WARBA BANK K.S.C.P.

INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2026

Shape the future
with confidence

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

Introduction

We have reviewed the interim condensed consolidated statement of financial position of Warba Bank K.S.C.P. (the "Bank") and its subsidiaries (collectively the "Group") as at 30 June 2026, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended. The 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 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 account 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, 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.

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

SHEIKHA AL FULAIJ	SAFI A. AL-MUTAWA
LICENCE NO. 289 A	LICENSE NO. 138
EY	OF KPMG AL-QENAE & PARTNERS
AL AIBAN, AL OSAIMI & PARTNERS	MEMBER FIRM OF KPMG INTERNATIONAL

11 August 2026
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 June 2026

	Notes	***30 June 2026 KD'000***	*(Audited) 31 December 2025 KD'000 (Restated)*	*30 June 2025 KD'000 (Restated)*
ASSETS				
Cash and bank balances	3	**229,678**	241,619	365,146
Placements with banks and the CBK		**326,940**	358,484	380,956
Financing receivables	4	**4,263,172**	4,007,489	3,926,148
Financial assets at fair value through profit or loss	16	**222,135**	219,432	203,341
Financial assets at fair value through other comprehensive income	16	**356,590**	411,122	458,320
Investment in associate	5	**508,543**	512,125	503,175
Investment in joint ventures		**127,307**	123,409	127,998
Investment properties	16	**40,897**	40,565	39,529
Other assets		**49,491**	49,539	51,288
Property and equipment		**63,728**	63,262	16,224
TOTAL ASSETS		**6,188,481**	6,027,046	6,072,125
LIABILITIES AND EQUITY				
LIABILITIES				
Due to banks and other financial institutions		**1,357,145**	1,299,061	1,419,222
Depositors' accounts		**3,589,839**	3,510,073	3,438,197
Sukuk issued	6	**157,863**	156,574	156,522
Other liabilities		**110,705**	82,383	106,554
TOTAL LIABILITIES		**5,215,552**	5,048,091	5,120,495
EQUITY				
Share capital	7	**472,313**	449,822	449,822
Share premium		**298,735**	298,735	298,735
Statutory reserve		**16,420**	16,420	11,225
Fair value reserve		**3,316**	7,632	2,825
Foreign currency translation reserve		**2,223**	1,688	2,987
Retained earnings		**27,327**	7,081	33,441
		820,334	781,378	799,035
Proposed dividends	7	**-**	44,982	-
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		**820,334**	826,360	799,035
Perpetual Tier 1 Sukuk	8	**152,595**	152,595	152,595
TOTAL EQUITY		**972,929**	978,955	951,630
TOTAL LIABILITIES AND EQUITY		**6,188,481**	6,027,046	6,072,125

Hamad M. Al Sayer
Chairman

Shaheen H. Al Ghanem
Chief Executive Officer

The accompanying notes 1 to 19 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period ended 30 June 2026

		Three months ended 30 June		*Six months ended 30 June*	
	Notes	***2026 KD'000***	*2025 KD'000 (Restated)*	***2026 KD'000***	*2025 KD'000 (Restated)*
Placements and finance income		**64,710**	66,160	**125,090**	125,549
Finance costs and distribution to depositors		**(46,145)**	(51,005)	**(91,234)**	(98,034)
Net finance income		**18,565**	15,155	**33,856**	27,515
Net investment income	9	**9,970**	10,564	**14,988**	14,579
Net fees and commission income		**4,673**	3,694	**7,967**	6,200
Other income		**338**	1,099	**666**	1,424
Net foreign exchange gain (loss)		**727**	200	**1,674**	(786)
Net operating income		**34,273**	30,712	**59,151**	48,932
Staff costs		**(7,198)**	(7,487)	**(15,316)**	(14,347)
General and administrative expenses		**(3,139)**	(2,409)	**(5,198)**	(4,375)
Depreciation expense		**(1,681)**	(1,550)	**(3,111)**	(3,132)
Amortization of intangible assets	5	**(390)**	(390)	**(780)**	(390)
Net operating expenses		**(12,408)**	(11,836)	**(24,405)**	(22,244)
Net operating profit before provision for impairment and credit losses		**21,865**	18,876	**34,746**	26,688
Provision for impairment and credit losses	10	**(2,858)**	(3,270)	**(9,777)**	(5,306)
Profit before tax		**19,007**	15,606	**24,969**	21,382
Taxation	11	**(713)**	(785)	**(786)**	(1,048)
NET PROFIT FOR THE PERIOD		**18,294**	14,821	**24,183**	20,334
BASIC AND DILUTED EARNINGS PER SHARE (EPS)	12	**3.04 fils**	3.88 fils	**4.29 fils**	5.49 fils

The accompanying notes 1 to 19 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the period ended 30 June 2026

	Three months ended 30 June		*Six months ended 30 June*	
	2026 KD'000	*2025 KD'000 (Restated)*	***2026 KD'000***	*2025 KD'000 (Restated)*
NET PROFIT FOR THE PERIOD	**18,294**	14,821	**24,183**	20,334
Other comprehensive income (loss)				
Other comprehensive income (loss) that will be reclassified to profit or loss:				
Debt instruments at fair value through other comprehensive income:				
Net change in fair value during the period	**4,531**	2,382	**(3,362)**	4,778
Changes in allowance for expected credit losses	**63**	(25)	**94**	(107)
Reclassification to profit or loss	**(1,047)**	(67)	**(1,031)**	(52)
Net gains (loss) on debt instruments at fair value through other comprehensive income	**3,547**	2,290	**(4,299)**	4,619
Foreign currency translation:				
Exchange differences on translation of foreign operations	**542**	1,122	**535**	2,331
Net exchange differences recycled to profit or loss on derecognition of investment in a joint venture	-	77	-	77
Net foreign currency translation	**542**	1,199	**535**	2,408
Total items that are or will be reclassified to profit of loss	**4,089**	3,489	**(3,764)**	7,027
Other comprehensive income (loss) that will not be reclassified to profit or loss subsequently				
Net change in fair value of equity investments at fair value through other comprehensive income	-	-	-	306
Share of other comprehensive income (loss) of investment in associate	**21**	594	**(17)**	594
Total items that will not be reclassified to profit or loss	**21**	594	**(17)**	900
OTHER COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	**4,110**	4,083	**(3,781)**	7,927
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**22,404**	18,904	**20,402**	28,261

The accompanying notes 1 to 19 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 June 2026

