

WARBA BANK K.S.C.P.

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

30 SEPTEMBER 2025



Shape the future
with confidence

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

Introduction

We have reviewed the interim condensed consolidated statement of financial position of Warba Bank K.S.C.P. (the “Bank”) and its subsidiaries (collectively the “Group”) as at 30 September 2025, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended. The management of the Bank is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with the basis of preparation set out in Note 2. Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

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

Conclusion

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

Report on other Legal and Regulatory Requirements

Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Bank. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended, its executive regulations, as amended, or of the Bank’s Articles of Association and Memorandum of Incorporation, as amended, during the nine-month period ended 30 September 2025 that might have had a material effect on the business of the Bank or on its financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No. 32 of 1968, as amended, concerning currency, the Central Bank of Kuwait and the organisation of banking business, and its related regulations, during the nine-month period ended 30 September 2025 that might have had a material effect on the business of the Bank or on its financial position.

SHEIKHA AL FULAIJ
LICENCE NO. 289 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

SAFI A. AL-MUTAWA
LICENSE NO. 138
OF KPMG AL-QENAE & PARTNERS
MEMBER FIRM OF KPMG INTERNATIONAL

11 November 2025
Kuwait

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at 30 September 2025

		(Audited)	
	30 September	31 December	30 September
	2025	2024	2024
Notes	KD'000	KD'000	KD'000
ASSETS			
Cash and bank balances	3	274,001	456,581
Placements with banks and the CBK		364,586	385,084
Financing receivables	4	3,995,846	3,642,603
Financial assets at fair value through profit or loss	17	213,416	198,914
Financial assets at fair value through other comprehensive income	17	440,274	381,560
Investment in associate	5	508,257	-
Investment in joint ventures		123,561	118,791
Investment properties		39,526	39,544
Other assets		49,127	52,215
Property and equipment	6	61,675	18,480
TOTAL ASSETS		6,070,269	5,293,772
LIABILITIES AND EQUITY			
LIABILITIES			
Due to banks and other financial institutions		1,417,880	1,332,641
Depositors' accounts		3,418,254	3,149,067
Sukuk issued	7	154,329	308,304
Other liabilities		107,784	92,010
TOTAL LIABILITIES		5,098,247	4,882,022
EQUITY			
Share capital	8	449,822	218,360
Share premium		298,735	80,375
Statutory reserve		11,225	11,225
Fair value reserve		5,866	(2,694)
Foreign currency translation reserve		2,168	579
Retained earnings		51,611	14,995
		819,427	322,840
Proposed dividends	8	-	13,102
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK		819,427	335,942
Perpetual Tier 1 Sukuk	9	152,595	75,808
TOTAL EQUITY		972,022	411,750
TOTAL LIABILITIES AND EQUITY		6,070,269	5,293,772



Hamad M. Al Sayer
Chairman



Shaheen H. Al Ghanem
Chief Executive Officer

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

Warba Bank K.S.C.P.

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

For the period ended 30 September 2025

	<i>Notes</i>	<i>Three months ended</i>		<i>Nine months ended</i>	
		<i>30 September</i>		<i>30 September</i>	
		2025	2024	2025	2024
		KD'000	KD'000	KD'000	KD'000
Placements and finance income		67,783	61,898	193,332	183,930
Finance costs and distribution to depositors		(51,813)	(47,767)	(149,847)	(143,750)
Net finance income		15,970	14,131	43,485	40,180
Net investment income	10	10,822	2,551	25,401	4,227
Net fees and commission income		4,446	1,396	10,646	5,152
Other income		1,030	439	2,454	766
Net foreign exchange gain		2,112	89	1,326	2,924
Net operating income		34,380	18,606	83,312	53,249
Staff costs		(7,595)	(7,771)	(21,942)	(19,779)
General and administrative expenses		(2,499)	(2,524)	(6,874)	(5,924)
Depreciation expense		(1,645)	(1,826)	(4,777)	(5,423)
Net operating expenses		(11,739)	(12,121)	(33,593)	(31,126)
Net operating profit before provision for impairment and credit losses		22,641	6,485	49,719	22,123
Provision for impairment and credit losses	11	(3,118)	(697)	(8,424)	(6,516)
Profit before tax		19,523	5,788	41,295	15,607
Taxation	12	(1,740)	(265)	(2,791)	(717)
NET PROFIT FOR THE PERIOD		17,783	5,523	38,504	14,890
BASIC AND DILUTED EARNINGS PER SHARE (EPS)	13	4.89 fils	2.27 fils	10.16 fils	5.48 fils

The accompanying notes 1 to 19 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 30 September 2025

	<i>Three months ended</i> <i>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025 KD'000	2024 KD'000	2025 KD'000	2024 KD'000
NET PROFIT FOR THE PERIOD	17,783	5,523	38,504	14,890
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	3,800	7,315	8,578	7,952
Changes in allowance for expected credit losses	(337)	(382)	(444)	(394)
Reclassification to profit or loss	(419)	(150)	(471)	(1,533)
Net gains on debt instruments at fair value through other comprehensive income	3,044	6,783	7,663	6,025
<i>Foreign currency translation:</i>				
Exchange differences on translation of foreign operations	(819)	1,331	1,512	606
Net exchange differences recycled to profit or loss on derecognition of investment in a joint venture	-	-	77	(42)
Net foreign currency translation	(819)	1,331	1,589	564
Total items that will be reclassified to profit or loss	2,225	8,114	9,252	6,589
<i>Other comprehensive income that will not be reclassified to profit or loss subsequently</i>				
Net change in fair value of equity investments at fair value through other comprehensive income	-	-	306	-
Share of other comprehensive (loss) income of investment in associate	(3)	-	591	-
Total items that will not be reclassified to profit or loss	(3)	-	897	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	2,222	8,114	10,149	6,589
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	20,005	13,637	48,653	21,479

