BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2026 (UNAUDITED)

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BOUBYAN BANK K.S.C.P.

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of Boubyan Bank K.S.C.P. (the "Bank") and its subsidiaries (collectively "the Group") as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss, statement of other comprehensive income for the three months and six months period then ended, statement of changes in equity and statement of cash flow for the six months period then ended. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.

Report on other Legal and Regulatory Requirements
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of accounts of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, and its executive regulations, as amended, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the six months period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the six months period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its financial position.

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20 July 2026
Kuwait

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period from 1 January 2026 to 30 June 2026

		Three months ended 30 June		Six months ended 30 June	
		2026	2025	**2026**	2025
	Notes	**KD'000's**	KD'000's	**KD'000's**	KD'000's
Income					
Murabaha and other Islamic financing income		**124,745**	122,494	**246,650**	239,120
Finance cost and distribution to depositors		**(70,062)**	(69,178)	**(139,472)**	(136,304)
Net financing income		**54,683**	53,316	**107,178**	102,816
Net investment income	3	**6,003**	4,798	**11,800**	8,729
Net fees and commission income		**6,382**	4,822	**15,782**	14,713
Net foreign exchange gain		**2,085**	2,356	**4,488**	4,447
Other income		**-**	547	**-**	547
Operating income		**69,153**	65,839	**139,248**	131,252
Staff costs		**(18,794)**	(18,480)	**(36,891)**	(34,740)
General and administrative expenses		**(9,174)**	(10,144)	**(19,790)**	(19,860)
Depreciation		**(4,945)**	(4,748)	**(9,954)**	(9,341)
Operating expenses		**(32,913)**	(33,372)	**(66,635)**	(63,941)
Operating profit before provision for impairment		**36,240**	32,467	**72,613**	67,311
Provision for impairment	4	**(4,888)**	(3,554)	**(8,689)**	(6,987)
Operating profit before deductions		**31,352**	28,913	**63,924**	60,324
Taxation charged	5	**(2,812)**	(3,765)	**(8,174)**	(8,119)
Net profit for the period		**28,540**	25,148	**55,750**	52,205
Attributable to:					
Equity holders of the Bank		**28,316**	25,820	**54,719**	52,301
Non-controlling interests		**224**	(672)	**1,031**	(96)
Net profit for the period		**28,540**	25,148	**55,750**	52,205
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	6	**6.00**	5.47	**10.95**	10.44

The notes from 1 to 20 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)

For the period from 1 January 2026 to 30 June 2026

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	KD'000's	KD'000's	**KD'000's**	KD'000's
Net profit for the period	**28,540**	25,148	**55,750**	52,205
Other comprehensive income/ (loss):				
Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Investment in Sukuk- fair value through other comprehensive income:				
Net change in fair value	**8,482**	(1,863)	**(3,917)**	(3,391)
Net transfer to interim condensed consolidated statement of profit or loss	**47**	1,156	**309**	1,170
	8,529	(707)	**(3,608)**	(2,221)
Foreign currency translation adjustments	**59**	591	**(261)**	1,207
Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Change in fair value of equity investments at fair value through other comprehensive income	**426**	478	**726**	10
Other comprehensive income/ (loss) for the period	**9,014**	362	**(3,143)**	(1,004)
Total comprehensive income for the period	**37,554**	25,510	**52,607**	51,201
Attributable to:				
Equity holders of the Bank	**37,238**	25,187	**51,731**	49,680
Non-controlling interests	**316**	323	**876**	1,521
Total comprehensive income for the period	**37,554**	25,510	**52,607**	51,201

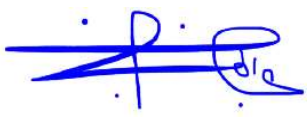
The notes from 1 to 20 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2026