	Share capital KD'000	*Share premium KD'000*	*Statutory reserve KD'000*	*Fair value reserve KD'000*	*Foreign currency translation reserve KD'000*	*Retained earnings KD'000*	*Sub-total KD'000*	*Proposed dividends KD'000*	*Equity attributable to shareholders of the Bank KD'000*	*Perpetual Tier 1 Sukuk KD'000*	*Total equity KD'000*
As at 1 January 2026 (Restated)	**449,822**	**298,735**	**16,420**	**7,632**	**1,688**	**7,081**	**781,378**	**44,982**	**826,360**	**152,595**	**978,955**
Net profit for the period	**-**	**-**	**-**	**-**	**-**	**24,183**	**24,183**	**-**	**24,183**	**-**	**24,183**
Other comprehensive (loss) income	**-**	**-**	**-**	**(4,316)**	**535**	**-**	**(3,781)**	**-**	**(3,781)**	**-**	**(3,781)**
Total comprehensive (loss) income for the period	**-**	**-**	**-**	**(4,316)**	**535**	**24,183**	**20,402**	**-**	**20,402**	**-**	**20,402**
Issue of bonus shares (Note 7)	**22,491**	**-**	**-**	**-**	**-**	**-**	**22,491**	**(22,491)**	**-**	**-**	**-**
Profit paid on perpetual Tier 1 Sukuk	**-**	**-**	**-**	**-**	**-**	**(3,937)**	**(3,937)**	**-**	**(3,937)**	**-**	**(3,937)**
Cash dividends (Note 7)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(22,491)**	**(22,491)**	**-**	**(22,491)**
At 30 June 2026	**472,313**	**298,735**	**16,420**	**3,316**	**2,223**	**27,327**	**820,334**	**-**	**820,334**	**152,595**	**972,929**
As at 1 January 2025	218,360	80,375	11,225	(2,694)	579	14,995	322,840	13,102	335,942	75,808	411,750
Net profit for the period (Restated)	-	-	-	-	-	20,334	20,334	-	20,334	-	20,334
Other comprehensive income	-	-	-	5,519	2,408	-	7,927	-	7,927	-	7,927
Total comprehensive income for the period	-	-	-	5,519	2,408	20,334	28,261	-	28,261	-	28,261
Increase in share capital	218,360	218,360	-	-	-	-	436,720	-	436,720	-	436,720
Issue of bonus shares (Note 7)	13,102	-	-	-	-	-	13,102	(13,102)	-	-	-
Costs directly related to increase in share capital	-	-	-	-	-	(350)	(350)	-	(350)	-	(350)
Issuance of perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	-	-	76,787	76,787
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	(1,538)	(1,538)	-	(1,538)	-	(1,538)
At 30 June 2025 (Restated)	449,822	298,735	11,225	2,825	2,987	33,441	799,035	-	799,035	152,595	951,630

The accompanying notes 1 to 19 form an integral part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 30 June 2026

	Notes	*Six months ended 30 June* **2026** **KD'000**	*2025* *KD'000* *(Restated)*
OPERATING ACTIVITIES			
Profit before tax		**24,969**	21,382
Adjustments for:			
Net investment income	9	**(14,988)**	(14,579)
Provision for employees' end of service benefits		**988**	809
Depreciation expense		**3,111**	3,132
Amortization of intangible assets	5	**780**	390
Provision for impairment and credit losses	10	**9,777**	5,306
		24,637	16,440
Changes in operating assets and liabilities:			
Placements with banks and the CBK		**(51,333)**	(60,526)
Financing receivables		**(268,107)**	(288,495)
Other assets		**868**	1,424
Due to banks and other financial institutions		**58,084**	(179,419)
Depositors' accounts		**79,766**	289,130
Other liabilities		**23,324**	15,089
Cash flows used in operations		**(132,761)**	(206,357)
Employees' end of service benefits paid		**(227)**	(240)
Taxes paid		**(341)**	(1,061)
Net cash flows used in operating activities		**(133,329)**	(207,658)
INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL		**(23,122)**	(19,024)
Proceeds from sale / redemption of financial assets at FVTPL		**21,395**	15,261
Purchase of financial assets at FVOCI		**(199,783)**	(193,623)
Proceeds from sale of financial assets at FVOCI		**253,751**	118,166
Additions to investment in joint ventures		**(4,169)**	(5,154)
Proceeds from sale of a joint venture		-	480
Purchase of property and equipment		**(2,432)**	(29)
Consideration paid for asset acquisition of subsidiary	5	-	(230,825)
Dividends received from financial assets		**3,473**	5,316
Other investment income received		**68**	77
Distributions received from joint ventures		**255**	936
Dividend received from associate	5	**11,769**	-
Rental income received		**1,980**	619
Net cash flows from (used in) investing activities		**63,185**	(307,800)
FINANCING ACTIVITIES			
Payment of lease liabilities		**(2,063)**	(1,830)
Net movement on Sukuk issued		**32**	(381)
Redemption of Sukuk issued		-	(150,000)
Profit paid to holders on Perpetual Tier 1 Sukuk		**(3,937)**	(1,538)
Proceeds from issuance of Perpetual Tier 1 Sukuk		-	76,787
Proceeds from increase in share capital		-	436,720
Costs directly related to increase in share capital		-	(350)
Cash dividends		**(18,706)**	-
Net cash flows (used in) from financing activities		**(24,674)**	359,408
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(94,818)**	(156,050)
Cash and cash equivalents at 1 January		**360,499**	702,801
CASH AND CASH EQUIVALENTS AT 30 JUNE	3	**265,681**	546,751
Additional information on operational cash flows			
Finance costs paid		**(80,649)**	(93,025)
Finance income received		**130,133**	128,533

The accompanying notes 1 to 19 form an integral part of this interim condensed consolidated financial information.

1 CORPORATE INFORMATION

Warba Bank K.S.C.P. (the "Bank") is a Kuwaiti public shareholding company, incorporated on 17 February 2010 in the State of Kuwait by virtue of Amiri Decree No. 289/2009. The Bank is registered as an Islamic banking institution in accordance with the rules and regulations of the Central Bank of Kuwait (the "CBK") on 7 April 2010 and its shares are publicly traded on the Boursa Kuwait. The Bank's head office is located at Al-Raya Tower, Mezzanine floor 1, Omar Ibn Al-Khattab Street and its registered postal address is P.O. Box 1220, Safat 13013, State of Kuwait.

The Bank is primarily involved in corporate, retail and investment banking activities in accordance with the principles of Islamic Sharīʿa, as approved by the Bank's Sharīʿa Supervisory Board.

The annual general assembly meeting ("AGM") of the shareholders of the Bank held on 30 March 2026 approved the consolidated financial statements for the year ended 31 December 2025. Distributions proposed by the Board of Directors and approved by the shareholders of the Bank for the year then ended are provided in Note 7.

