



**The Commercial Bank of Kuwait Group**

**Interim Condensed Consolidated Financial Information**

**31 March 2026  
(Unaudited)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF COMMERCIAL BANK OF KUWAIT K.P.S.C.**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Bank of Kuwait K.P.S.C. ("the Bank") and its subsidiary (together called "the Group") as of 31 March 2026, and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended. Management is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of presentation 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 the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

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

### **Report on other Legal and Regulatory Requirements**

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016 and its executive regulations, as amended, or of the Memorandum of Incorporation and Articles of Association of the Bank as amended, during the three-month period ended 31 March 2026, that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review and to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the Organization of Banking Business, and its related regulations during the three-month period ended 31 March 2026, that might have had a material effect on the business of the Bank or on its financial position.

Bader A. Al-Wazzan  
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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

31 March 2026 (Unaudited)

|                                                        |      | (Audited)                    |                                 |
|--------------------------------------------------------|------|------------------------------|---------------------------------|
|                                                        | Note | 31 March<br>2026<br>KD 000's | 31 December<br>2025<br>KD 000's |
|                                                        |      | 31 March<br>2025<br>KD 000's |                                 |
| <b>ASSETS</b>                                          |      |                              |                                 |
| Cash and short term funds                              | 4    | 813,790                      | 672,278                         |
| Treasury and Central Bank bonds                        |      | 174,752                      | 182,579                         |
| Due from banks and other financial institutions        | 5    | 626,202                      | 598,121                         |
| Loans and advances                                     | 6    | 3,064,880                    | 2,973,935                       |
| Investment securities                                  | 7    | 753,367                      | 760,381                         |
| Premises and equipment                                 |      | 23,146                       | 22,989                          |
| Intangible assets                                      |      | 3,506                        | 3,506                           |
| Other assets                                           |      | 148,224                      | 149,317                         |
| <b>TOTAL ASSETS</b>                                    |      | <b>5,607,867</b>             | <b>5,363,106</b>                |
| <b>LIABILITIES AND EQUITY</b>                          |      |                              |                                 |
| <b>LIABILITIES</b>                                     |      |                              |                                 |
| Due to banks                                           |      | 183,675                      | 364,210                         |
| Due to other financial institutions                    |      | 83,053                       | 72,990                          |
| Customer deposits                                      |      | 2,914,428                    | 2,610,884                       |
| Certificates of deposit                                |      | 283,545                      | 226,232                         |
| Other borrowed funds                                   | 8    | 1,035,010                    | 1,039,148                       |
| Other liabilities                                      |      | 351,094                      | 265,138                         |
| <b>TOTAL LIABILITIES</b>                               |      | <b>4,850,805</b>             | <b>4,578,602</b>                |
| <b>EQUITY</b>                                          |      |                              |                                 |
| <b>Equity attributable to shareholders of the Bank</b> |      |                              |                                 |
| Share capital                                          |      | 219,127                      | 219,127                         |
| Proposed bonus shares                                  |      | -                            | -                               |
| Treasury shares                                        |      | (98,890)                     | (98,890)                        |
| Reserves                                               |      | 283,398                      | 285,524                         |
| Retained earnings                                      |      | 353,089                      | 329,076                         |
| Proposed dividend                                      |      | 756,724                      | 734,837                         |
|                                                        |      | -                            | 49,332                          |
| <b>Non-controlling interests</b>                       |      | <b>756,724</b>               | <b>784,169</b>                  |
|                                                        |      | 338                          | 335                             |
| <b>TOTAL EQUITY</b>                                    |      | <b>757,062</b>               | <b>784,504</b>                  |
| <b>TOTAL LIABILITIES AND EQUITY</b>                    |      | <b>5,607,867</b>             | <b>5,363,106</b>                |

Sheikh Ahmad Duaij Jaber Al Sabah  
Chairman

Elham Yousry Mahfouz  
Chief Executive Officer

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**

Period ended 31 March 2026 (Unaudited)