	Notes	**30 June 2026**	(Audited) 31 December 2025	30 June 2025
		KD'000's	KD'000's	KD'000's
Assets				
Cash and balances with banks	7	**375,082**	353,679	527,965
Placements with Central Bank of Kuwait		**444,798**	363,430	202,816
Deposits with other banks		**53,212**	136,531	136,257
Islamic financing to customers	8	**8,094,582**	7,679,734	7,462,264
Investment in Sukuk	9	**1,026,079**	1,040,616	1,023,468
Other investment securities	9	**205,064**	249,550	217,617
Investment properties		**92,456**	92,676	89,686
Other assets		**108,617**	97,665	111,402
Property and equipment		**192,822**	187,397	181,087
Total assets		**10,592,712**	10,201,278	9,952,562
Liabilities and equity				
Liabilities				
Due to banks		**299,995**	293,764	338,683
Depositors' accounts		**8,425,767**	7,997,005	7,862,613
Certificates of deposit issued		**60,809**	104,571	-
Medium term financing	10	**491,148**	520,450	517,758
Other liabilities		**158,621**	147,603	142,545
Total liabilities		**9,436,340**	9,063,393	8,861,599
Equity				
Share capital	19	**471,958**	441,082	441,082
Share premium		**316,942**	316,942	316,942
Proposed bonus shares	19	**-**	30,876	-
Treasury shares	12	**(54)**	(54)	(54)
Statutory reserve		**75,933**	75,933	65,407
Voluntary reserve		**15,327**	15,327	15,327
Other reserves	13	**(790)**	2,198	(2,859)
Retained earnings		**104,091**	52,429	81,687
Proposed cash dividends	19	**-**	30,871	-
Equity attributable to equity holders of the Bank		**983,407**	965,604	917,532
Perpetual Tier 1 Sukuk	18	**150,385**	150,385	150,385
Non-controlling interests		**22,580**	21,896	23,046
Total equity		**1,156,372**	1,137,885	1,090,963
Total liabilities and equity		**10,592,712**	10,201,278	9,952,562



Abdulaziz Abdullah Dakheel Al-Shaya
Chairman



Adel Abdul Wahab Al Majed
Vice Chairman & Group Chief Executive Officer

The notes from 1 to 20 form an integral part of this interim condensed consolidated financial information.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January 2026 to 30 June 2026

	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 13)	Retained earnings	Proposed cash dividends	Equity attributable to equity holders of the Bank	Perpetual tier 1 Sukuk	Non-controlling interests	Total equity
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000s	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
Balance at 1 January 2026	**441,082**	**316,942**	**30,876**	**(54)**	**75,933**	**15,327**	**2,198**	**52,429**	**30,871**	**965,604**	**150,385**	**21,896**	**1,137,885**
Net Profit for the period	-	-	-	-	-	-	-	**54,719**	-	**54,719**	-	**1,031**	**55,750**
Other comprehensive loss	-	-	-	-	-	-	**(2,988)**	-	-	**(2,988)**	-	**(155)**	**(3,143)**
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	**(2,988)**	**54,719**	-	**51,731**	-	**876**	**52,607**
Dividends paid (note 19)	-	-	-	-	-	-	-	-	**(30,871)**	**(30,871)**	-	-	**(30,871)**
Issue of bonus shares (note 19)	**30,876**	-	**(30,876)**	-	-	-	-	-	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	**(3,057)**	-	**(3,057)**	-	-	**(3,057)**
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	**(192)**	**(192)**
Balance at 30 June 2026	**471,958**	**316,942**	**-**	**(54)**	**75,933**	**15,327**	**(790)**	**104,091**	**-**	**983,407**	**150,385**	**22,580**	**1,156,372**
Balance at 1 January 2025	420,078	316,942	21,004	(54)	65,407	15,327	(238)	32,428	42,002	912,896	150,385	22,779	1,086,060
Net Profit for the period	-	-	-	-	-	-	-	52,301	-	52,301	-	(96)	52,205
Other comprehensive (loss) / income	-	-	-	-	-	-	(2,621)	-	-	(2,621)	-	1,617	(1,004)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(2,621)	52,301	-	49,680	-	1,521	51,201
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(42,002)	(42,002)	-	-	(42,002)
Issue of bonus shares (note 19)	21,004	-	(21,004)	-	-	-	-	-	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(3,042)	-	(3,042)	-	-	(3,042)
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,254)	(1,254)
Balance at 30 June 2025	441,082	316,942	-	(54)	65,407	15,327	(2,859)	81,687	-	917,532	150,385	23,046	1,090,963

The notes from 1 to 20 form an integral part of this interim condensed consolidated financial information.