This interim condensed consolidated financial information as at and for the six months ended 30 June 2026 includes the financial information of the Bank and its wholly owned subsidiary and special purpose vehicles (collectively, the "Group").

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 has been approved for issuance in accordance with the Board of Directors resolution on 16 July 2026.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2026 has been prepared in accordance with International Accounting Standard 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 Central Bank of Kuwait (the "CBK") in the State of Kuwait. These regulations, require banks and other financial institutions regulated by CBK to adopt the International Financial Reporting Standards as issued by International Accounting Standards Board (IASB) with the amendment for measuring expected credit loss ("ECL") at the higher of ECL provision on financing facilities computed under IFRS 9 – *Financial Instruments* ("IFRS 9") in accordance with the CBK guidelines or the provisions as required by CBK instructions along with its consequential impact on related disclosures.

The above framework is hereinafter 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 include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with IFRS Accounting Standards as adopted by CBK for use by the State of Kuwait and should be read in conjunction with the Group's annual consolidated financial statements as at and for the year ended 31 December 2025. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The below amendment apply for the first time in 2026, but does not have an impact on the interim condensed consolidated financial information of the Group.

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (continued)

2.2 New standards, interpretations and amendments adopted by the Group (continued)

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

- Clarifications of the requirements for recognition and derecognition of financial assets and financial liabilities. In particular, a financial liability is derecognised on the 'settlement date' and an accounting policy choice is introduced (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments; and
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The amendments had no material impact on the Group's interim condensed consolidated financial information.

Annual Improvements to IFRS accounting Standards – Volume 11
In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 7 *Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7*, IFRS 9 *Financial Instruments*, IFRS 10 *Consolidated Financial Statements* and IAS 7 *Statements of Cash Flows*.

The amendments had no material impact on the Group's interim condensed consolidated financial information.

3 CASH AND CASH EQUIVALENTS

Cash and cash equivalents referred to in the interim condensed consolidated statement of cash flows comprises of cash on hand, non–restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

	30 June 2026 KD'000	*(Audited) 31 December 2025 KD'000*	*30 June 2025 KD'000*
Cash on hand	**6,216**	7,918	13,306
Current account with the CBK	**148,308**	169,041	292,965
Current account with commercial banks	**75,154**	64,660	58,875
Total cash and bank balances	**229,678**	241,619	365,146
Placements with the CBK with original maturity of three months or less	**36,003**	70,012	125,336
Placements with banks with original maturity of three months or less	**-**	48,868	56,269
Total cash and cash equivalents	**265,681**	360,499	546,751

4 FINANCING RECEIVABLES

	30 June 2026 KD'000	*(Audited) 31 December 2025 KD'000*	*30 June 2025 KD'000*
Murabaha receivables	**3,928,271**	3,662,684	3,586,287
Ijara receivables	**660,226**	650,876	635,752
Wakala receivables	**9,358**	9,292	9,336
Others	**7,899**	11,606	16,128
Less: deferred profit	**(240,388)**	(226,518)	(224,398)
Financing receivables before provision for impairment	**4,365,366**	4,107,940	4,023,105
Less: Provision for impairment as per the CBK guidelines	**(102,194)**	(100,451)	(96,957)
	4,263,172	4,007,489	3,926,148

During the period, the Group has recovered KD 457 thousand from written off deals in the prior years (31 December 2025: KD 2,172 thousand and 30 June 2025: KD 1,385 thousand).

The available provision balance on non-cash facilities of KD 5,795 thousand (31 December 2025: KD 8,029 thousand and 30 June 2025: KD 7,187 thousand) is included under other liabilities in the interim condensed consolidated statement of financial position.

The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to KD 107,989 thousand as at 30 June 2026 (31 December 2025: KD 108,480 thousand and 30 June 2025: KD 104,144 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance with the CBK guidelines amounted to KD 83,853 thousand as at 30 June 2026 (31 December 2025: KD 80,215 thousand and 30 June 2025: KD 77,384 thousand). The 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.

4 FINANCING RECEIVABLES (continued)

The following tables illustrates the reconciliation from the opening to the closing balance of the loss allowance (cash and non-cash facilities) as per the CBK instructions:

	30 June 2026		
	Specific KD'000	***General KD'000***	***Total KD'000***
As at 1 January 2026	**13,434**	**95,046**	**108,480**
Charge (reversal) for the period	**13,114**	**(2,927)**	**10,187**
Amounts written off	**(10,727)**	**-**	**(10,727)**
Foreign exchange adjustments	**-**	**49**	**49**
At 30 June 2026	**15,821**	**92,168**	**107,989**

	31 December 2025 (Audited)		
	Specific KD'000	*General KD'000*	*Total KD'000*
As at 1 January 2025	12,185	88,734	100,919
Charge for the year	5,041	6,357	11,398
Amounts written off	(3,792)	-	(3,792)
Foreign exchange adjustments	-	(45)	(45)
At 31 December 2025	13,434	95,046	108,480

	30 June 2025		
	Specific KD'000	*General KD'000*	*Total KD'000*
As at 1 January 2025	12,185	88,734	100,919
Charge for the period	2,175	3,180	5,355
Amounts written off	(2,090)	-	(2,090)
Foreign exchange adjustments	-	(40)	(40)
At 30 June 2025	12,270	91,874	104,144

4 FINANCING RECEIVABLES (continued)

An analysis of the carrying amounts of financing receivables (cash facilities), and the corresponding ECL based on the staging criteria under IFRS 9 in accordance with CBK regulations is as follows:

	As at 30 June 2026			
	Stage 1 KD'000	***Stage 2 KD'000***	***Stage 3 KD'000***	***Total KD'000***
Financing receivables				
High	**2,506,525**	**62,089**	**-**	**2,568,614**
Standard	**1,485,478**	**95,666**	**-**	**1,581,144**
Past due or impaired	**34,796**	**115,471**	**65,341**	**215,608**
	4,026,799	**273,226**	**65,341**	**4,365,366**

	As at 31 December 2025 (Audited)			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
Financing receivables				
High	2,312,141	71,389	-	2,383,530
Standard	1,399,264	103,493	-	1,502,757
Past due or impaired	45,524	119,199	56,930	221,653
	3,756,929	294,081	56,930	4,107,940

	As at 30 June 2025			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
Financing receivables				
High	1,330,335	163,932	-	1,494,267
Standard	2,252,132	124,210	-	2,376,342
Past due or impaired	55,712	42,869	53,915	152,496
	3,638,179	331,011	53,915	4,023,105

