

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

**INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION**

30 SEPTEMBER 2026 (UNAUDITED)

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2026 to 30 September 2026

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

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

Deloitte.

**Deloitte & Touche
Al-Wazzan & Co.**

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

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

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

Introduction

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

Scope of Review

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

Conclusion

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

Report on other Legal and Regulatory Requirements

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

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



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

19 October 2026
Kuwait

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UNAUDITED)

For the period from 1 January 2026 to 30 September 2026

		Three months ended 30 September		Nine months ended 30 September	
		2026	2025	2026	2025
	Notes	KD'000's	KD'000's	KD'000's	KD'000's
Income					
Murabaha and other Islamic financing income		129,042	127,095	375,692	366,215
Finance cost and distribution to depositors		(75,045)	(73,152)	(214,517)	(209,456)
Net financing income		53,997	53,943	161,175	156,759
Net investment income	3	6,211	5,056	18,011	13,785
Net fees and commission income		7,795	5,110	23,577	19,823
Net foreign exchange gain		2,338	2,537	6,826	6,984
Other income		-	-	-	547
Operating income		70,341	66,646	209,589	197,898
Staff costs		(16,718)	(17,763)	(53,609)	(52,503)
General and administrative expenses		(10,993)	(10,647)	(30,783)	(30,507)
Depreciation		(5,153)	(4,860)	(15,107)	(14,201)
Operating expenses		(32,864)	(33,270)	(99,499)	(97,211)
Operating profit before provision for impairment		37,477	33,376	110,090	100,687
Provision for impairment	4	(7,343)	(3,873)	(16,032)	(10,860)
Operating profit before deductions		30,134	29,503	94,058	89,827
Taxation	5	(3,723)	(3,772)	(11,897)	(11,891)
Net profit for the period		26,411	25,731	82,161	77,936
Attributable to:					
Equity holders of the Bank		26,009	25,404	80,728	77,705
Non-controlling interests		402	327	1,433	231
Net profit for the period		26,411	25,731	82,161	77,936
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	6	4.87	4.74	15.82	15.18

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**INTERIM CONDENSED CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME (UNAUDITED)**

For the period from 1 January 2026 to 30 September 2026

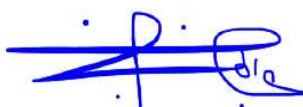
	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD'000's	KD'000's	KD'000's	KD'000's
Net profit for the period	26,411	25,731	82,161	77,936
Other comprehensive (loss) / income:				
Items that are or may be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
<i>Investment in Sukuk- fair value through other comprehensive income:</i>				
Net change in fair value	(6,726)	5,631	(10,643)	2,240
Net transfer to interim condensed consolidated statement of profit or loss	(97)	(1,498)	212	(328)
	(6,823)	4,133	(10,431)	1,912
Foreign currency translation adjustments	(11)	(8)	(271)	1,199
Items that will not be reclassified to interim condensed consolidated statement of profit or loss in subsequent periods:				
Change in fair value of equity investments at fair value through other comprehensive income	(815)	(48)	(90)	(38)
Other comprehensive (loss) / income for the period	(7,649)	4,077	(10,792)	3,073
Total comprehensive income for the period	18,762	29,808	71,369	81,009
Attributable to:				
Equity holders of the Bank	18,285	29,583	70,016	79,263
Non-controlling interests	477	225	1,353	1,746
Total comprehensive income for the period	18,762	29,808	71,369	81,009

