non-financial performance factors by business areas.

Employees are assessed on a Bi-Annual basis with Ratings only being awarded during the Year End Performance Management process. As part of this Performance management process, Individuals complete a self-appraisal against their individual goal and Citi's Leadership Principles. This is followed by a discussion between the individual and their manager. The Managers complete their appraisal of the individual against their goals and can incorporate Feedback from peers and other Citi Colleagues through the Workday 360 Feedback process. The Manager also considers any other metrics that may be pertinent to their business (and the employees' performance) and records this in Workday to record the individual's performance and contribution. Employees are awarded a Goals (What) rating by the manager based on the performance factors identified for the individual. The employee is also awarded a Leadership rating (How) which describes how the employee achieved their goals linked to Citi's Leadership Principles. Both ratings are given equal weighting when assessing an employee's overall performance for the year.

Managers must carefully consider the risk metrics pertinent to their business unit when determining individual performance ratings, especially when applying any discretion that results in an individual compensation outcome varying from the level implied by the performance of their business unit. All employees are assigned a Risk and Controls goals which clearly outlines Citi's expectations in this area and every employee's responsibility for sound Risk and Controls practices.

CORPORATE GOVERNANCE

Identified Staff are also subject to a Risk and Control Assessment (RCA) review process under which the control functions (i.e., Finance, Risk and Internal Audit and Legal) provide an independent evaluation of the individuals risk behaviours. The RCA process is included in the performance evaluation system to inform the performance review conducted by the identified staff's manager. The RCA process is conducted for the Mid-Year and Year End Performance Management processes for every in-scope employee.

Remuneration of Control Function Employees

Citi takes several measures to avoid conflicts of interest between the business and Control Functions. They are:

- Employees engaged in control functions have direct reporting lines that are separate from the business and those reporting lines within the control functions are responsible for the reward of those employees both in terms of year end compensation, salary increases and promotion.
- The control functions are allocated a bonus pool separate from the revenue generating businesses and decisions about allocations of those pools are made within the Control Functions themselves.
- Compensation (both salary and variable incentive) for the Control Functions is tested in line with external market data to gauge whether it is in keeping with the market. The level of variable remuneration for Control Function employees is determined by reference to performance against objectives that are set and assessed within their respective functions.

Use of Stock as Deferred Variable Compensation

In general, amounts subject to Citi's mandatory deferral policy are deferred into shares or share-linked instruments. A portion of deferred remuneration may be in the form of deferred cash and/ or phantom units related to Citi's share price for regulatory or other reasons.

The Capital Accumulation Program ("CAP") and Citigroup Stock Award Program ("CSAP") are the main programs under which Citi may make awards of stock to selected employees.

Certain senior executives are subject to stock ownership commitments, further aligning the executives' interests with those of stockholders and other stakeholders.

Deferred stock awards made to identified staff are subject to Performance Based Vesting ("PBV"). The trigger for application of a PBV reduction of a tranche of unvested deferred stock is the emergence of pre-tax losses in the relevant "reference business" of the individual. If there are pre-tax losses in the reference business, a portion of the deferred stock tranche is forfeited, the proportion of which is based on the extent of the losses and prior year's net profits.

Use of Deferred Cash as Deferred Compensation

Identified staff or staff subject to other regulations may have a portion of their incentive compensation delivered in the form of deferred cash awards, subject to ("PBV"). PBV for the deferred cash portion of the award is a discretionary feature. If it is determined that a Material Adverse Outcome ("MAO") has occurred and that a given Identified Staff is deemed to have had "significant responsibility" for that MAO, then a discretionary reduction may be made to the unvested portion of the deferred cash award. Determinations of when a MAO has occurred, which (if any) Identified Staff have significant responsibility for the MAO and what reductions to awards will be made, are all based on the facts and circumstances of a given outcome.