An analysis of the changes in the ECL in relation to financing receivables (cash facilities) computed under IFRS 9 in accordance with the CBK guidelines is, as follows:

	30 June 2026			
	Stage 1 KD'000	***Stage 2 KD'000***	***Stage 3 KD'000***	***Total KD'000***
ECL allowance as at 1 January 2026	**8,831**	**9,826**	**32,755**	**51,412**
Transfer from Stage 1	**(92)**	**59**	**33**	-
Transfer from Stage 2	**363**	**(775)**	**412**	-
Transfer from Stage 3	**370**	**157**	**(527)**	-
Additional (reversal) ECL for the period	**2,102**	**(875)**	**14,364**	**15,591**
Amounts written off	-	-	**(10,727)**	**(10,727)**
At 30 June 2026	**11,574**	**8,392**	**36,310**	**56,276**

4 FINANCING RECEIVABLES (continued)

	31 December 2025 (Audited)			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
ECL allowance as at 1 January 2025	12,949	9,481	31,881	54,311
Transfer from Stage 1	(251)	197	54	-
Transfer from Stage 2	1,070	(1,655)	585	-
Transfer from Stage 3	219	81	(300)	-
(Reversal) additional ECL for the year	(5,156)	1,722	4,327	893
Amounts written off	-	-	(3,792)	(3,792)
At 31 December 2025	8,831	9,826	32,755	51,412

	30 June 2025			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
ECL allowance as at 1 January 2025	12,949	9,481	31,881	54,311
Transfer from Stage 1	(218)	198	20	-
Transfer from Stage 2	750	(1,290)	540	-
Transfer from Stage 3	205	69	(274)	-
(Reversal) additional ECL for the period	(19)	820	420	1,221
Amounts written off	-	-	(2,090)	(2,090)
At 30 June 2025	13,667	9,278	30,497	53,442

An analysis of the carrying amounts of contingent liabilities and commitments (non-cash facilities), and the corresponding ECL based on the staging criteria under IFRS 9 in accordance with CBK regulations is as follows:

	As at 30 June 2026			
	Stage 1 KD'000	***Stage 2 KD'000***	***Stage 3 KD'000***	***Total KD'000***
Non-cash facilities				
High	**455,316**	**1,123**	**-**	**456,439**
Standard	**99,147**	**48,113**	**-**	**147,260**
Past due or impaired	**-**	**-**	**18,058**	**18,058**
Total contingent liabilities	**554,463**	**49,236**	**18,058**	**621,757**
Commitments (revocable and irrevocable)	**1,781,558**	**45,659**	**640**	**1,827,857**

	As at 31 December 2025 (Audited)			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
Non-cash facilities				
High	427,731	1,561	-	429,292
Standard	112,083	49,202	-	161,285
Past due or impaired	-	-	19,971	19,971
Total contingent liabilities	539,814	50,763	19,971	610,548
Commitments (revocable and irrevocable)	1,540,001	44,144	807	1,584,952

4 FINANCING RECEIVABLES (continued)

	As at 30 June 2025			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
Non-cash facilities				
High	108,109	54,985	-	163,094
Standard	345,744	1,979	-	347,723
Past due or impaired	-	-	16,748	16,748
Total contingent liabilities	453,853	56,964	16,748	527,565
Commitments (revocable and irrevocable)	794,523	39,244	10,986	844,753

An analysis of the changes in the ECL in relation to financing receivables (non-cash facilities) computed under IFRS 9 in accordance with the CBK guidelines is as follows:

	30 June 2026			
	Stage 1 KD'000	***Stage 2 KD'000***	***Stage 3 KD'000***	***Total KD'000***
ECL allowance as at 1 January 2026	**1,841**	**6,910**	**20,052**	**28,803**
Transfer from Stage 1	**(19)**	**19**	**-**	**-**
Transfer from Stage 2	**22**	**(264)**	**242**	**-**
Additional (reversal) ECL for the period	**341**	**665**	**(2,232)**	**(1,226)**
At 30 June 2026	**2,185**	**7,330**	**18,062**	**27,577**

	31 December 2025 (Audited)			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
ECL allowance as at 1 January 2025	2,224	4,110	16,905	23,239
Transfer from Stage 1	(4)	4	-	-
Transfer from Stage 2	231	(242)	11	-
(Reversal) additional ECL for the year	(610)	3,038	3,136	5,564
At 31 December 2025	1,841	6,910	20,052	28,803

	30 June 2025			
	Stage 1 KD'000	*Stage 2 KD'000*	*Stage 3 KD'000*	*Total KD'000*
ECL allowance as at 1 January 2025	2,224	4,110	16,905	23,239
Transfer from Stage 1	(2)	2	-	-
(Reversal) additional ECL for the period	(14)	(326)	1,043	703
At 30 June 2025	2,208	3,786	17,948	23,942

5 INVESTMENT IN ASSOCIATE

During the prior year, on 8 April 2025, the Bank acquired a Kuwaiti Limited Liability Company "Warba Strategy Company S.P.C." (previously known as Al Ghanem Trading Company W.L.L.) (the "Acquiree") for consideration of KD 498,161 thousand (a cash consideration of KD 230,825 thousand while assuming the bank borrowings and other liabilities of the Acquiree amounting to KD 267,336 thousand). The Acquiree owns 32.75% of equity interest in Gulf Bank K.S.C.P., a bank listed on Boursa Kuwait. Accordingly, the Bank indirectly owns 32.75% of the share capital of Gulf Bank. The management determined that the Bank has significant influence over Gulf Bank ("associate") by virtue of its shareholding. The associate is accounted for using the equity method.

The management concluded the Acquiree is not a business, and hence the Bank has accounted for the acquisition of the Acquiree as an asset acquisition. The acquisition of the associate is accounted for in accordance with IAS 28 *Investment in associates and joint ventures* applying the underlying concept of acquisition method as outlined in IFRS 3: *Business combination*.

During the current period, within the measurement period permissible under IFRS 3, the Bank finalised the Purchase Price Allocation (PPA) exercise based on updated information and valuations.

As a result, the fair value of tangible net assets acquired do not materially differ from their provisionally determined carrying values. The identified intangible assets were recognized retrospectively to the provisional goodwill amount which includes brand name amounting to KD 14,498 thousand with indefinite useful life and core deposits amounting to KD 23,413 thousand with an estimated useful life of 15 years amortized on a straight-line basis.

The impact has resulted in decrease in previously recognized goodwill by KD 37,911 thousand. These adjustments have been recorded retrospectively as if the accounting had been completed at the acquisition date. Accordingly, comparative information has been restated where applicable.

