BURGAN BANK GROUP
INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

30 JUNE 2026 (UNAUDITED)

KPMG Al-Qenae & Partners
Al Hamra Tower, 25th Floor
Abdulaziz Al Saqr Street
P.O. Box 24, Safat 13001
State of Kuwait
Tel: +965 2228 7000

RSM Albazie & Co.
Arraya Tower 2, Floor 41 & 42
Abdulaziz Hamad Al Saqr Street
P.O. Box 2115, Safat 13022
State of Kuwait
Tel: +965 2296 1000
Fax: +965 2241 2761
www.rsm.global/kuwait

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

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Burgan Bank K.P.S.C. ("the Bank") and its subsidiaries (collectively, "the Group") as at 30 June 2026, and the related interim condensed consolidated statement of income and the interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the six-month period then ended. Management of the Bank is responsible for the preparation and 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 presentation 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 account of the Bank. We further report that, to the best of our knowledge and belief, we have not been made aware of any violations of the Companies Law No. 1 of 2016, as amended, its executive regulations, as amended, or of the Bank's Articles of Association and Memorandum of Incorporation, as amended, during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its financial position.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF BURGAN BANK K.P.S.C. (continued)

Report on Other Legal and Regulatory Requirements (continued)

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 organization of banking business, and its related regulations during the six-month period ended 30 June 2026 that might have had a material effect on the business of the Bank or on its consolidated financial position.

Dr. Rasheed M. Al–Qenae License No 130 of KPMG Al-Qenae & Partners Member firm of KPMG International	Dr. Shuaib A. Shuaib License No. 33-A RSM Albazie & Co.

Kuwait: 30 July 2026

Interim Condensed Consolidated Statement of Financial Position
As at 30 June 2026 (Unaudited)

	Notes	*30 June 2026 KD 000's*	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
ASSETS				
Cash and cash equivalents	3	**877,313**	811,938	926,220
Treasury bills and bonds with the CBK and others		**747,675**	510,818	451,006
Due from banks and other financial institutions		**948,566**	1,251,274	1,078,429
Loans and advances to customers		**5,087,974**	4,830,710	4,620,554
Investment securities		**1,028,588**	845,051	839,367
Investment properties		**41,225**	40,864	40,706
Other assets		**611,705**	555,932	517,538
Property and equipment		**225,037**	220,560	209,521
Goodwill and other intangible assets		**30,846**	31,668	33,039
TOTAL ASSETS		**9,598,929**	9,098,815	8,716,380
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks		**882,520**	834,916	623,793
Due to other financial institutions		**1,135,904**	846,793	751,140
Deposits from customers		**5,638,322**	5,456,555	5,360,590
Certificates of deposit issued		**58,025**	61,125	69,162
Other borrowed funds	4	**502,194**	557,183	563,253
Other liabilities	5	**342,884**	290,942	294,759
TOTAL LIABILITIES		**8,559,849**	8,047,514	7,662,697
EQUITY				
Share capital	6	**399,636**	380,605	380,605
Share premium		**282,802**	282,802	282,802
Treasury shares	6	**(18,190)**	(17,253)	(1,742)
Statutory reserve		**127,562**	127,562	122,822
Voluntary reserve		**127,940**	127,940	123,200
Other reserves	6	**(220,717)**	(215,104)	(201,308)
Retained earnings		**159,117**	184,598	168,915
Total equity attributable to the equity holders of the Bank		**858,150**	871,150	875,294
Perpetual Tier 1 capital securities	6	**150,000**	150,000	150,000
Non-controlling interests		**30,930**	30,151	28,389
TOTAL EQUITY		**1,039,080**	1,051,301	1,053,683
TOTAL LIABILITIES AND EQUITY		**9,598,929**	9,098,815	8,716,380

Khalid Al Zouman
Group Chief Financial Officer

Antoine Jean Daher
Group Chief Executive Officer

Abdullah Nasser Sabah Al-Ahmed Al-Sabah
Chairman of the Board

The accompanying notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Income
For the period ended 30 June 2026 (Unaudited)

	Notes	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
Interest income		**182,471**	159,064	**342,025**	318,616
Interest expense		**(131,706)**	(120,646)	**(251,684)**	(235,971)
Net interest income		**50,765**	38,418	**90,341**	82,645
Fee and commission income		**16,014**	15,132	**34,863**	25,674
Fee and commission expense		**(2,053)**	(1,792)	**(4,704)**	(4,210)
Net fee and commission income		**13,961**	13,340	**30,159**	21,464
Net (loss) gain from foreign currencies		**(1,642)**	3,767	**(3,140)**	3,864
Net investment income		**1,190**	2,309	**2,241**	4,351
Dividend income		**461**	408	**1,065**	560
Other income		**8,987**	9,611	**16,845**	12,852
Net operating income		**73,722**	67,853	**137,511**	125,736
Staff expenses		**(26,438)**	(25,116)	**(52,022)**	(45,173)
Other expenses		**(19,463)**	(18,092)	**(40,152)**	(31,475)
Operating profit		**27,821**	24,645	**45,337**	49,088
Provision for credit losses		**(50,124)**	(10,269)	**(63,989)**	(23,689)
Recoveries from written-off debt		**37,032**	2,901	**46,734**	10,089
Provision for other financial assets		**(140)**	207	**(559)**	(345)
Net monetary loss	2.3	**(11,118)**	(3,940)	**(16,971)**	(10,304)
Profit for the period before taxation		**3,471**	13,544	**10,552**	24,839
Taxation	7	**(763)**	(2,894)	**(4,641)**	(5,244)
Profit for the period		**2,708**	10,650	**5,911**	19,595
Attributable to:					
Equity holders of the Bank		**6,010**	10,134	**11,119**	20,816
Non-controlling interests		**(3,302)**	516	**(5,208)**	(1,221)
		2,708	10,650	**5,911**	19,595
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	8	**0.9**	1.9	**1.5**	3.9

Interim Condensed Consolidated Statement of Comprehensive Income
For the period ended 30 June 2026 (Unaudited)