CORPORATE GOVERNANCE

The Bank's employees currently do not meet remuneration thresholds that would require deferral or delivery of compensation in shares or share linked instruments. The total value of remuneration awards for the current fiscal year 2025 are as follows:

Total value of remuneration awards for the current fiscal year 2025 USD,000in	Unrestricted	Deferred**
Fixed remuneration:		
- Cash-based	440*	Nil
-Shares and share-linked instruments	Nil	Nil
- Other	Nil	Nil
Variable remuneration:		
- Cash-based	Nil	Nil
-Shares and share-linked instruments	Nil	Nil
- Other	Nil	Nil

Total value of remuneration awards for the current fiscal year 2024 USD,000in	Unrestricted	Deferred**
Fixed remuneration:		
- Cash-based	319*	Nil
-Shares and share-linked instruments	Nil	Nil
- Other	Nil	Nil
Variable remuneration:		
- Cash-based	Nil	Nil
-Shares and share-linked instruments	Nil	Nil
- Other	Nil	Nil

Note: Above figures are for the two employees of Citi Islamic Investment Bank E.C. who were existing during the year (2024: two employees).

During the year, the Bank incurred a severance cost of USD Nil (2024: USD 122,000).

*Includes remuneration of USD Nil (2024: USD 292 thousand) paid to one approved person in the business line and remuneration of USD 251 thousand (2024: USD 27 thousand) paid to one approved person in the Sharia control function.

** There was no deferred remuneration awarded, nor paid out or reduced through performance adjustments during the financial year (2024: Nil).

RISK AND CAPITAL MANAGEMENT DISCLOSURES

**FOR THE YEAR ENDED
31 December 2025**

These disclosures have been prepared in accordance with the Public Disclosure Module ("PD"), Section PD-1.3: Disclosures in Annual Reports, CBB Rule Book, Volume II for Islamic Banks. To avoid any duplication, information required under PD module but already disclosed in other sections of annual report has not been reproduced. These disclosures are part of the annual report for the year ended 31 December 2025 and should be read in conjunction with the financial statements for the year ended 31 December 2025 and other sections of the annual report.

RISK AND CAPITAL MANAGEMENT DISCLOSURES
for the year ended 31 December 2025

USD 000's

1. EXECUTIVE SUMMARY

The Central Bank of Bahrain's (CBB) Basel 3 guidelines outlining the capital adequacy framework for banks incorporated in the Kingdom of Bahrain. Banks are required to maintain minimum capital adequacy ratio of 12.5% on a consolidated basis [i.e. CET1 – 6.5%, AT1-1.5%, Tier 2 – 2% and CCB – 2.5%] and a capital adequacy ratio of 8% on a solo basis [i.e. CET1 – 4.5%, AT1 – 1.5% and Tier 2 – 2%]. These disclosures have been prepared in accordance with the CBB requirements outlined in the Public Disclosure Module ("PD"), Section PD-1.3: Disclosures in Annual Reports, CBB Rule Book, Volume II for Islamic Banks. Section PD-1.3 reflects the requirements of Basel 2 - Pillar 3 and the Islamic Financial Services Board's ("IFSB") recommended disclosures for Islamic banks on their web site along with the audited financial statements.

The PD Module requires disclosure of the Bank's exposure to risks on its banking and trading book. As the Bank does not have a trading book all its disclosures are limited to the risks faced on its banking book.

The Bank has adopted the Standardised Approach for Credit and Market Risk and the Basic Indicator Approach for Operational Risk to determine the capital requirement. This section contains a description of the Bank's risk management and capital adequacy policies and practices including detailed quantitative information on risk components and capital adequacy.

The Bank's business is mainly focused on offering a Shari'a compliant Murabaha-based deposit product to Financial Institutions and Corporates and to provide structuring services to other Citigroup entities in respect of capital market, cash management and market services transactions. The Bank at present does not offer, or intend to offer, any asset products. All policies and procedures have been designed to cover risks arising from these products of the Bank.