	Notes	Six months ended 30 June	
		2026	2025
		KD'000's	KD'000's
OPERATING ACTIVITIES			
Net profit for the period		**55,750**	52,205
Adjustments for:			
Provision for impairment	4	**8,689**	6,987
Depreciation		**9,954**	9,341
Dividend income	3	**(5,621)**	(5,388)
Net gain from financial assets at fair value through profit or loss	3	**(3,233)**	(69)
Unrealized gain from change in fair value of investment properties	3	**-**	(1,116)
Profit on Medium Term Financing		**11,373**	8,953
Share of results of associates	3	**59**	(31)
Operating profit before changes in operating assets and liabilities		**76,971**	70,882
Changes in operating assets and liabilities:			
Deposits with Central Bank of Kuwait		**(145,972)**	(72,616)
Deposits with other banks		**(12,389)**	13,823
Islamic financing to customers		**(429,687)**	(565,426)
Other assets		**(5,378)**	(31,569)
Due to banks		**6,231**	52,246
Depositors' accounts		**429,422**	447,402
Certificates of deposit issued		**(42,794)**	-
Other liabilities		**819**	6,117
Net cash used in operating activities		**(122,777)**	(79,141)
INVESTING ACTIVITIES			
Purchase of investment securities		**(30,550)**	(92,610)
Proceeds from sale/redemption of investment securities		**90,808**	102,292
Acquisition of investment in associate		**(300)**	-
Purchase of property and equipment		**(15,480)**	(22,305)
Dividend income received	3	**5,621**	5,388
Net cash generated from/ (used in) investing activities		**50,099**	(7,235)
FINANCING ACTIVITIES			
Profit distribution on perpetual Tier 1 Sukuk		**(3,057)**	(3,042)
Redemption and profit paid on medium term financing		**(33,513)**	(234,180)
Proceeds from other medium term financing		**-**	307,529
Net movement of non-controlling interest		**(192)**	(1,254)
Dividends paid	19	**(30,871)**	(42,002)
Net cash (used in)/ generated from financing activities		**(67,633)**	27,051
Net change in cash and cash equivalents		**(140,311)**	(59,325)
Foreign currency translation adjustments		**2,659**	1,625
Cash and cash equivalents at beginning of the period		**542,457**	685,717
Cash and cash equivalents at end of the period	7	**404,805**	628,017

The notes from 1 to 20 form an integral part of this interim condensed consolidated financial information.

1. INCORPORATION AND ACTIVITIES

Boubyan Bank K.S.C.P. ("the Bank") is a Kuwaiti public shareholding company incorporated on 21 September 2004, in accordance with the Commercial Companies Law in the State of Kuwait, by Amiri Decree No. 88 published on April 18th 2004, in accordance with the rules and regulations of the Central Bank of Kuwait ("CBK") (Law No. 30 of 2003).

The Bank's shares were listed on the Kuwait Stock Exchange on 15 May 2006.

The Bank was licensed by the Central Bank of Kuwait to do business on 28 November 2004.

The Bank is principally engaged in providing banking services, in accordance with Codes of the Islamic Sharia'a, as approved by the Bank's Sharia'a Supervisory Board. The Bank's Memorandum of Incorporation and Articles of Association were amended by adding a new activity, namely, offering securities or selling the same for their issuer, its affiliate or obtaining securities from the issuer or its affiliate for remarketing (issuance management). In addition to the activity of purchase and sale of land plots and all types of real estate properties for their financing purposes as per the provisions of Law no. 32 of 1968 Concerning Currency, the Central Bank of Kuwait, and Organization of the Banking Business.

The Bank is a subsidiary of National Bank of Kuwait S.A.K.P ("the Parent Company").

This interim condensed consolidated financial information as at and for the six months period ended 30 June 2026 incorporates the financial information of the Bank and its principal operating subsidiaries, BLME Holdings limited, Boubyan Takaful Insurance Company K.S.C. (Closed) and Boubyan Capital Investment Company K.S.C. (Closed), (together referred to as "the Group") and the Group's interests in associates.

The address of the Bank's registered office is P.O. Box 25507, Safat 13116, State of Kuwait.

This interim condensed consolidated financial information was authorised for issue by the Board of Directors on 7 July 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

(a) The interim condensed consolidated financial information of the Group for period ended 30 June 2026 has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting', as amended for point (b) below:

(b) The interim condensed consolidated financial information have been prepared in accordance with the regulations for financial services institutions as issued by the Central Bank of Kuwait ("CBK") in the State of Kuwait. These regulations require banks and other financial institutions regulated by CBK to adopt the IFRS - Accounting Standards as issued by International Accounting Standards Board (IASB) with the following amendment:

- Expected credit loss ("ECL") to be measured at the higher of ECL provision on credit facilities computed under IFRS 9 in accordance with CBK guidelines or the provisions as required by CBK instructions along with its consequent impact on related disclosures.

The above framework is herein after referred to as 'IFRS – Accounting Standards as adopted by CBK for use by the State of Kuwait'.

The interim condensed consolidated financial information does not contain all information and disclosures required for full financial statements prepared in accordance with IFRS – Accounting Standards, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2025. Further, results for the six months period ended 30 June 2026, are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025.

Amendments to IFRS – Accounting Standards which are effective for annual accounting period starting from 1 January 2026 did not have any material impact on the accounting policies, financial position or performance of the Group.