	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*
Profit for the period	**2,708**	10,650	**5,911**	19,595
Other comprehensive income (loss)				
Items that will not be reclassified to interim condensed consolidated statement of income in subsequent periods:				
Net change in fair value of equity instruments at fair value through other comprehensive income	**307**	(90)	**146**	3,269
	307	(90)	**146**	3,269
Items that will be reclassified to interim condensed consolidated statement of income in subsequent periods:				
Debt instruments at fair value through other comprehensive income:				
- Net change in fair value	**1,120**	1,634	**(3,724)**	3,181
- Net transfer to interim condensed consolidated statement of income	**872**	(2,445)	**571**	(3,302)
Foreign currency translation adjustment	**(4,799)**	(5,820)	**(10,507)**	(13,058)
Changes in fair value of cash flow hedges	**4,974**	3,332	**3,806**	1,313
Other comprehensive income (loss) for the period	**2,474**	(3,389)	**(9,708)**	(8,597)
Total comprehensive income (loss) for the period	**5,182**	7,261	**(3,797)**	10,998
Attributable to:				
Equity holders of the Bank	**10,845**	9,465	**5,595**	20,285
Non-controlling interests	**(5,663)**	(2,204)	**(9,392)**	(9,287)
	5,182	7,261	**(3,797)**	10,998

The accompanying notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity
For the period ended 30 June 2026 (Unaudited)

	Attributable to the equity holders of the Bank										
	Share capital KD 000's	*Share premium KD 000's*	*Treasury shares KD 000's*	*Statutory reserve KD 000's*	*Voluntary reserve KD 000's*	*Other reserves* KD 000's*	*Retained earnings KD 000's*	*Subtotal KD 000's*	*Perpetual Tier 1 capital securities KD 000's*	*Non-controlling interests KD 000's*	*Total equity KD 000's*
Balance as at 1 January 2026	380,605	282,802	(17,253)	127,562	127,940	(215,104)	184,598	871,150	150,000	30,151	1,051,301
Profit (loss) for the period	-	-	-	-	-	-	11,119	11,119	-	(5,208)	5,911
Other comprehensive loss for the period	-	-	-	-	-	(5,524)	-	(5,524)	-	(4,184)	(9,708)
Total comprehensive (loss) / income for the period	-	-	-	-	-	(5,524)	11,119	5,595	-	(9,392)	(3,797)
Issue of Bonus shares (note 6)	19,031	-	-	-	-	-	(19,031)	-	-	-	-
Cash dividend (note 6)	-	-	-	-	-	-	(22,399)	(22,399)	-	-	(22,399)
Cash dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(139)	(139)
Purchase of treasury shares	-	-	(937)	-	-	-	-	(937)	-	-	(937)
Net transfer to retained earnings on de-recognition of equity investments at FVOCI	-	-	-	-	-	(89)	89	-	-	-	-
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(764)	(764)
Interest payment on Tier 1 capital securities	-	-	-	-	-	-	(5,298)	(5,298)	-	-	(5,298)
Impact of application of IAS 29 *(note 2.3)*	-	-	-	-	-	-	10,039	10,039	-	11,074	21,113
Balance as at 30 June 2026	399,636	282,802	(18,190)	127,562	127,940	(220,717)	159,117	858,150	150,000	30,930	1,039,080

* *Refer to note 6 for further details.*

The accompanying notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Changes in Equity (continued)

For the period ended 30 June 2026 (Unaudited)

	Attributable to the equity holders of the Bank										
	Share capital KD 000's	*Share premium KD 000's*	*Treasury shares KD 000's*	*Statutory reserve KD 000's*	*Voluntary reserve KD 000's*	*Other reserves* KD 000's*	*Retained earnings KD 000's*	*Subtotal KD 000's*	*Perpetual Tier 1 capital securities KD 000's*	*Non-controlling interests KD 000's*	*Total equity KD 000's*
Balance as at 1 January 2025	362,481	282,802	(1,742)	122,822	123,200	(200,633)	184,605	873,535	150,000	(3,677)	1,019,858
Profit (loss) for the period	-	-	-	-	-	-	20,816	20,816	-	(1,221)	19,595
Other comprehensive loss for the period	-	-	-	-	-	(531)	-	(531)	-	(8,066)	(8,597)
Total comprehensive (loss) income for the period	-	-	-	-	-	(531)	20,816	20,285	-	(9,287)	10,998
Bonus shares issued (note 6)	18,124	-	-	-	-	-	(18,124)	-	-	-	-
Cash dividend (note 6)	-	-	-	-	-	-	(21,715)	(21,715)	-	-	(21,715)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(204)	(204)
Net transfer to retained earnings on de-recognition of equity investments at FVOCI	-	-	-	-	-	(144)	144	-	-	-	-
Net movement in non-controlling interests	-	-	-	-	-	-	-	-	-	(12,608)	(12,608)
Fair valuation gain on previously held equity interest	-	-	-	-	-	-	704	704	-	-	704
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	44,641	44,641
Net other movements arising from subsidiary	-	-	-	-	-	-	(712)	(712)	-	-	(712)
Interest payment on Tier 1 capital securities	-	-	-	-	-	-	(5,437)	(5,437)	-	-	(5,437)
Impact of application of IAS 29 *(note 2.3)*	-	-	-	-	-	-	8,634	8,634	-	9,524	18,158
Balance as at 30 June 2025	380,605	282,802	(1,742)	122,822	123,200	(201,308)	168,915	875,294	150,000	28,389	1,053,683

* *Refer to note 6 for further details.*

Interim Condensed Consolidated Statement of Cash Flows
For the period ended 30 June 2026 (Unaudited)