As at 31 December 2025, the Bank's total risk weighted assets amounted to US\$ 15,584 ; Tier 1 Capital amounted to US\$ 15,750 and Tier 2 capital US\$ 7. Accordingly, CET1, Tier 1 and Total Capital Adequacy Ratios were 101.11% and 101.07% respectively. These ratios exceed the minimum capital requirements under the CBB's Basel 3 framework.

KPMG Fakhro are the Banks's external auditors for the financial year ended 31 December 2025. Fees paid to KPMG during the year 2025 amount to US\$ 50,838 excluding VAT out of which US\$ 10,414 is for audit services and US\$ 40,424 is for audit related services required by regulatory bodies. During the Annual General Meeting held on 31 March 2026, the shareholders, discussed the technical competence of the existing external auditors and the quality of their services for the fiscal year 2025, and accordingly approved the re-appointment of KPMG as external auditors for the year ending 31 December 2026 and authorized the Board of Directors to determine their remuneration.

2. RISK FRAMEWORK

The Bank operates under the One-Citi model. The Board of Directors and the Shari'a Supervisory Board (SSB) maintain the Board level oversight of the Bank's activities. The Bank is represented on the main country level management committees - Country Coordinating Committee ("CCC") of Citi Bahrain by its Managing Director to ensure oversight of the Bank's transactions and activities. The Bank has been exempted by Central Bank of Bahrain from the requirements of forming Audit Committee, Nomination, and Remuneration Committee.

The Shari'a Supervisory Board ("SSB") of the Bank along with Citibank Internal Control Function is responsible for approval and oversight of all Islamic transactions undertaken at the Bank level. The SSB is further assisted by Bank's Islamic Control Function which conducts annual Shari'a Audits over all the Islamic products and transactions undertaken by the Bank.

RISK AND CAPITAL MANAGEMENT DISCLOSURES
for the year ended 31 December 2025

USD 000's

2. Risk Framework (continued)

CIIB has outsourced CEO function to Citibank N.A, UAE – DIFC to oversee all Islamic business activity. The operations, compliance, financial control, risk management and other support functions are managed by Citibank staff through Inter-Citi Service Agreements with the Bank (under the one-Citi approach).

As per the CBB capital adequacy framework, the Bank is exposed to the following risks:

- Credit and counterparty risk
- Market risk (limited to forex risk in the banking book)
- Operational risk
- Liquidity risk
- Profit rate risk in the banking book

(a) Credit and Counterparty Risk

Transactions booked in CIIB entity has no or very limited third-party credit risk. All Murabaha placements of the Bank are on a short-term basis (maturing within 3 months) and are placed only with Citigroup entities

All the new Islamic products introduced by the Bank are approved by the New Product Approval Committee (NPAC) of Citigroup. Moreover, Islamic financing/product structures are discussed in the Board meetings to discuss the risks involved in them. During the year there were no new products or services introduced or launched by the Bank.

There are no loans extended or other asset products offered by the Bank to its customers. Moreover, the off-balance sheet exposures where the Bank acts as an agent between a purchaser (restricted investment account) and a seller (other Citigroup entities) do not expose the Bank to any type of credit risk.

Structuring and advising on capital market transactions don't expose the entity to credit risk as CIIB doesn't carry any underwriting activity.

Quarterly updates on the current credit exposures of the Bank are reported to the Country Coordinating Committee ("CCC").

Overall, the Bank considers that its policies and procedures constitute a reasonable approach to managing the credit risk in the activities it is engaged in.

(b) Foreign Exchange Risk

The Bank has no on-balance sheet exposures to foreign exchange risk as all of its transactions are denominated in US\$ which is the Bank's functional currency, and the bank currently has no trading Book. The inter-bank Murabaha transactions do not expose the Bank to any commodity price risk. Moreover, the FX risk in the off-balance sheet exposures is borne by the purchaser and the seller of the contract, and the Bank does not incur any market risk in these transactions since it undertakes the role of an agent.

