

## Public Disclosure Requirements (Basel III)

The qualitative and quantitative public disclosures under this section have been prepared in accordance with the Central Bank of Kuwait (CBK) Rules and Regulations concerning Capital Adequacy Standard (Basel III) for Islamic Banks licensed in the State of Kuwait, vide circular reference 2/RB/RBA/336/2014 dated June 24, 2014, Leverage Ratio Standard circular reference 2/RBA/343/2014 dated October 21, 2014.

Disclosures related to Capital Adequacy Standards under Basel III are based on calculating the minimum capital required to cover credit and market risks using the Standardized Approach, and the minimum capital required to cover operational risk using the Basic Indicator Approach.

### **FIRST: BANK STRUCTURE**

Warba Bank K.S.C.P. (the "Bank") is engaged in providing Islamic banking, finance and investment services that comply with Islamic Shari'a to various customer and industry segments.

### **SECOND: CAPITAL STRUCTURE**

The Bank's regulatory capital comprises:

- Equity Tier 1 (CET1) which demonstrates the Bank's underlying strength and includes share capital, reserves, and share premium according to applicable rules and regulations.
- Additional Tier 1 (AT1) which comprises of the Tier 1 Perpetual Sukuk issued by the bank.
- Tier 2 Supplementary Capital which comprises of the allowed portion of general provisions (1.25% of the risk weighted assets).

The Bank's capital does not include either structured instruments or complex equity instruments.

As of 30 June 2025, Tier 1 "Core Capital" amounted to KD 478,669 thousand, and Tier 2 "Supplementary Capital" amounted to KD 37,925 thousand as detailed below:

Capital Structure		(KD'000)
<b>Tier (1) Capital</b>		
<b>A</b>	<b>Common Equity Tier 1 (CET1)</b>	
	1- Directly issued qualifying common share capital plus related stock surplus	748,557
	2- Eligible Minority Interest in Consolidated Subsidiaries	-
	3- Retained earnings (loss)	13,107
	4- Other reserves	17,037
	5- Proposed dividends	-
	<b>Total (A) CET1 before deductions</b>	<b>778,107</b>
	Deductions from CET1	
	1- Treasury shares	-
	2- Dividends (Declared but not incurred)	-
	3- Goodwill	-
	4- Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold of bank's CET1 capital)	(450,614)
	5- Other deductions	-
	<b>Total (A) CET1 after deductions</b>	<b>328,087</b>
<b>B</b>	<b>Additional Tier 1 (AT1)</b>	152,595
	Deduction from AT1	(2,013)
	<b>Total (B) AT1 after deductions</b>	<b>150,582</b>
<b>Total (A+B) Tier 1 after Deductions</b>		<b>478,669</b>
<b>Tier (2) Supplementary Capital</b>		
	1- Capital Eligible as T2	-
	2- General provisions	37,925
	<b>Total Tier (2) Supplementary Capital before deductions</b>	<b>37,925</b>
	Deduction from Tier (2) Supplementary Capital	-
<b>Total Tier (2) Supplementary Capital after deductions</b>		<b>37,925</b>

	Capital Structure	(KD'000)
	<b>Total Available Capital (Tier 1 &amp; Tier 2) before adjustments</b>	<b>516,594</b>
	Other adjustments	
	<b>Total Available Capital (Tier 1 &amp; Tier 2) After adjustments</b>	<b>516,594</b>

As of 30 June 2025, Profit Equalization Reserve and Investment Risk Reserve amounted to (KD Nil).

## 1. Common Disclosures Template

The common disclosure template demonstrated below is presented with the objective of disclosing a detailed breakdown of the Bank's regulatory capital in a consistent and clear format, thus enhancing the consistency and comparability of the disclosed elements of capital between banks and across jurisdictions.

Item		30 June 2025 (KD'000)
	<b>Common Equity Tier 1 capital: instruments and reserves</b>	
1	Directly issued qualifying common share capital plus related stock surplus	748,557
2	Retained earnings	13,107
3	Accumulated other comprehensive income (and other reserves)	16,443
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-
5	Common share capital issued by subsidiaries and held by third parties minority interest)	-
6	<b>Common Equity Tier 1 capital before regulatory adjustments</b>	<b>778,107</b>
	<b>Common Equity Tier 1 capital: regulatory adjustments</b>	
7	Prudential valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Other intangibles (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-
11	Cash-flow hedge reserve	-
12	Shortfall of provisions to expected losses (based on the Internal Models Approach, if applied)	-
13	Taskeek gain on sale (as set out in para 72 of these guidelines)	-
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-
15	Defined-benefit pension fund net assets (para 68)	-
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-
17	Reciprocal crossholdings in common equity of banks, FIs, and insurance entities	-
18	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold of bank's CET1 capital)	-
19	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold of bank's CET1 capital)	(450,614)
20	Mortgage servicing rights (amount above 10% threshold of bank's CET1 capital)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-
22	Amount exceeding the 15% threshold	-
23	of which: significant investments in the common stock of financials	-
24	of which: mortgage servicing rights	-
25	of which: deferred tax assets arising from temporary differences	-
26	National specific regulatory adjustments	-
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-
28	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>(450,614)</b>
29	<b>Common Equity Tier 1 after the regulatory adjustments</b>	<b>328,087</b>