	Notes	*Six months ended 30 June* **2026** **KD 000's**	*2025* *KD 000's*
Operating activities			
Profit for the period before taxation		**10,552**	24,839
Adjustments:			
Net investment income		**(2,241)**	(4,351)
Provision for credit losses		**63,989**	23,689
Provision for other financial assets		**559**	345
Dividend income		**(1,065)**	(560)
Depreciation and amortisation		**9,464**	8,749
Net monetary loss	2.3	**16,971**	10,304
Operating profit before changes in operating assets and liabilities		**98,229**	63,015
Changes in operating assets and liabilities:			
Treasury bills and bonds with CBK and others		**(236,857)**	(134,246)
Due from banks and other financial institutions		**301,919**	(233,063)
Loans and advances to customers		**(360,464)**	(170,750)
Other assets		**(13,785)**	(36,682)
Due to banks		**47,604**	(246,908)
Due to other financial institutions		**289,111**	38,801
Deposits from customers		**185,573**	444,562
Certificates of deposit issued		**(3,100)**	69,162
Other liabilities		**39,985**	(29,226)
Taxation paid		**(3,086)**	(4,541)
Net cash flows from (used in) operating activities		**345,129**	(239,876)
Investing activities			
Purchase of investment securities		**(509,992)**	(234,152)
Proceeds from sale of investment securities		**325,130**	321,922
Purchase of property and equipment, net of disposals		**(11,431)**	(11,240)
Net proceeds from sale of investment properties		**-**	317
Net movement in non-controlling interests		**(764)**	(10,623)
Dividend income received		**1,065**	560
Acquisition of subsidiary, net of cash acquired		**-**	(30,052)
Net cash flows (used in) from investing activities		**(195,992)**	36,732
Financing activities			
Other borrowed funds		**(54,989)**	103,649
Purchase of treasury shares		**(937)**	-
Cash dividend paid to equity holders of the Bank		**(22,399)**	(21,715)
Cash dividend paid to non-controlling interests		**(139)**	(204)
Interest payment on Tier 1 capital securities		**(5,298)**	(5,437)
Net cash flows (used in) from financing activities		**(83,762)**	76,293
Net increase (decrease) in cash and cash equivalents		**65,375**	(126,851)
Cash and cash equivalents at 1 January		**811,938**	1,053,071
Cash and cash equivalents at 30 June	3	**877,313**	926,220
Additional cash flow information:			
Interest received		**315,287**	320,482
Interest paid		**234,877**	232,136

The accompanying notes 1 to 14 form an integral part of this interim condensed consolidated financial information.

1. INCORPORATION AND PRINCIPAL ACTIVITIES

Burgan Bank K.P.S.C. (the "Bank") is a public shareholding company incorporated in the State of Kuwait by Amiri Decree dated 27 December 1975 listed on Boursa Kuwait and is registered as a bank with the Central Bank of Kuwait ("CBK"). The Bank's registered address is P.O. Box 5389, Safat 12170, State of Kuwait.

The interim condensed consolidated financial information of the Bank and its subsidiaries (collectively "Group") for the period ended 30 June 2026 was authorised for issue in accordance with a resolution of the Board of Directors on 13 July 2026.

The principal activities of the Group are explained in note 9.

The Bank is a subsidiary of Kuwait Projects Company Holding K.S.C.P. (the "Parent Company"), whose shares are listed on Boursa Kuwait.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting,* except as noted below.

The interim condensed consolidated financial information has been prepared in accordance with the regulations for financial services institutions as issued by the CBK in the State of Kuwait. These regulations, require banks and other financial institutions regulated by the CBK to adopt the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), except for expected credit loss ("ECL") to be measured at the higher of ECL provision on credit facilities computed under IFRS 9 in accordance with the CBK guidelines or the provisions as required by the CBK instructions along with its consequent impact on related disclosures.

The above framework is hereinafter referred to as 'IFRS as adopted by the 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 and should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2025.

The significant judgement made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

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.

2.2. Accounting policies adopted in the preparation of the interim condensed consolidated financial information

The accounting policies used in the preparation of the interim condensed consolidated financial information are consistent with those used in the previous financial year, except for:

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

- ***Classification and Measurement of Financial Instruments:*** **Amendment to IFRS 9 and IFRS 7**
  In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include (i) Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities', (ii) 'Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed' and (iii) 'Clarifications on what constitute 'non recourse features' and what are the characteristics of contractually linked instruments". The amendments had no impact on the Group's interim condensed consolidated financial information.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES (continued)

2.3 HYPERINFLATION

The Bank, through its subsidiary Burgan Bank A.S. ("BBT"), has banking operations in Turkey. The Turkish economy has been assessed as a hyperinflationary economy based on the cumulative inflation rates over the previous three years, effective for reporting period on or after 30 April 2022. Accordingly, this interim condensed consolidated financial information includes the effects of hyperinflation in accordance with IAS 29 *"Financial Reporting in Hyperinflationary Economies"* stemming from its Turkish operations. IAS 29 has been applied from 1 January 2022 i.e. the beginning of the reporting period in which hyperinflation has been identified.

The Group has determined the Consumer Price Index ("CPI") as the appropriate general price index to be used in the inflation accounting and it was measured at 4,137.64 as at 30 June 2026 (31 December 2025: 3,513.87 and 30 June 2025: 3,132.17). The inflation accounting was applied to the books of BBT from the date of acquisition i.e. December 2012.

3. CASH AND CASH EQUIVALENTS

	30 June 2026 KD 000's	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Cash in hand and in current account with banks and OFIs	**425,293**	251,989	288,944
Balances with the CBK	**313,299**	273,060	365,450
Due from banks and OFIs maturing within thirty days	**138,733**	286,904	271,855
	877,325	811,953	926,249
Expected credit losses	**(12)**	(15)	(29)
Cash and cash equivalents	**877,313**	811,938	926,220

4. OTHER BORROWED FUNDS

	Interest rates	***30 June 2026 KD 000's***	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Subordinated bonds (2031) *	**2.750%**	**153,877**	152,552	152,425
Medium term borrowing -unsecured (2025-2029)	**SOFR + (0.90% - 1.10%)**	**184,584**	210,703	365,932
Medium term borrowing -unsecured (2025-2028)	**CBK + (1.25% - 1.50%)**	**-**	39,798	44,896
Medium term borrowing -unsecured (2026)	**TLREF+ (0.8% - 1.25%)**	**10,413**	2,129	-
Medium term borrowing -unsecured (2030)	**4.875%**	**153,320**	152,001	-
		502,194	557,183	563,253

* In 2020, the Bank issued US$500 million Subordinated Tier 2 Notes due in 2031 (the "Notes") at the principal amount. The Notes meet the requirements to be treated as Tier 2 Capital under Basel III Regulations as adopted by the CBK. The Notes are callable in whole, but not in part, at the option of the issuer after 6 years from the date of their issuance, or on any interest payment date thereafter, subject to certain conditions being satisfied and the prior approval of the CBK.