|                                                                                      | Note | Three months ended |          |
|--------------------------------------------------------------------------------------|------|--------------------|----------|
|                                                                                      |      | 31 March           |          |
|                                                                                      |      | 2026               | 2025     |
|                                                                                      |      | KD 000's           | KD 000's |
| Interest income                                                                      |      | 62,164             | 58,113   |
| Interest expense                                                                     |      | (32,151)           | (28,922) |
| <b>NET INTEREST INCOME</b>                                                           |      | <b>30,013</b>      | 29,191   |
| Fees and commissions                                                                 |      | 13,007             | 11,719   |
| Net gain from dealing in foreign currencies                                          |      | 2,252              | 1,708    |
| Net gain from investment securities                                                  |      | 7                  | 1        |
| Dividend income                                                                      |      | 946                | -        |
| Other operating income                                                               |      | 146                | 276      |
| <b>OPERATING INCOME</b>                                                              |      | <b>46,371</b>      | 42,895   |
| Staff expenses                                                                       |      | (9,329)            | (9,590)  |
| General and administrative expenses                                                  |      | (6,809)            | (5,826)  |
| Depreciation and amortisation                                                        |      | (59)               | (86)     |
| <b>OPERATING EXPENSES</b>                                                            |      | <b>(16,197)</b>    | (15,502) |
| <b>OPERATING PROFIT BEFORE PROVISIONS</b>                                            |      | <b>30,174</b>      | 27,393   |
| Net (charge) reversal of impairment and other provisions                             | 9    | (4,480)            | 1,976    |
| <b>PROFIT BEFORE TAXATION AND CONTRIBUTIONS</b>                                      |      | <b>25,694</b>      | 29,369   |
| Taxation and contributions                                                           |      | (1,671)            | (1,338)  |
| <b>NET PROFIT FOR THE PERIOD</b>                                                     |      | <b>24,023</b>      | 28,031   |
| <b>Attributable to:</b>                                                              |      |                    |          |
| Shareholders of the Bank                                                             |      | 24,013             | 28,019   |
| Non-controlling interests                                                            |      | 10                 | 12       |
|                                                                                      |      | <b>24,023</b>      | 28,031   |
| Basic and diluted earnings per share attributable to shareholders of the Bank (fils) | 10   | 12.2               | 14.2     |

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.


**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

Period ended 31 March 2026 (Unaudited)

|                                                                                                                 | Three months ended<br>31 March |                  |
|-----------------------------------------------------------------------------------------------------------------|--------------------------------|------------------|
|                                                                                                                 | 2026<br>KD 000's               | 2025<br>KD 000's |
| Net profit for the period                                                                                       | 24,023                         | 28,031           |
| <b>OTHER COMPREHENSIVE (LOSS) INCOME</b>                                                                        |                                |                  |
| <b>Items that will not be reclassified subsequently to interim condensed consolidated statement of income</b>   |                                |                  |
| Equity securities classified as fair value through other comprehensive income:                                  |                                |                  |
| Net changes in fair value                                                                                       | 4,179                          | 680              |
| <b>Items that are or may be reclassified subsequently to interim condensed consolidated statement of income</b> |                                |                  |
| Debt securities classified as fair value through other comprehensive income:                                    |                                |                  |
| Net changes in fair value                                                                                       | (6,312)                        | (614)            |
|                                                                                                                 | (2,133)                        | 66               |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>                                                                | <b>21,890</b>                  | <b>28,097</b>    |
| <b>Attributable to:</b>                                                                                         |                                |                  |
| Shareholders of the Bank                                                                                        | 21,887                         | 28,084           |
| Non-controlling interests                                                                                       | 3                              | 13               |
|                                                                                                                 | <b>21,890</b>                  | <b>28,097</b>    |

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.



The Commercial Bank of Kuwait Group  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 Period ended 31 March 2026 (Unaudited)

|                                                  | Attributable to shareholders of the Bank |                       |                 |               |                   |                 |                         |                              |                              |                |                   |                   |                |                           |                |
|--------------------------------------------------|------------------------------------------|-----------------------|-----------------|---------------|-------------------|-----------------|-------------------------|------------------------------|------------------------------|----------------|-------------------|-------------------|----------------|---------------------------|----------------|
|                                                  | Reserves                                 |                       |                 |               |                   |                 |                         |                              |                              |                |                   |                   |                |                           |                |
|                                                  | Share Capital                            | Proposed Bonus Shares | Treasury Shares | Share Premium | Statutory Reserve | General Reserve | Treasury Shares Reserve | Property Revaluation Reserve | Investment Valuation Reserve | Total Reserves | Retained Earnings | Proposed Dividend | Total          | Non-controlling Interests | Total          |
| Balance at 1 January 2025                        | 199,206                                  | 19,921                | (98,890)        | 66,791        | 115,977           | 17,927          | 49                      | 24,100                       | 54,450                       | 279,294        | 274,161           | 71,755            | 745,447        | 279                       | 745,726        |
| Total comprehensive income for the period        | -                                        | -                     | -               | -             | -                 | -               | -                       | -                            | 65                           | 65             | 28,019            | -                 | 28,084         | 13                        | 28,097         |
| Balance at 31 March 2025                         | 199,206                                  | 19,921                | (98,890)        | 66,791        | 115,977           | 17,927          | 49                      | 24,100                       | 54,515                       | 279,359        | 302,180           | 71,755            | 773,531        | 292                       | 773,823        |
| <b>Balance at 1 January 2026</b>                 | <b>219,127</b>                           | <b>-</b>              | <b>(98,890)</b> | <b>66,791</b> | <b>115,977</b>    | <b>17,927</b>   | <b>49</b>               | <b>18,921</b>                | <b>65,859</b>                | <b>285,524</b> | <b>329,076</b>    | <b>49,332</b>     | <b>784,169</b> | <b>335</b>                | <b>784,504</b> |
| Total comprehensive (loss) income for the period | -                                        | -                     | -               | -             | -                 | -               | -                       | -                            | (2,126)                      | (2,126)        | 24,013            | -                 | 21,887         | 3                         | 21,890         |
| Dividend paid                                    | -                                        | -                     | -               | -             | -                 | -               | -                       | -                            | -                            | -              | -                 | (49,332)          | (49,332)       | -                         | (49,332)       |
| <b>Balance at 31 March 2026</b>                  | <b>219,127</b>                           | <b>-</b>              | <b>(98,890)</b> | <b>66,791</b> | <b>115,977</b>    | <b>17,927</b>   | <b>49</b>               | <b>18,921</b>                | <b>63,733</b>                | <b>283,398</b> | <b>353,089</b>    | <b>-</b>          | <b>756,724</b> | <b>338</b>                | <b>757,062</b> |