(c) Operational Risk

The on-balance sheet activities of the Bank are limited in volume. However, as a part of its asset management activities, where the Bank acts as an agent between a purchaser and a seller, the Bank is exposed to operational risk in the event of any negligence on its part.

Citi Bahrain's Risk Management Function is headed by the Operation Risk Manager (ORM). Along with its risk management related responsibilities, the Risk Management function is also responsible for coordinating the Management Control Assessment (MCA) exercise at the country level which includes the Bank's operations. As part of the MCA, all processes and activities undertaken by the various departments at Citi Bahrain are identified.

RISK AND CAPITAL MANAGEMENT DISCLOSURES
for the year ended 31 December 2025

USD 000's

2. Risk Framework (continued)

(c) Operational Risk (continued)

The processes and activities relating to the Bank are also documented as part of the Citi Bahrain MCA. Furthermore, the relevant risks and controls are identified and tested on a quarterly basis through the operational risk management system "CitiRisk".

The individual departments undertake tests to assess the effectiveness of the existing controls. Any issues arising from these tests are escalated and the summary results are discussed in the Country Coordinating Committee ("CCC").

The Managing Director of the Bank chairs these committees, hence fulfilling the oversight role over the operational risk management framework encompassing the Bank.

Furthermore, corrective actions agreed on all issues identified are discussed and tracked in the Country Coordinating Committee ("CCC") meeting. Major business issues are also escalated to the regional management committees.

The operational risk is supplemented by the Internal Control Function. The Internal Control Function conducts annual Shari'a audits in order to ensure the Bank's adherence to the CBB Rulebook for Islamic Financial Institutions, Shari'a and AAOIFI standards as well as Fatwas issued by the Shari'a Advisory Board.

The management assesses the effectiveness of the Bank's internal control annually. Based on this assessment, management believes that, as of December 31, 2025, the bank's internal control over financial reporting was effective. In addition, there were no changes in the Bank's internal control over financial reporting during the fiscal year ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, the Bank's internal control over financial reporting.

The Internal Audit (IA) which is Citigroup audit team responsible for global reviews covers the Bank based on the frequency derived from the global risk-based approach. During the year, the Internal Audit performed audit over certain functions of the Bank and have not highlight any significant observations relating to the operational risk of the Bank.

(d) Liquidity Risk

Based on the financial statements as at 31 December 2025, the bank does not have any liquidity risk as documented in ALCO. The Bank also does not have any equity from investment account holders on its statement of financial position. If the Bank receives a deposit from customers, the Bank place it in short term inter-bank Murabaha with Citigroup entities. The Bank matches the tenor of its Murabaha receivables with the deposits received in order to avoid a short-term liquidity mismatch.

The Bank follows the global liquidity management policy of Citibank which provides the overall guidelines for liquidity management. Refer Note 14 for the maturity profile of assets, liabilities and restricted investment accounts.

Following are the key liquidity ratios as at 31 December 2025:

Description

Short Term Assets: Total Assets
Short Term Assets: Short Term Liabilities

Ratio

1.00 : 1.00
71.40 : 1.00

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2025****USD 000's****2. Risk Framework (continued)****(e) Profit Rate Risk in Banking Book**

Currently the Bank does not have any profit bearing liabilities and therefore does not face the risk of mismatch between the rate of return earned on assets and liabilities.

(f) Compliance Risk

The Compliance Function at Citi Bahrain is the designated compliance function for the country and covers the Bank's compliance activities. The Compliance Function has established a "Regulatory Risk Matrix" which constitutes the rules and regulations pertaining to all businesses operating under the umbrella of Citi Bahrain. This includes the Bank as well (local regulatory requirements and global policy compliance requirements).

