

WARBA BANK K.S.C.P.

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL INFORMATION
(UNAUDITED)**

31 MARCH 2024



Ernst & Young
Al Aiban, Al Osaimi & Partners
P.O. Box 74
18–20th Floor, Baitak Tower
Ahmed Al Jaber Street
Safat Square 13001, Kuwait

Tel: +965 2295 5000
Fax: +965 2245 6419
kuwait@kw.ey.com
ey.com/mena



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

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

Introduction

We have reviewed the interim condensed consolidated statement of financial position of Warba Bank K.S.C.P. (the “Bank”) and its subsidiaries (collectively the “Group”) as at 31 March 2024, and the related interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, its executive regulations, as amended, or of the Bank’s Articles of Association and Memorandum of Incorporation, as amended, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the three-month period ended 31 March 2024 that might have had a material effect on the business of the Bank or on its financial position.

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


DR. RASHEED M. AL – QENAE
LICENSE NO. 130
OF KPMG AL-QENAE & PARTNERS
MEMBER FIRM OF KPMG INTERNATIONAL

Warba Bank K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 31 March 2024

		(Audited)	
	31 March 2024	31 December 2023	31 March 2023
Notes	KD'000	KD'000	KD'000
ASSETS			
Cash and bank balances	3	184,589	207,811
Placements with banks and the CBK		380,203	425,786
Financing receivables	4	3,587,514	3,452,952
Financial assets at fair value through profit or loss	13	167,105	162,253
Financial assets at fair value through other comprehensive income	13	370,271	369,934
Investment in joint ventures		123,555	119,271
Investment properties		1,679	1,675
Other assets		60,109	76,514
Property and equipment		16,360	16,013
TOTAL ASSETS		4,891,385	4,832,209
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions		1,203,551	1,162,849
Depositors' accounts		2,922,271	2,907,145
Sukuk issued	5	305,382	304,331
Other liabilities		65,573	66,688
TOTAL LIABILITIES		4,496,777	4,441,013
EQUITY			
Share capital	6	206,000	206,000
Share premium		80,375	80,375
Statutory reserve		8,871	8,871
Fair value reserve		(5,388)	(4,517)
Foreign currency translation reserve		723	1,175
Retained earnings		15,859	11,124
Proposed dividends	6	306,440	303,028
		12,360	12,360
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		318,800	315,388
Perpetual Tier 1 Sukuk	7	75,808	75,808
TOTAL EQUITY		394,608	391,196
TOTAL LIABILITIES AND EQUITY		4,891,385	4,832,209


Hamad M. Al Sayer
Chairman


Shaheen H. Al Ghanem
Chief Executive Officer

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

Warba Bank K.S.C.P.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)**

For the period ended 31 March 2024

	<i>Notes</i>	<i>Three months ended 31 March</i>	
		2024 KD'000	2023 KD'000
Placements and finance income		60,566	49,580
Finance costs and distribution to depositors		(47,319)	(40,536)
Net finance income		13,247	9,044
Net investment income		2,175	4,692
Net fees and commission income		1,564	875
Other income		129	480
Net foreign exchange gain		1,253	27
Net operating income		18,368	15,118
Staff costs		(6,440)	(5,397)
General and administrative expenses		(1,656)	(1,458)
Depreciation expense		(1,699)	(1,592)
Net operating expenses		(9,795)	(8,447)
Net operating profit before provision for impairment and credit losses		8,573	6,671
Provision for impairment and credit losses	8	(3,614)	(2,175)
Profit before tax		4,959	4,496
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)		(45)	(40)
National Labour Support Tax (NLST)		(128)	(116)
Zakat		(51)	(47)
NET PROFIT FOR THE PERIOD		4,735	4,293
BASIC AND DILUTED EARNINGS PER SHARE (EPS)	9	2.17 fils	1.97 fils

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

Warba Bank K.S.C.P.

**INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)**

For the period ended 31 March 2024

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
	KD'000	KD'000
NET PROFIT FOR THE PERIOD	4,735	4,293
Other comprehensive income (loss)		
<i>Other comprehensive income (loss) that will be reclassified to profit or loss:</i>		
<i>Debt instruments at fair value through other comprehensive income:</i>		
Net change in fair value during the period	383	2,354
Changes in allowance for expected credit losses	(8)	(7)
Reclassification to profit or loss	(1,246)	11
Net (losses) gains on debt instruments at fair value through other comprehensive income	(871)	2,358
<i>Foreign currency translation:</i>		
Exchange differences on translation of foreign operations	(410)	435
Net exchange differences recycled to profit or loss on derecognition of investment in a joint venture	(42)	36
Net foreign currency translation	(452)	471
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD	(1,323)	2,829
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	3,412	7,122

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

Warba Bank K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 31 March 2024

	<i>Share capital</i> <i>KD'000</i>	<i>Share premium</i> <i>KD'000</i>	<i>Statutory reserve</i> <i>KD'000</i>	<i>Fair value reserve</i> <i>KD'000</i>	<i>Foreign currency translation reserve</i> <i>KD'000</i>	<i>Retained earnings</i> <i>KD'000</i>	<i>Sub-total</i> <i>KD'000</i>	<i>Proposed dividends</i> <i>KD'000</i>	<i>Equity attributable to shareholders of the Bank</i> <i>KD'000</i>	<i>Perpetual Tier 1 Sukuk</i> <i>KD'000</i>	<i>Total equity</i> <i>KD'000</i>
As at 1 January 2024	206,000	80,375	8,871	(4,517)	1,175	11,124	303,028	12,360	315,388	75,808	391,196
Net profit for the period	-	-	-	-	-	4,735	4,735	-	4,735	-	4,735
Other comprehensive loss	-	-	-	(871)	(452)	-	(1,323)	-	(1,323)	-	(1,323)
Total comprehensive (loss) income for the period	-	-	-	(871)	(452)	4,735	3,412	-	3,412	-	3,412
At 31 March 2024	206,000	80,375	8,871	(5,388)	723	15,859	306,440	12,360	318,800	75,808	394,608
As at 1 January 2023	200,000	80,375	6,803	(9,759)	(276)	8,966	286,109	12,000	298,109	75,808	373,917
Net profit for the period	-	-	-	-	-	4,293	4,293	-	4,293	-	4,293
Other comprehensive income	-	-	-	2,358	471	-	2,829	-	2,829	-	2,829
Total comprehensive income for the period	-	-	-	2,358	471	4,293	7,122	-	7,122	-	7,122
Cash dividends (Note 6)	-	-	-	-	-	-	-	(6,000)	(6,000)	-	(6,000)
At 31 March 2023	200,000	80,375	6,803	(7,401)	195	13,259	293,231	6,000	299,231	75,808	375,039

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

Warba Bank K.S.C.P.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the period ended 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
	<i>Notes</i>	2024	2023
		KD'000	KD'000
OPERATING ACTIVITIES			
Profit before tax		4,959	4,496
<i>Adjustments for:</i>			
Realised (gain) loss on sale of debt instruments at FVOCI		(1,246)	11
Dividend income from financial assets		(1,466)	(571)
Share of results from investments in joint ventures		265	(1,428)
Loss on sale of joint ventures		410	28
Net rental income from investment properties		(48)	(14)
Fair value adjustment to investment properties		(4)	(2)
Other investment income		(104)	(2,757)
Changes in fair value of financial assets at FVTPL		18	41
Provision for employees' end of service benefits		237	220
Depreciation expense		1,699	1,592
Provision for impairment and credit losses	8	3,614	2,175
		8,334	3,791
<i>Changes in operating assets and liabilities:</i>			
Placements with banks and the CBK		365	(78,270)
Financing receivables		(137,634)	(172,333)
Other assets		16,517	18,402
Due to banks and other financial institutions		40,702	259,907
Depositors' accounts		15,126	110,399
Other liabilities		(2,566)	12,958
Cash flows (used in) from operations		(59,156)	154,854
Employees' end of service benefits paid		(63)	(58)
Taxes paid		(182)	(107)
Net cash flows (used in) from operating activities		(59,401)	154,689
INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL		(9,037)	(7,417)
Proceeds from sale / redemption of financial assets at FVTPL		4,167	348
Purchase of financial assets at FVOCI		(95,839)	(72,810)
Proceeds from sale of financial assets at FVOCI		95,481	45,318
Additions to investment in joint ventures		(8,591)	(3,280)
Proceeds from sale of a joint venture		3,068	60
Purchase of property and equipment		(783)	(15)
Dividends received from financial assets		1,466	571
Other investment income received		98	150
Distributions received from joint ventures		112	701
Rental income received		61	12
Net cash flows used in investing activities		(9,797)	(36,362)
FINANCING ACTIVITIES			
Payment of lease liabilities		(275)	(1,612)
Net movement on Sukuk issued		1,051	648
Net cash flows from (used in) financing activities		776	(964)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(68,422)	117,363
Cash and cash equivalents at 1 January		468,862	302,469
CASH AND CASH EQUIVALENTS AT 31 MARCH	3	400,440	419,832
Additional information on operational cash flows			
Finance costs paid		(42,872)	(34,859)
Finance income received		63,249	42,871