During the prior year, on 15 June 2025, the Bank obtained an acknowledgment from CBK for the potential merger with the associate. The Bank is currently in discussions with Gulf Bank management, consultants, and advisors from both sides regarding the valuations and due diligence reports.

Movement of investment in associate:

	30 June 2026 KD'000	*(Audited) 31 December 2025 KD'000 (Restated)*	*30 June 2025 KD'000 (Restated)*
Opening balance	**512,125**	-	-
<u>*Investment during the period*</u>			
Share of net assets acquired	-	264,670	264,670
Goodwill included in investment	-	195,580	195,580
Intangible assets	-	37,911	37,911
Share of profit during the period*	**8,984**	14,091	4,810
Share of other comprehensive (loss) income of investment in associate	**(17)**	1,044	594
Amortization of intangible assets	**(780)**	(1,171)	(390)
Dividends received	**(11,769)**	-	-
Closing balance	**508,543**	512,125	503,175

*Based on the decision of the Sharia Supervisory Board, the Bank is permitted to recognize, for accounting purposes, the share of profit arising from its subsidiary, Warba Strategy Company S.P.C. (previously known as Al Ghanem Trading Company W.L.L.) which owns 32.75% of the shares of Gulf Bank (an associate company) in the interim condensed consolidated statement of profit or loss as part of investment income which will be dealt with subsequently according to a Sharia plan under the supervision of the Sharia Supervisory Board. Cash dividends received shall also be treated in accordance with the Shariah plan approved by the Shariah Supervisory Board in this regard.

5 INVESTMENT IN ASSOCIATE (continued)

The following table illustrates summarised financial information of the Group's investment in associate:

	Six months ended 30 June 2026 KD'000	*From the date of acquisition to 30 June 2025 KD'000*
Summarised interim condensed consolidated information of profit or loss of the associate:		
Operating income	**94,274**	47,779
Profit for the period	**27,433**	14,686
Other comprehensive income	**(51)**	1,815
Total comprehensive income	**27,382**	16,501

The contingent liabilities and commitments relating to the associate amounting to KD 3,100,212 thousand (31 December 2025: KD 3,134,423 thousand and 30 June 2025: KD 3,072,186 thousand).

Reconciliation of the above summarised financial information to the carrying amount of the investment in associate recognised in the interim condensed consolidated financial information is as follows:

	30 June 2026 KD'000	*(Audited) 31 December 2025 KD'000*	*30 June 2025 KD'000*
Net assets	**845,814**	854,365	824,652
Group equity interest	**32.75%**	32.75%	32.75%
Group share of net assets	**277,004**	279,805	270,074
Goodwill *	**195,580**	195,580	195,580
Intangible assets (net of amortization) *	**35,959**	36,740	37,521
Carrying amount *	**508,543**	512,125	503,175

*The goodwill, intangible assets and carrying amount have been restated for prior periods to reflect the outcome of the PPA exercise.

6 SUKUK ISSUED

On 10 July 2024, the Bank completed the issuance of an unsecured Sukuk (senior debt) amounting to US$ 500 million (KD 154 million) with a tenor of up to 5 years maturing on 10 July 2029. Such Sukuk has a fixed coupon rate of 5.351% per annum, payable semi-annually in arrears. The Sukuk is listed on the London Stock Exchange International Securities Market and NASDAQ Dubai.

7 SHARE CAPITAL

7.1 Share capital

The authorised, issued and fully paid-up share capital at 30 June 2026 amount to KD 472,313 thousand (31 December 2025: KD 449,822 thousand and 30 June 2025: KD 449,822 thousand) and comprises of 4,723,127 thousand shares (31 December 2025: 4,498,216 thousand shares and 30 June 2025: 4,498,216 thousand shares) of a par value of 100 fils each.

7.2 Dividends distributed and proposed

- The ordinary annual general assembly meeting ("AGM") of the Bank's shareholders held on 30 March 2026 approved dividends of 5% bonus shares and a cash dividend of 5 fils per share amounting to KD 22,491 thousand and KD 22,491 thousand, respectively, for the year ended 31 December 2025 (2025: 6% bonus shares amounting to KD 13,102 thousand for the year ended 31 December 2024). Cash dividend amounting to KD 18,706 thousand was paid during the period and dividends payable as at 30 June 2026 amounted to KD 3,785 thousand and recorded within "other liabilities" in the interim condensed consolidated statement of financial position.

- The shareholders of the Bank at the adjourned extra-ordinary general assembly ("EGM") held on 6 April 2026 approved the increase of the Bank's authorized, issued, and fully paid share capital by issuing 224,911 thousand bonus shares at 5% of the authorised and paid-up share capital as of 31 December 2025 (i.e. 5 shares for each 100 shares) amounting to KD 22,491 thousand to the shareholders registered in the Bank's records as at the end of the record date on 26 April 2026. The legal proceedings relating to the issuance of bonus shares have been completed during the period.

8 PERPETUAL TIER 1 SUKUK

Tier 1 Sukuk 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 net proceeds of Tier 1 Sukuk 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. At the Bank's sole discretion, it may not elect to make any Mudaraba distributions expected and, in such event, the Mudaraba profit will not be accumulated, and the event is not considered an event of default.

On 29 November 2021, the Bank, through a Sharīʿa compliant Sukuk arrangement, issued Tier 1 Sukuk amounting to USD 250 million (KD 75.8 million). The Tier 1 Sukuk is listed on the Irish Stock Exchange and NASDAQ Dubai and callable by the Bank after five-year period ending 26 November 2026 (the "First Call Date") or at any profit payment date thereafter subject to certain redemption conditions. Such Sukuk bears a profit rate of 4% per annum to be paid semi-annually in arrears until the First Call Date. After that, the expected profit rate will be reset based on the prevailing 5 years U.S Mid Swap Rate plus initial margin of 2.748% per annum. The Bank made profit payment during the period on 25 May 2026.

On 20 May 2025, the Bank, through a Sharīʿa compliant Sukuk arrangement, issued Tier 1 Sukuk amounting to USD 250 million (KD 76.8 million). The Tier 1 Sukuk is listed on the London Stock Exchange and NASDAQ Dubai and callable by the Bank after five-year period ending 20 May 2030 (the "First Call Date") or at any profit payment date thereafter subject to certain redemption conditions. Such Sukuk bears a profit rate of 6.25% per annum to be paid semi-annually in arrears until the First Call Date. If the Call Option did not occur after the First Call Date, the expected profit rate to be set on the First Reset Date will be based on the prevailing Interpolated 5.5 years U.S Treasury plus reset margin of 2.102% per annum. The Bank made profit payment during the period on 17 May 2026.