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2026

			(Audited)	
	Notes	30 September 2026	31 December 2025	30 September 2025
		KD'000's	KD'000's	KD'000's
Assets				
Cash and balances with banks	7	452,160	353,679	596,086
Placements with Central Bank of Kuwait		464,906	363,430	297,498
Deposits with other banks		40,304	136,531	86,603
Islamic financing to customers	8	8,352,859	7,679,734	7,586,469
Investment in Sukuk	9	1,002,376	1,040,616	1,049,776
Other investment securities	9	299,033	249,550	216,363
Investment properties		92,594	92,676	91,361
Other assets		107,890	97,665	100,524
Property and equipment		198,721	187,397	182,716
Total assets		11,010,843	10,201,278	10,207,396
Liabilities and equity				
Liabilities				
Due to banks		366,858	293,764	362,782
Depositors' accounts		8,627,691	7,997,005	8,060,703
Certificates of deposit issued		53,653	104,571	-
Medium term financing	10	549,569	520,450	521,701
Other liabilities		306,445	147,603	144,635
Total liabilities		9,904,216	9,063,393	9,089,821
Equity				
Share capital	19	471,958	441,082	441,082
Share premium		316,942	316,942	316,942
Proposed bonus shares	19	-	30,876	-
Treasury shares	12	(54)	(54)	(54)
Statutory reserve		75,933	75,933	65,407
Voluntary reserve		15,327	15,327	15,327
Other reserves	13	(8,514)	2,198	3,528
Retained earnings		122,906	52,429	101,866
Proposed cash dividends	19	-	30,871	-
Equity attributable to equity holders of the Bank		994,498	965,604	944,098
Perpetual Tier 1 Sukuk	18	90,000	150,385	150,385
Non-controlling interests		22,129	21,896	23,092
Total equity		1,106,627	1,137,885	1,117,575
Total liabilities and equity		11,010,843	10,201,278	10,207,396



Abdulaziz Abdullah Dakheel Al-Shaya
Chairman



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

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period from 1 January 2026 to 30 September 2026

	Share capital	Share premium	Proposed bonus shares	Treasury shares	Statutory reserve	Voluntary reserve	Other reserves (note 13)	Retained earnings	Proposed cash dividends	Equity attributable to equity holders of the Bank	Perpetual tier 1 Sukuk	Non-controlling interests	Total equity
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
Balance at 1 January 2026	441,082	316,942	30,876	(54)	75,933	15,327	2,198	52,429	30,871	965,604	150,385	21,896	1,137,885
Net Profit for the period	-	-	-	-	-	-	-	80,728	-	80,728	-	1,433	82,161
Other comprehensive loss	-	-	-	-	-	-	(10,712)	-	-	(10,712)	-	(80)	(10,792)
Total comprehensive (loss) / income for the period	-	-	-	-	-	-	(10,712)	80,728	-	70,016	-	1,353	71,369
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(30,871)	(30,871)	-	-	(30,871)
Issue of bonus shares (note 19)	30,876	-	(30,876)	-	-	-	-	-	-	-	-	-	-
Issuance of Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(563)	-	(563)	90,000	-	89,437
Reclassification of Perpetual Tier 1 Sukuk to other liabilities (note 18)	-	-	-	-	-	-	-	(3,591)	-	(3,591)	(150,385)	-	(153,976)
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(6,097)	-	(6,097)	-	-	(6,097)
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,120)	(1,120)
Balance at 30 September 2026	471,958	316,942	-	(54)	75,933	15,327	(8,514)	122,906	-	994,498	90,000	22,129	1,106,627
Balance at 1 January 2025	420,078	316,942	21,004	(54)	65,407	15,327	(238)	32,428	42,002	912,896	150,385	22,779	1,086,060
Net Profit for the period	-	-	-	-	-	-	-	77,705	-	77,705	-	231	77,936
Other comprehensive income	-	-	-	-	-	-	1,558	-	-	1,558	-	1,515	3,073
Total comprehensive income for the period	-	-	-	-	-	-	1,558	77,705	-	79,263	-	1,746	81,009
Dividends paid (note 19)	-	-	-	-	-	-	-	-	(42,002)	(42,002)	-	-	(42,002)
Issue of bonus shares (note 19)	21,004	-	(21,004)	-	-	-	-	-	-	-	-	-	-
Realised loss on equity securities at fair value through other comprehensive income	-	-	-	-	-	-	2,208	(2,208)	-	-	-	-	-
Profit paid on Perpetual Tier 1 Sukuk	-	-	-	-	-	-	-	(6,059)	-	(6,059)	-	-	(6,059)
Other movement in non- controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,433)	(1,433)
Balance at 30 September 2025	441,082	316,942	-	(54)	65,407	15,327	3,528	101,866	-	944,098	150,385	23,092	1,117,575