Item		30 June 2025 (KD'000)
	<b>Additional Tier 1 capital: instruments</b>	-
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	152,595
31	of which: classified as equity under applicable accounting standards	152,595
32	of which: classified as liabilities under applicable accounting standards	-
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-
34	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-
35	of which: instruments issued by subsidiaries subject to phase-out	-
<b>36</b>	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>152,595</b>
	<b>Additional Tier 1 capital: regulatory adjustments</b>	
37	Investments in own Additional Tier 1 instruments	-
38	Reciprocal cross-holdings in Additional Tier 1 instruments	(2,013)
39	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-
40	Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
41	National specific regulatory adjustments	-
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-
<b>43</b>	<b>Total regulatory adjustments to Additional Tier 1 capital</b>	<b>(2,013)</b>
<b>44</b>	<b>Additional Tier 1 capital (AT1)</b>	<b>150,582</b>
<b>45</b>	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>478,669</b>
	<b>Tier 2 capital: instruments and provisions</b>	
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
47	Directly issued capital instruments subject to phase-out from Tier 2	-
48	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-
49	of which: instruments issued by subsidiaries subject to phase-out	-
50	General provisions included in Tier 2 capital	37,925
<b>51</b>	<b>Tier 2 capital before regulatory adjustments</b>	<b>37,925</b>
	<b>Tier 2 capital: regulatory adjustments</b>	
52	Investments in own Tier 2 instruments	-
53	Reciprocal cross-holdings in Tier 2 instruments	-
54	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-
55	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
<b>56</b>	<b>National specific regulatory adjustments</b>	<b>-</b>
<b>57</b>	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>
<b>58</b>	<b>Tier 2 capital (T2)</b>	<b>37,925</b>
<b>59</b>	<b>Total capital (TC = T1 + T2)</b>	<b>516,594</b>
<b>60</b>	<b>Total risk weighted assets (after applying 50% additional weighting)</b>	<b>3,176,859</b>
	<b>Capital ratios and buffers</b>	
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	10.33%
62	Tier 1 (as a percentage of risk weighted assets)	15.07%
63	Total capital (as a percentage of risk weighted assets)	16.26%
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation buffer plus countercyclical buffer requirements plus D-SIB buffer requirement, expressed as a percentage of risk weighted assets)	9.50%
65	of which: capital conservation buffer requirement	2.50%

Item		30 June 2025 (KD'000)
66	of which: bank specific countercyclical buffer requirement	-
67	of which: D-SIB buffer requirement	-
68	<b>Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)</b>	<b>2.52%</b>
	<b>National minimal</b>	
69	<b>National Common Equity Tier 1 minimum ratio: 9.5%</b>	<b>301,802</b>
70	<b>National Tier 1 minimum ratio: 11%</b>	<b>349,454</b>
71	<b>National total capital minimum ratio excluding CCY and DSIB: 13%</b>	<b>412,992</b>
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>	
72	Non-significant investments in the capital of other financials	-
73	Significant investments in the common stock of financials	-
74	Mortgage servicing rights (net of related tax liability)	-
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-
	<b>Applicable caps on the inclusion of provisions in Tier 2</b>	
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	91,987
77	Cap on inclusion of provisions in Tier 2 under standardized approach	37,925
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-

## 2. Reconciliation Requirements

The Group has adopted a three-step approach for reconciliation of balance sheet items and the regulatory capital components as detailed in the instructions are as follows:

### Step 1 & 2 of the reconciliation requirements:

30 June 2025

Step 1 & 2 of the reconciliation requirements	Balance sheet as in published financial statements (KD'000)	Under regulatory scope of consolidation (KD'000)	Reference
<b>Assets</b>			
Cash and balances with banks	365,146	365,146	
Placements with banks and CBK	380,956	380,956	
Financing receivables	3,926,148	3,926,148	
of which maximum general provisions (netted above) capped for Tier 2 inclusion	37,925	37,925	a
Financial assets at fair value through profit or loss	203,341	203,341	
Financial assets at fair value through other comprehensive income	458,320	458,320	
Investment in associates	503,565	503,565	
Investments in joint ventures	127,998	127,998	
Investment properties	39,529	39,529	
Others assets	51,285	51,285	
Property and equipment	16,224	16,224	
<b>Total Assets</b>	<b>6,072,512</b>	<b>6,072,512</b>	
<b>Liabilities</b>			
Due to banks	1,419,222	1,419,222	