9 NET INVESTMENT INCOME

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD'000	*KD'000*	***KD'000***	*KD'000*
Realised gain on sale of financial assets at fair value through profit or loss	**-**	-	**248**	-
Realised gain on sale of debt instruments at fair value through other comprehensive income	**1,047**	67	**1,031**	52
Share of results of investment in joint ventures	**(605)**	2,721	**(251)**	3,061
Share of results of investment in associate	**5,897**	4,810	**8,984**	4,810
Dividend income	**2,282**	2,476	**3,473**	5,316
Net rental income from investment properties	**353**	298	**707**	601
Unrealized loss on investment properties	**-**	(16)	**-**	(15)
Unrealized gain on investments at fair value through profit or loss	**963**	172	**728**	677
Other investment income	**33**	36	**68**	77
	9,970	10,564	**14,988**	14,579

10 PROVISION FOR IMPAIRMENT AND CREDIT LOSSES

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD'000	*KD'000*	***KD'000***	*KD'000*
Provision charge for credit facilities – specific	**202**	1,027	**13,114**	2,175
Provision charge (reversal) for credit facilities – general	**3,371**	2,227	**(2,927)**	3,180
Expected credit losses charge (reversal)	**62**	5	**94**	(68)
Impairment (reversal) charge on other assets	**(777)**	11	**(504)**	19
	2,858	3,270	**9,777**	5,306

11 TAXATION

	Three months ended 30 June		*Six months ended 30 June*	
	2026	***2025***	***2026***	*2025*
	KD'000	*KD'000*	***KD'000***	*KD'000*
		(Restated)		*(Restated)*
Domestic Minimum Top-up Tax (DMTT)	**604**	687	**652**	898
Overseas taxation	**(2)**	-	**-**	-
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	**111**	98	**134**	150
	713	785	**786**	1,048

11 TAXATION (continued)

The Group is subject to the Pillar Two Model rules as per the OECD Global Anti-Base Erosion ('GloBE') Rules in several jurisdictions in which the Group operates. 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 1 January 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 excess profit 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 excess profit and top-up tax rate shall be computed in accordance with the Executive regulations. As of the reporting date, Kuwait issued its Executive Regulations in relation to Pillar Two and the Group has estimated the DMTT charge based on existing guidance and on the basis that the DMTT is qualified, to be interpreted in accordance with the GloBE Model Rules and its accompanying commentary. The Law effectively replaces the existing Corporate Tax Law, National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law. In addition, for jurisdictions where either a global minimum top-up tax or domestic minimum top-up tax, or both, have been implemented, the impact has been recognised as a part of Bank's Income tax expenses.

The Group applies the mandatory and temporary exception from recognising and disclosing information on the associated deferred tax assets and liabilities as required by the amendments to IAS 12 'International Tax Reform – Pillar Two Model Rules'.

12 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the period attributable to ordinary equity holders of the Bank adjusted for profit paid on Perpetual Tier 1 Sukuk by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Bank adjusted for profit paid on Perpetual Tier 1 Sukuk by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As there are no dilutive instruments outstanding, basic and diluted earnings per share are identical.

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025 (Restated)**	***2026***	*2025 (Restated)**
Net profit for the period (KD'000)	**18,294**	14,821	**24,183**	20,334
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	**(3,937)**	(1,538)	**(3,937)**	(1,538)
	14,357	13,283	**20,246**	18,796
Weighted average number of shares outstanding (shares'000)	**4,723,127**	3,424,658	**4,723,127**	3,424,658
Basic and diluted EPS (fils)	**3.04**	3.88	**4.29**	5.49

* The comparative basic and diluted EPS has been restated to reflect the impact of the bonus shares issued to the shareholders of the Bank during the period (Note 7) and the impact of the restatement relating to completion of the PPA exercise of investment in associate (Note 5).

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of this interim condensed consolidated financial information.

13 RELATED PARTY DISCLOSURES

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. Balances with related parties arise from commercial transactions in the normal course of business. Lending to Board Members and their related parties is secured by tangible collateral in accordance with regulation of the Central Bank of Kuwait.

13 RELATED PARTY DISCLOSURES (continued)

13.1 Remuneration of the Bank's key management personnel

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Bank and its employees. The Bank considers the members of the Board of Directors (and its sub-committees) and Executive Committee to be key management personnel for the purposes of IAS 24 *Related Party Disclosures*.

	Three months ended 30 June		*Six months ended 30 June*	
	2026	*2025*	***2026***	*2025*
	KD'000	*KD'000*	***KD'000***	*KD'000*
Salaries and short-term benefits	**631**	619	**1,261**	1,197
End of service benefits	**57**	48	**110**	95
	688	667	**1,371**	1,292

The AGM of the shareholders of the Bank held on 30 March 2026 approved directors' remuneration for the year ended 31 December 2025 amounting to KD 66 thousand (2024: KD 66 thousand).

13 RELATED PARTY DISCLOSURES (continued)

13.2 Balances and transactions with Bank's board of directors' members, key management personnel, major shareholders and joint ventures

Details of the balances of board of directors' members, executive officers, major shareholders and joint ventures are as follows:

	Number of BOD members, executive officers, major shareholders or joint ventures			*Number of related parties*			*Outstanding balance*		
	30 June 2026	*(Audited) 31 December 2025*	*30 June 2025*	***30 June 2026***	*(Audited) 31 December 2025*	*30 June 2025*	***30 June 2026 KD'000***	*(Audited) 31 December 2025 KD'000*	*30 June 2025 KD'000*
Board Members									
Financing facilities (secured)	**-**	-	-	**1**	-	-	**81**	-	-
Credit cards	**1**	1	1	**1**	-		**-**	1	2
Depositors' accounts	**8**	7	7	**33**	33	34	**107,103**	131,848	125,392
Contingent liabilities (letter of guarantees)	**-**	-	-	**2**	2	2	**30,943**	31,784	28,840
Executive Officers									
Financing facilities (secured)	**8**	8	7	**-**	-	-	**930**	900	1,131
Credit cards	**3**	4	3	**-**	-	-	**9**	11	4
Depositors' accounts	**17**	17	16	**32**	28	16	**1,656**	1,497	2,186
Major Shareholders									
Financing Facilities (secured)	**-**	-	-	**3**	3	4	**10,584**	10,585	8,185
Depositors' accounts	**3**	3	3	**4**	4	4	**617,318**	499,919	589,512
Contingent liabilities (letter of guarantees)	**-**	-	-	**3**	3	2	**2,203**	2,586	1,981
Joint Ventures									
Depositors' accounts	**32**	34	37	**-**	-	-	**514**	224	235
Associate									
Bank balances	**1**	1	1	**-**	-	-	**86**	93	547
Depositors' accounts	**1**	1	1	**-**	-	-	**1,755**	31,731	65,004

13 RELATED PARTY DISCLOSURES (continued)

13.2 Balances and transactions with Bank's board of directors' members, key management personnel, major shareholders and joint ventures (continued)

Outstanding balances at period end are in the ordinary course of business. The profit rates charged to, and by, related parties are at normal commercial rates.