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period from 1 January 2026 to 30 September 2026

		Nine months ended 30 September	
	Notes	2026 KD'000's	2025 KD'000's
OPERATING ACTIVITIES			
Net profit for the period		82,161	77,936
Adjustments for:			
Provision for impairment	4	16,032	10,860
Depreciation		15,107	14,201
Dividend income	3	(9,360)	(7,917)
Net gain from financial assets at fair value through profit or loss	3	(4,179)	(1,701)
Realized gain on sale of investment properties	3	-	(1,079)
Profit on Medium Term Financing		17,897	15,078
Share of results of associates	3	(77)	(43)
Operating profit before changes in operating assets and liabilities		117,581	107,335
Changes in operating assets and liabilities:			
Deposits with Central Bank of Kuwait		(176,512)	(152,328)
Deposits with other banks		16,489	110,813
Islamic financing to customers		(695,070)	(678,575)
Other assets		5,143	(22,534)
Due to banks		73,094	76,345
Depositors' accounts		631,254	636,950
Certificates of deposit issued		(49,937)	-
Other liabilities		(12,731)	(77)
Net cash (used in)/ generated from operating activities		(90,689)	77,929
INVESTING ACTIVITIES			
Purchase of investment securities		(157,836)	(144,191)
Proceeds from sale/redemption of investment securities		130,712	136,861
Acquisition of investment in associate		(300)	-
Proceeds from sale of investment properties		-	3,895
Purchase of investment properties		(131)	(6,533)
Purchase of property and equipment		(26,431)	(28,794)
Dividend income received	3	9,360	7,917
Net cash used in investing activities		(44,626)	(30,845)
FINANCING ACTIVITIES			
Net proceeds from issue of Perpetual Tier 1 Sukuk	18	90,000	-
Transaction costs on issue of Perpetual Tier 1 Sukuk		(563)	-
Profit distribution on perpetual Tier 1 Sukuk		(6,097)	(6,059)
Redemption of medium term financing		(61,585)	(231,568)
Profit paid on medium term financing		(5,225)	(2,612)
Proceeds from medium term financing		92,996	307,529
Net movement of non-controlling interest		(1,120)	(1,433)
Dividends paid	19	(30,871)	(42,002)
Net cash generated from financing activities		77,535	23,855
Net change in cash and cash equivalents		(57,780)	70,939
Foreign currency translation adjustments		2,513	1,670
Cash and cash equivalents at beginning of the period		542,457	685,717
Cash and cash equivalents at end of the period	7	487,190	758,326

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January 2026 to 30 September 2026

1. INCORPORATION AND ACTIVITIES

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

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

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

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

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

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

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

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

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

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

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

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

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

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

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**

For the period from 1 January 2026 to 30 September 2026

3. NET INVESTMENT INCOME

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD'000's	KD'000's	KD'000's	KD'000's
Dividend income	3,739	2,529	9,360	7,917
Net rental income from investment properties	1,390	920	4,395	2,837
Net gain from financial assets at fair value through profit or loss	946	1,632	4,179	1,701
(Loss) / gain from investment properties	-	(37)	-	1,287
Share of results of associates	136	12	77	43
	6,211	5,056	18,011	13,785

4. PROVISION FOR IMPAIRMENT

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD'000's	KD'000's	KD'000's	KD'000's
Provision charge for Islamic financing to customers	7,334	5,427	13,673	9,152
ECL – Other financial assets	(118)	(1,526)	248	(426)
Other provisions for impairment	127	(28)	2,111	2,134
	7,343	3,873	16,032	10,860

5. TAXATION

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD'000's	KD'000's	KD'000's	KD'000's
Domestic Minimum Top-up Tax ("DMTT")	3,332	3,532	10,619	10,438
Contribution to Kuwait Foundation for the Advancement of Sciences ("KFAS")	260	262	797	800
Overseas tax	131	(22)	1,956	653
Other tax	-	-	(1,475)	-
	3,723	3,772	11,897	11,891

Pillar 2 Income Taxes

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

For the period from 1 January 2026 to 30 September 2026

6. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the period attributable to the equity holders of the Bank (adjusted for profit paid on Perpetual Tier 1 Sukuk) by the weighted average number of shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to the equity holders of the Bank (adjusted for profit paid on Perpetual Tier 1 Sukuk) by the weighted average number of shares outstanding during the period plus the weighted average number of shares that would be issued on the conversion of all the dilutive potential shares into ordinary shares.