Step 1 & 2 of the reconciliation requirements	Balance sheet as in published financial statements (KD'000)	Under regulatory scope of consolidation (KD'000)	Reference
Depositors accounts	3,438,197	3,438,197	
Issued Sukuk	156,522	156,522	
Other liabilities	106,554	106,554	
<b>Total Liabilities</b>	<b>5,120,495</b>	<b>5,120,495</b>	
<b>Equity</b>			
Share Capital	449,822	449,822	b
Share Premium	298,735	298,735	c
Statutory Reserve	11,225	11,225	d
Retained Earnings	33,828	33,828	
of which retained earnings eligible for (CET1)	13,107	13,107	e
Fair value reserve	2,825	2,825	f
Forex reserve	2,987	2,987	g
<b>Equity attributable to Shareholders of the Bank</b>	<b>799,422</b>	<b>799,422</b>	
Perpetual Tier 1 Sukuk	152,595	152,595	h
Of which reciprocal investment in local banks T1 sukuk	(2,013)	(2,013)	I
<b>Total Equity</b>	<b>952,017</b>	<b>952,017</b>	
<b>Total Liabilities and Equity</b>	<b>6,072,512</b>	<b>6,072,512</b>	

### Step 3 of the reconciliation requirements:

No.	Step 3 of Reconciliation requirements	Component of regulatory capital reported by bank (KD'000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from Step 2
	<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Share Capital	449,822	b
2	Share Premium	298,735	c
3	Statutory Reserve	11,225	d
4	Retained Earnings	13,107	e
5	Fair value reserve	2,825	f
6	Forex Reserve	2,987	g
7	Other adjustments	(450,614)	
8	<b>Common Equity Tier 1 capital (CET1)</b>	<b>328,087</b>	
	<b>Additional Tier 1 capital: Instruments</b>		
9	Perpetual Tier 1 Sukuk	152,595	h
10	Reciprocal cross-holdings in Additional Tier 1 instruments	(2,013)	I
11	<b>Additional Tier 1 capital</b>	<b>150,582</b>	
	<b>Tier 1 Capital (Tier 1 = Common Tier 1 capital + Additional Tier 1 capital)</b>	<b>478,669</b>	
12	<b>Tier 2 Capital : Instruments and provisions</b>		
13	Tier 2 Instruments	-	
14	General provisions included in Tier 2 capital	37,925	a
15	<b>Tier 2 Capital</b>	<b>37,925</b>	
16	<b>Total Capital (Total capital = Tier 1 + Tier 2)</b>	<b>516,594</b>	

### **THIRD: CAPITAL ADEQUACY RATIOS**

The Bank actively manages its capital with the objective of maintaining adequate levels in order to cover all risks inherent in the business. The capital base is assessed to support the current and future growth of the business and the capital allocation is determined on the basis of financing and investments growth expectations for each business line.

The Bank is currently operating well above the minimum regulatory capital ratios, with ability to cover any eventuality and intervene at an early stage in situation of any stress. The business growth forecast is based on available capital, as allocated for different business lines to ensure that the Bank's internal capital targets are consistent with the approved Risk Appetite of the Bank to maximize shareholders' value on risk-adjusted basis.

#### **1. Capital Adequacy Ratios are as follows:**

No.	Ratio Description	Total Required Capital (%)	Available Capital (%)
1.	Total Capital Adequacy Ratio	13.00%	16.26%
2.	Tier 1 Capital Adequacy Ratio	11.00%	15.07%
3.	CET1 Capital Adequacy Ratio	9.50%	10.33%

The Bank ensures the fulfillment of Central Bank of Kuwait requirements in relation to capital adequacy.

#### **2. Financial Leverage Ratio:**

The below table depicts information regarding the calculation of the Financial Leverage Ratio, as per the applicable CBK regulations:

Item		30 June 2025 KD'000
No.	<b>On-balance sheet exposures</b>	
1)	On-balance sheet items (excluding Sharia compliant hedging contracts, but including collaterals)	6,162,086
2)	(Asset amounts deducted in determining Basel III Tier 1 capital)	(452,627)
3)	<b>Total on-balance sheet exposures (excluding Sharia compliant hedging contracts) (sum of lines 1 and 2)</b>	<b>5,709,459</b>
<b>Exposures to Sharia compliant hedging contracts</b>		
4)	Replacement cost associated with all Sharia compliant hedging contracts (i.e. net of eligible cash variation margin)	470
5)	Add-on amounts for potential future exposures "PFE" associated with all Sharia compliant hedging contracts	130
6)	Gross-up for the collateral of Sharia compliant hedging contracts provided where deducted from the balance sheet assets pursuant to the bank's accounting policy.	-
7)	(Deductions of receivables assets for cash variation margin provided in with all Sharia compliant hedging contracts )	-
8)	(Bank's exposures to exempted Central Counter Parties "CCP" )	-