3. NET INVESTMENT INCOME

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	KD'000's	KD'000's	**KD'000's**	KD'000's
Dividend income	**3,043**	3,203	**5,621**	5,388
Net rental income from investment properties	**1,517**	938	**3,005**	1,917
Net gain/ (loss) from financial assets at fair value through profit or loss	**1,434**	(479)	**3,233**	69
Unrealized gain from changes in fair value of investment properties	**-**	1,116	**-**	1,116
Gain from investment properties	**-**	-	**-**	208
Share of results of associates	**9**	20	**(59)**	31
	6,003	4,798	**11,800**	8,729

4. PROVISION FOR IMPAIRMENT

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	KD'000's	KD'000's	**KD'000's**	KD'000's
Provision charge for Islamic financing to customers	**4,885**	482	**6,339**	3,725
ECL – Other financial assets	**77**	1,103	**366**	1,100
Other provisions for impairment	**(74)**	1,969	**1,984**	2,162
	4,888	3,554	**8,689**	6,987

5. TAXATION

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	KD'000's	KD'000's	**KD'000's**	KD'000's
Domestic Minimum Top-up Tax ("DMTT")	**4,026**	3,119	**7,287**	6,906
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	**273**	263	**537**	538
Overseas tax	**(12)**	383	**1,825**	675
Other tax	**(1,475)**	-	**(1,475)**	-
	2,812	3,765	**8,174**	8,119

Pillar 2 Income Taxes

The State of Kuwait issued Law Number 157 of 2024 on 31 December 2024 (the Law) introducing domestic minimum top-up tax (DMTT) effective from the year 2025 on entities, which are part of MNE Group with annual revenues of EUR 750 million, or more. The Law provides that a top-up tax shall be payable on the taxable income at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group operating within Kuwait. The taxable income and effective tax rate are computed in accordance with the executive regulations, which were issued through ministerial resolution no. 55 of 2025. The Law effectively replaces the existing National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

6. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into shares.

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
Net profit for the period attributable to the equity holders of the Bank (KD'000)	**28,316**	25,820	**54,719**	52,301
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	**-**	-	**(3,057)**	(3,042)
	28,316	25,820	**51,662**	49,259
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	**4,718,857**	4,718,935	**4,718,871**	4,718,945
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	**6.00**	5.47	**10.95**	10.44

Earnings per share for the prior period were 5.85 and 11.17 fils before retroactive adjustment to the number of shares following the bonus shares issued in 2026 (note 19).

7. CASH AND CASH EQUIVALENTS

		(Audited)	
	30 June 2026	31 December 2025	30 June 2025
	KD'000's	KD'000's	KD'000's
Cash and balances with banks	**375,082**	353,679	527,965
Placements with banks maturing within seven days	**29,723**	188,778	100,052
	404,805	542,457	628,017

8. ISLAMIC FINANCING TO CUSTOMERS

		(Audited)	
	30 June 2026	31 December 2025	30 June 2025
	KD'000's	KD'000's	KD'000's
Islamic financing to customers	**8,312,184**	7,892,752	7,688,859
Provision for impairment	**(217,602)**	(213,018)	(226,595)
	8,094,582	7,679,734	7,462,264

The available provision for impairment on non-cash facilities of **KD 8,088 thousands** (31 December 2025: KD 8,463 thousands, 30 June 2025: KD 4,036 thousands) is included under other liabilities. The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to **KD 225,690 thousand** as at 30 June 2026 (31 December 2025: KD 221,481 thousand, 30 June 2025: KD 230,631 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to **KD 123,618 thousand** as at 30 June 2026 (31 December 2025: KD 111,383 thousands, 30 June 2025: KD 110,257 thousands) which is lower than the provision for impairment of Islamic finance to customers required under CBK regulations. CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

8. ISLAMIC FINANCING TO CUSTOMERS (continued)

An analysis of the gross carrying amounts of Islamic financing to customers, and the corresponding Expected Credit Losses based on the staging criteria under IFRS 9 in accordance with CBK regulations. For contingent liabilities, the amounts in the table represent the amounts committed or guaranteed, respectively.