5. OTHER LIABILITIES

	30 June 2026 KD 000's	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Accrued interest payable	**120,404**	103,597	79,410
Staff benefits	**28,856**	31,774	29,201
Provision for non-cash credit facilities (Note 13)	**22,998**	21,965	25,399
Clearing cheques and balances	**41,856**	50,963	45,962
Income received in advance	**14,408**	14,816	18,358
Other payable and accruals	**54,538**	19,855	51,532
Deferred tax liabilities	**15,295**	15,940	15,028
Taxation payable*	**33,810**	30,685	27,340
Other balances	**10,719**	1,347	2,529
	342,884	290,942	294,759

* Taxation payable includes an amount of KD 113 thousand (31 December 2025: KD 427 thousand and 30 June 2025: 223 thousand) relating to KFAS payable.

6. EQUITY

a) Share Capital

The issued and fully paid-up share capital of the Bank comprises of 3,996,356,642 (31 December 2025: 3,806,053,945 and 30 June 2025: 3,806,053,945) shares of 100 fils each.

b) Treasury shares

	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*
Number of shares held	**81,312,383**	72,835,092	5,874,111
Percentage of shares held	**2.03%**	1.91%	0.15%
Cost *KD 000's*	**18,190**	17,253	1,742
Market value *KD 000's*	**14,880**	15,878	1,604
Weighted average market value per share (fils)	**198**	235	226

The balance in the treasury share reserve account is not available for distribution. An amount equal to the cost of treasury shares is not available for distribution from voluntary reserve throughout the holding period of these treasury shares.

c) Dividends and bonus shares

On 28 March 2026, the annual general assembly approved the distribution of cash dividend of 6 fils per share (2024: 6 fils per share) and bonus shares of 5% (2024: 5%) for the year ended 31 December 2025.

6. EQUITY (continued)

d) Other reserves

	Six months ended 30 June 2026					
	Treasury shares reserve KD 000's	***Fair value reserve KD 000's***	***Foreign currency translation reserve KD 000's***	***Hedge of net investment in foreign operations KD 000's***	***Cash flow hedge reserve KD 000's***	***Total KD 000's***
Balance at 1 January 2026	**43,135**	**(111,686)**	**(169,842)**	**16,205**	**7,084**	**(215,104)**
Other comprehensive (loss) income for the period	**-**	**(1,813)**	**(5,478)**	**-**	**1,767**	**(5,524)**
Total other comprehensive (loss) income	**-**	**(1,813)**	**(5,478)**	**-**	**1,767**	**(5,524)**
Net transfer to retained earnings on de-recognition of equity investments at FVOCI	**-**	**(89)**	**-**	**-**	**-**	**(89)**
Balance at 30 June 2026	**43,135**	**(113,588)**	**(175,320)**	**16,205**	**8,851**	**(220,717)**

	Six months ended 30 June 2025					
	Treasury shares reserve KD 000's	*Fair value reserve KD 000's*	*Foreign currency translation reserve KD 000's*	*Hedge of net investment in foreign operations KD 000's*	*Cash flow hedge reserve KD 000's*	*Total KD 000's*
Balance at 1 January 2025	43,135	(107,928)	(159,831)	16,205	7,786	(200,633)
Other comprehensive income (loss) for the period	-	4,033	(5,183)	-	619	(531)
Total other comprehensive income (loss)	-	4,033	(5,183)	-	619	(531)
Net transfer to retained earnings on de-recognition of equity investments at FVOCI	-	(144)	-	-	-	(144)
Balance at 30 June 2025	43,135	(104,039)	(165,014)	16,205	8,405	(201,308)

6. EQUITY (continued)

e) Perpetual Tier 1 Capital Securities

On 9 May 2024, the Bank issued Perpetual Tier 1 Capital Securities (the "Tier 1 securities"), amounting to KD 150,000 thousand in two tranches composed of:

i) Fixed rate securities of KD 75,000 thousand with a coupon of 7.25% per annum for the first five years after the date of the issuance, and for the subsequent period, sum of the Reset rate plus 3.00% per annum, payable quarterly in arrears with interest payments starting three months from the issuance date of the securities, and

ii) Floating rate securities of KD 75,000 thousand with a floating rate coupon determined quarterly on the interest determination date of 3.25% over CBK discount rate per annum (provided, however, that the floating rate of interest shall never exceed the prevailing interest rate attributable to the fixed rate securities at the time plus 1% per annum) payable quarterly in arrears, with interest payment starting three months from the issuance date of securities.

The Tier 1 securities constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with *IAS 32: Financial Instruments – Classification.* The Tier 1 securities do not have a maturity date. They are redeemable by the Bank at its discretion after 9 May 2029 (the "First Call Date") or on any interest payment date thereafter subject to the prior consent of the regulatory authority.

The Bank at its sole discretion may elect not to distribute interest and this is not considered an event of default. If the Bank does not pay interest on the Tier 1 securities, on a scheduled interest payment date (for any reason), then the Bank must not make any other distribution or payment on or with respect to its other shares that rank equally with or junior to the Tier 1 securities (other than pro-rata distributions or payments on shares that rank equally with Tier 1 securities) unless and until it has paid two consecutive interest payments in full on the Tier 1 securities.