Item		30 June 2025 KD'000
9)	<b>Total exposures of Sharia compliant hedging contracts (sum of lines 4 to 8)</b>	<b>600</b>
<b>Other off-balance sheet exposures</b>		
10)	Off-balance sheet exposure (before any adjustment for credit conversion factors)	2,824,649
11)	(Adjustments for conversion to credit equivalent amounts)	(2,486,499)
12)	<b>Off-balance sheet items (sum of lines 10 and 11)</b>	<b>338,150</b>
<b>Capital and total exposures</b>		
13)	<b>Tier 1 capital</b>	<b>478,669</b>
14)	<b>Total exposures (sum of lines 3, 9 and 12)</b>	<b>6,048,209</b>
<b>Leverage ratio</b>		
15)	<b>Leverage ratio (Tier 1 Capital (13)/total exposures (14))</b>	<b>7.91%</b>

As stated above, the Bank's leverage ratio for the present period is **7.91%** compared to **7.07%** in the previous year. The increase in the leverage ratio is primarily attributable to the bank's capital increase and the issuance of Tier 1 Sukuk.

**Summary comparison of accounting assets versus leverage ratio exposure measure:**

Item		KD'000
No.	<b>On-balance sheet exposures</b>	
1	Total assets as per published financial statements	6,072,512
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(450,614)
3	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the bank accounting policy but excluded from the gross leverage ratio exposure measure.	-
4	Exposures to Sharia compliant hedging contracts	600
5	Off-balance sheet exposures (i.e. equivalent credit amounts)	338,150
6	Other exposures	87,561
7	<b>Total exposures in calculation of leverage ratio (sum of the above items)</b>	<b>6,048,209</b>

**FOURTH: INVESTMENT ACCOUNTS**

**A. Balances related to investment accounts as follows:**

NO.	Categories of funding	Balances As of 30 June 2025
1	Current account	369,735
2	Unrestricted investment account	4,472,860
3	Restricted investment account	-
4	Other Deposits	14,824
5	Investment risk reserve	-
6	Profit rate reserve	-

**B. Profit percentage distributed to the profit-sharing investment accounts were as follows:**

SN	Account Category	Q1	Q2
1	Saving accounts	%1.493	1.510%

**Fifth: RISK WEIGHTED ASSETS**

**1. Credit risk**

The minimum required capital for credit risk exposures as of 30 June 2025 was KD 387,395 thousand as detailed below:

					30 June 2025 (KD'000)
SN	Description of Credit Risk Exposures	Total Exposures	Net Exposures	Risk-Weighted Assets	Required Capital
1	Cash items	20,370	20,370	-	-
2	Claims on sovereigns	621,452	621,452	84,201	10,946
3	Claims on international organizations	-	-	-	-
4	Claims on public sector entities	46,699	46,699	7,223	939
5	Claims on multilateral development banks	88,384	88,384	-	-
6	Claims on banks	450,135	450,134	151,121	19,646
7	Claims on corporates	3,387,580	2,696,741	1,749,753	227,468
8	Regulatory retail exposure	676,823	653,534	417,731	54,305
9	Qualifying residential housing financing facilities	-	-	-	-
10	Past due exposures	60,928	55,483	24,959	3,245
11	Goods and commodities positions	1,597	1,597	1,024	133
12	Real estate investments	167,528	167,528	214,749	27,917
13	Investment and financing with customers	110,031	41,030	36,593	4,757
14	Sukuk and taskeek exposures	-	-	-	-
15	Claims on central counterparties.	-	-	-	-
16	Other exposures	416,682	416,682	292,611	38,039
<b>Total</b>		<b>6,048,209</b>	<b>5,259,634</b>	<b>2,979,965</b>	<b>387,395</b>

**Total Credit Risk Exposures (Self-Financed or Financed from Investment Accounts):**

30 June 2025  
(KD'000)

SN	Description of Credit Risk Exposures	Credit Risk Exposures	Self Financed	Financed From Investment Accounts
1	Cash item	20,370	20,370	-
2	Claims on sovereigns	621,452	380,488	240,964
3	Claims on international organizations	-	-	-
4	Claims on public sector entities	46,699	13,164	33,535
5	Claims on multilateral development banks	88,384	24,913	63,471
6	Claims on banks	450,134	188,403	261,731
7	Claims on corporates	3,387,580	1,093,380	2,294,200
8	Regulatory retail exposure	676,824	190,781	486,043

SN	Description of Credit Risk Exposures	Credit Risk Exposures	Self Financed	Financed From Investment Accounts
9	Qualifying residential housing financing facilities	-	-	-
10	Past due exposures	60,928	21,498	39,430
11	Goods and commodities positions	1,597	450	1,147
12	Real estate investments	167,528	47,221	120,307
13	Investment and financing with customers	110,031	31,015	79,016
14	Sukuk and taskeek exposures	-	-	-
15	Claims on central counterparties.	-	-	-
16	Other exposures	416,682	174,852	241,830
<b>Total</b>		<b>6,048,209</b>	<b>2,186,535</b>	<b>3,861,674</b>