	Stage 1 KD'000's	Stage 2 KD'000's	Stage 3 KD'000's	Total KD'000's
30 June 2026				
Islamic financing to customers	**7,949,012**	**280,239**	**82,933**	**8,312,184**
Contingent liabilities (Note 14)	**724,534**	**41,620**	**19,041**	**785,195**
Commitments (revocable and irrevocable) to extend credit	**1,856,007**	**25,543**	**629**	**1,882,179**
31 December 2025 (Audited)				
Islamic financing to customers	7,556,330	249,792	86,630	7,892,752
Contingent liabilities (Note 14)	606,533	36,530	21,764	664,827
Commitments (revocable and irrevocable) to extend credit	1,922,031	26,722	4,989	1,953,742
30 June 2025				
Islamic financing to customers	7,312,378	299,265	77,216	7,688,859
Contingent liabilities (Note 14)	509,131	68,014	1,148	578,293
Commitments (revocable and irrevocable) to extend credit	1,788,108	83,512	472	1,872,092

An analysis of the changes in the Expected Credit Losses in relation to Islamic financing to customers (cash and non-cash facilities) computed under IFRS 9 in accordance to the CBK guidelines:

	Stage 1 KD 000's	Stage 2 KD 000's	Stage 3 KD 000's	Total KD 000's
30 June 2026				
ECL allowance as at 1 January 2026	**24,391**	**15,015**	**71,977**	**111,383**
Impact due to transfer between stages				
Transfer from Stage 1	**(1,080)**	**790**	**290**	**-**
Transfer from Stage 2	**1,578**	**(2,900)**	**1,322**	**-**
Transfer from Stage 3	**2,150**	**580**	**(2,730)**	**-**
Additional ECL for the period	**7,727**	**6,388**	**64**	**14,179**
Amounts written off and recoveries	**-**	**-**	**(1,972)**	**(1,972)**
Foreign currency translation	**73**	**(13)**	**(32)**	**28**
At 30 June 2026	**34,839**	**19,860**	**68,919**	**123,618**
30 June 2025				
ECL allowance as at 1 January 2025	19,895	36,711	41,884	98,490
Impact due to transfer between stages				
Transfer from Stage 1	(863)	697	166	-
Transfer from Stage 2	3,213	(4,871)	1,658	-
Transfer from Stage 3	2,392	332	(2,724)	-
Additional ECL for the period	4,771	2,889	10,149	17,809
Amounts written off and recoveries	-	-	(6,441)	(6,441)
Foreign currency translation	9	38	352	399
At 30 June 2025	29,417	35,796	45,044	110,257

9. INVESTMENT SECURITIES

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD'000's	KD'000's	KD'000's
Investment in Sukuk	**1,026,079**	1,040,616	1,023,468
Other investment securities			
Financial assets at fair value through profit or loss	**182,946**	228,215	195,738
Financial assets at fair value through other comprehensive income	**21,567**	21,024	21,476
Investment in associates	**551**	311	403
	205,064	249,550	217,617
	1,231,143	1,290,166	1,241,085

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD'000's	KD'000's	KD'000's
Investment in Sukuk			
Investment in Sukuk- fair value through other comprehensive income	**1,026,079**	1,040,616	1,020,759
Investment in Sukuk- fair value through profit or loss	**-**	-	2,709
	1,026,079	1,040,616	1,023,468
Financial assets at fair value through profit or loss			
Investment in unquoted equity funds	**180,655**	226,054	193,605
Managed securities portfolio	**2,291**	2,161	2,133
	182,946	228,215	195,738
Financial assets at fair value through other comprehensive income			
Investment in unquoted equity securities	**13,939**	14,248	14,361
Investment in quoted securities	**7,628**	6,776	7,115
	21,567	21,024	21,476

10. MEDIUM TERM FINANCING

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD'000's	KD'000's	KD'000's
Global Medium Term Sukuk ("GMTN programme")*	**305,759**	305,781	303,246
Other medium term financing**	**185,389**	214,669	214,512
	491,148	520,450	517,758

* The Bank established a USD 1 billion Global Medium Term Sukuk programme ("GMTN programme") in 2019, which has been subsequently revised to USD 3 billion in 2022.

During the prior years, on 29 March 2022, the Bank issued senior unsecured Sukuk amounting to USD 500 million due in March 2027 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 per cent of nominal value and carries a fixed profit rate at 3.389% per annum payable semi-annually in arrears.

On 4 June 2025, the Bank issued senior unsecured Sukuk amounting to USD 500 million due in June 2030 under the GMTN programme through a wholly owned special purpose vehicle. This Sukuk was issued at 100 percent of nominal value and carries a fixed profit rate at 4.973% per annum payable semi-annually in arrears.

** Other medium term financing has a tenor of three years and carry a profit rate in the range of 4.51% to 4.52% (31 December 2025: 4.55% to 4.81%, 30 June 2025: 5.1% to 5.2%) per annum.