Annual General Assembly of the shareholders held on 11 March 2026 approved to distribute final cash dividend of 25 fils per share (2024: 40 fils) and nil bonus shares (2024: 10 bonus shares for every 100 shares held) for the year ended 31 December 2025.

Investment valuation reserve includes a loss of KD 5,509 thousand (31 December 2025: loss of KD 5,481 thousand and 31 March 2025: loss of KD 5,535 thousand) arising from foreign currency translation of the Bank's investment in a foreign associate.

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

Period ended 31 March 2026 (Unaudited)

|                                                              | Note     | Three months ended |           |
|--------------------------------------------------------------|----------|--------------------|-----------|
|                                                              |          | 2026               | 2025      |
|                                                              |          | KD 000's           | KD 000's  |
| <b>OPERATING ACTIVITIES</b>                                  |          |                    |           |
| Profit before taxation and contributions                     |          | <b>25,694</b>      | 29,369    |
| Adjustments for:                                             |          |                    |           |
| Net charge (reversal) of impairment and other provisions     | 9        | <b>4,480</b>       | (1,976)   |
| Income from investment securities                            |          | <b>(953)</b>       | (1)       |
| Foreign exchange gain on investment securities               |          | <b>(3,054)</b>     | (1,222)   |
| Depreciation and amortisation                                |          | <b>59</b>          | 86        |
| Cash flow before changes in operating assets and liabilities |          | <b>26,226</b>      | 26,256    |
| Changes in operating assets and liabilities:                 |          |                    |           |
| Treasury and Central Bank bonds                              |          | <b>7,827</b>       | 781       |
| Due from banks and other financial institutions              |          | <b>(28,030)</b>    | (249,361) |
| Loans and advances                                           |          | <b>(81,841)</b>    | 17,765    |
| Other assets                                                 |          | <b>1,093</b>       | (19,222)  |
| Due to banks                                                 |          | <b>(180,535)</b>   | 4,928     |
| Due to other financial institutions                          |          | <b>10,063</b>      | (33,102)  |
| Customer deposits                                            |          | <b>303,544</b>     | 154,144   |
| Certificates of deposit issued                               |          | <b>57,313</b>      | -         |
| Other liabilities                                            |          | <b>72,555</b>      | (10,445)  |
| Net cash from (used in) operating activities                 |          | <b>188,215</b>     | (108,256) |
| <b>INVESTING ACTIVITIES</b>                                  |          |                    |           |
| Proceeds from sale/maturity of investment securities         |          | <b>11,053</b>      | 32,650    |
| Acquisition of investment securities                         |          | <b>(5,187)</b>     | (101,239) |
| Dividend income from investment securities                   |          | <b>946</b>         | -         |
| Acquisition of premises and equipment                        |          | <b>(43)</b>        | (282)     |
| Net cash from (used in) investing activities                 |          | <b>6,769</b>       | (68,871)  |
| <b>FINANCING ACTIVITIES</b>                                  |          |                    |           |
| Other borrowed funds                                         |          | <b>(4,138)</b>     | 60,542    |
| Dividends paid                                               |          | <b>(49,332)</b>    | -         |
| Net cash (used in) from financing activities                 |          | <b>(53,470)</b>    | 60,542    |
| Net increase (decrease) in cash and short term funds         |          | <b>141,514</b>     | (116,585) |
| Cash and short term funds at 1 January                       |          | <b>672,321</b>     | 1,024,865 |
| <b>Cash and short term funds at 31 March</b>                 | <b>4</b> | <b>813,835</b>     | 908,280   |

The attached notes 1 to 15 form an integral part of this interim condensed consolidated financial information.


**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

31 March 2026 (Unaudited)

**1 CORPORATE INFORMATION**

The Commercial Bank of Kuwait K.P.S.C ("the Bank") is a public shareholding company incorporated in the State of Kuwait and is registered as a Bank with the Central Bank of Kuwait ("CBK") and listed on the Boursa Kuwait. The address of the Bank's registered office is P.O. Box 2861, 13029 Safat, State of Kuwait.

The Bank and its subsidiary are together referred to as ("the Group") in this interim condensed consolidated financial information.

The shareholders' annual ordinary general assembly meeting held on 11 March 2026 approved the audited consolidated financial statements of the Group for the year ended 31 December 2025.

The interim condensed consolidated financial information of the Group were authorised for issue in accordance with a resolution of the Board of Directors on 15 June 2026.

The principal activities of the Group are explained in note 13.