Details of the transactions of board of directors' members, executive officers and major shareholders are as follows:

	Six months ended 30 June	
	2026	*2025*
	KD'000	*KD'000*
Board Members		
Placement and finance income	**1**	-
Net fees and commission income	**76**	84
Finance costs and distribution to depositors	**1,415**	1,452
Executive Officers		
Placement and finance income	**98**	92
Finance costs and distribution to depositors	**18**	40
Major Shareholders		
Placement and finance income	**268**	172
Net fees and commission income	**8**	4
Finance costs and distribution to depositors	**13,517**	11,144
Associate		
Placement and finance income	**-**	8
Finance costs and distribution to depositors	**189**	687

14 COMMITMENTS AND CONTINGENT LIABILITIES

		(Audited)	
	30 June 2026	*31 December 2025*	*30 June 2025*
	KD'000	*KD'000*	*KD'000*
Acceptances and letters of credit	**111,546**	157,349	126,813
Letters of guarantee	**510,211**	453,199	400,752
Contingent liabilities	**621,757**	610,548	527,565
Capital and other commitments	**199,607**	244,237	147,561

15 SEGMENT INFORMATION

The Group's operating segments are determined based on the reports reviewed by the decision makers that are used for strategic decisions. These segments are strategic business units that offer different products and services. They are managed separately since the nature of the products and services, class of customers and marketing strategies of these segments are different.

These operating segments meet the criteria for reportable segments and are as follows:

- **Corporate** - comprising of range of banking services and investment products to corporate customers, in addition to providing commodity and real estate murabaha finance and Ijarah facilities.
- **Retail** - comprising of a diversified range of products and services to individual customers. The range includes consumer finance, credit cards, deposits and other branch related services.
- **Treasury** – comprising of the Bank's funding operations management, local and international Murabaha and other Islamic financing primarily with banks and financial institutions.
- **Investment** - comprising of investment in direct equity, real estate investment, other investments, asset management, structured financing and part of the Bank's funding operations management.
- **Other** – comprising of cost center assets and expenses.

Management monitors the operating segments separately for the purpose of making decisions about resource allocation and performance assessment.

The following table presents net operating income (loss), net profit (loss) for the period, total assets and total liabilities information in respect of the Group's reportable segments:

	30 June 2026					
	Corporate KD'000	***Retail KD'000***	***Treasury KD'000***	***Investment KD'000***	***Other KD'000***	***Total KD'000***
Net operating income	**36,573**	**8,957**	**3,910**	**9,711**	**-**	**59,151**
Net profit (loss)	**29,938**	**(1,593)**	**3,504**	**6,446**	**(14,112)**	**24,183**
Total assets	**2,809,194**	**770,432**	**599,742**	**1,879,239**	**129,874**	**6,188,481**
Total liabilities	**1,495,504**	**1,524,833**	**1,874,255**	**216,000**	**104,960**	**5,215,552**

	30 June 2025 (Restated)					
	Corporate KD'000	*Retail KD'000*	*Treasury KD'000*	*Investment KD'000*	*Other KD'000*	*Total KD'000*
Net operating income (loss)	35,889	7,877	(526)	5,692	-	48,932
Net profit (loss)	31,158	300	(998)	3,853	(13,979)	20,334
Total assets	2,717,863	726,471	820,129	1,748,444	59,218	6,072,125
Total liabilities	1,356,464	1,382,770	2,015,840	266,000	99,421	5,120,495

16 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair values of financial and non-financial assets by valuation technique:

- **Level 1** - quoted (unadjusted) prices in an active market for identical assets and liabilities;
- **Level 2** - other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- **Level 3** - other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of assets recorded at fair value by level of the fair value hierarchy:

30 June 2026		***Fair value measurement***		
	Total KD'000	***Quoted prices in active markets (Level 1) KD'000***	***Significant observable inputs (Level 2) KD'000***	***Significant unobservable inputs (Level 3) KD'000***
Assets measured at fair value on a recurring basis				
Financial assets at FVTPL				
Quoted equity instruments	**4,626**	**4,626**	**-**	**-**
Funds (unquoted)	**217,507**	**-**	**-**	**217,507**
Other securities (unquoted)	**2**	**-**	**-**	**2**
	222,135	**4,626**	**-**	**217,509**
Financial assets at FVOCI				
Quoted Sukuk				
- Sovereign Sukuk	**162,031**	**162,031**	**-**	**-**
- Corporate Sukuk	**184,486**	**174,486**	**10,000**	**-**
	346,517	**336,517**	**10,000**	**-**
Unquoted equity instruments	**10,073**	**-**	**-**	**10,073**
	356,590	**336,517**	**10,000**	**10,073**
Non-financial assets:				
Investment properties	**40,897**	**-**	**1,481**	**39,416**

16 FAIR VALUE MEASUREMENTS (continued)

31 December 2025 (Audited)	*Total*	*Fair value measurement* *Quoted prices in active markets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*
	KD'000	*KD'000*	*KD'000*	*KD'000*
Assets measured at fair value on a recurring basis				
Financial assets at FVTPL				
Quoted equity instruments	4,261	4,261	-	-
Funds (unquoted)	215,144	-	-	215,144
Other securities (unquoted)	27	-	-	27
	219,432	4,261	-	215,171
Financial assets at FVOCI				
Quoted Sukuk				
- Sovereign Sukuk	191,053	191,053	-	-
- Corporate Sukuk	209,996	199,996	10,000	-
	401,049	391,049	10,000	-
Unquoted equity instruments	10,073	-	-	10,073
	411,122	391,049	10,000	10,073
Non-financial assets:				
Investment properties	40,565	-	1,469	39,096

30 June 2025	*Total*	*Fair value measurement* *Quoted prices in active markets (Level 1)*	*Significant observable inputs (Level 2)*	*Significant unobservable inputs (Level 3)*
	KD'000	*KD'000*	*KD'000*	*KD'000*
Assets measured at fair value on a recurring basis				
Financial assets at FVTPL				
Quoted equity instruments	3,764	3,764	-	-
Funds (unquoted)	199,378	-	-	199,378
Other securities (unquoted)	199	-	-	199
	203,341	3,764	-	199,577
Financial assets at FVOCI				
Quoted Sukuk				
- Sovereign Sukuk	181,599	181,599	-	-
- Corporate Sukuk	266,918	266,918	-	-
	448,517	448,517	-	-
Unquoted equity instruments	9,803	-	-	9,803
	458,320	448,517	-	9,803
Non-financial assets:				
Investment properties	39,529	-	1,548	37,981