11. RELATED PARTY TRANSACTIONS

Related parties comprise the major shareholders, board of directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members and the Parent Company including their board member, key management personnel, branches, associates and subsidiaries. Balances with related parties arise from commercial transactions in the normal course of business and are included within the following financial information captions:

	Number of board members or executive officers (Audited)			Number of related parties (Audited)			(Audited)		
	30 June 2026	31 December 2025	30 June 2025	**30 June 2026**	31 December 2025	30 June 2025	**30 June 2026**	31 December 2025	30 June 2025
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	**18**	18	15	**20**	18	9	**83,149**	84,462	85,591
Depositors' accounts	**27**	28	32	**65**	62	45	**12,890**	18,108	25,454
Letters of guarantee and letters of credit	-	-	1	**2**	3	2	**2,511**	2,515	2,546
Murabaha and other Islamic financing income							**1,882**	4,117	2,072
Finance cost and distribution to depositors							**(139)**	(415)	(164)
Collateral against Islamic finance to customers							**102,865**	103,315	99,686
Parent Company									
Due from banks							**5,694**	17,297	135,739
Due to banks							**3,282**	32,823	77,862
Islamic financing to customers							**4,768**	2,679	1,359
Depositors accounts							**2,117**	2,137	2,382
Letters of guarantee and letters of credit							**5,984**	7,198	5,988
Murabaha and other Islamic financing income							**723**	2,787	1,143
Finance cost and distribution to depositors							**(520)**	(2,591)	(934)
Collateral against Islamic finance to customers							**-**	-	1,259

11. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

Details of compensation to key management comprise the following:

	Three months ended 30 June		Six months ended 30 June	
	2026	2025	**2026**	2025
	KD'000's	KD'000's	**KD'000's**	KD'000's
Short-term benefits	**799**	949	**1,597**	1,915
Post-employment benefits	**39**	269	**78**	396
Deferred compensation	**227**	256	**454**	519
	1,065	1,474	**2,129**	2,830

12. TREASURY SHARES

The Bank held the following treasury shares:

	30 June 2026	(Audited) 31 December 2025	30 June 2025
Number of treasury shares	**726,040**	649,638	649,638
Treasury shares as a percentage of total issued shares - %	**0.01538%**	0.01473%	0.01473%
Cost of treasury shares – (KD'000s)	**54**	54	54
Market value of treasury shares – (KD'000s)	**441**	464	439
Weighted average of market value per share – KD	**0.668**	0.688	0.668

13. OTHER RESERVES

	Fair value reserve	**Foreign currency translation reserve**	**Change in actuarial valuation reserve**	**Total**
	KD'000's	**KD'000's**	**KD'000s**	**KD'000's**
Balance at 1 January 2026	**16,787**	**(12,545)**	**(2,044)**	**2,198**
Other comprehensive loss for the period	**(2,882)**	**(106)**	**-**	**(2,988)**
Balance at 30 June 2026	**13,905**	**(12,651)**	**(2,044)**	**(790)**
Balance at 1 January 2025	13,146	(12,713)	(671)	(238)
Other comprehensive loss for the period	(2,211)	(410)	-	(2,621)
Balance at 30 June 2025	10,935	(13,123)	(671)	(2,859)

14. CONTINGENCIES AND COMMITMENTS

At the financial reporting date there were outstanding contingencies and commitments entered into during the ordinary course of business in respect of the following:

	30 June 2026	(Audited) 31 December 2025	30 June 2025
	KD'000's	KD'000's	KD'000's
Letters of guarantee	**647,231**	537,369	462,159
Letters of credit and Acceptances	**137,964**	127,458	116,134
Capital commitments and irrevocable undrawn financing commitments	**199,898**	257,197	156,800
	985,093	922,024	735,093

15. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the decision makers in order to allocate resources to the segments and to assess their performance. The operating segments are divided as either business segments or geographical segments.

Business Segments

For management purposes, the Bank is organized into the following four major business segments:

Consumer banking: Provides a diversified range of products and services to individuals and institutional customers. The range includes consumer finance, credit cards, deposits and other branch related services.

Corporate banking: Provides Murabaha, Ijarah, trade service and other related services to business and corporate customers.

Investment banking and International operations: Principally handling direct investments, investment in associates, local and international real estate investment, asset and wealth management.

Treasury: Principally handling local and international Murabaha and other Islamic financing, primarily with banks, as well as the management of the Bank's funding operations.

Group centre*:* Includes other group activities and residual in respect of transfer pricing and inter segment allocation.