The accompanying notes 1 to 16 form an integral part of this interim condensed consolidated financial information.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

1 CORPORATE INFORMATION

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

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

The annual general assembly meeting (“AGM”) of the shareholders of the Bank held on 31 March 2024 approved the consolidated financial statements for the year ended 31 December 2023. Distributions proposed by the Board of Directors and approved by the shareholders of the Bank for the year then ended are provided in Note 6.

This interim condensed consolidated financial information as at and for the three months ended 31 March 2024 includes the financial information of the Bank and its wholly owned special purpose vehicles (collectively, the “Group”).

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2024 has been approved for issuance in accordance with the Board of Directors resolution on 7 April 2024.

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

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group for the three months ended 31 March 2024 has been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” except as noted below.

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

The above framework is hereinafter referred to as ‘IFRS as adopted by CBK for use by the State of Kuwait’.

The interim condensed consolidated financial information does not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with IFRS as adopted by CBK for use by the State of Kuwait and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2023.

2.2 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial information of the Group.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

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

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial information.

Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- ▶ What is meant by a right to defer settlement
- ▶ That a right to defer must exist at the end of the reporting period
- ▶ That classification is unaffected by the likelihood that an entity will exercise its deferral right
- ▶ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

3 CASH AND CASH EQUIVALENTS

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

	<i>31 March</i> <i>2024</i> <i>KD'000</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD'000</i>	<i>31 March</i> <i>2023</i> <i>KD'000</i>
Cash on hand	13,319	9,382	15,328
Current account with the CBK	148,306	163,937	147,251
Current account with commercial banks	22,964	34,492	15,322
Total cash and bank balances	184,589	207,811	177,901
Placements with the CBK with original maturity of three months or less	110,226	124,232	129,140
Placements with banks with original maturity of three months or less	105,625	136,819	112,791
Total cash and cash equivalents	400,440	468,862	419,832

4 FINANCING RECEIVABLES

	<i>31 March</i> <i>2024</i> <i>KD'000</i>	<i>(Audited)</i> <i>31 December</i> <i>2023</i> <i>KD'000</i>	<i>31 March</i> <i>2023</i> <i>KD'000</i>
Murabaha receivables	3,250,080	3,136,581	2,985,963
Ijara receivables	582,037	558,990	502,370
Wakala receivables	23,467	23,425	37,384
Others	30,469	33,614	43,600
Less: deferred profit	(208,035)	(204,857)	(170,478)
Financing receivables before provision for impairment	3,678,018	3,547,753	3,398,839
Less: Provision for impairment as per the CBK guidelines	(90,504)	(94,801)	(97,086)
	3,587,514	3,452,952	3,301,753

The available provision of KD 5,943 thousand (31 December 2023: KD 5,414 thousand and 31 March 2023: KD 5,254 thousand) relating to non-cash facilities is recorded under other liabilities.

The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to KD 96,447 thousand as at 31 March 2024 (31 December 2023: KD 100,215 thousand, 31 March 2023: KD 102,340 thousand).