7. TAXATION

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD 000's	*2025 KD 000's*	***2026 KD 000's***	*2025 KD 000's*
National Labour Support Tax	-	(318)	**-**	-
Contribution to the Kuwait Foundation for the Advancement of Sciences	**61**	111	**113**	223
Zakat	-	(161)	**-**	-
Domestic minimum top-up tax (DMTT)	**-**	532	**-**	532
Taxation arising from overseas subsidiaries	**702**	2,730	**4,528**	4,489
	763	2,894	**4,641**	5,244

Base erosion and profit shifting "BEPS" Pillar Two

The Parent Company, which is located in Kuwait, constitute as the Ultimate Parent Company for the purpose of the DMTT law for the Group.

The Parent Company has performed an estimated Top-Up Tax computation, aggregating all the entities located in Kuwait. Since Kuwait jurisdiction is in a Globe loss position for the period ended 30 June 2026, no top-up tax liability is recorded in these interim condensed consolidated financial information

8. EARNINGS PER SHARE

Basic and diluted earnings per share is computed by dividing the profit for the period attributable to equity holders of the Bank after interest payment of Tier 1 capital securities by the weighted average number of shares outstanding during the period less treasury shares.

The computation of basic and diluted earnings per share is as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD 000's	*2025 KD 000's*	***2026 KD 000's***	*2025 KD 000's*
Profit for the period attributable to equity holders of the Bank	**6,010**	10,134	**11,119**	20,816
Less: Interest payments on Tier 1 capital securities	**(2,625)**	(2,718)	**(5,298)**	(5,437)
Profit for the period attributable to equity holders of the Bank after interest payment on Tier 1 capital securities	**3,385**	7,416	**5,821**	15,379
	Shares	*Shares*	***Shares***	*Shares*
Weighted average number of outstanding shares, net of treasury shares	**3,915,461,841**	3,990,188,825	**3,916,724,282**	3,990,188,825
Basic and diluted earnings per share (fils)	**0.9**	1.9	**1.5**	3.9

Basic and diluted earnings per share for the comparative period presented have been restated to reflect the effect of bonus shares (Note 6c).

9. SEGMENT INFORMATION

For management purposes, the Group organises its operations by geographic territory in the first instance, primarily Domestic and International. All operations outside Kuwait are classified as International. Within its domestic operations, the Group is organised into the following business segments.

- **Corporate and Consumer banking:** provides comprehensive product and services to corporate and individual customers, including lending, deposits, trade services, foreign exchange, advisory services, credit and debit cards, and others.

- **Treasury, FI and Investment banking:** includes treasury activities, investment services and management, and banking with Financial Institutions (FI). It also provides products and services to banks/FIs including money markets, lending, deposits, foreign exchange and others.

- **Central office:** includes liquidity and funding management, any residual in respect of transfer pricing and other unallocated activities.

Executive Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on segment result after provisions which in certain respects are measured differently from operating profit or loss in the interim condensed consolidated financial information.

The table below presents income and results and certain assets and liabilities information regarding the Group’s operating segments.

	Kuwait Operations				*International operations*	*Unallocated / Intragroup transactions*	*Group*
	Corporate and Consumer banking KD 000’s	*Treasury, FI and Investment banking KD 000’s*	*Central office KD 000’s*	*Total KD 000's*	*KD 000's*	*KD 000's*	*Total KD 000’s*
30 June 2026							
Net interest income	**43,103**	**4,239**	**(9,143)**	**38,199**	**52,142**	**-**	**90,341**
Segment operating results	**55,097**	**6,574**	**(9,828)**	**51,843**	**85,668**	**-**	**137,511**
Profit (loss) for the period	**14,224**	**1,412**	**(6,174)**	**9,462**	**(3,200)**	**(351)**	**5,911**

9. SEGMENT INFORMATION (continued)

	Kuwait Operations				*International operations*	*Unallocated / Intragroup transactions*	*Group*
	Corporate and Consumer banking KD 000's	*Treasury, FI and Investment banking KD 000's*	*Central office KD 000's*	*Total KD 000's*	*KD 000's*	*KD 000's*	*Total KD 000's*
30 June 2025							
Net interest income	35,548	3,289	(5,534)	33,303	49,342	-	82,645
Segment operating results	47,160	7,395	(443)	54,112	71,611	13	125,736
Profit (loss) for the period	20,697	2,884	(6,913)	16,668	2,405	522	19,595

	Kuwait Operations				***International operations***	***Unallocated / Intragroup transactions***	***Group***
	Corporate and Consumer banking KD 000's	***Treasury, FI and Investment banking KD 000's***	***Central office KD 000's***	***Total KD 000's***	***KD 000's***	***KD 000's***	***Total KD 000's***
30 June 2026							
Total assets	**4,509,928**	**1,410,407**	**1,086,411**	**7,006,746**	**2,955,805**	**(363,622)**	**9,598,929**
Total liabilities	**3,160,132**	**626,241**	**2,602,104**	**6,388,477**	**2,522,283**	**(350,911)**	**8,559,849**
31 December 2025 (Audited)							
Total assets	4,147,421	1,535,211	962,183	6,644,815	2,736,943	(282,943)	9,098,815
Total liabilities	2,777,079	674,650	2,556,238	6,007,967	2,308,398	(268,851)	8,047,514
30 June 2025							
Total assets	3,990,343	1,486,498	935,907	6,412,748	2,563,838	(260,206)	8,716,380
Total liabilities	2,813,406	740,527	2,215,225	5,769,158	2,140,190	(246,651)	7,662,697

10. TRANSACTIONS WITH RELATED PARTIES

The Group has entered into transactions with certain related parties (Parent Company, associates, directors and key management personnel of the Group and their close family members and entities controlled, jointly controlled or significantly influenced by such parties) who were customers of the Group during the period. The "Others" column in the table below mainly represents transactions with other related parties that are either controlled or significantly influenced by the Parent Company. The terms of these transactions are substantially on the same commercial basis as those with unrelated parties, including collateral. Lending to Board members and their related parties is secured by tangible collateral in accordance with regulations of the Central Bank of Kuwait. The outstanding balances and transactions are as follows:

	Parent Company KD 000's	*Associates KD000's*	*Others KD 000's*	*30 June 2026 KD 000's*	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Assets and liabilities						
Due from banks and OFIs*	**-**	**-**	**145,646**	**145,646**	150,489	159,383
Loans and advances to customers*	**-**	**-**	**840,758**	**840,758**	813,427	859,275
Investment securities	**8,339**	**-**	**91,058**	**99,397**	98,655	103,457
Investment securities managed by a related party	**-**	**-**	**67,855**	**67,855**	68,033	69,310
Investment properties	**17,959**	-	-	**17,959**	17,799	17,874
Other assets	**686**	**-**	**449**	**1,135**	1,184	9,197
Due to banks	**-**	**-**	**8,498**	**8,498**	5,377	9,434
Due to other financial institutions	**6**	**4**	**1,703**	**1,713**	9,232	7,023
Deposits from customers	**179,840**	**9,269**	**82,091**	**271,200**	271,783	128,597
Other Liabilities	**1,795**	**2**	**298**	**2,095**	2,787	2,778
Commitments, contingent Liabilities and derivatives						
Letters of credit	**-**	**-**	**11,908**	**11,908**	1,657	13,305
Letters of guarantee	**-**	**-**	**49,912**	**49,912**	46,128	46,088
Undrawn lines of credit	**-**	**-**	**67,178**	**67,178**	97,937	37,329
Other commitments	**-**	**-**	**26,625**	**26,625**	25,208	13,513
Transactions						
Interest income	**9**	**-**	**21,679**	**21,688**	50,287	25,878
Interest expense	**(3,478)**	**(154)**	**(1,060)**	**(4,692)**	(5,682)	(1,787)
Fee and commission income	**629**	**-**	**925**	**1,554**	3,029	1,303
Fee and commission expenses	**-**	**-**	**(6)**	**(6)**	(16)	(14)
Dividend income	**-**	**-**	**-**	**-**	34	29
Other income	**-**	**8**	**-**	**8**	310	-
Other expense	**-**	**-**	**(2,144)**	**(2,144)**	(6,336)	(2,828)
Other transactions during the Period						
Acquisition of subsidiary	-	-	-	-	58,596	58,596

* As of period ended 30 June 2026, the fair value of total eligible collateral to the extent of the outstanding balances amounted to KD 528,334 thousand (31 December 2025: KD 518,854 thousand and 30 June 2025: KD 527,856 thousand).

10. TRANSACTIONS WITH RELATED PARTIES (continued)

	No. of Board members / key management personnel	*30 June 2026 KD 000's*	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Board members**				
Loans and advances to customers	**4**	**1,356**	1,191	735
Deposits from customers	**6**	**1,766**	1,082	593
Key management personnel				
Loans and advances to customers	**29**	**1,509**	4,097	3,316
Deposits from customers	**30**	**2,911**	2,538	3,132

**As of period ended 30 June 2026, the fair value of the total eligible collateral to the extent of the outstanding balances amounted to KD 1,275 thousand (31 December 2025: KD 1,123 thousand and 30 June 2025: KD 663 thousand).

Key management compensation
Remuneration paid or payable in relation to "key management" (deemed for this purpose to comprise Directors in relation to their committee service, the Chief Executive Officers and other Senior Officers), was as follows:

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD 000's	*2025 KD 000's*	***2026 KD 000's***	*2025 KD 000's*
Short term employee benefits including salary and bonus	**2,034**	1,187	**5,194**	3,772
Accrual for end of service indemnity	**214**	127	**542**	909
Accrual for cost of long-term incentive rights	**215**	193	**427**	373
Accrual for committee service	**87**	110	**175**	220
	2,550	1,617	**6,338**	5,274

11. COMMITMENTS AND CONTINGENT LIABILITIES

	30 June 2026 KD 000's	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Acceptances	**24,932**	34,968	33,316
Letters of credit	**408,182**	355,111	415,263
Letters of guarantee	**1,057,513**	998,387	964,686
	1,490,627	1,388,466	1,413,265

Irrevocable commitments to extend credit amount to KD 738,164 thousand (31 December 2025: KD 805,523 thousand and 30 June 2025: KD 631,215 thousand). This includes commitments to extend credit which are irrecoverable over the life of the facility or are revocable only in response to a material adverse change.

The primary purpose of these instruments is to ensure that funds are available to customers as required. Acceptances, standby letters of credit and guarantees, which represent irrevocable assurances that the Group will make payments in the event that the customer cannot meet its obligations to third parties, carry the same credit risk as loans. Documentary and commercial letters of credit, which are undertaken by the Group on behalf of the customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions, are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

11. COMMITMENTS AND CONTINGENT LIABILITIES (continued)

Undrawn lines of credit represent unused portions of authorisations to extend cash credit. With respect to credit risk on undrawn lines of credit, the Group is potentially exposed to loss in an amount equal to the total unused lines. However, the likely amount of loss is less than the total unused lines since most of these lines will expire or terminate without being funded.

The Group makes available to its customers guarantees which may require that the Group makes payments on their behalf and enters into commitments to extend credit lines to secure their liquidity needs. Such payments are collected from customers based on the terms of the letter of credit. They expose the Group to similar risks to loans and these are mitigated by the same control processes and policies.

The Group has commitments in respect of capital expenditure amounting to KD 27,353 thousand (31 December 2025: KD 25,552 thousand and 30 June 2025: KD 13,513 thousand).

12. DERIVATIVES FINANCIAL INSTRUMENTS

In the ordinary course of business, the Group enters into various types of transactions that involve derivative financial instruments. The Group offers its clients derivatives products that are traded in the financial markets in order to service their risk management needs to hedge currency and interest rate exposures. The Group also uses derivatives for economic hedging purpose to manage its own assets and liabilities as well as to hedge certain risk exposures such as variation in future cash flows attributable to a recognised asset or liability (cash flow hedge), or hedges of net investment in foreign operation. For those derivative contracts that are designated as a hedging instrument, hedge accounting is used provided certain criteria are met.