The MCA is intended to encompass all the businesses and control activities in Citi Bahrain including the Bank. The MCA includes the Regulatory Risk Matrix which identifies the key local regulatory requirements as well as global policy compliance requirements pertaining to Citi Bahrain. As part of the MCA process, the Bank has identified procedures for every department to conduct tests in order to ensure adherence to all rules and regulations. These tests are conducted by the business and support units on a quarterly basis. The results of these tests are reviewed by the Enterprise Risk Manager on an ad-hoc basis, who in turn reports to the Country Coordinating Committee ("CCC").

All material compliance issues identified during these tests are escalated to the CCC. A member of the Bank's team is also represented on the CCC. The CCC is headed by the Citi Country Officer who is also the Managing Director of the Bank, hence fulfilling the Bank's oversight role over its management of compliance risk.

(g) Displaced Commercial Risk

Displaced Commercial Risk refers to the market pressure to pay returns that exceeds the rate that has been earned on the assets financed by the liabilities, when the return on assets is under performing as compared with competitor's rates. Currently the Bank is not exposed to any displaced commercial risk that may arise from its restricted investment accounts as it only acts as an agent for its customers.

(h) Restricted Investment Accounts (RIA)

The Bank structures its RIA products to offer its customers (which comprise financial institutions, Islamic Financial Institutions and corporate clients) an opportunity to invest in short term Murabaha placement from a range of returns and maturity periods. The contracts with investors do not include express premature investment termination options given short term nature of Murabaha placements.

All RIA offering documents ("Offering Document") are drafted and issued with input from the Citibank's Investment Banking, Financial Control, Legal and Risk Management Departments including Bank's Shari'a audit and front desk personnel to ensure that the investors have sufficient information to make an informed decision after considering all relevant risk factors.

The Board of Directors is responsible for providing clear guidelines for the development, management and risk mitigation of its RIA investments and to ensure that there exist sound management and internal control systems to ensure that the interest of the investment account holders is protected at all times.

RISK AND CAPITAL MANAGEMENT DISCLOSURES
for the year ended 31 December 2025

USD 000's

2. Risk Framework (continued)

(h) Restricted Investment Accounts (RIA) (continued)

The Bank is aware of its fiduciary responsibilities in management of the RIA investments and has clear policies on discharge of these responsibilities. The Bank's objectives regarding its fiduciary responsibilities to the RIA investors and their funds, includes the following:

- Ensuring that the investment structure, Offering Documents and the investment itself are fully compliant with Islamic Shari'a principles and the CBB regulations;
- Appropriately advising Investors, as part of the RIA Offering Document, of all the relevant and known risk factors and making it clear that the investment risk is to be borne by the Investor before accepting the investment funds;
- Ensuring that the funds are invested strictly in accordance with the provisions outlined in the Offering Documents;
- Distributing the capital and profits to the Investor in a just and equitable manner as agent; and
- In all matters related to the RIA, and the investment, act with the same level of care, good faith and diligence as the Bank would apply in managing its own assets.

Historical returns over the past five years:

Product	Launch date	Commodity Murabaha					Status
		2025	2024	2023	2022	2021	
Annualised returns	1996	4.19%	5.27%	5.04%	0.78%	0.18%	Active
IAH income	1996	7,656	17,727	26,122	5,591	1,698	Active

The movement in the Restricted Investment Accounts is disclosed in statement of changes in off-balance sheet assets under management. The Bank charges investors agency fees at a rate that is agreed at the inception of the contract and bears all administrative expense relating to managing IAH funds.

The Agency fees as a percentage of the total IAH investment profit for the year 2025 is 2.32% (2024: 1.48%). The Agency fees is not subject to partial or total waiver in order to pay a competitive rate of return to IAH.

The restricted IAH funds are placed with other Citigroup entities, who has extensive experience in managing IAH funds in compliance with contractual terms and conditions, in the nature of short-term profit bearing Commodity Murabaha and hence is exposed to very limited credit, market and liquidity risk.