The Expected Credit Losses ("ECL") on credit facilities determined under IFRS 9 in accordance to the CBK guidelines amounted to KD 78,332 thousand as at 31 March 2024 (31 December 2023: KD 49,231 thousand, 31 March 2023: KD 51,652 thousand). CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

4 FINANCING RECEIVABLES (continued)

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

	<i>31 March 2024</i>		
	<i>Specific KD'000</i>	<i>General KD'000</i>	<i>Total KD'000</i>
As at 1 January 2024	13,793	86,422	100,215
Charge for the period	2,390	1,215	3,605
Amounts written off	(7,378)	-	(7,378)
Foreign exchange adjustments	-	5	5
At 31 March 2024	<u>8,805</u>	<u>87,642</u>	<u>96,447</u>

	<i>31 December 2023 (Audited)</i>		
	<i>Specific KD'000</i>	<i>General KD'000</i>	<i>Total KD'000</i>
As at 1 January 2023	18,570	82,420	100,990
(Reversal) charge for the period	(2,873)	3,980	1,107
Amounts written off	(1,904)	-	(1,904)
Foreign exchange adjustments	-	22	22
At 31 December 2023	<u>13,793</u>	<u>86,422</u>	<u>100,215</u>

	<i>31 March 2023</i>		
	<i>Specific KD'000</i>	<i>General KD'000</i>	<i>Total KD'000</i>
As at 1 January 2023	18,570	82,420	100,990
Charge for the period	72	1,720	1,792
Amounts written off	(445)	-	(445)
Foreign exchange adjustments	-	3	3
At 31 March 2023	<u>18,197</u>	<u>84,143</u>	<u>102,340</u>

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

	<i>As at 31 March 2024</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
Financing receivables				
High	1,936,313	77,041	-	2,013,354
Standard	1,248,070	208,134	17,675	1,473,879
Past due or impaired	130,922	22,910	36,953	190,785
	<u>3,315,305</u>	<u>308,085</u>	<u>54,628</u>	<u>3,678,018</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

4 FINANCING RECEIVABLES (continued)

	<i>As at 31 December 2023 (Audited)</i>			
	<i>Stage 1 KD 000</i>	<i>Stage 2 KD 000</i>	<i>Stage 3 KD 000</i>	<i>Total KD 000</i>
<i>Financing receivables</i>				
High	1,597,217	65,792	-	1,663,009
Standard	1,487,564	167,147	14,965	1,669,676
Past due or impaired	122,834	69,301	22,933	215,068
	<u>3,207,615</u>	<u>302,240</u>	<u>37,898</u>	<u>3,547,753</u>
	<i>As at 31 March 2023</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
<i>Financing receivables</i>				
High	1,582,625	65,232	-	1,647,857
Standard	1,222,850	186,659	-	1,409,509
Past due or impaired	225,107	77,775	38,591	341,473
	<u>3,030,582</u>	<u>329,666</u>	<u>38,591</u>	<u>3,398,839</u>

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

	<i>31 March 2024</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
ECL allowance as at 1 January 2024	14,257	9,950	16,048	40,255
Transfer from Stage 1	(328)	307	21	-
Transfer from Stage 2	931	(3,873)	2,942	-
Transfer from Stage 3	133	2,057	(2,190)	-
(Reversal) additional ECL for the period	(634)	1,923	24,084	25,373
Amounts written off	-	-	(7,378)	(7,378)
At 31 March 2024	<u>14,359</u>	<u>10,364</u>	<u>33,527</u>	<u>58,250</u>
	<i>31 December 2023 (Audited)</i>			
	<i>Stage 1 KD 000</i>	<i>Stage 2 KD 000</i>	<i>Stage 3 KD 000</i>	<i>Total KD 000</i>
ECL allowance as at 1 January 2023	14,338	9,897	17,992	42,227
Transfer from Stage 1	(475)	421	54	-
Transfer from Stage 2	820	(1,086)	266	-
Transfer from Stage 3	269	508	(777)	-
(Reversal) additional ECL for the year	(695)	210	417	(68)
Amounts written off	-	-	(1,904)	(1,904)
At 31 December 2023	<u>14,257</u>	<u>9,950</u>	<u>16,048</u>	<u>40,255</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