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
Net profit for the period attributable to the equity holders of the Bank (KD'000)	26,009	25,404	80,728	77,705
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	(3,040)	(3,017)	(6,097)	(6,059)
	22,969	22,387	74,631	71,646
Weighted average number of shares outstanding during the period net of treasury shares (thousands of shares)	4,718,854	4,718,931	4,718,866	4,718,940
Basic and diluted earnings per share attributable to the equity holders of the Bank (fils)	4.87	4.74	15.82	15.18

Earnings per share for the prior period were 5.08 and 16.25 fils before retroactive adjustment to the number of shares following the bonus shares issued in 2026 (note 19).

7. CASH AND CASH EQUIVALENTS

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD'000's	KD'000's	KD'000's
Cash and balances with banks	452,160	353,679	596,086
Placements with banks maturing within seven days	35,030	188,778	162,240
	487,190	542,457	758,326

8. ISLAMIC FINANCING TO CUSTOMERS

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD'000's	KD'000's	KD'000's
Islamic financing to customers	8,565,979	7,892,752	7,810,539
Provision for impairment	(213,120)	(213,018)	(224,070)
	8,352,859	7,679,734	7,586,469

The available provision for impairment on non-cash facilities of **KD 8,130 thousands** (31 December 2025: KD 8,463 thousands, 30 September 2025: KD 7,985 thousands) is included under other liabilities. The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to **KD 221,250 thousand** as at 30 September 2026 (31 December 2025: KD 221,481 thousand, 30 September 2025: KD 232,055 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to **KD 115,701 thousand** as at 30 September 2026 (31 December 2025: KD 111,383 thousands, 30 September 2025: KD 119,143 thousands) which is lower than the provision for impairment of Islamic finance to customers required under CBK regulations. CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

BOUBYAN BANK K.S.C.P. AND SUBSIDIARIES
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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8. ISLAMIC FINANCING TO CUSTOMERS (continued)

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

	Stage 1 KD'000's	Stage 2 KD'000's	Stage 3 KD'000's	Total KD'000's
30 September 2026				
Islamic financing to customers	8,214,757	273,014	78,208	8,565,979
Contingent liabilities (Note 14)	766,822	41,099	16,776	824,697
Commitments (revocable and irrevocable) to extend credit	1,882,608	19,505	629	1,902,742
31 December 2025 (Audited)				
Islamic financing to customers	7,556,330	249,792	86,630	7,892,752
Contingent liabilities (Note 14)	606,533	36,530	21,764	664,827
Commitments (revocable and irrevocable) to extend credit	1,922,031	26,722	4,989	1,953,742
30 September 2025				
Islamic financing to customers	7,453,967	267,512	89,060	7,810,539
Contingent liabilities (Note 14)	574,198	37,848	19,695	631,741
Commitments (revocable and irrevocable) to extend credit	1,647,539	26,589	454	1,674,582

