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

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

31 MARCH 2026 (UNAUDITED)

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Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
Burj Alshaya, 16TH & 17TH Floor
Al Soor Street, Mirqab
Safat 13001, State of Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
https://www.ey.com

Deloitte & Touche
Al-Wazzan & Co.

Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20174, Safat 13062
Kuwait

Tel : + 965 22408844, 22438060
Fax: + 965 22408855, 22452080
www.deloitte.com

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 31 March 2026, and the related interim condensed consolidated statement of profit or loss, statement of other comprehensive income, statement of changes in equity and statement of cash flow for the three 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 three months period ended 31 March 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 three months period ended 31 March 2026 that might have had a material effect on the business of the Bank or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

BADER A. AL-WAZZAN
LICENCE NO. 62A
DELOITTE & TOUCHE
AL-WAZZAN & CO.

23 April 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 31 March 2026

		Three months ended 31 March	
		2026	2025
	Notes	**KD'000's**	KD'000's
Income			
Murabaha and other Islamic financing income		**121,905**	116,626
Finance cost and distribution to depositors		**(69,410)**	(67,126)
Net financing income		**52,495**	49,500
Net investment income	3	**5,797**	3,931
Net fees and commission income		**9,400**	9,891
Net foreign exchange gain		**2,403**	2,091
Operating income		**70,095**	65,413
Staff costs		**(18,097)**	(16,260)
General and administrative expenses		**(10,616)**	(9,716)
Depreciation		**(5,009)**	(4,593)
Operating expenses		**(33,722)**	(30,569)
Operating profit before provision for impairment		**36,373**	34,844
Provision for impairment	4	**(3,801)**	(3,433)
Operating profit before deductions		**32,572**	31,411
Taxation	5	**(5,362)**	(4,354)
Net profit for the period		**27,210**	27,057
Attributable to:			
Equity holders of the Bank		**26,403**	26,481
Non-controlling interests		**807**	576
Net profit for the period		**27,210**	27,057
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	6	**4.95**	4.97

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 31 March 2026

	Three months ended 31 March	
	2026	2025
	KD'000's	KD'000's
Net profit for the period	**27,210**	27,057
Other comprehensive (loss) / income:		
Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:		
Change in fair value of debt investments at fair value through other comprehensive income	**(12,137)**	(1,514)
Foreign currency translation adjustments	**(320)**	616
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	**300**	(468)
Other comprehensive loss for the period	**(12,157)**	(1,366)
Total comprehensive income for the period	**15,053**	25,691
Attributable to:		
Equity holders of the Bank	**14,493**	24,493
Non-controlling interests	**560**	1,198
Total comprehensive income for the period	**15,053**	25,691

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 31 March 2026

	Notes	**31 March 2026**	(Audited) 31 December 2025	31 March 2025
		KD'000's	KD'000's	KD'000's
Assets				
Cash and balances with banks	7	**406,798**	353,679	640,716
Placements with Central Bank of Kuwait		**325,148**	363,430	60,236
Deposits with other banks		**146,183**	136,531	65,087
Islamic financing to customers	8	**7,818,804**	7,679,734	7,272,064
Investment in Sukuk	9	**1,039,717**	1,040,616	1,094,731
Other investment securities	9	**249,010**	249,550	208,078
Investment properties		**92,232**	92,676	69,151
Other assets		**92,737**	97,665	136,470
Property and equipment		**187,695**	187,397	174,151
Total assets		**10,358,324**	10,201,278	9,720,684
Liabilities and equity				
Liabilities				
Due to banks		**176,413**	293,764	217,183
Depositors' accounts		**8,238,612**	7,997,005	7,881,330
Certificates of deposit issued		**116,483**	104,571	-
Medium term financing	10	**522,489**	520,450	367,205
Other liabilities		**185,346**	147,603	188,292
Total liabilities		**9,239,343**	9,063,393	8,654,010
Equity				
Share capital		**441,082**	441,082	420,078
Share premium		**316,942**	316,942	316,942
Proposed bonus shares	19	**30,876**	30,876	21,004
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	**(9,712)**	2,198	(2,226)
Retained earnings		**75,775**	52,429	55,867
Proposed cash dividends	19	**-**	30,871	-
Equity attributable to equity holders of the Bank		**946,169**	965,604	892,345
Perpetual Tier 1 Sukuk	18	**150,385**	150,385	150,385
Non-controlling interests		**22,427**	21,896	23,944
Total equity		**1,118,981**	1,137,885	1,066,674
Total liabilities and equity		**10,358,324**	10,201,278	9,720,684