**Average exposures (Self-Financed or Financed from Unrestricted Investment Accounts) on a quarterly basis:**

SN	Description of Credit Risk Exposures	Average Credit Risk Exposures	Average Self Financed	Average Financed From Investment Accounts
1	Cash item	11,243	11,243	-
2	Claims on sovereigns	667,646	408,008	259,638
3	Claims on international organizations	-	-	-
4	Claims on public sector entities	41,245	7,392	33,853
5	Claims on multilateral development banks	84,996	15,160	69,836
6	Claims on banks	436,716	133,894	302,822
7	Claims on corporates	3,101,959	701,295	2,400,664
8	Regulatory retail exposure	668,375	117,575	550,800
9	Qualifying residential housing financing facilities	-	-	-
10	Past due exposures	66,170	16,362	49,808
11	Goods and commodities positions	2,598	444	2,154
12	Real estate investments	162,521	28,754	133,767
13	Investment and financing with customers	155,514	26,089	129,425
14	Sukuk and taskeek exposures	-	-	-
15	Claims on central counterparties.	-	-	-
16	Other exposures	392,541	144,949	247,592
<b>Total</b>		<b>5,791,524</b>	<b>1,611,165</b>	<b>4,180,359</b>

The minimum required capital for financing receivable as of 30 June 2025 was KD 276,105 thousand as detailed below:

**30 June 2025  
(KD'000)**

SN	Description of Credit Risk Exposures	Total Exposures	Net Exposures	Risk-Weighted Assets	Required Capital
1	Cash items	-	-	-	-
2	Claims on sovereigns	92,460	92,460	53,038	6,895
3	Claims on international organizations	-	-	-	-
4	Claims on public sector entities	46,699	46,699	7,532	979
5	Claims on multilateral development banks	-	-	-	-

SN	Description of Credit Risk Exposures	Total Exposures	Net Exposures	Risk-Weighted Assets	Required Capital
6	Claims on banks	52,415	52,415	35,035	4,555
7	Claims on corporates	2,982,450	2,296,333	1,531,122	199,046
8	Regulatory retail exposure	676,645	653,355	436,187	56,704
9	Qualifying residential housing financing facilities	-	-	-	-
10	Past due exposures	54,907	49,462	19,828	2,578
11	Goods and commodities positions	-	-	-	-
12	Real estate investments	-	-	-	-
13	Investment and financing with customers	110,031	41,030	41,138	5,348
14	Sukuk and taskeek exposures	-	-	-	-
15	Claims on central counterparties.	-	-	-	-
16	Other exposures	-	-	-	-
<b>Total</b>		<b>4,015,607</b>	<b>3,231,754</b>	<b>2,123,880</b>	<b>276,105</b>

### Net Credit Exposures (Rated or Unrated)

30 June 2025  
(KD'000)

SN	Description of Credit Risk Exposures	Net Credit Exposure	Rated Exposures	Unrated Exposures
1	Cash item	20,370	-	20,370
2	Claims on sovereigns	621,453	570,498	50,955
3	Claims on international organizations	-	-	-
4	Claims on public sector entities	46,699	7,204	39,495
5	Claims on multilateral development banks	88,384	88,382	2
6	Claims on banks	450,134	411,940	38,194
7	Claims on corporates	3,387,580	226,566	3,161,014
8	Regulatory retail exposure	676,823	-	676,823
9	Qualifying residential housing financing facilities	-	-	-
10	Past due exposures	60,928	-	60,928
11	Goods and commodities positions	1,597	-	1,597
12	Real estate investments	167,528	-	167,528
13	Investment and financing with customers	110,031	-	110,031
14	Sukuk and taskeek exposures	-	-	-
15	Claims on central counterparties.	-	-	-
16	Other exposures	416,682	-	416,682
<b>Total</b>		<b>6,048,209</b>	<b>1,304,590</b>	<b>4,743,619</b>

### Geographical Distributions for Credit Risk Exposure

30 June 2025  
(KD'000)

SN	Description of Credit Risk Exposures	MENA	North America	Europe	Asia	Others	Total
1	Cash item	20,370	-	-	-	-	20,370
2	Claims on sovereigns	591,950	-	16,398	13,104	-	621,452

SN	Description of Credit Risk Exposures	MENA	North America	Europe	Asia	Others	Total
3	Claims on international organizations	-	-	-	-	-	-
4	Claims on public sector entities	31,829	-	7,666	-	7,204	46,699
5	Claims on multilateral development banks	88,384	-	-	-	-	88,384
6	Claims on banks	341,664	7,364	98,732	2,375	-	450,135
7	Claims on corporates	3,180,790	74,753	20,481	111,556	-	3,387,580
8	Regulatory retail exposure	676,823	-	-	-	-	676,823
9	Qualifying residential housing financing facilities	-	-	-	-	-	-
10	Past due exposures	60,928	-	-	-	-	60,928
11	Goods and commodities positions	1,597	-	-	-	-	1,597
12	Real estate investments	39,529	86,080	41,919	-	-	167,528
13	Investment and financing with customers	110,031	-	-	-	-	110,031
14	Sukuk and taskeek exposures	-	-	-	-	-	-
15	Claims on central counterparties.	-	-	-	-	-	-
16	Other exposures	239,510	131,887	29,811	15,474	-	416,682
<b>Total</b>		<b>5,383,405</b>	<b>300,084</b>	<b>215,007</b>	<b>142,509</b>	<b>7,204</b>	<b>6,048,209</b>