4 FINANCING RECEIVABLES (continued)

	<i>31 March 2023</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
ECL allowance as at 1 January 2023	14,338	9,897	17,992	42,227
Transfer from Stage 1	(284)	269	15	-
Transfer from Stage 2	556	(773)	217	-
Transfer from Stage 3	236	699	(935)	-
(Reversal) additional ECL for the period	(439)	801	324	686
Amounts written off	-	-	(445)	(445)
At 31 March 2023	<u>14,407</u>	<u>10,893</u>	<u>17,168</u>	<u>42,468</u>

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

	<i>As at 31 March 2024</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
<i>Non-cash facilities</i>				
High	199,240	1,896	-	201,136
Standard	110,081	38,908	11,074	160,063
Past due or impaired	-	-	3,752	3,752
	<u>309,321</u>	<u>40,804</u>	<u>14,826</u>	<u>364,951</u>

	<i>As at 31 December 2023 (Audited)</i>			
	<i>Stage 1 KD 000</i>	<i>Stage 2 KD 000</i>	<i>Stage 3 KD 000</i>	<i>Total KD 000</i>
<i>Non-cash facilities</i>				
High	173,693	3,265	-	176,958
Standard	113,362	41,421	-	154,783
Past due or impaired	-	-	3,752	3,752
	<u>287,055</u>	<u>44,686</u>	<u>3,752</u>	<u>335,493</u>

	<i>As at 31 March 2023</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
<i>Non-cash facilities</i>				
High	91,278	555	-	91,833
Standard	114,517	37,537	-	152,054
Past due or impaired	-	-	4,073	4,073
	<u>205,795</u>	<u>38,092</u>	<u>4,073</u>	<u>247,960</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

4 FINANCING RECEIVABLES (continued)

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

	<i>31 March 2024</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
ECL allowance as at 1 January 2024	2,249	2,959	3,768	8,976
Transfer from Stage 1	88	(1,366)	1,278	-
Transfer from Stage 2	2	-	(2)	-
Additional ECL for the period	12	519	10,575	11,106
At 31 March 2024	<u>2,351</u>	<u>2,112</u>	<u>15,619</u>	<u>20,082</u>
	<i>31 December 2023 (Audited)</i>			
	<i>Stage 1 KD 000</i>	<i>Stage 2 KD 000</i>	<i>Stage 3 KD 000</i>	<i>Total KD 000</i>
ECL allowance as at 1 January 2023	2,067	2,687	4,498	9,252
Transfer from Stage 1	(31)	31	-	-
Transfer from Stage 2	57	(57)	-	-
Additional (reversal) ECL for the year	156	298	(730)	(276)
At 31 December 2023	<u>2,249</u>	<u>2,959</u>	<u>3,768</u>	<u>8,976</u>
	<i>31 March 2023</i>			
	<i>Stage 1 KD'000</i>	<i>Stage 2 KD'000</i>	<i>Stage 3 KD'000</i>	<i>Total KD'000</i>
ECL allowance as at 1 January 2023	2,067	2,687	4,498	9,252
Transfer from Stage 1	(17)	17	-	-
Transfer from Stage 2	57	(57)	-	-
Additional (reversal) ECL for the period	335	(58)	(345)	(68)
At 31 March 2023	<u>2,442</u>	<u>2,589</u>	<u>4,153</u>	<u>9,184</u>

5 SUKUK ISSUED

On 24 September 2019, the Bank completed the series 1 issuance of unsecured Sukuk (senior debt) amounting to US\$ 500 million (KD 154 million) with a tenor of up to 5 years maturing on 24 September 2024. Such sukuk has a fixed coupon rate of 2.982% per annum, payable semi-annually in arrears. The Sukuk is listed on the Irish Stock Exchange (Euronext Dublin) and NASDAQ Dubai.