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.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the period from 1 January 2026 to 31 March 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	-	-	-	-	-	-	-	**26,403**	-	**26,403**	-	**807**	**27,210**
Other comprehensive loss	-	-	-	-	-	-	**(11,910)**	-	-	**(11,910)**	-	**(247)**	**(12,157)**
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	**(11,910)**	**26,403**	-	**14,493**	-	**560**	**15,053**
Dividends payable (note 19)	-	-	-	-	-	-	-	-	**(30,871)**	**(30,871)**	-	-	**(30,871)**
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	**(3,057)**	-	**(3,057)**	-	-	**(3,057)**
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	**(29)**	**(29)**
Balance at 31 March 2026	**441,082**	**316,942**	**30,876**	**(54)**	**75,933**	**15,327**	**(9,712)**	**75,775**	**-**	**946,169**	**150,385**	**22,427**	**1,118,981**
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	-	-	-	-	-	-	-	26,481	-	26,481	-	576	27,057
Other comprehensive (loss) / income	-	-	-	-	-	-	(1,988)	-	-	(1,988)	-	622	(1,366)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(1,988)	26,481	-	24,493	-	1,198	25,691
Dividends payable (note 19)	-	-	-	-	-	-	-	-	(42,002)	(42,002)	-	-	(42,002)
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(3,042)	-	(3,042)	-	-	(3,042)
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(33)	(33)
Balance at 31 March 2025	420,078	316,942	21,004	(54)	65,407	15,327	(2,226)	55,867	-	892,345	150,385	23,944	1,066,674

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2026 to 31 March 2026

	Notes	Three months ended 31 March 2026 KD'000's	2025 KD'000's
OPERATING ACTIVITIES			
Net profit for the period		**27,210**	27,057
Adjustments for:			
Provision for impairment	4	**3,801**	3,433
Depreciation		**5,009**	4,593
Dividend income	3	**(2,578)**	(2,185)
Net gain from financial assets at fair value through profit or loss	3	**(1,799)**	(548)
Profit on Medium Term Financing		**5,811**	4,190
Share of results of associates	3	**68**	(11)
Operating profit before changes in operating assets and liabilities		**37,522**	36,529
Changes in operating assets and liabilities:			
Deposits with Central Bank of Kuwait		**8,266**	9,921
Deposits with other banks		**2,391**	55,020
Islamic financing to customers		**(145,322)**	(349,850)
Other assets		**6,334**	(48,358)
Due to banks		**(117,351)**	(69,254)
Depositors' accounts		**242,148**	452,521
Certificates of deposit issued		**12,455**	-
Other liabilities		**3,532**	9,937
Net cash generated from operating activities		**49,975**	96,466
INVESTING ACTIVITIES			
Purchase of investment securities		**(24,608)**	(70,374)
Proceeds from sale/redemption of investment securities		**17,692**	27,662
Acquisition of investment in associate		**(300)**	-
Purchase of property and equipment		**(5,341)**	(10,621)
Dividend income received	3	**2,578**	2,185
Net cash used in investing activities		**(9,979)**	(51,148)
FINANCING ACTIVITIES			
Profit distribution on perpetual Tier 1 Sukuk		**(3,057)**	(3,042)
Redemption and profit paid on medium term financing		**(2,618)**	(234,180)
Proceeds from medium term financing		**-**	154,203
Net movement of non-controlling interest		**(29)**	(33)
Net cash used in financing activities		**(5,704)**	(83,052)
Net increase / (decrease) in cash and cash equivalents		**34,292**	(37,734)
Foreign currency translation adjustments		**1,127**	2,837
Cash and cash equivalents at beginning of the period		**542,457**	685,717
Cash and cash equivalents at end of the period	7	**577,876**	650,820