**2 MATERIAL ACCOUNTING POLICIES**

a) The interim condensed consolidated financial information of the Group has been prepared in accordance with International Accounting Standard (IAS) 34, 'Interim Financial Reporting' except for point (b) below. The accounting policies used in the preparation of these 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.

b) The interim condensed consolidated financial statements have been prepared in accordance with the regulations for financial services institutions as issued by the CBK in the State of Kuwait. These regulations, require banks and other financial institutions regulated by CBK to adopt the IFRS - Accounting Standards with the following amendments:

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

The above framework is hereinafter referred to as 'IFRS 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 the annual consolidated financial statements prepared in accordance with IFRS - Accounting Standards, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025. In the opinion of the Group's management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Further, results for interim periods are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2026.

**New standards, interpretations and amendments adopted by the Group**

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

New standards or amendments to existing standards which are effective for annual accounting period starting from 1 January 2026 did not have any material impact on financial position or performance of the Group.

**3 SUBSIDIARY**

| Name of entity                                           | Country of incorporation | Principal activities | % of ownership |                  |               |
|----------------------------------------------------------|--------------------------|----------------------|----------------|------------------|---------------|
|                                                          |                          |                      | 31 March 2026  | 31 December 2025 | 31 March 2025 |
| Al-Tijari Financial Brokerage Company<br>K.S.C. (Closed) | Kuwait                   | Brokerage Services   | 98.16          | 98.16            | 98.16         |


**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

31 March 2026 (Unaudited)

**4 CASH AND SHORT TERM FUNDS**

|                                                | <i>(Audited)</i>                      |                                 |                              |
|------------------------------------------------|---------------------------------------|---------------------------------|------------------------------|
|                                                | <b>31 March<br/>2026<br/>KD 000's</b> | 31 December<br>2025<br>KD 000's | 31 March<br>2025<br>KD 000's |
| Cash and cash items                            | <b>63,804</b>                         | 38,533                          | 76,729                       |
| Balances with the CBK                          | <b>239,479</b>                        | 238,061                         | 356,587                      |
| Deposits with banks maturing within seven days | <b>510,552</b>                        | 395,727                         | 474,964                      |
|                                                | <b>813,835</b>                        | 672,321                         | 908,280                      |
| Less : Provision for impairment (ECL)          | <b>(45)</b>                           | (43)                            | (13)                         |
|                                                | <b>813,790</b>                        | 672,278                         | 908,267                      |

Deposits with banks are classified as stage 1 at each reporting period. During the period, there were no movement between stages.

**5 DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS**

|                                      | <i>(Audited)</i>                      |                                 |                              |
|--------------------------------------|---------------------------------------|---------------------------------|------------------------------|
|                                      | <b>31 March<br/>2026<br/>KD 000's</b> | 31 December<br>2025<br>KD 000's | 31 March<br>2025<br>KD 000's |
| Placements with banks                | <b>422,136</b>                        | 435,002                         | 367,826                      |
| Less: Provision for impairment (ECL) | <b>(340)</b>                          | (393)                           | (269)                        |
|                                      | <b>421,796</b>                        | 434,609                         | 367,557                      |
| Loans and advances to banks          | <b>206,161</b>                        | 165,164                         | 110,645                      |
| Less: Provision for impairment       | <b>(1,755)</b>                        | (1,652)                         | (1,456)                      |
|                                      | <b>204,406</b>                        | 163,512                         | 109,189                      |
|                                      | <b>626,202</b>                        | 598,121                         | 476,746                      |

Due from banks and other financial institution are classified as stage 1 at each reporting period. During the period, there were no movement between stages.

**6 LOANS AND ADVANCES**

|                                | <i>(Audited)</i>                      |                                 |                              |
|--------------------------------|---------------------------------------|---------------------------------|------------------------------|
|                                | <b>31 March<br/>2026<br/>KD 000's</b> | 31 December<br>2025<br>KD 000's | 31 March<br>2025<br>KD 000's |
| Loans and advances             | <b>3,264,884</b>                      | 3,175,864                       | 3,002,605                    |
| Less: Provision for impairment | <b>(200,004)</b>                      | (201,929)                       | (216,992)                    |
|                                | <b>3,064,880</b>                      | 2,973,935                       | 2,785,613                    |

Provision for expected credit losses (ECL) on credit facilities are the higher of ECL under IFRS 9, determined in accordance with the CBK guidelines and the provision required by the CBK rules on classification of credit facilities.

The available provision on non-cash facilities of KD 41,165 thousand (31 December 2025: KD 42,518 thousand and 31 March 2025: KD 44,020 thousand) is included under other liabilities. The total provision for cash and non cash credit facilities in accordance with CBK rules is amounted to KD 241,169 thousand as at 31 March 2026 (31 December 2025: KD 244,447 and 31 March 2025: KD 261,012 thousand)

**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION**

31 March 2026 (Unaudited)

The ECL on credit facilities (cash and non cash) determined under IFRS 9 in accordance with the CBK guidelines amounted to KD 136,355 thousand as at 31 March 2026 (31 December 2025: KD 139,120 thousand and 31 March 2025: KD 128,678 thousand).