On 17 June 2020, the Bank completed the issuance of an unsecured Sukuk (senior debt) amounting to KD 150 million with a tenor of up to 5 years maturing on 17 June 2025. Such sukuk has a coupon rate of 1% per annum over the CBK discount rate, payable semi-annually in arrears. The Sukuk is listed on the Irish Stock Exchange (Euronext Dublin).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

6 SHARE CAPITAL

6.1 Share capital

The authorised, issued, and fully paid-up share capital as at 31 March 2024 comprise of 2,060,000 thousand shares (31 December 2023: 2,060,000 thousand shares and 31 March 2023: 2,000,000 thousand shares) of 100 fils each.

6.2 Dividends distributed and proposed

- ▶ The ordinary annual general assembly meeting (“AGM”) of the Bank’s shareholders held on 31 March 2024 approved dividends of 6% bonus shares amounting to KD 12,360 thousand to the Bank’s shareholders for the year ended 31 December 2023 (2023: 3% bonus shares and a cash dividend of 3 fils per share aggregating to KD 6,000 thousand and KD 6,000 thousand respectively for the year ended 31 December 2022).
- ▶ The legal procedures related to the increase of Bank’s authorised, issued, and fully paid share capital by issuing 123,600 thousand bonus shares at 6% of the authorised and paid-up share capital (i.e. 6 shares for each 100 shares) amounting to KD 12,360 thousand to the shareholders, is pending the shareholders’ approval in the adjourned extra-ordinary general assembly meeting (“EGM”) that is scheduled on 8 April 2024.

7 PERPETUAL TIER 1 SUKUK

Tier 1 Sukuk is a perpetual security in respect of which there is no fixed redemption date and constitutes direct, unsecured, subordinated obligations (senior only to share capital) of the Bank subject to the terms and conditions of the Mudaraba Agreement. The net proceeds of Tier 1 Sukuk are invested by way of Mudaraba with the Bank (as Mudareb), on an unrestricted co-mingling basis, by the Bank in its general business activities carried out through the general Mudaraba pool. At the Bank’s sole discretion, it may elect not to make any Mudaraba distributions expected and in such event, the Mudaraba profit will not be accumulated and the event is not considered an event of default.

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

8 PROVISION FOR IMPAIRMENT AND CREDIT LOSSES

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
	KD’000	KD’000
Provision charge for credit facilities – specific	2,390	72
Provision charge for credit facilities – general	1,215	1,720
Expected credit losses charge	9	383
	3,614	2,175

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

9 BASIC AND DILUTED EARNINGS PER SHARE (EPS)

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023 <i>(Restated)*</i>
Net profit for the period (KD'000)	4,735	4,293
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	-	-
	4,735	4,293
Weighted average number of shares outstanding (shares'000)	2,183,600	2,183,600
Basic and diluted EPS (fils)	2.17	1.97

* The comparative basic and diluted EPS has been restated to reflect the impact of bonus shares that will be issued in 2024.

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

10 RELATED PARTY DISCLOSURES

Related parties comprise the major shareholders, board of directors, entities controlled by them or under their joint control, associates, key management personnel and their close family members. Balances with related parties arise from commercial transactions in the normal course of business. Lending to Board Members and their related parties is secured by tangible collateral in accordance with regulation of the Central Bank of Kuwait.

10.1 Remuneration of the Bank's key management personnel

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024 KD'000	2023 KD'000
Salaries and short-term benefits	517	616
End of service benefits	46	44
	563	660

The AGM of the shareholders of the Bank held on 31 March 2024 approved directors' remuneration for the year ended 31 December 2023 amounting to KD 66 thousand (2022: KD 66 thousand).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