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 three months period ended 31 March 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 12 April 2026.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

(a) The interim condensed consolidated financial information of the Group for period ended 31 March 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 three months period ended 31 March 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 31 March	
	2026	2025
	KD'000's	KD'000's
Dividend income	**2,578**	2,185
Net rental income from investment properties	**1,488**	979
Net gain from financial assets at fair value through profit or loss	**1,799**	548
Gain from investment properties	**-**	208
Share of results of associates	**(68)**	11
	5,797	3,931

4. PROVISION FOR IMPAIRMENT

	Three months ended 31 March	
	2026	2025
	KD'000's	KD'000's
Provision for impairment of Islamic financing to customers	**1,454**	3,243
ECL – Other financial assets	**289**	(3)
Other provisions for impairment	**2,058**	193
	3,801	3,433

5. TAXATION

	Three months ended 31 March	
	2026	2025
	KD'000's	KD'000's
Domestic Minimum Top-up Tax ("DMTT")	**3,261**	3,787
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	**264**	275
Overseas tax	**1,837**	292
	5,362	4,354

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 31 March	
	2026	2025
Net profit for the period attributable to the equity holders of the Bank (KD'000)	**26,403**	26,481
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	**(3,057)**	(3,042)
	23,346	23,439
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	**4,718,885**	4,718,956
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	**4.95**	4.97

Earnings per share for the prior period were 5.31 fils before retroactive adjustment to the number of shares following the bonus shares issued in 2026 (note 19).

7. CASH AND CASH EQUIVALENTS

	31 March 2026	(Audited) 31 December 2025	31 March 2025
	KD'000's	KD'000's	KD'000's
Cash and balances with banks	**406,798**	353,679	640,716
Placements with banks maturing within seven days	**171,078**	188,778	10,104
	577,876	542,457	650,820

8. ISLAMIC FINANCING TO CUSTOMERS

	31 March 2026	(Audited) 31 December 2025	31 March 2025
	KD'000's	KD'000's	KD'000's
Islamic financing to customers	**8,030,285**	7,892,752	7,504,737
Provision for impairment	**(211,481)**	(213,018)	(232,673)
	7,818,804	7,679,734	7,272,064

The available provision for impairment on non-cash facilities of **KD 7,970 thousands** (31 December 2025: KD 8,463 thousands, 31 March 2025: KD 3,997 thousands) is included under other liabilities. The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to **KD 219,451 thousand** as at 31 March 2026 (31 December 2025: KD 221,481 thousand, 31 March 2025: KD 236,670 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to **KD 112,270 thousand** as at 31 March 2026 (31 December 2025: KD 111,383 thousands, 31 March 2025: KD 104,811 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**
31 March 2026				
Islamic financing to customers	**7,686,810**	**265,364**	**78,111**	**8,030,285**
Contingent liabilities (Note 14)	**615,174**	**37,786**	**19,047**	**672,007**
Commitments (revocable and irrevocable) to extend credit	**1,999,005**	**19,796**	**3,420**	**2,022,221**
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
31 March 2025				
Islamic financing to customers	7,157,744	270,569	76,424	7,504,737
Contingent liabilities (Note 14)	494,230	73,652	1,148	569,030
Commitments (revocable and irrevocable) to extend credit	1,629,539	80,208	454	1,710,201

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**
31 March 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	**(792)**	**556**	**236**	**-**
Transfer from Stage 2	**1,361**	**(3,768)**	**2,407**	**-**
Transfer from Stage 3	**1,088**	**570**	**(1,658)**	**-**
Charge / (reversal) of ECL for the period	**6,340**	**2,287**	**(4,426)**	**4,201**
(Amounts written off) / recoveries	**-**	**-**	**(3,295)**	**(3,295)**
Foreign currency translation	**39**	**(14)**	**(44)**	**(19)**
At 31 March 2026	**32,427**	**14,646**	**65,197**	**112,270**
31 March 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	(718)	529	189	-
Transfer from Stage 2	2,927	(4,823)	1,896	-
Transfer from Stage 3	1,807	311	(2,118)	-
(Reversal) / charge of ECL for the period	(2,262)	5,266	2,263	5,267
(Amounts written off) / recoveries	-	-	956	956
Foreign currency translation	11	15	72	98
At 31 March 2025	21,660	38,009	45,142	104,811