The provision required under CBK rules on classification of credit facilities is higher than ECL under CBK guidelines for IFRS 9.

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

|                                     | <b>31 March 2026</b>              |                |                |                  |
|-------------------------------------|-----------------------------------|----------------|----------------|------------------|
|                                     | <b>KD 000's</b>                   |                |                |                  |
|                                     | <b>Stage 1</b>                    | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>     |
| Superior                            | 725,663                           | 1,168          | -              | 726,831          |
| Good                                | 1,499,000                         | 63,999         | -              | 1,562,999        |
| Standard                            | 719,959                           | 101,716        | -              | 821,675          |
| Past due but not impaired           | 73,041                            | 63,127         | -              | 136,168          |
| Impaired                            | -                                 | -              | 17,211         | 17,211           |
| Cash credit facilities              | <b>3,017,663</b>                  | <b>230,010</b> | <b>17,211</b>  | <b>3,264,884</b> |
| Non cash credit facilities          | <b>3,308,093</b>                  | <b>205,123</b> | <b>32,529</b>  | <b>3,545,745</b> |
| ECL provision for credit facilities | <b>42,901</b>                     | <b>45,748</b>  | <b>47,706</b>  | <b>136,355</b>   |
|                                     | <b>31 December 2025 (Audited)</b> |                |                |                  |
|                                     | <b>KD 000's</b>                   |                |                |                  |
|                                     | Stage 1                           | Stage 2        | Stage 3        | Total            |
| Superior                            | 684,969                           | 938            | -              | 685,907          |
| Good                                | 1,435,156                         | 57,245         | -              | 1,492,401        |
| Standard                            | 727,859                           | 173,980        | -              | 901,839          |
| Past due but not impaired           | 64,821                            | 11,609         | -              | 76,430           |
| Impaired                            | -                                 | -              | 19,287         | 19,287           |
| Cash credit facilities              | <b>2,912,805</b>                  | <b>243,772</b> | <b>19,287</b>  | <b>3,175,864</b> |
| Non cash credit facilities          | <b>3,145,729</b>                  | <b>315,876</b> | <b>34,168</b>  | <b>3,495,773</b> |
| ECL provision for credit facilities | <b>41,929</b>                     | <b>45,850</b>  | <b>51,341</b>  | <b>139,120</b>   |
|                                     | <b>31 March 2025</b>              |                |                |                  |
|                                     | <b>KD 000's</b>                   |                |                |                  |
|                                     | Stage 1                           | Stage 2        | Stage 3        | Total            |
| Superior                            | 656,418                           | 7,382          | -              | 663,800          |
| Good                                | 1,142,133                         | 52,475         | -              | 1,194,608        |
| Standard                            | 772,673                           | 245,318        | -              | 1,017,991        |
| Past due but not impaired           | 104,989                           | 11,397         | 83             | 116,469          |
| Impaired                            | -                                 | -              | 9,737          | 9,737            |
| Cash credit facilities              | <b>2,676,213</b>                  | <b>316,572</b> | <b>9,820</b>   | <b>3,002,605</b> |
| Non cash credit facilities          | <b>2,817,358</b>                  | <b>140,749</b> | <b>36,329</b>  | <b>2,994,436</b> |
| ECL provision for credit facilities | <b>41,145</b>                     | <b>42,983</b>  | <b>44,550</b>  | <b>128,678</b>   |

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**Movement in ECL for Credit Facilities:**

|                          | <b>31 March 2026</b> |                |                |                |
|--------------------------|----------------------|----------------|----------------|----------------|
|                          | <b>KD 000's</b>      |                |                |                |
|                          | <b>Stage 1</b>       | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>   |
| ECL 1 January 2026       | 41,929               | 45,850         | 51,341         | 139,120        |
| Transfer to stage 1      | 1,751                | (332)          | (1,419)        | -              |
| Transfer to stage 2      | (964)                | 1,252          | (288)          | -              |
| Transfer to stage 3      | (65)                 | (203)          | 268            | -              |
| Net charged / (released) | 220                  | (860)          | 5,502          | 4,862          |
| Written-off              | -                    | -              | (7,695)        | (7,695)        |
| Exchange difference      | 30                   | 41             | (3)            | 68             |
| <b>ECL 31 March 2026</b> | <b>42,901</b>        | <b>45,748</b>  | <b>47,706</b>  | <b>136,355</b> |
|                          | <b>31 March 2025</b> |                |                |                |
|                          | <b>KD 000's</b>      |                |                |                |
|                          | <b>Stage 1</b>       | <b>Stage 2</b> | <b>Stage 3</b> | <b>Total</b>   |
| ECL 1 January 2025       | 29,318               | 23,974         | 37,552         | 90,844         |
| Transfer to stage 1      | 5,124                | (5,124)        | -              | -              |
| Transfer to stage 2      | (220)                | 220            | -              | -              |
| Transfer to stage 3      | (49)                 | (332)          | 381            | -              |
| Net charged              | 6,974                | 24,245         | 6,775          | 37,994         |
| Written-off              | -                    | -              | (158)          | (158)          |
| Exchange difference      | (2)                  | -              | -              | (2)            |
| <b>ECL 31 March 2025</b> | <b>41,145</b>        | <b>42,983</b>  | <b>44,550</b>  | <b>128,678</b> |

**7 INVESTMENT SECURITIES**

The Group designated certain debt securities as hedged items, to hedge the fair value changes arising from changes in market interest rates. Interest rate swap (IRS) is used as hedging instruments in which the Group pays fixed and receives floating interest rate.