10 RELATED PARTY DISCLOSURES (continued)

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

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

	<i>Number of BOD members, executive officers, major shareholders or joint ventures</i>			<i>Number of related parties</i>			<i>Outstanding balance (Audited)</i>		
	<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2023</i>	<i>31 March 2024</i>	<i>31 December 2023</i>	<i>31 March 2023</i>	<i>31 March 2024 KD'000</i>	<i>31 December 2023 KD'000</i>	<i>31 March 2023 KD'000</i>
Board Members									
Financing facilities (secured)	1	1	1	-	-	-	1	2	3
Credit cards	1	1	1	1	-	-	1	-	-
Depositors' accounts	6	7	6	28	27	25	8,011	6,417	9,216
Contingent liabilities (letter of guarantees)	-	-	-	5	4	5	755	734	3,968
Executive Officers									
Financing facilities (secured)	7	7	5	-	1	-	1,274	1,307	269
Credit cards	2	3	3	-	-	-	4	5	14
Depositors' accounts	14	14	14	17	17	15	4,824	4,795	7,645
Major Shareholders									
Financing Facilities (secured)	-	-	-	2	2	-	2,526	2,527	-
Depositors' accounts	3	3	2	4	4	3	548,088	677,367	568,970
Contingent liabilities (letter of guarantees)	-	-	-	1	1	-	201	197	-
Joint Ventures									
Depositors' accounts	39	39	36	-	-	-	612	382	402

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

10 RELATED PARTY DISCLOSURES (continued)

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

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	2024	2023
	KD'000	KD'000
Board Members		
Net fees and commission income	-	12
Finance costs and distribution to depositors	52	60
Executive Officers		
Placement and finance income	41	23
Finance costs and distribution to depositors	49	34
Major Shareholders		
Placement and finance income	34	-
Net fees and commission income	3	-
Finance costs and distribution to depositors	7,602	7,151

11 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>(Audited)</i>		
	<i>31 March</i>	<i>31 December</i>	<i>31 March</i>
	2024	2023	2023
	KD'000	KD'000	KD'000
Acceptances and letters of credit	82,501	71,620	58,662
Letters of guarantee	282,450	263,873	189,298
Contingent liabilities	364,951	335,493	247,960
Capital and other commitments	237,763	200,394	379,436

12 SEGMENT INFORMATION

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

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

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

12 SEGMENT INFORMATION (continued)

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

	<i>31 March 2024</i>					
	<i>Corporate KD'000</i>	<i>Retail KD'000</i>	<i>Treasury KD'000</i>	<i>Investment KD'000</i>	<i>Other KD'000</i>	<i>Total KD'000</i>
Operating income (loss)	<u>17,494</u>	<u>2,185</u>	<u>462</u>	<u>(1,773)</u>	<u>-</u>	<u>18,368</u>
Net profit (loss)	<u>14,086</u>	<u>(1,985)</u>	<u>285</u>	<u>(2,216)</u>	<u>(5,435)</u>	<u>4,735</u>
Total assets	<u>2,931,216</u>	<u>662,842</u>	<u>785,395</u>	<u>442,007</u>	<u>69,925</u>	<u>4,891,385</u>
Total liabilities	<u>1,033,103</u>	<u>1,254,181</u>	<u>2,149,808</u>	<u>-</u>	<u>59,685</u>	<u>4,496,777</u>
	<i>31 March 2023</i>					
	<i>Corporate KD'000</i>	<i>Retail KD'000</i>	<i>Treasury KD'000</i>	<i>Investment KD'000</i>	<i>Other KD'000</i>	<i>Total KD'000</i>
Operating income (loss)	<u>13,492</u>	<u>1,113</u>	<u>(717)</u>	<u>1,230</u>	<u>-</u>	<u>15,118</u>
Net profit (loss)	<u>11,428</u>	<u>(1,704)</u>	<u>(1,293)</u>	<u>762</u>	<u>(4,900)</u>	<u>4,293</u>
Total assets	<u>2,677,825</u>	<u>628,495</u>	<u>823,941</u>	<u>411,027</u>	<u>51,013</u>	<u>4,592,301</u>
Total liabilities	<u>1,010,614</u>	<u>1,116,855</u>	<u>2,019,989</u>	<u>-</u>	<u>69,804</u>	<u>4,217,262</u>

13 FAIR VALUE 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. Financial instruments comprise financial assets and financial liabilities.