### Maturities of total "Credit Risk" exposures

30 June 2025  
(KD'000)

SN	Description of Credit Risk Exposures	Up to 3 months	3 to 12 months	Over 1 year	Total
1	Cash item	20,370	-	-	20,360
2	Claims on sovereigns	480,349	64,769	76,334	621,452
3	Claims on international organizations	-	-	-	-
4	Claims on public sector entities	43,337	3,362	-	46,699
5	Claims on multilateral development banks	-	26,874	61,510	88,384
6	Claims on banks	226,900	143,597	79,638	450,135
7	Claims on corporates	2,178,486	863,300	345,794	3,387,580
8	Regulatory retail exposure	14,824	14,538	647,461	676,823
9	Qualifying residential housing financing facilities	-	-	-	-
10	Past due exposures	60,928	-	-	60,928
11	Goods and commodities positions	-	1,597	-	1,597
12	Real estate investments	-	-	167,528	167,528
13	Investment and financing with customers	108,750	733	548	110,031
14	Sukuk and taskeek exposures	-	-	-	-
15	Claims on central counterparties.	-	-	-	-
16	Other exposures	16,603	3,099	396,980	416,682
<b>Total</b>		<b>3,150,547</b>	<b>1,121,869</b>	<b>1,775,793</b>	<b>6,048,209</b>

## Main sectors of total Credit Risk exposures

30 June 2025  
(KD'000)

SN	Description of Credit Risk Exposures	Manufacturing & Trade	Banks & Financial Institutions	Construction & Real Estate	Government	Others	Total
1	Cash item	-	-	-	-	20,370	20,370
2	Claims on sovereigns	-	26,814	-	528,993	65,645	621,452
3	Claims on international organizations	-	-	-	-	-	-
4	Claims on public sector entities	7,666	7,204	-	-	31,829	46,699
5	Claims on multilateral development banks	-	88,384	-	-	-	88,384
6	Claims on banks	-	450,135	-	-	-	450,135
7	Claims on corporates	641,603	389,789	1,533,568	-	822,620	3,387,580
8	Regulatory retail exposure	-	-	-	-	676,823	676,823
9	Qualifying residential housing financing facilities	-	-	-	-	-	-
10	Past due exposures	-	-	6,021	-	54,907	60,928
11	Goods and commodities position	1,597	-	-	-	-	1,597
12	Real estate investments	-	-	167,528	-	-	167,528
13	Investment and financing with customers	-	-	36,221	-	73,810	110,031
14	Sukuk and taskeek exposures	-	-	-	-	-	-
15	Claims on central counterparties.	-	-	-	-	-	-
16	Other exposures	-	-	-	-	416,682	416,682
<b>Total</b>		<b>650,866</b>	<b>962,326</b>	<b>1,743,338</b>	<b>528,993</b>	<b>2,162,686</b>	<b>6,048,209</b>

### **Irregular and past due credit facilities**

The Bank complies with CBK instructions regarding the provisions required for Irregular and past due credit facilities. General & Specific provisions are computed in accordance with the CBK.

The CBK instructions in regard to the computation of specific provision imply different rules between the credit facilities granted to corporate, retail and sovereigns entities.

In addition, the minimum general provision required limit for cash facilities is 1% & 0.5% for non-cash facilities, in case there is no specific provision was required to be computed in accordance with the CBK instructions.

### **Irregular and past due financing facilities exposures in accordance with standard portfolios:**

On June 30, 2025, the value of the irregular financing facilities (impaired), including the Bank's accounts receivable, amounted to KD 70,281 thousand after excluding the deferred revenues and due profits and KD 34,348 thousand after excluding the acceptable collaterals as per the instructions of the Central Bank of Kuwait for the purpose of calculating the Capital Adequacy Ratio.

As of 30 June 2025, the Bank's provisions are KD 104,144 thousand including a general provision of KD 41,355 thousand and precautionary provision of KD 50,519 thousand as of 30 June 2025.