Based on the matching of critical terms between the hedge items and the hedged instruments it was concluded that the hedges are effective.

The carrying value of debt securities designated as hedged item as at 31 March 2026 was KD 581,961 thousand (31 December 2025: KD 598,115 thousand and 31 March 2025 was KD 385,664 thousand). The net gain from the change in fair value of these securities resulting from changes in market interest rate (hedged risk) during the period was KD 2,714 thousand (31 March 2025: loss KD 3,008 thousand). The changes in the fair value related to hedged risk during the period was recognised in the interim condensed consolidated statement of income.

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**8 OTHER BORROWED FUNDS**

|                                              |                                    | <b>31 March<br/>2026</b> | <i>(Audited)</i><br>31 December<br>2025 | 31 March<br>2025 |
|----------------------------------------------|------------------------------------|--------------------------|-----------------------------------------|------------------|
|                                              | <b>Effective<br/>interest rate</b> | <b>KD 000's</b>          | KD 000's                                | KD 000's         |
| Subordinated Tier 2 bonds                    | <b>CBK+3.00%</b>                   | <b>100,000</b>           | <b>100,000</b>                          | 100,000          |
| Long term borrowings - Floating- (2023-2030) | <b>1.13% to 5.58%</b>              | <b>935,010</b>           | <b>939,148</b>                          | 720,502          |
|                                              |                                    | <b>1,035,010</b>         | <b>1,039,148</b>                        | 820,502          |

The first tranche of Subordinated Tier 2 bonds was issued in September 2023 amounting to KD 50,000 thousand and second tranche in July 2024 amounting to KD 50,000 thousand with carrying an interest rate of 3% per annum over the CBK discount rate, subject to a floor of 5%. The bonds are unsecured and callable, in whole but not in part, at the option of the bank after 5 years from the date of issuance, subject to certain conditions and approval of CBK. The maturity dates of Subordinated Tier 2 bonds are 10 years from the issuance dates.

Long term borrowings include securities sold under agreements to repurchase amounting to KD 525,921 thousand (31 December 2025: KD 511,482 thousand and 31 March 2025: KD 221,174 thousand). The Group enters into collateralised borrowing transactions (repurchase agreements) in the ordinary course of its financing activities. Collateral is provided in the form of securities held within the investment securities portfolio. At 31 March 2026, the fair value of investment securities that had been pledged as collateral under repurchase agreements was KD 561,160 thousand (31 December 2025: KD 551,583 thousand and 31 March 2025: KD 255,990 thousand). The collateralised borrowing transactions are conducted under standardised terms that are usual and customary for such transactions.

**9 NET (CHARGE) REVERSAL OF IMPAIRMENT AND OTHER PROVISIONS**

Net charged of impairment and other provisions for the period ended 31 March 2026 amounted to KD 4,480 thousand (31 March 2025: reversal of KD 1,976 thousand) which mainly represent specific, general and other provisions against loans and advances and other financial assets after recoveries amounting to KD 14,981 thousand (31 March 2025: KD 4,365 thousand).

Impairment and other provisions includes release of ECL on financial assets other than loans and advances for the period ended 31 March 2026 amounting to KD 32 thousand (31 March 2025: charge KD 6 thousand).

**10 EARNINGS PER SHARE**

Basic and diluted earnings per share is calculated by dividing the net profit for the period attributable to shareholders of the Bank by the weighted average number of shares outstanding during the period.

|                                                                                      | Three months ended<br>31 March |           |
|--------------------------------------------------------------------------------------|--------------------------------|-----------|
|                                                                                      | <b>2026</b>                    | 2025      |
| Net profit for the period attributable to shareholders of the Bank (KD 000's)        | <b>24,013</b>                  | 28,019    |
| Weighted average of authorised and subscribed shares (numbers in 000's)              | <b>2,191,262</b>               | 2,191,262 |
| Less: Weighted average of treasury shares held (numbers in 000's)                    | <b>(217,989)</b>               | (217,989) |
|                                                                                      | <b>1,973,273</b>               | 1,973,273 |
| Basic and diluted earnings per share attributable to shareholders of the Bank (fils) | <b>12.2</b>                    | 14.2      |

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**11 RELATED PARTY TRANSACTIONS**