Fair value hierarchy

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

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

13 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

		<i>Fair value measurement</i>		
		<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
<i>31 March 2023</i>	<i>Total</i>	<i>Quoted prices in active markets (Level 1)</i>	<i>Significant observable inputs (Level 2)</i>	<i>Significant unobservable inputs (Level 3)</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
<i>Financial instruments measured at fair value on a recurring basis</i>				
<i>Financial assets at FVTPL</i>				
Quoted equity instruments	13,505	13,505	-	-
Funds (unquoted)	128,296	-	-	128,296
Other securities (unquoted)	5,570	-	-	5,570
	<u>147,371</u>	<u>13,505</u>	<u>-</u>	<u>133,866</u>
<i>Financial assets at FVOCI</i>				
Quoted Sukuk				
- Sovereign Sukuk	168,474	168,474	-	-
- Corporate Sukuk	147,160	147,160	-	-
	<u>315,634</u>	<u>315,634</u>	<u>-</u>	<u>-</u>
Unquoted equity instruments	10,497	-	-	10,497
	<u>326,131</u>	<u>315,634</u>	<u>-</u>	<u>10,497</u>

Movements in Level 3 financial instruments measured at fair value

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

	<i>31 March 2024</i>					<i>At 31 March 2024</i>
	<i>At 1 January 2024</i>	<i>Additions</i>	<i>Sales / redemptions</i>	<i>Change in fair value</i>	<i>Exchange rate movements</i>	
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
<i>Financial assets at FVTPL</i>						
Funds (unquoted)	141,925	6,024	(878)	(437)	(162)	146,472
Other securities (unquoted)	4,771	-	-	(314)	10	4,467
	<u>146,696</u>	<u>6,024</u>	<u>(878)</u>	<u>(751)</u>	<u>(152)</u>	<u>150,939</u>
<i>Financial assets at FVOCI</i>						
Unquoted equity instruments	9,631	-	-	-	-	9,631
	<u>9,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,631</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

13 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	31 December 2023 (Audited)					
	At				Exchange	At
	1 January		Sales/	Change in fair	rate	31 December
	2023	Additions	redemptions	value	movements	2023
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
<i>Financial assets at FVTPL</i>						
Funds (unquoted)	121,368	27,199	(6,120)	(1,265)	743	141,925
Other securities (unquoted)	5,750	-	(633)	(356)	10	4,771
	127,118	27,199	(6,753)	(1,621)	753	146,696
<i>Financial assets at FVOCI</i>						
Unquoted equity instruments	10,497	884	-	(1,750)	-	9,631
	10,497	884	-	(1,750)	-	9,631
	31 March 2023					
	At				Exchange	At
	1 January		Sales/	Change in fair	rate	31 March
	2023	Additions	redemptions	value	movements	2023
	KD'000	KD'000	KD'000	KD'000	KD'000	KD'000
<i>Financial assets at FVTPL</i>						
Funds (unquoted)	121,368	7,110	(348)	(158)	324	128,296
Other securities (unquoted)	5,750	-	-	(184)	4	5,570
	127,118	7,110	(348)	(342)	328	133,866
<i>Financial assets at FVOCI</i>						
Unquoted equity instruments	10,497	-	-	-	-	10,497
	10,497	-	-	-	-	10,497

There were no transfers between any levels of the fair value hierarchy during 2024 or 2023.

The valuation techniques and inputs used in this interim condensed consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023.

The fair value of financial instruments classified as level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data. The Group employs valuation techniques, depending on the instrument type and available market data. For example, in the absence of active market, an investment's fair value is estimated on the basis of an analysis of the investee's financial position and results, risk profile and other factors. Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. The management assessed that the impact on profit or loss or other comprehensive income would be immaterial if the relevant risk variables used to fair value the financial instruments classified as Level 3 were altered by 5 percent (31 December 2023 and 31 March 2023: 5 percent).

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 31 March 2024

16 CHANGES IN REFERENCE RATES (IBOR)

Financial assets and liabilities

The Group's exposure to IBOR linked financial assets is mainly through USD LIBOR. As at 31 March 2024, the Group has transitioned most of its contracts to "Risk-Free Rates" (RFRs). For five syndicated contracts, discussions are currently in progress with the counterparties/customers to complete transition before the next repricing date.

The Group does not have any exposure to IBOR linked liabilities as of 31 March 2024.

Derivatives held for hedging purposes

The Group has completed the transition of all USD linked derivatives as per ISDA Fallbacks Protocol.