3. CAPITAL STRUCTURE AND CAPITAL ADEQUACY

The Bank is comfortably placed in terms of regulatory capital adequacy and the current regulatory Capital Adequacy Ratio (CAR) is 101.07% as opposed to the minimum CBB requirement of 12.5%.

The Bank's paid-up capital consists only of ordinary equity shares and does not have any other type of capital instruments.

The Bank's Tier 1 capital comprise share capital, retained earnings and eligible reserves. Retained profits are included in Tier 1 pursuant to an external audit.

The Bank's Tier 2 capital comprise expected credit loss (ECL) stage 1 provision subject to 1.25% of credit risk weighted assets.

The capital of the Bank is currently not subject to any regulatory adjustments/ deductions

RISK AND CAPITAL MANAGEMENT DISCLOSURES
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USD 000's

3. Capital Structure and Capital Adequacy (continued)

(a) Capital structure, minimum capital requirement and capital adequacy:

Common Equity Tier (CET) 1 and Tier 1

Issued and fully paid ordinary shares

Statutory reserves

Staff reserve

Retained earnings

Total CET 1 and Tier 1 capital (A)

Tier 2 (Expected credit loss provision)

Total eligible capital (B)

Amount
10,000
4,339
(4)
1,415
15,750
7
15,757

Claims on Banks

Claims on Corporates

Other assets

Credit risk exposures

Market risk exposures

Operational risk exposures

Total risk weighted exposures (C)

Total capital adequacy ratio (B/C)

Tier 1 capital adequacy ratio (A/C)

Risk weighted exposure	Capital requirement @ 12.5%
7,980	998
114	14
34	4
8,128	1,016
-	-
7,456	932
15,584	1,948
101.12%	
101.07%	

(b) Credit risk weighted assets

Credit risk of the Bank arise from the following funded exposures as follows::

	Gross credit exposure	Risk weight	Credit risk weighted assets	Average gross credit exposures during the year *
Claims on Banks (A+ to A-)	15,960	50%	7,980	15,378
Claims on Corporates (A+ to A-)	-	50%	-	5
Claims on Corporates (Unrated)	108	100%	108	42
Claims on Corporates (Below BB-)	4	150%	6	2
Claims on Sovereigns	-	0%	-	-
Other assets	34	100%	34	21
Total gross credit risk exposures	16,106		8,128	15,448

* These have been computed based on a quarterly average.

RISK AND CAPITAL MANAGEMENT DISCLOSURES
for the year ended 31 December 2025

USD 000's

3. Capital Structure and Capital Adequacy (continued)
(b) Credit risk weighted assets (continued)

Funded exposure (as outlined by FAS) is from the following:

	Gross credit exposure	Average gross credit exposures during the year *
Bank balance	2,103	1,523
Murabaha receivables	13,070	13,075
Other financial assets	933	850
Total gross credit risk exposures	16,106	15,448

* These have been computed based on a quarterly average.

The claims on banks with Citigroup comprise of Murabaha receivables, cash and bank balances and other receivables. The Bank uses the rating provided by External Credit Assessment Institutions (ECAI) to ascertain the risk weight of the assets. As per the rating provided by Standard & Poor's rating services, Citigroup falls in the bucket of A+ to A- based on which a risk weight of 50% is used to arrive at the credit risk weighted assets. For short term receivables from third parties the bank used rating from Standard & Poor's and MOODY's.

None of the exposures are either past due, impaired or restructured. The exposures are not backed by collaterals and hence no benefits for credit risk mitigation is applicable.

The Bank does not have any unfunded exposures.

Refer Note 13 for the geographical and sectoral concentration and Note 14 for the maturity profile of assets, liabilities and restricted investment accounts in the financial statements.

Large exposure limits

The Bank has significant exposure to Citigroup entities (as a Group) as mentioned below.