During the period, certain related parties (directors and officers of the Group, their families and companies of which they are principal owners) were customers of the Group in the ordinary course of business. The terms of these transactions are approved by the Group's management. The balances at the date of interim condensed consolidated financial position are as follows:

|                             | 31 March 2026                   |                           |                    | 31 March 2025                   |                           |                    |
|-----------------------------|---------------------------------|---------------------------|--------------------|---------------------------------|---------------------------|--------------------|
|                             | Number of Directors/ Executives | Number of Related Members | Amount in KD 000's | Number of Directors/ Executives | Number of Related Members | Amount in KD 000's |
| <b>Board of Directors</b>   |                                 |                           |                    |                                 |                           |                    |
| Loans                       | 2                               | -                         | 72                 | 2                               | -                         | 78                 |
| Credit cards                | 3                               | 1                         | 13                 | 3                               | 1                         | 15                 |
| Deposits                    | 11                              | 4                         | 1,630              | 11                              | 9                         | 1,591              |
| Contingent liabilities      | 4                               | 2                         | 383                | 4                               | 2                         | 276                |
| Directors' remuneration     | 11                              | -                         | 147                | 11                              | -                         | 147                |
| <b>Executive Management</b> |                                 |                           |                    |                                 |                           |                    |
| Loans                       | 43                              | 4                         | 1,944              | 32                              | 5                         | 1,464              |
| Credit cards                | 36                              | 1                         | 49                 | 30                              | -                         | 46                 |
| Deposits                    | 58                              | 44                        | 5,694              | 45                              | 36                        | 2,319              |
| Contingent liabilities      | 45                              | 2                         | 149                | 37                              | 2                         | 137                |
| <b>Associates</b>           |                                 |                           |                    |                                 |                           |                    |
| Deposits                    | 1                               | -                         | 22,382             | 1                               | -                         | 13,683             |
| <b>Major Shareholders</b>   |                                 |                           |                    |                                 |                           |                    |
| Deposits                    | 1                               | -                         | 23                 | 1                               | -                         | 53                 |

Interest income and interest expense include KD 14 thousand (31 March 2025: KD 10 thousand) and KD 203 thousand (31 March 2025: KD 189 thousand) respectively on transactions with related parties.

The detail of compensation for key management personnel included in the interim condensed consolidated statement of income are as follows:

|                                        | Three months ended<br>31 March |                  |
|----------------------------------------|--------------------------------|------------------|
|                                        | 2026<br>KD 000's               | 2025<br>KD 000's |
| Salaries and other short-term benefits | 834                            | 834              |
| Post employment benefits               | 8                              | 6                |
| End of service benefits                | 95                             | 69               |

**12 FAIR VALUES OF FINANCIAL INSTRUMENTS**

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

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or 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


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Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities that are carried at amortised cost, are not materially different from their fair values as most of these financial assets and liabilities are of short term maturities or repriced immediately based on market movement in interest rates.

The method and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

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

| <b>31 March 2026</b>              |                |               |          |                |
|-----------------------------------|----------------|---------------|----------|----------------|
| KD 000's                          |                |               |          |                |
|                                   | Level 1        | Level 2       | Level 3  | Total          |
| Debt securities                   | 675,281        | 10,868        | -        | 686,149        |
| Equities and other securities     | 41,000         | 26,218        | -        | 67,218         |
|                                   | <b>716,281</b> | <b>37,086</b> | <b>-</b> | <b>753,367</b> |
| <b>31 December 2025 (Audited)</b> |                |               |          |                |
| KD 000's                          |                |               |          |                |
|                                   | Level 1        | Level 2       | Level 3  | Total          |
| Debt securities                   | 690,104        | 10,813        | -        | 700,917        |
| Equities and other securities     | 34,002         | 25,462        | -        | 59,464         |
|                                   | <b>724,106</b> | <b>36,275</b> | <b>-</b> | <b>760,381</b> |
| <b>31 March 2025</b>              |                |               |          |                |
| KD 000's                          |                |               |          |                |
|                                   | Level 1        | Level 2       | Level 3  | Total          |
| Debt securities                   | 432,749        | 10,630        | -        | 443,379        |
| Equities and other securities     | 31,927         | 20,780        | -        | 52,707         |
|                                   | <b>464,676</b> | <b>31,410</b> | <b>-</b> | <b>496,086</b> |

During the period ended 31 March 2026, 31 December 2025 and 31 March 2025, there were no transfers between level 1, level 2 and level 3.

**13 SEGMENTAL ANALYSIS**

The Group operates in banking, brokerage services and investment activities which are segmented between:

- a) Corporate and Retail banking provides a full range of lending, deposit and related banking services to domestic and international corporate and individual customers.
- b) Treasury and Investment banking comprises of money market, foreign exchange, treasury bonds, asset management and brokerage services.