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

	Stage 1 KD 000's	Stage 2 KD 000's	Stage 3 KD 000's	Total KD 000's
30 September 2026				
ECL allowance as at 1 January 2026	24,391	15,015	71,977	111,383
Impact due to transfer between stages				
Transfer from Stage 1	(1,060)	698	362	-
Transfer from Stage 2	1,698	(3,029)	1,331	-
Transfer from Stage 3	2,299	421	(2,720)	-
Additional ECL for the period	7,033	4,664	7,211	18,908
Amounts written off and recoveries	-	-	(14,635)	(14,635)
Foreign currency translation	68	(3)	(20)	45
At 30 September 2026	34,429	17,766	63,506	115,701
30 September 2025				
ECL allowance as at 1 January 2025	19,895	36,711	41,884	98,490
Impact due to transfer between stages				
Transfer from Stage 1	(758)	601	157	-
Transfer from Stage 2	5,807	(26,036)	20,229	-
Transfer from Stage 3	2,392	333	(2,725)	-
(Release)/additional ECL for the period	(2,407)	4,415	28,538	30,546
Amounts written off and recoveries	-	-	(10,232)	(10,232)
Foreign currency translation	15	132	192	339
At 30 September 2025	24,944	16,156	78,043	119,143

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9. INVESTMENT SECURITIES

	(Audited)		
	30 September 2026	31 December 2025	30 September 2025
	KD'000's	KD'000's	KD'000's
Investment in Sukuk	1,002,376	1,040,616	1,049,776
Other investment securities			
Financial assets at fair value through profit or loss	276,772	228,215	195,202
Financial assets at fair value through other comprehensive income	21,625	21,024	20,750
Investment in associates	636	311	411
	299,033	249,550	216,363
	1,301,409	1,290,166	1,266,139

	(Audited)		
	30 September 2026	31 December 2025	30 September 2025
	KD'000's	KD'000's	KD'000's
Investment in Sukuk			
Investment in Sukuk- fair value through other comprehensive income	1,002,376	1,040,616	1,047,062
Investment in Sukuk- fair value through profit or loss	-	-	2,714
	1,002,376	1,040,616	1,049,776
Financial assets at fair value through profit or loss			
Investment in unquoted equity funds	205,186	226,054	192,990
Other financial assets	69,363	-	-
Managed securities portfolio	2,223	2,161	2,212
	276,772	228,215	195,202
Financial assets at fair value through other comprehensive income			
Investment in unquoted equity securities	14,701	14,248	13,644
Investment in quoted securities	6,924	6,776	7,106
	21,625	21,024	20,750

10. MEDIUM TERM FINANCING

	(Audited)		
	30 September 2026	31 December 2025	30 September 2025
	KD'000's	KD'000's	KD'000's
Global Medium Term Sukuk ("GMTN programme")*	302,480	305,781	307,293
Other medium term financing**	247,089	214,669	214,408
	549,569	520,450	521,701

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

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

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

** Other medium term financing has a tenor of three years and carry a profit rate in the range of **4.43% to 4.85%** (31 December 2025: 4.55% to 4.81%, 30 September 2025: 4.9% to 5.2%) per annum.

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11. RELATED PARTY TRANSACTIONS

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

	Number of board members or executive officers (Audited)			Number of related parties (Audited)			(Audited)		
	30 September 2026	31 December 2025	30 September 2025	30 September 2026	31 December 2025	30 September 2025	30 September 2026	31 December 2025	30 September 2025
							KD'000's	KD'000's	KD'000's
Islamic financing to customers	15	18	15	16	18	8	83,872	84,462	82,956
Depositors' accounts	26	28	32	45	62	47	12,101	18,108	18,606
Letters of guarantee and letters of credit	-	-	1	2	3	3	2,510	2,515	2,515
Murabaha and other Islamic financing income							2,844	4,117	3,102
Finance cost and distribution to depositors							(214)	(415)	(292)
Collateral against Islamic finance to customers							104,599	103,315	101,940
Parent Company									
Due from banks							3,663	17,297	2,437
Due to banks							44	32,823	143,936
Islamic financing to customers							4,718	2,679	1,575
Depositors accounts							1,538	2,137	2,229
Letters of guarantee and letters of credit							5,573	7,198	7,809
Murabaha and other Islamic financing income							875	2,787	2,354
Finance cost and distribution to depositors							(1,013)	(2,591)	(1,865)
Collateral against Islamic finance to customers							750	-	2

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11. RELATED PARTY TRANSACTIONS (continued)**Compensation of key management personnel**

Details of compensation to key management comprise the following:

	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
	KD'000's	KD'000's	KD'000's	KD'000's
Short-term benefits	802	972	2,399	2,887
Post-employment benefits	80	53	158	449
Deferred compensation	226	257	680	776
	1,108	1,282	3,237	4,112

12. TREASURY SHARES

The Bank held the following treasury shares:

	30 September 2026	(Audited) 31 December 2025	30 September 2025
Number of treasury shares	726,040	649,638	649,638
Treasury shares as a percentage of total issued shares - %	0.01538%	0.01473%	0.01473%
Cost of treasury shares – (KD'000s)	54	54	54
Market value of treasury shares – (KD'000s)	488	464	473
Weighted average of market value per share – KD	0.666	0.688	0.679

13. OTHER RESERVES

	Fair value reserve	Foreign currency translation reserve	Change in actuarial valuation reserve	Total
	KD'000's	KD'000's	KD'000's	KD'000's
Balance at 1 January 2026	16,787	(12,545)	(2,044)	2,198
Other comprehensive loss for the period	(10,521)	(191)	-	(10,712)
Balance at 30 September 2026	6,266	(12,736)	(2,044)	(8,514)
Balance at 1 January 2025	13,146	(12,713)	(671)	(238)
Other comprehensive loss for the period	1,874	(316)	-	1,558
Realised loss on equity securities at fair value through other comprehensive income	2,208	-	-	2,208
Balance at 30 September 2025	17,228	(13,029)	(671)	3,528

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14. CONTINGENCIES AND COMMITMENTS

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

	30 September 2026	(Audited) 31 December 2025	30 September 2025
	KD'000's	KD'000's	KD'000's
Letters of guarantee	593,777	537,369	504,184
Letters of credit and Acceptances	230,920	127,458	127,557
Capital commitments and irrevocable undrawn financing commitments	196,380	257,197	173,782
	1,021,077	922,024	805,523

15. SEGMENT REPORTING

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

Business Segments

For management purposes, the Group is organized into the following five major business segments:

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

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

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

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

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

	Consumer banking	Corporate banking	Investment banking and International operations	Treasury	Group centre	Total
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
Nine months ended 30 September 2026						
Net financing income	102,240	36,840	7,333	17,249	(2,487)	161,175
Operating income	109,251	44,517	27,583	24,084	4,154	209,589
Net profit/(loss) for the period	61,581	41,815	475	22,795	(44,505)	82,161
Total assets	3,220,583	4,841,437	885,158	1,853,427	210,238	11,010,843
Total liabilities	5,534,751	792,032	695,610	2,148,592	733,231	9,904,216
Nine months ended 30 September 2025						
Net financing income	93,880	33,674	10,168	15,746	3,291	156,759
Operating income	98,968	40,511	26,473	22,737	9,209	197,898
Net profit/(loss) for the period	57,573	36,990	4,359	21,808	(42,794)	77,936
Total assets	2,996,876	4,284,613	815,011	1,936,313	174,583	10,207,396
Total liabilities	5,296,599	606,816	604,754	1,978,952	602,700	9,089,821

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16. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	KD'000's	KD'000's	KD'000's	KD'000's
30 September 2026				
Investment in Sukuk	1,002,376	-	-	1,002,376
Other investment securities				
Financial assets at fair value through profit or loss	2,223	205,186	69,363	276,772
Financial assets at fair value through other comprehensive income	6,924	-	14,701	21,625
	<u>1,011,523</u>	<u>205,186</u>	<u>84,064</u>	<u>1,300,773</u>
31 December 2025 (Audited)				
Investment in Sukuk	1,040,616	-	-	1,040,616
Other investment securities				
Financial assets at fair value through profit or loss	2,161	226,054	-	228,215
Financial assets at fair value through other comprehensive income	6,776	-	14,248	21,024
	<u>1,049,553</u>	<u>226,054</u>	<u>14,248</u>	<u>1,289,855</u>
30 September 2025				
Investment in Sukuk	1,049,776	-	-	1,049,776
Other investment securities				
Financial assets at fair value through profit or loss	2,212	192,990	-	195,202
Financial assets at fair value through other comprehensive income	7,106	-	13,644	20,750
	<u>1,059,094</u>	<u>192,990</u>	<u>13,644</u>	<u>1,265,728</u>