Derivatives are initially recognised and are subsequently measured at fair value. Fair values are obtained from quoted market prices in active markets, and valuation techniques (such as discounted cash flow models and option pricing models), as appropriate. All derivatives are carried as assets when their fair value is positive and as liabilities when fair values are negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

At the inception of the transactions the Group documents the relationship between the hedging instruments and the hedged items, its risk management objective, together with the methods selected to assess hedge effectiveness. The Group also documents its assessment both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

Derivative instruments that are used by the Group as part of its risk management strategies, but which do not qualify for hedge accounting under the Group's hedge accounting policies, are presented as derivatives held for trading (non-qualifying hedges).

Derivatives held for hedging

Hedge of net investment in foreign operations

During the year 2024, the Bank has discontinued the hedge of net investment foreign operations. As the Group has not sold / liquidated the corresponding investment in the foreign operation, the cumulative amount of hedge reserve is not recycled to the interim condensed consolidated statement of income. A subsidiary of the Group has designated certain forward foreign exchange contracts to hedge against the changes in the value of its net investment in its foreign subsidiary based in Kuwait. Gains or losses on the retranslation of the aforesaid contracts are transferred to equity to offset any gains or losses on translation of the net investments in subsidiary.

No ineffectiveness from the hedges was recognised in the interim condensed consolidated statement of income during the period (30 June 2025: Nil)

12. DERIVATIVES FINANCIAL INSTRUMENTS (continued)

Cash flow hedges
One of the subsidiaries of the Group applies cash flow hedge accounting using interest rate swaps to hedge its foreign currency deposits with an average maturity up to 3 months against interest rate fluctuations. The subsidiary implements effectiveness tests at the reporting dates for hedge accounting; the effective portions are accounted as part of changes in fair value of derivatives under other reserves, whereas the ineffective portion is recognised in the interim condensed consolidated statement of income.

No ineffectiveness from hedges was recognised in the interim condensed consolidated statement of income during the period (30 June 2025: Nil).

Derivatives held for trading
Derivative contracts that are entered into for the purpose of servicing customers in their risk management needs as well as derivatives used by the Group for economic hedging purpose, but which do not meet the qualifying criteria for hedge accounting are classified as 'Derivatives held for trading'. The risk exposures on account of derivative contracts for customers are covered by entering positions with an opposite risk profile with other counter parties or by other risk mitigating transactions.

The positive fair value of derivative instruments as at 30 June 2026 is KD 43,271 thousand (31 December 2025: KD 24,226 thousand and 30 June 2025: KD 39,879 thousand) and the negative fair value is KD 39,793 thousand (31 December 2025: KD 28,198 thousand and 30 June 2025: KD 22,580 thousand), included in the carrying amount of other assets and other liabilities, respectively.

The table below shows the notional amounts of derivatives outstanding as of the reporting date. The notional amount of a derivatives' underlying asset, reference rate or index is the basis upon which changes in the value of derivatives are measured.

The notional amounts of derivatives are as follows:

	30 June 2026 KD 000's	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Derivatives held for trading:			
(non-qualifying hedges)			
Forward swaps / foreign exchange contracts	**1,412,439**	1,921,877	1,771,765
Interest rate swaps	**170,545**	114,893	76,859
Options	**287,404**	200,874	71,027
Derivatives held for hedging:			
Hedge of net investment in foreign operations:			
Forward swaps / foreign exchange contracts	**51,590**	28,619	26,682
Cashflow hedges:			
Interest rate swaps	**149,604**	127,066	146,807

13. FAIR VALUE MEASUREMENTS

Fair values of all financial instruments are not materially different from their carrying values. For financial assets and financial liabilities that are liquid or having a short-term maturity (less than three months), it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

The fair value of investment securities is categorised as per the policy on fair value measurement in Note 2. Movement in Level 3 is mainly on account of purchase, sale and change in fair value and on account of investment security acquired against recovery of debt previously written off and change in fair value and reclassification under IFRS 9. During the period, a decrease of KD 574 thousand (30 June 2025: decrease of KD 1,485 thousand) was recorded in the other comprehensive income representing change in fair value. There were no material transfers between the levels during the period.

Debt securities included under level 3 consists of unquoted corporate bonds. The fair values of these bonds are estimated using discounted cash flow method. Equities and other securities included in this category mainly include strategic equity investments and managed funds which are not traded in an active market. The fair values of these investments are estimated by using valuation techniques that are appropriate in the circumstances. Valuation techniques include discounted cash flow models, observable market information of comparable companies, recent transaction information and net asset value.

Significant unobservable inputs used in valuation techniques mainly include discount rate, terminal growth rate, revenue, profit estimates and market multiples such as price to book and price to earnings.

Other financial assets and liabilities are carried at amortised cost and their carrying values are not materially different from their fair values. Fair values of remaining financial assets and liabilities carried at amortised cost are estimated using valuation techniques incorporating certain assumptions such as future cashflows and credit spreads that are appropriate in the circumstances.

The impact on the interim condensed consolidated financial position or the interim condensed consolidated statement of income or the interim condensed consolidated statement of changes in equity would be immaterial if the relevant risk variables used for fair value estimations to fair value the unquoted securities were altered by 5%.