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Management monitors the operating results of these segments separately for the purpose of making decisions based on key performance indicators.

|                                  | KD 000's                        |           |                                    |           |                                |           |
|----------------------------------|---------------------------------|-----------|------------------------------------|-----------|--------------------------------|-----------|
|                                  | Corporate and Retail<br>Banking |           | Treasury and Investment<br>Banking |           | Total                          |           |
|                                  | Three months ended<br>31 March  |           | Three months ended<br>31 March     |           | Three months ended<br>31 March |           |
|                                  | 2026                            | 2025      | 2026                               | 2025      | 2026                           | 2025      |
| Net interest income              | 22,385                          | 23,971    | 7,628                              | 5,220     | 30,013                         | 29,191    |
| Net non interest income          | 12,929                          | 11,485    | 3,429                              | 2,219     | 16,358                         | 13,704    |
| Operating income                 | 35,314                          | 35,456    | 11,057                             | 7,439     | 46,371                         | 42,895    |
| Impairment and other provisions  | 10,155                          | (982)     | (14,635)                           | 2,958     | (4,480)                        | 1,976     |
| Net profit (loss) for the period | 36,078                          | 27,203    | (12,055)                           | 828       | 24,023                         | 28,031    |
| Assets                           | 3,257,996                       | 2,926,552 | 2,349,871                          | 1,949,781 | 5,607,867                      | 4,876,333 |
| Liabilities                      | 1,953,813                       | 1,936,481 | 2,896,992                          | 2,166,029 | 4,850,805                      | 4,102,510 |

## 14 OFF BALANCE SHEET ITEMS

## Financial instruments with contractual amounts

In the normal course of business, the Group makes commitments to extend credit to customers. The contracted amounts represent the credit risk assuming that the amounts are fully advanced and that any collateral is of no value. The total contractual amount of the commitment does not necessarily represent the future cash requirement as in many cases these contracts terminate without being funded.

## (i) Financial instruments with contractual amounts representing credit risk

|                         | 31 March<br>2026 | (Audited)<br>31 December<br>2025 | 31 March<br>2025 |
|-------------------------|------------------|----------------------------------|------------------|
|                         | KD 000's         | KD 000's                         | KD 000's         |
| Acceptances             | 241,128          | 206,015                          | 230,185          |
| Letters of credit       | 139,416          | 94,392                           | 200,986          |
| Letters of guarantee    | 2,089,352        | 2,065,816                        | 1,741,607        |
| Undrawn lines of credit | 1,034,684        | 1,087,032                        | 777,638          |
|                         | <b>3,504,580</b> | <b>3,453,255</b>                 | <b>2,950,416</b> |

## (ii) Financial instruments with contractual or notional amounts that are subject to credit risk

| 31 March 2026                                   | KD 000's               |                        |                    |
|-------------------------------------------------|------------------------|------------------------|--------------------|
|                                                 | Positive<br>Fair Value | Negative<br>Fair Value | Notional<br>Amount |
| Forward foreign exchange contracts              | 1,213                  | 327                    | 360,309            |
| Interest rate swaps (held as fair value hedges) | 1,562                  | 1,805                  | 577,759            |
| Interest rate swaps (others)                    | 25,596                 | 23,387                 | 442,626            |
|                                                 | <b>28,371</b>          | <b>25,519</b>          | <b>1,380,694</b>   |

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|                                                 | KD 000's               |                        |                    |
|-------------------------------------------------|------------------------|------------------------|--------------------|
|                                                 | Positive<br>Fair Value | Negative<br>Fair Value | Notional<br>Amount |
| 31 December 2025 (Audited)                      |                        |                        |                    |
| Forward foreign exchange contracts              | 371                    | 703                    | 328,524            |
| Interest rate swaps (held as fair value hedges) | 400                    | 3,422                  | 586,429            |
| Interest rate swaps (others)                    | 24,444                 | 22,551                 | 482,419            |
|                                                 | <u>25,215</u>          | <u>26,676</u>          | <u>1,397,372</u>   |
|                                                 |                        |                        |                    |
|                                                 | KD 000's               |                        |                    |
|                                                 | Positive<br>Fair Value | Negative<br>Fair Value | Notional<br>Amount |
| 31 March 2025                                   |                        |                        |                    |
| Forward foreign exchange contracts              | 121                    | 4,440                  | 396,096            |
| Interest rate swaps (held as fair value hedges) | 722                    | 2,214                  | 387,244            |
| Interest rate swaps (others)                    | 27,347                 | 25,577                 | 282,034            |
|                                                 | <u>28,190</u>          | <u>32,231</u>          | <u>1,065,374</u>   |

The amount subject to credit risk is insignificant and is limited to the current replacement value of instruments, which is only a fraction of the contractual or notional amounts used to express the volumes outstanding.

**15 SIGNIFICANT EVENT****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, resulting in regional disruptions such as airspace closures, flight cancellations, supply chain delays and heightened uncertainty. These developments continue to evolve and have created increased business and economic uncertainties.

In response to address the crisis, the 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

**Expected Credit Loss (ECL) estimates**

The Group considered the potential impact of the uncertainties caused by the ongoing geopolitical event in its estimation of ECL requirements for the period ended 31 March 2026. The Group has also given specific consideration on the relevant quantitative and qualitative factors when determining any significant increase in credit risk (SICR) and in assessing indicators of impairment for exposures to potentially affected sectors.



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However, in line with the accounting policy, ECL accounted by the Bank as per CBK rules on classification of credit facilities is higher than the ECL calculated under IFRS 9 determined in accordance with the CBK guidelines.

**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.