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

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

	At 1 January	Change in fair value	Additions	Sale/ redemption	Exchange rate movements	At 30 September
	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's	KD'000's
30 September 2026:						
Assets measured at fair value						
Financial assets at fair value through profit or loss	-	-	69,115	-	248	69,363
Financial assets at fair value through other comprehensive income	14,248	(135)	761	(193)	20	14,701
	<u>14,248</u>	<u>(135)</u>	<u>69,876</u>	<u>(193)</u>	<u>268</u>	<u>84,064</u>
30 September 2025:						
Assets measured at fair value						
Financial assets at fair value through other comprehensive income	14,077	-	453	(862)	(24)	13,644
	<u>14,077</u>	<u>-</u>	<u>453</u>	<u>(862)</u>	<u>(24)</u>	<u>13,644</u>

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

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17. DERIVATIVES

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

Currency swaps

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

Profit rate swaps

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

Forward foreign exchange contracts

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

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

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

	30 September 2026			31 December 2025 (Audited)			30 September 2025		
	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional	Positive fair value	Negative fair value	Notional
	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s	KD'000s
Profit rate swaps (held as fair value hedges)	16,307	(7,539)	890,408	6,971	(9,235)	926,584	8,875	(9,035)	952,668
Cross currency swaps	-	(1,584)	215,495	1,341	(462)	404,655	-	(1,684)	441,951
Forward foreign exchange contracts	746	(50)	257,413	4	-	40,893	97	-	83,250
	17,053	(9,173)	1,363,316	8,316	(9,697)	1,372,132	8,972	(10,719)	1,477,869

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

18. PERPETUAL TIER 1 SUKUK

On 17 September 2026, the Bank issued "Tier 1 Sukuk – 2026", through a Sharia's compliant Sukuk arrangement amounting to **KD 90 million** which was fully allocated. Tier 1 Sukuk -2026 is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement.

The Tier 1 Sukuk – 2026 is callable by the Bank on 17 September 2031 and bears an expected profit rate of **5.5 %** per annum to be paid semi-annually in arrears. The expected profit rate will be reset on the First Reset Date and every five and a half years thereafter on the basis of the Reset Rate plus the Margin per annum based on then to be the per annum rate equal to the CBK Discount Rate. If the Bank cannot procure the determination of the Reset Rate on the relevant Determination Date pursuant to the methods described above, then the Reset Rate will be equal to the then most recent CBK Discount Rate previously published by the Financial Regulator.

The net proceeds are invested by way of Mudaraba with the Bank (as Mudareb) on an unrestricted co-mingling basis, by the Bank in its general business activities carried out through the general Mudaraba pool. Mudaraba profit will not be accumulated and the event is not considered an event of default.

18. PERPETUAL TIER 1 SUKUK (CONTINUED)

During the period ended 30 September 2026, the Bank announced its intention to recall and redeem its USD 500 million equivalent to **KD 153,976 thousand** Tier 1 Sukuk. The Sukuk were originally issued on 1 April 2021 through a Sharia's compliant Sukuk arrangement with an expected profit rate of **3.95%** per annum to be paid semi-annually in arrears, following the Bank's announcement on 16 September 2026, these Sukuk were reclassified from equity to a financial liability and disclosed in other liabilities at its fair value.

Subsequent to the period ended 30 September 2026, the Bank redeemed the Sukuk at face value on its first call date of 1 October 2026.

19. ANNUAL GENERAL ASSEMBLY MEETING

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

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

20. IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY

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

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

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

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

Expected Credit Loss (ECL) estimates

The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event in its estimation of ECL requirements for the period ended 30 September 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 September 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.

20. IMPACT OF GEOPOLITICAL ESCALATION RISK AND RELATED UNCERTAINTY (CONTINUED)

Fair value measurement of financial and non-financial assets

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

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