9. INVESTMENT SECURITIES

	31 March 2026	(Audited) 31 December 2025	31 March 2025
	KD'000's	KD'000's	KD'000's
Investment in Sukuk	**1,039,717**	1,040,616	1,094,731
Other investment securities			
Financial assets at fair value through profit or loss	**227,211**	228,215	186,149
Financial assets at fair value through other comprehensive income	**21,257**	21,024	21,553
Investment in associates	**542**	311	376
	249,010	249,550	208,078
	1,288,727	1,290,166	1,302,809

	31 March 2026	(Audited) 31 December 2025	31 March 2025
	KD'000's	KD'000's	KD'000's
Investment in Sukuk			
Investment in Sukuk- FVOCI	**1,039,717**	1,040,616	1,092,009
Investment in Sukuk- FVTPL	**-**	-	2,722
	1,039,717	1,040,616	1,094,731
Financial assets at fair value through profit or loss			
Investment in unquoted equity funds	**224,993**	226,054	184,063
Managed securities portfolio	**2,218**	2,161	2,086
	227,211	228,215	186,149
Financial assets at fair value through other comprehensive income			
Investment in unquoted equity securities	**14,125**	14,248	14,084
Investment in quoted securities	**7,132**	6,776	7,469
	21,257	21,024	21,553

10. MEDIUM TERM FINANCING

	31 March 2026	(Audited) 31 December 2025	31 March 2025
	KD'000's	KD'000's	KD'000's
Global Medium Term Sukuk ("GMTN programme")*	**306,755**	305,781	150,589
Other medium term financing**	**215,734**	214,669	216,616
	522,489	520,450	367,205

* 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 **4.50%** to **4.57%** (31 December 2025: 4.55% to 4.81% , 31 March 2025: 5.14% to 5.56%) 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			Number of related parties					
		(Audited)			(Audited)			(Audited)	
	31 March 2026	31 December 2025	31 March 2025	**31 March 2026**	31 December 2025	31 March 2025	**31 March 2026**	31 December 2025	31 March 2025
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	**16**	18	15	**18**	18	8	**83,751**	84,462	83,359
Depositors' accounts	**26**	28	31	**62**	62	46	**13,056**	18,108	21,609
Letters of guarantee and letters of credit	**-**	-	1	**2**	3	4	**2,507**	2,515	1,912
Murabaha and other Islamic financing income							**943**	4,117	1,022
Finance cost and distribution to depositors							**(74)**	(415)	(77)
Collateral against Islamic finance to customers							**101,768**	103,315	99,233
Parent Company									
Due from banks							**955**	17,297	642
Due to banks							**-**	32,823	82,318
Islamic financing to customers							**4,001**	2,679	1,807
Depositors accounts							**2,792**	2,137	2,011
Letters of guarantee and letters of credit							**6,744**	7,198	5,985
Murabaha and other Islamic financing income							**462**	2,787	323
Finance cost and distribution to depositors							**(252)**	(2,591)	(290)
Collateral against Islamic finance to customers							**-**	-	1,120

11. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel

Details of compensation to key management comprise the following:

	Three months ended 31 March	
	2026	2025
	KD'000's	KD'000's
Short-term benefits	**798**	966
Post-employment benefits	**39**	127
Deferred compensation	**227**	263
	1,064	1,356

12. TREASURY SHARES

The Bank held the following treasury shares:

	31 March 2026	(Audited) 31 December 2025	31 March 2025
Number of treasury shares	**649,638**	649,638	594,987
Treasury shares as a percentage of total issued shares - %	**0.01473%**	0.01473%	0.01416%
Cost of treasury shares – (KD'000s)	**54**	54	54
Market value of treasury shares – (KD'000s)	**445**	464	402
Weighted average of market value per share – KD	**0.681**	0.688	0.644