	Consumer banking	**Corporate banking**	**Investment banking and International operations**	**Treasury**	**Group centre**	**Total**
	KD'000's	**KD'000's**	**KD'000's**	**KD'000's**	**KD'000's**	**KD'000's**
Six months ended 30 June 2026						
Net financing income	**64,987**	**32,801**	**5,123**	**6,630**	**(2,363)**	**107,178**
Operating income/(loss)	**70,449**	**37,903**	**23,393**	**11,118**	**(3,615)**	**139,248**
Net profit/(loss) for the period	**39,418**	**36,885**	**5,219**	**10,245**	**(36,017)**	**55,750**
Total assets	**3,142,329**	**4,625,811**	**849,162**	**1,786,838**	**188,572**	**10,592,712**
Total liabilities	**5,505,284**	**645,877**	**610,928**	**2,080,593**	**593,658**	**9,436,340**
Six months ended 30 June 2025						
Net financing income	60,775	30,480	7,247	9,613	(5,299)	102,816
Operating income/(loss)	64,946	35,269	22,954	14,074	(5,991)	131,252
Net profit/(loss) for the period	35,775	31,447	8,749	13,489	(37,255)	52,205
Total assets	2,896,406	4,265,183	808,750	1,789,988	192,235	9,952,562
Total liabilities	5,416,432	515,177	612,487	1,735,582	581,921	8,861,599

16. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date. Fair values are obtained from quoted market prices, discounted cash flow models or other models as appropriate.

Fair value hierarchy

The table below analyses financial instruments measured at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: input other than quoted prices included within Level 1 that are observable, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	KD'000's	KD'000's	KD'000's	KD'000's
30 June 2026				
Investment in Sukuk	**1,026,079**	**-**	**-**	**1,026,079**
Other investment securities				
Financial assets at fair value through profit or loss	**2,291**	**180,655**	**-**	**182,946**
Financial assets at fair value through other comprehensive income	**7,628**	**-**	**13,939**	**21,567**
	1,035,998	**180,655**	**13,939**	**1,230,592**
31 December 2025 (Audited)				
Investment in Sukuk	1,040,616	-	-	1,040,616
Other investment securities				
Financial assets at fair value through profit or loss	2,161	226,054	-	228,215
Financial assets at fair value through other comprehensive income	6,776	-	14,248	21,024
	1,049,553	226,054	14,248	1,289,855
30 June 2025				
Investment in Sukuk	1,023,468	-	-	1,023,468
Other investment securities				
Financial assets at fair value through profit or loss	2,133	193,605	-	195,738
Financial assets at fair value through other comprehensive income	7,115	-	14,361	21,476
	1,032,716	193,605	14,361	1,240,682

Fair values of other financial instruments carried at amortized cost are not materially different from their carrying values.

The movement in Level 3 of financial instrument during the period are as follows:

	At 1 January	Change in fair value	Additions	Sale/ redemption	Exchange rate movements	At 30 June
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
30 June 2026:						
Assets measured at fair value						
Financial assets at fair value through other comprehensive income	**14,248**	**(135)**	**-**	**(193)**	**19**	**13,939**
	14,248	**(135)**	**-**	**(193)**	**19**	**13,939**
30 June 2025:						
Assets measured at fair value						
Financial assets at fair value through other comprehensive income	14,077	-	303	-	(19)	14,361
	14,077	-	303	-	(19)	14,361

The impact on the interim condensed consolidated statement of financial position or the interim condensed consolidated statement of profit or loss and statement of other comprehensive income would be immaterial if the relevant risk variables used to fair value the securities classified under level 2 and level 3 were altered by 5 percent.

17. DERIVATIVES

In the ordinary course of business, the Bank enters into various types of transactions that involve Sharia'a approved derivative financial instruments such as currency swaps, profit rate swaps and forward foreign exchange contracts to mitigate foreign currency and profit rate risk. A derivative financial instrument is a financial contract between two parties where payments are dependent upon movements in price of one or more underlying financial instruments, reference rate or index.

Currency swaps

Currency swaps is a contractual agreement between two parties to buy a Sharia'a compliant asset at an agreed price on the relevant future date in different currencies. The fixed or floating payments as well as notional amounts are exchanged in different currencies.

Profit rate swaps

Profit rate swaps are contractual agreements between two counter-parties to exchange fixed and floating payments based on a notional value in a single currency.

Forward foreign exchange contracts

Forward foreign exchange contracts are agreements to buy or sell currencies at a specified rate and at a future date.

The notional amount, disclosed gross, is the amount of a derivative's underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are neither indicative of the market risk nor credit risk.