**Irregular and past due exposures as per standard portfolios:**

30 Jun 2025  
(KD'000)

SN	Description of Standard Portfolios	Impaired	Net Impaired after deducting acceptable guarantees	Specific Provision	Net Facilities	Written Off Provision	Past Due
1	Claims on banks	-	-	-	-	-	-
2	Claims on corporates	66,125	30,192	10,441	19,751	-	152,681
3	Regulatory retail exposures	4,156	4,156	1,798	2,358	2,089	30,756
4	Real estate investments	-	-	-	-	-	-
5	Investment and financing with customers	-	-	-	-	-	-
<b>Total</b>		<b>70,281</b>	<b>34,348</b>	<b>12,239</b>	<b>22,109</b>	<b>2,089</b>	<b>183,437</b>

**Irregular and past due exposures as per geographical location:**

30 June 2025  
(KD'000)

SN	Description of geographical location	Impaired	Specific Provision	Net Facilities	Written Off Provision	Past Due
1	MENA	61,271	11,511	22,109	2,089	181,560
2	Europe	9,010	728	-	-	-
3	Asia	-	-	-	-	1,877
4	Rest of the World	-	-	-	-	-
<b>Total</b>		<b>70,281</b>	<b>12,239</b>	<b>22,109</b>	<b>2,089</b>	<b>183,437</b>

**Irregular and past due exposures by industrial sector:**

30 June 2025  
(KD'000)

SN	Description of Industrial Sector	Impaired	Specific Provision	Net Facilities	Written Off Provision	Past Due
1	Manufacturing & Trade	3,923	2,641	500	-	9,856
2	Banks and financial institutions	-	-	-	-	-
3	Constructions and real estates	62,162	7,792	19,219	4	49,893
4	Others	4,196	1,806	2,390	2,85	123,687
<b>Total</b>		<b>70,281</b>	<b>12,239</b>	<b>22,109</b>	<b>2,089</b>	<b>183,437</b>

### Aging of Irregular and past due exposures:

30 June 2025  
(KD'000)

SN	Description of Irregular and past due exposures	Up to 3 months	From 3 months to 6 months	From 6 months to 12 months	More than 1 Year	Total
1	Impaired	21,633	4,106	2,627	41,914	70,280
2	Past Due	183,436	-	-	-	183,436
<b>Total</b>		<b>205,069</b>	<b>4,106</b>	<b>2,627</b>	<b>41,914</b>	<b>253,716</b>

### General Provisions Balance:

SN	Distribution of General Provisions to credit risk exposures	30 June 2025 (KD'000)
1	Claims on sovereigns	743
2	Claims on public sector institutions	318
3	Claims on banks	739
4	Claims on corporates*	82,450
5	Regulatory retail exposures	6,523
6	Real estate investments	-
7	Investment and financing with customers	1,101
	<b>Total</b>	<b>91,874</b>

\* As of June 30, 2025, claims on companies include precautionary provisions amounting to KD 50,519 Thousand.

SN	Distribution of General Provisions to geographical location	30 June 2025 (KD'000)
1	MENA*	90,161
2	Europe	839
3	Asia	339
4	Rest of the World	337
5	Other	535
	<b>Total</b>	<b>91,874</b>

\* As of June 30, 2025, claims on MENA include precautionary provisions amounting to KD 50,519 Thousand.

## Acceptable risk mitigation

30 June 2025  
(KD'000)

N	Risk Mitigation Sources	Total Risk Mitigation	Eligible Collaterals
1	Cash Collaterals	57,118	48,351
2	Banking Guarantees	10,899	10,899
3	Shares	580,176	350,481
4	Leased Assets	935,996	389,743
5	Real Estate	1,592,654	-
6	Others	148,333	-
<b>Total</b>		<b>3,325,176</b>	<b>799,474</b>

## Credit Risk Exposures, Eligible Collaterals and Banking Guarantees

30 June 2025  
(KD'000)

SN	Description of Credit Risk Exposure	Total Credit Exposure	Eligible Collaterals	Banking Guarantees
1	Cash item	20,370	-	-
2	Claims on sovereigns	621,452	-	-
3	Claims on international organizations	-	-	-
4	Claims on public sector entities	46,699	-	-
5	Claims on multilateral development banks	88,384	-	-
6	Claims on banks	450,135	-	-
7	Claims on corporates	3,387,580	679,940	10,899
8	Regulatory retail exposure	676,823	23,290	-
9	Qualifying residential housing financing facilities	-	-	-
10	Past due exposures	60,928	5,445	-
11	Goods and commodities positions	1,597	-	-
12	Real estate investments	167,528	-	-
13	Investment and financing with customers	110,031	69,001	-
14	Sukuk and taskeek exposures	-	-	-
15	Claims on central counterparties.	-	-	-
16	Other exposures	416,682	-	-
<b>Total</b>		<b>6,048,209</b>	<b>788,575</b>	<b>10,899</b>

## 2. Market Risk

Market Risk-weighted exposure as of 30 June 2025 amounted to KD 6,044 thousand, based on the standardized approach. The minimum required capital for market risk exposures amounts to KD 786 thousand.

### 3. Operational Risk

Operational Risk-weighted exposures calculated as of 30 June 2025 amounted to KD 190,850 thousand as per the Basic Indicator Approach. The minimum required capital for operational risk exposures amounts to KD 24,811 thousand.