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	**(11,837)**	**(73)**	**-**	**(11,910)**
Balance at 31 March 2026	**4,950**	**(12,618)**	**(2,044)**	**(9,712)**
Balance at 1 January 2025	13,146	(12,713)	(671)	(238)
Other comprehensive loss for the period	(1,982)	(6)	-	(1,988)
Balance at 31 March 2025	11,164	(12,719)	(671)	(2,226)

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:

	31 March 2026	(Audited) 31 December 2025	31 March 2025
	KD'000's	KD'000's	KD'000's
Letters of guarantee	**539,370**	537,369	435,781
Letters of credit and Acceptances	**132,637**	127,458	133,249
Capital commitments and irrevocable undrawn financing commitments	**228,078**	257,197	239,867
	900,085	922,024	808,897

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**
Three months ended 31 March 2026						
Net financing income	**29,597**	**14,623**	**2,648**	**4,773**	**854**	**52,495**
Operating income	**34,536**	**16,731**	**8,467**	**7,176**	**3,185**	**70,095**
Net profit/(loss) for the period	**18,907**	**16,838**	**(1,535)**	**6,727**	**(13,727)**	**27,210**
Total assets	**3,087,948**	**4,459,477**	**826,507**	**1,817,515**	**166,877**	**10,358,324**
Total liabilities	**5,384,327**	**659,522**	**547,567**	**1,986,819**	**661,108**	**9,239,343**
Three months ended 31 March 2025						
Net financing income	27,581	13,849	3,530	6,430	(1,890)	49,500
Operating income/(loss)	35,732	14,900	10,993	8,542	(4,754)	65,413
Net profit/(loss) for the period	20,786	14,303	3,190	8,276	(19,498)	27,057
Total assets	2,810,441	4,162,575	773,471	1,764,181	210,016	9,720,684
Total liabilities	5,402,891	547,014	621,872	1,642,067	440,166	8,654,010

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**
31 March 2026				
Investment in Sukuk	**1,039,717**	**-**	**-**	**1,039,717**
Other investment securities				
Financial assets at fair value through profit or loss	**2,218**	**224,993**	**-**	**227,211**
Financial assets at fair value through other comprehensive income	**7,132**	**-**	**14,125**	**21,257**
	1,049,067	**224,993**	**14,125**	**1,288,185**
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
31 March 2025				
Investment in Sukuk	1,094,731	-	-	1,094,731
Other investment securities				
Financial assets at fair value through profit or loss	2,086	184,063	-	186,149
Financial assets at fair value through other comprehensive income	7,469	-	14,084	21,553
	1,104,286	184,063	14,084	1,302,433

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**	**Exchange rate movements**	**At 31 March**
	KD'000's	**KD'000's**	**KD'000's**	**KD'000's**
31 March 2026:				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	**14,248**	**(135)**	**12**	**14,125**
	14,248	**(135)**	**12**	**14,125**
31 March 2025:				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	14,077	-	7	14,084
	14,077	-	7	14,084

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:

	31 March 2026			31 December 2025 (Audited)			31 March 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)	**6,230**	**(6,296)**	**931,286**	6,971	(9,235)	926,584	11,527	(8,429)	795,518
Cross currency swaps	**1,470**	**(8)**	**256,303**	1,341	(462)	404,655	6,451	(1,182)	707,418
Forward foreign exchange contracts	**118**	**(102)**	**64,868**	4	-	40,893	4	-	2,851
	7,818	**(6,406)**	**1,252,457**	8,316	(9,697)	1,372,132	17,982	(9,611)	1,505,787

All of the above Islamic derivative financial instruments are included in Level 2 of fair value hierarchy as at 31 March 2026, 31 December 2025 and 31 March 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 after deduction of treasury shares (2024: 10 fils per share) for the year ended 31 December 2025.

The cash dividend payable amounting to **KD 30,871 thousand** is included in other liabilities as at 31 March 2026.

The bonus shares will increase 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 will be 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 31 March 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 31 March 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.