Type of exposure	Amount of exposure	% of capital base
Direct exposure	15,926	101.12%
Restricted investment accounts	155,381	986.55%
Combined exposure	171,307	1087.66%

However, these exposures qualify as exempt exposures as they are in the nature of short term inter-bank exposures and hence no regulatory capital deduction is considered necessary.

(c) Operational risk weighted assets

The operational risk weighted assets and related capital requirements are computed as per the guidelines of the CBB under basic indicator approach as follows:

[Average gross income (excluding extraordinary and exceptional income) for the past 3 years x 15% x 12.5]

RISK AND CAPITAL MANAGEMENT DISCLOSURES
for the year ended 31 December 2025

USD 000's

3. Capital Structure and Capital Adequacy (continued)

Particulars	Amount
Average gross income (A)	3,977
Alpha (B)	15%
(C) = (A) * (B)	597
Risk weighted exposures ((C) * 12.5)	7,456

The Bank did not have any non-shari'a complaint income/ shari'a violations/ material legal contingencies during the year 2025.

(d) Capital management and allocation

The Bank's capital management framework is intended to ensure that there is sufficient capital to support the underlying risks of the Bank's business activities and to maintain a well-capitalised status under regulatory requirements. The allocation of capital between specific operations and activities is primarily driven by regulatory requirements. The Bank's capital management policy seeks to maximise return on risk adjusted while satisfying all the regulatory requirements.

4. COMPOSITION OF CAPITAL DISCLOSURE

Step1: Balance sheet under the regulatory scope of consolidation

This step is not applicable to the Bank since the scope of regulatory and accounting is identical, and the bank is a standalone entity.

Step 2: Reconciliation of published financial balance sheet to regulatory reporting As at 31 December 2025

USD '000s	Statement of financial position in published financial statements USD'000s	Statement of financial position as per regulatory reporting USD'000s	Reference
Assets			
Bank balances	2,103	-	
of which placements with banks and similar financial institution	-	2,103	
Murabaha receivables	13,064	-	
of which placements with banks and similar financial institution	-	13,070	
Other assets	933	933	
Total assets	16,100	16,106	
Payables and other accrued expenses	350	-	
of which other liabilities	-	350	
Total Liabilities	350	350	
Equity Investment			
Share capital	10,000	10,000	A
Statutory reserve *	4,339	4,182	B1
Staff reserve	-4	-4	B1
Retained earnings *	1,415	-	B2
of which Net profit / (loss) for the current period *	-	1,567	
of which retained earnings/ (losses) brought forward	-	4	
Expected credit losses (Stages 1 & 2)**	-	6	C
Total shareholder's equity	15,750	15,756	

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2025****USD 000's****4. COMPOSITON OF CAPITAL DISCLOSURE (continued)**

Note (*): In the financial statements 10% of the net profit for the year transferred from retained earnings to statutory reserve

Note ()**: Expected credit loss on placements with banks and similar financial institution of USD 6 thousands being presented net in the statement of financial position.

Step 3: Composition of Capital Disclosure Template as at 31 December 2025

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation from step 2
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus	10,000	A
2	Retained earnings	1,415	B2
3	Accumulated other comprehensive income (and other reserves)	4,335	B1
4	<i>Not Applicable</i>		
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	15,750	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash-flow hedge reserve	-	
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-	
14	<i>Not applicable</i>		
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2024****USD 000's****4. COMPOSITON OF CAPITAL DISCLOSURE (continued)**

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation from step 2
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	
20	Mortgage servicing rights (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold	-	
23	of which: significant investments in the common stock of financials	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	CBB specific regulatory adjustments	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET1)	15,750	
Additional Tier 1 capital: instruments			
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	<i>Directly issued capital instruments subject to phase out from Additional Tier 1</i>	-	
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	
35	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
36	Additional Tier 1 capital before regulatory adjustments	-	

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2024****USD 000's****4. COMPOSITON OF CAPITAL DISCLOSURE (continued)**