The fair value of Islamic derivative financial instruments included in the financial records, together with their notional amounts is summarised as follows:

	30 June 2026			31 December 2025 (Audited)			30 June 2025		
	Positive fair value	**Negative fair value**	**Notional**	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
	KD'000s	**KD'000s**	**KD'000s**	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s
Profit rate swaps (held as fair value hedges)	**7,951**	**(5,594)**	**907,778**	6,971	(9,235)	926,584	8,822	(10,330)	953,605
Cross currency swaps	**1,229**	**(148)**	**354,085**	1,341	(462)	404,655	-	(5,721)	564,996
Forward foreign exchange contracts	**185**	**(115)**	**67,975**	4	-	40,893	22	(2)	125,906
	9,365	**(5,857)**	**1,329,838**	8,316	(9,697)	1,372,132	8,844	(16,053)	1,644,507

All of the above Islamic derivative financial instruments are included in Level 2 of fair value hierarchy as at 30 June 2026, 31 December 2025 and 30 June 2025.

18. PERPETUAL TIER 1 SUKUK

During the previous years on 1 April 2021, the Bank has issued "Tier 1 Sukuk – 2021", through a Sharia's compliant Sukuk arrangement amounting to USD 500 million which was fully allocated. Tier 1 Sukuk -2021 is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The Tier 1 Sukuk – 2021 is callable by the Bank on 1 October 2026 and bears an expected profit rate of **3.95%** per annum to be paid semi-annually in arrears. The expected profit rate will be reset on 1 April 2027 based on then prevailing 6 years US Treasury Rate plus initial margin of **2.896%** per annum. The net proceeds are invested by way of Mudaraba with the Bank (as Mudareb) on an unrestricted co-mingling basis, by the Bank in its general business activities carried out through the general Mudaraba pool. Mudaraba profit will not be accumulated and the event is not considered an event of default.

19. ANNUAL GENERAL ASSEMBLY MEETING

The Annual General Assembly meeting of the shareholders held on 10 March 2026 approved the consolidated financial statements for the year ended 31 December 2025, 7% bonus shares (2024: 5%) and a cash dividend of 7 fils per share per share after deduction of treasury shares (2024: 10 fils per share) for the year ended 31 December 2025.

The cash dividend paid amounted to **KD 30,871 thousand** (2024: KD 42,002 thousand) and the bonus shares increased the number of issued and fully paid up shares by **308,757,597** shares (2024: 210,039,181 shares) and increase in share capital by **KD 30,876 thousand** (2024: KD 21,004 thousand). The approved bonus shares and cash dividends were distributed on 9 April 2026.

20. IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Kuwait where the Group operates, resulting in regional disruptions such as airspace closures, flight cancellations, supply chain delays and heightened uncertainty. These developments continue to evolve and have created increased business and economic's uncertainties.

In response to address the crisis, the Central Bank of Kuwait (CBK) implemented various measures targeted at reinforcing the banking sector's ability to play a vital role in the economy, including but not limited to the expansion of lending capacity, strengthening financing capabilities and in the provision of liquidity to impacted customers. Some of the important measures are given below:

- Reducing the Liquidity Coverage Ratio (LCR) from 100% to 80%
- Reducing the Net Stable Funding Ratio (NSFR) from 100% to 80%
- Reducing the Regulatory Liquidity Ratio from 18% to 15%
- Increasing the permissible negative cumulative liquidity gap
- Increasing the maximum lending limit (MLL) from 90% to 100%
- Releasing 1.0% of risk weighted assets from the Capital Conservation Buffer (CET1), reducing the capital adequacy requirement from 13% to 12%

Similar measures were announced in many of the jurisdictions where the Group has operations.

Expected Credit Loss (ECL) estimates

The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event in its estimation of ECL requirements for the period ended 30 June 2026. The Group has also given specific consideration on the relevant quantitative and qualitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.

Notwithstanding the above, ECL requirement for credit facilities estimated as at 30 June 2026 continues to be lower than the provisions required as per CBK instructions. In accordance with Group accounting policy, the higher amount, being the provision required as per CBK instructions, is therefore recognized as the provision requirement for credit losses on credit facilities.

Fair value measurement of financial and non-financial assets

The Group considered the potential impact of the current economic volatility on the reported amounts of the Group's fair value of the financial and non-financial assets. The reported amounts best represent management's assessment of the fair values based on observable information. Markets, however, remain volatile and asset carrying values remain sensitive to market fluctuations. The impact of the highly uncertain economic environment remains judgmental, and the Group will accordingly continue to reassess its position and the related impact on a regular basis.

Management continues to monitor the situation and assess potential impacts on the Group. As of the date of authorization of these interim condensed consolidated financial information, the financial effects cannot be reliably estimated due to the evolving nature of the events.