### 4. Liquidity Risks

A- Short-term assets to short-term liabilities ratio as of 30 June 2025 is 86% calculated as follows:

SN		30 June 2025
1	Current assets (KD '000)	3,849,198
2	Current liabilities (KD '000)	4,474,018
	<b>Current ratio</b>	<b>%86</b>

B- Maturity analysis of various categories of funding (current account, unrestricted investment account and restricted investment account) are as follows:

30 June 2025  
(KD'000)

SN	Categories of funding	Up to 3 months	3 to 12 months	Over 1 year	Total
1	Current account	369,735	-	-	369,735
2	Unrestricted investment account	2,593,533	1,398,142	481,185	4,472,860
3	Restricted investment account	-	-	-	-
4	Other Deposits	14,824	-	-	14,824
	<b>Total</b>	<b>2,978,092</b>	<b>1,398,142</b>	<b>481,185</b>	<b>4,857,419</b>

### 5. Profit Rate Risk

30 June 2025  
(KD'000)

Impact of 25 bps move upwards	Upto 7 Days	7 Days to 1 Month	1 to 3 months	3 to 6 months	6 months to 1 Year	Total Impact
Assets	1,320	1,898	3,958	1,404	847	9,426
Liabilities	(1,600)	(1,927)	(2,868)	(1,565)	(1,701)	(9,661)
<b>Net Impact</b>	<b>(280)</b>	<b>(30)</b>	<b>1,090</b>	<b>(161)</b>	<b>(855)</b>	<b>(235)</b>

30 June 2025  
(KD'000)

Impact of 25 bps move downwards	Upto 7 Days	7 Days to 1 Month	1 to 3 months	3 to 6 months	6 months to 1 Year	Total Impact
Assets	(1,320)	(1,898)	(3,958)	(1,404)	(847)	(9,426)
Liabilities	1,600	1,927	2,868	1,565	1,701	9,661
<b>Net Impact</b>	<b>280</b>	<b>30</b>	<b>(1,090)</b>	<b>161</b>	<b>855</b>	<b>235</b>

### 6. Equity Risk in the Bank's Book

As of 30 June 2025, the Bank's investments in equity positions other than sukuk amounted to KD 213,145 thousand as detailed below:

Investment types	30 June 2025 (KD'000)
Quoted equity security	3,764
Unquoted equity security	9,803
Unquoted Portfolios and Funds	180,222
Other unquoted investments	19,356
<b>Total</b>	<b>213,145</b>

All equity investments are recorded at fair value.

During the period, the Bank did not record realized gains from sale of equity investments in the income statement and recorded unrealized gains from changes in the fair value of equity investments amounting to KWD 306 thousand (June 30, 2024: nil) were included ) in the other comprehensive income.

The minimum required capital for equity investment as of 30 June 2025 was KD 18,521 thousand.

### **Sixth: Bank's Remuneration Policies**

The number of the meetings held by the Board Nominations & Remunerations Committee during the period was 2 meetings, and the total remunerations paid to its members is (KD Nil) thousand for the six months ending on 30 June 2025.

No employees were awarded remunerations on signing employment contracts (sign-on awards) during for the six months ending on 30 June 2025.

**The table below shows the value of remuneration paid to Senior Management:**

			30 June 2025	
SN	Total value of remuneration awards for the current fiscal year	Unrestricted (in KD)	Deferred (in KD)	
	<i>Fixed remuneration</i>			
1	- Cash-based	1,135	-	
2	- Shares and share-linked instruments	-	-	
3	- Other	39	-	
	<i>Variable remuneration</i>			
4	- Cash-based	-	203	
5	- Shares and share-linked instruments	-	-	
6	- Other	35	-	
	<b>Total</b>	<b>1,209</b>	<b>203</b>	

The table below shows the value of remuneration paid to material risk takers other than the Senior Management:

			30 June 2025	
SN	Total value of remuneration awards for the current fiscal year	Unrestricted (in KD)	Deferred (in KD)	
	<i>Fixed remuneration</i>			
1	- Cash-based	1,002	-	
2	- Shares and share-linked instruments	-	-	
3	- Other	37	-	
	<i>Variable remuneration</i>			
4	- Cash-based	-	99	

<b>SN</b>	<b>Total value of remuneration awards for the current fiscal year</b>	<b>Unrestricted (in KD)</b>	<b>Deferred (in KD)</b>
5	- Shares and share-linked instruments	-	-
6	- Other	33	-
	<b>Total</b>	<b>1,072</b>	<b>99</b>

The table below shows the value of remuneration paid to the respective employee categories:

**30 June 2025**

<b>SN</b>	<b>Employee Categories</b>	<b>Number of Employees in the category</b>	<b>End of service paid during the year (in KD)</b>	<b>“Unrestricted” salaries and remunerations paid during the year (in KD)</b>
1	Senior Management	16	-	1,209
2	Material Risk Takers	16	-	1,072
3	Financial & Control Functions	13	-	934