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation from step 2
Additional Tier 1 capital: regulatory adjustments			
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
41	CBB specific regulatory adjustments	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
45	Tier 1 capital (T1 = CET1 + AT1)	15,750	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	<i>Directly issued capital instruments subject to phase out from Tier 2</i>	-	
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
49	<i>of which: instruments issued by subsidiaries subject to phase out</i>	-	
50	Provisions	6	C
51	Tier 2 capital before regulatory adjustments	6	

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2024****USD 000's****4. COMPOSITON OF CAPITAL DISCLOSURE (continued)**

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation from step 2
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	CBB specific regulatory adjustments	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	6	
59	Total capital (TC = T1 + T2)	15,756	
60	Total risk weighted assets	15,584	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	101.07%	
62	Tier 1 (as a percentage of risk weighted assets)	101.07%	
63	Total capital (as a percentage of risk weighted assets)	101.10%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9%	
65	of which: capital conservation buffer requirement	2.5%	
66	of which: bank specific countercyclical buffer requirement	N/A	
67	of which: D-SIB buffer requirement	N/A	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	101.07%	

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2025****USD 000's****4. COMPOSITON OF CAPITAL DISCLOSURE (continued)**

Composition of Capital and mapping to regulatory reports		Component of regulatory capital	Reference numbers of balance sheet under the regulatory scope of consolidation from step 2
National minima including CCB (where different from Basel III)			
69	CBB Common Equity Tier 1 minimum ratio	9.0%	
70	CBB Tier 1 minimum ratio	10.5%	
71	CBB total capital minimum ratio	12.5%	
Amounts below the thresholds for deduction (before risk weighting)			
72	Non-significant investments in the capital of other financials	-	
73	Significant investments in the common stock of financials	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	6	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	102	
78	N/A	-	
79	N/A	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2019 and 1 Jan 2023)			
80	<i>Current cap on CET1 instruments subject to phase out arrangements</i>	NA	
81	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	-	
82	<i>Current cap on AT1 instruments subject to phase out arrangements</i>	-	
83	<i>Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)</i>	-	
84	<i>Current cap on T2 instruments subject to phase out arrangements</i>	-	
85	<i>Amount excluded from T2 due to cap (excess over cap after redemptions and</i>	-	

RISK AND CAPITAL MANAGEMENT DISCLOSURES**for the year ended 31 December 2025****USD 000's****5. DISCLOSURE TEMPLATE FOR MAIN FEATURE OF REGULATORY CAPITAL INSTRUMENTS**

1	Issuer	Citi Islamic Investment bank E.C.
2	Unique identifier (Bahrain Bourse ticker)	NA
3	Governing law of the instrument	All applicable laws and regulations of the Kingdom of Bahrain
	<i>Regulatory treatment</i>	
4	Transitional CBB rules	Common Equity Tier 1
5	Post-transitional CBB rules	Common Equity Tier 1
6	Eligible at solo/group/group & solo	Group & Solo
7	Instrument Type	Common Equity shares
8	Amount recognized in regulatory capital (currency in Millions, as of most recent reporting date)	USD 10 million
9	Par Value of instrument	USD 1 per share
10	Accounting classification	Shareholders' equity
11	Original date of issuance	1996
12	Perpetual or dated	Perpetual
13	Original maturity date	No original maturity date
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	<i>Coupons / dividends</i>	Dividends
17	Fixed or floating dividend/coupon	Dividend as decided by shareholders in the AGM
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger (s)	NA
25	If convertible, fully or partially	NA
26	If convertible, conversion rate	NA
27	If convertible, mandatory or optional conversion	NA
28	If convertible, specify instrument type convertible into	NA
29	If convertible, specify issuer of instrument it converts into	NA
30	Write-down feature	No
31	If write-down, write-down trigger(s)	NA
32	If write-down, full or partial	NA
33	If write-down, permanent or temporary	NA
34	If temporary write-down, description of write-up mechanism	NA
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	NA
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	NA