16 FAIR VALUE MEASUREMENTS (continued)

Movements in Level 3 assets measured at fair value

The following tables show the reconciliation of the opening and closing amounts of Level 3 assets measured at fair value:

	30 June 2026					
	At 1 January 2026	*Additions*	*Sales / redemptions*	*Change in fair value*	*Exchange rate movements*	*At 30 June 2026*
	KD'000	*KD'000*	*KD'000*	*KD'000*	*KD'000*	*KD'000*
Financial assets at FVTPL						
Funds (unquoted)	**215,144**	**23,121**	**(21,147)**	**(701)**	**1,090**	**217,507**
Other securities (unquoted)	**27**	**-**	**-**	**(25)**	-	**2**
	215,171	**23,121**	**(21,147)**	**(726)**	**1,090**	**217,509**
Financial assets at FVOCI						
Unquoted equity instruments	**10,073**	**-**	**-**	**-**	**-**	**10,073**
	10,073	**-**	**-**	**-**	**-**	**10,073**
Non-financial assets						
Investment properties	**39,096**	**-**	**-**	**-**	**320**	**39,416**
	39,096	**-**	**-**	**-**	**320**	**39,416**

	31 December 2025 (Audited)					
	At 1 January 2025	*Additions*	*Sales / redemptions*	*Change in fair value*	*Exchange rate movements*	*At 31 December 2025*
	KD'000	*KD'000*	*KD'000*	*KD'000*	*KD'000*	*KD'000*
Financial assets at FVTPL						
Funds (unquoted)	193,470	48,152	(29,129)	1,993	658	215,144
Other securities (unquoted)	1,787	-	(1,665)	(95)	-	27
	195,257	48,152	(30,794)	1,898	658	215,171
Financial assets at FVOCI						
Unquoted equity instruments	9,497	-	-	576	-	10,073
	9,497	-	-	576	-	10,073
Non-financial assets						
Investment properties	37,981	-	-	1,423	(308)	39,096
	37,981	-	-	1,423	(308)	39,096

16 FAIR VALUE MEASUREMENTS (continued)

	30 June 2025					
	At 1 January 2025 KD'000	*Additions KD'000*	*Sales / redemptions KD'000*	*Change in fair value KD'000*	*Exchange rate movements KD'000*	*At 30 June 2025 KD'000*
Financial assets at FVTPL						
Funds (unquoted)	193,470	19,024	(13,687)	14	557	199,378
Other securities (unquoted)	1,787	-	(1,573)	(15)	-	199
	195,257	19,024	(15,260)	(1)	557	199,577
Financial assets at FVOCI						
Unquoted equity instruments	9,497	-	-	306	-	9,803
	9,497	-	-	306	-	9,803
Non-financial assets						
Investment properties	37,981	-	-	-	-	37,981
	37,981	-	-	-	-	37,981

There were no transfers between any levels of the fair value hierarchy during 2026 or 2025.

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent (31 December 2025 and 30 June 2025: 5 percent).

The fair value of investment properties at 30 June 2026 has been determined on the same basis as disclosed in the annual financial statements for the year ended 31 December 2025. There have been no changes in the valuation techniques, significant unobservable inputs or fair value hierarchy classifications during the period.

For other financial assets and financial liabilities carried at amortised cost, the carrying value is not significantly different from their fair value as most of these assets and liabilities are of short-term maturity or are re-priced immediately based on market movement in profit rates.

17 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are financial instruments that derive their value by referring to profit rates, foreign exchange rates, index of prices or rates and credit rating or credit index. Notional principal amounts merely represent amounts to which a rate or price is applied to determine the amounts of cash flows to be exchanged and do not represent the potential gain or loss associated with the market or credit risk of such instruments.

Derivative financial instruments are carried at fair value in the interim condensed consolidated statement of financial position. Positive fair value represents the cost of replacing all transactions with a fair value in the Group's favour had the rights and obligations arising from that instrument been closed in an orderly market transaction at the reporting date. Credit risk in respect of derivative financial instruments is limited to the positive fair value of the instruments. Negative fair value represents the cost to the Group's counter parties of replacing all their transactions with the Group.

The Group deals in forward foreign exchange ("Islamic derivative financial instruments") to mitigate foreign currency risk. The forward foreign exchange contracts are being used for hedging purposes.

Forward foreign exchange contracts
Forward foreign exchange contracts are contractual agreements to buy, sell or exchange a specified financial instrument at a specific price and date in the future. Forwards are customized contracts transacted on the over the counter market and are settled on a gross basis.

The table below shows the positive and negative fair values of these instruments, which are equivalent to the market values, together with the notional amounts. The notional amount is the amount of currency swap instruments' underlying asset, reference rate or index and is the basis upon which changes in the value of these instruments are measured. The notional amounts indicate the volume of transactions outstanding at the period end and are not indicative of the credit risk.

	KD'000		
	Positive fair value	***Negative fair value***	***Notional amount***
30 June 2026			
Forward contracts	**155**	**-**	**59,351**

	KD'000		
	Positive fair value	*Negative fair value*	*Notional amount*
31 December 2025 (Audited)			
Forward contracts	-	-	-

	KD'000		
	Positive fair value	*Negative fair value*	*Notional amount*
30 June 2025			
Forward contracts	12	-	117,732

All derivative contracts are fair valued based on observable market inputs and are classified as level 2.

18 FIDUCIARY ASSETS

The aggregate value of assets held in a trust or fiduciary capacity by the Group at 30 June 2026 amounted to KD 860,450 thousand (31 December 2025: KD 714,979 thousand and 30 June 2025: KD 620,946 thousand).

Management fee earned from the above fiduciary assets amounted to KD 1,666 thousand (30 June 2025: KD 1,352 thousand).

19 IMPACT OF GEOPOLITICAL SITUATION IN THE REGION

Geopolitical events in the Middle East that commenced in late February 2026 have affected GCC countries, including Kuwait, resulting in increased macro-economic uncertainties and unfavorable business conditions.

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%; and
- Releasing 1.0% of risk weighted assets from the Capital Conservation Buffer (CET1), reducing the capital adequacy requirement from 13% to 12%.

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 governments and central banks in its estimation of ECL requirements for the period ended 30 June 2026. The Group has also given specific consideration on the relevant quantitative and qualitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.

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

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

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