13. FAIR VALUE MEASUREMENTS (continued)

Fair value measurement hierarchy for financial and non-financial assets and financial liabilities that are carried at fair value is as follows:

	30 June 2026				*(Audited) 31 December 2025*				*30 June 2025*			
	Level 1 KD 000's	***Level 2 KD 000's***	***Level 3 KD 000's***	***Total KD 000's***	*Level 1 KD 000's*	*Level 2 KD 000's*	*Level 3 KD 000's*	*Total KD 000's*	*Level 1 KD 000's*	*Level 2 KD 000's*	*Level 3 KD 000's*	*Total KD 000's*
Financial assets												
Equity securities	**68,343**	**2,529**	**134,108**	**204,980**	69,437	2,305	115,378	187,120	73,648	-	118,228	191,876
Debt securities	**375,469**	**-**	**264**	**375,733**	309,648	-	262	309,910	403,550	-	99	403,649
Managed funds	**-**	**-**	**68,076**	**68,076**	-	-	68,256	68,256	-	-	69,528	69,528
Derivative financial instruments	**-**	**43,271**	**-**	**43,271**	-	24,226	-	24,226	-	39,879	-	39,879
Financial liabilities												
Derivative financial instruments	**-**	**(39,793)**	**-**	**(39,793)**	-	(28,198)	-	(28,198)	-	(22,580)	-	(22,580)
Non-financial assets:												
Investment properties	**-**	**-**	**41,225**	**41,225**	-	-	40,864	40,864	-	-	40,706	40,706

Investment securities classified as FVOCI, and amortised cost and other debt instruments carried at amortised cost (excluding credit facilities) are subject to expected credit losses. These financial assets are largely categorised under Stage 1 (31 December 2025: Stage 1 and 30 June 2025: Stage 1). Central Bank of Kuwait bonds and Kuwait Government treasury bonds are not subject to expected credit losses.

As of 30 June 2026, investments securities include debt securities amounting to KD nil thousand (31 December 2025: nil and 30 June 2025: KD 49,225) provided as collateral under repurchase agreements.

Movement in level 3 is summarized as below:

	30 June 2026 KD 000's	*(Audited) 31 December 2025 KD 000's*	*30 June 2025 KD 000's*
Opening balance as of 1 January	**224,760**	134,438	134,438
Net Addition	**19,487**	100,888	95,608
Change in fair value	**(574)**	(10,566)	(1,485)
Closing balance	**243, 673**	224,760	228,561

13. FAIR VALUE MEASUREMENTS (continued)

An analysis of the gross carrying amounts of credit facilities, commitments and contingent liabilities, and the corresponding ECL based on the staging criteria under IFRS 9 in accordance with the CBK guidelines is as follows:

	Stage 1 *KD 000's*	*Stage 2* *KD 000's*	*Stage 3* *KD 000's*	*Total* *KD 000's*
30 June 2026:				
Credit facilities	**5,209,969**	**494,205**	**142,256**	**5,846,430**
Commitments and contingent liabilities*	**3,011,665**	**126,447**	**12,968**	**3,151,080**
ECL allowance for credit facilities	**17,724**	**42,978**	**69,557**	**130,259**
31 December 2025 (Audited):				
Credit facilities	4,925,293	486,190	114,925	5,526,408
Commitments and contingent liabilities*	3,077,342	139,610	16,289	3,233,241
ECL allowance for credit facilities	19,625	33,740	65,663	119,028
30 June 2025:				
Credit facilities	4,557,677	447,983	163,669	5,169,329
Commitments and contingent liabilities*	2,835,966	121,596	17,076	2,974,638
ECL allowance for credit facilities	20,465	28,639	93,082	142,186

** including commitments to extend non-cash facilities.*

The details of available provisions as required by CBK instructions are as follows:

	30 June 2026 ***KD 000's***	*(Audited)* *31 December 2025* *KD 000's*	*30 June 2025* *KD 000's*
Available provision for credit losses	**238,865**	194,340	191,956

The provision includes KD 22,998 thousand (31 December 2025: KD 21,965 thousand and 30 June 2025: KD 25,399 thousand), being provision for non-cash facilities reported under other liabilities (note 5).

13. FAIR VALUE MEASUREMENTS (continued)

An analysis of the changes in the ECL in relation to loans and advances to customers (cash and non-cash facilities), computed under IFRS 9 in accordance with the CBK guidelines is as follows:

	Stage 1 KD 000's	***Stage 2 KD 000's***	***Stage 3 KD 000's***	***Total KD 000's***
ECL allowance as at 1 January 2026	**19,625**	**33,740**	**65,663**	**119,028**
ECL movement for the period	**(1,647)**	**9,768**	**22,632**	**30,753**
Amounts written off	**-**	**-**	**(18,350)**	**(18,350)**
Foreign exchange adjustments	**(254)**	**(530)**	**(388)**	**(1,172)**
Balance at 30 June 2026	**17,724**	**42,978**	**69,557**	**130,259**

	Stage 1 KD 000's	*Stage 2 KD 000's*	*Stage 3 KD 000's*	*Total KD 000's*
ECL allowance as at 1 January 2025	17,753	37,992	53,155	108,900
Acquisition of a subsidiary	59	-	2,411	2,470
ECL movement for the period	2,142	(8,562)	45,330	38,910
Amounts written off	-	-	(7,937)	(7,937)
Foreign exchange adjustments	511	(791)	123	(157)
Balance at 30 June 2025	20,465	28,639	93,082	142,186

14. GEOPOLITICAL UNCERTAINITY IN THE MIDDLE EAST REGION

Impact of Geopolitical escalation risk and related Uncertainty:

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, 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 uncertainties.

To address the repercussion caused by the situation in the region, The Central Bank of Kuwait (CBK) through the notification dated 26 March 2026 provided a package of the stimulus measure to support the economic sectors and the banking system. Enabling the banking sector to continue to support the economic activity in the region by providing the necessary liquidity for the uninterrupted continuation of their activities and reduces the transformation of the short-term challenges related to liquidity shortages into the long-term risk affecting the solvency.

Expected Credit Loss (ECL) estimates

The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event together with the relief measures of central bank in its estimation of ECL requirements for the period ended 30 June 2026, adjusting the macro-economic variables as appropriate. 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 is constantly monitoring the current situation as it unfolds, noting that it is in early stages and there is limited economic data available to accurately evaluate the impact on the economy, and on the Group's financial position. The reported amounts best represent management's assessment of the fair values based on observable market information. Moreover, as the situation 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 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 this interim condensed consolidated financial information, the financial effects cannot be reliably estimated due to the evolving nature of the events.