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the period ended 30 September 2025

	<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 2025	218,360	80,375	11,225	(2,694)	579	14,995	322,840	13,102	335,942	75,808	411,750
Net profit for the period	-	-	-	-	-	38,504	38,504	-	38,504	-	38,504
Other comprehensive income	-	-	-	8,560	1,589	-	10,149	-	10,149	-	10,149
Total comprehensive income for the period	-	-	-	8,560	1,589	38,504	48,653	-	48,653	-	48,653
Increase in share capital (Note 8)	218,360	218,360	-	-	-	-	436,720	-	436,720	-	436,720
Issue of bonus shares (Note 8)	13,102	-	-	-	-	-	13,102	(13,102)	-	-	-
Costs directly related to increase in share capital	-	-	-	-	-	(350)	(350)	-	(350)	-	(350)
Issuance of perpetual Tier 1 Sukuk (Note 9)	-	-	-	-	-	-	-	-	-	76,787	76,787
Profit paid on Perpetual Tier 1 Sukuk (Note 9)	-	-	-	-	-	(1,538)	(1,538)	-	(1,538)	-	(1,538)
At 30 September 2025	449,822	298,735	11,225	5,866	2,168	51,611	819,427	-	819,427	152,595	972,022
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	-	-	-	-	-	14,890	14,890	-	14,890	-	14,890
Other comprehensive income	-	-	-	6,025	564	-	6,589	-	6,589	-	6,589
Total comprehensive income for the period	-	-	-	6,025	564	14,890	21,479	-	21,479	-	21,479
Issue of bonus shares (Note 8)	12,360	-	-	-	-	-	12,360	(12,360)	-	-	-
Profit paid on Perpetual Tier 1 Sukuk (Note 9)	-	-	-	-	-	(1,533)	(1,533)	-	(1,533)	-	(1,533)
At 30 September 2024	218,360	80,375	8,871	1,508	1,739	24,481	335,334	-	335,334	75,808	411,142

The accompanying notes 1 to 19 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 30 September 2025

	Notes	Nine months ended 30 September	
		2025 KD'000	2024 KD'000
OPERATING ACTIVITIES			
Profit before tax		41,295	15,607
<i>Adjustments for:</i>			
Net investment income	10	(25,401)	(4,227)
Provision for employees' end of service benefits		1,036	1,058
Depreciation expense		4,777	5,423
Provision for impairment and credit losses	11	8,424	6,516
		<u>30,131</u>	<u>24,377</u>
<i>Changes in operating assets and liabilities:</i>			
Placements with banks and the CBK		(121,175)	26,543
Financing receivables		(361,005)	(147,009)
Other assets		90	32,027
Due to banks and other financial institutions		(180,761)	6,517
Depositors' accounts		269,187	72,658
Other liabilities		14,874	9,471
		<u>(348,659)</u>	<u>24,584</u>
Cash flows (used in) from operations		(348,659)	24,584
Employees' end of service benefits paid		(358)	(192)
Taxes paid		(1,061)	(1,124)
		<u>(350,078)</u>	<u>23,268</u>
Net cash flows (used in) from operating activities			
INVESTING ACTIVITIES			
Purchase of financial assets at FVTPL		(35,636)	(32,898)
Proceeds from sale / redemption of financial assets at FVTPL		24,936	3,777
Purchase of financial assets at FVOCI		(288,761)	(165,419)
Proceeds from sale of financial assets at FVOCI		234,383	171,576
Additions to investment in joint ventures		(7,518)	(11,671)
Proceeds from sale of a joint venture		2,831	3,162
Addition to investment property		-	(35,931)
Purchase of property and equipment		(43,036)	(4,273)
Consideration paid for asset acquisition of subsidiary	5	(230,825)	-
Dividends received from financial assets		7,779	3,825
Other investment income received		112	233
Distributions received from joint ventures		4,343	944
Rental income received		927	135
		<u>(330,465)</u>	<u>(66,540)</u>
Net cash flows used in investing activities			
FINANCING ACTIVITIES			
Payment of lease liabilities		(2,948)	(2,800)
Proceeds from issuance of Sukuk		-	152,950
Net movement on Sukuk issued		(2,425)	-
Redemption of Sukuk issued		(150,000)	(152,450)
Profit paid to holders on Perpetual Tier 1 Sukuk		(1,538)	(1,533)
Proceeds from issuance of Perpetual Tier 1 Sukuk		76,787	-
Proceeds from increase in share capital		436,720	-
Costs directly related to increase in share capital		(350)	-
		<u>356,246</u>	<u>(3,833)</u>
Net cash flows from (used in) financing activities			
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at 1 January		702,801	468,862
		<u>378,504</u>	<u>421,757</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER			
Additional information on operational cash flows			
Finance costs paid		(141,768)	(138,608)
Finance income received		192,412	189,798

The accompanying notes 1 to 19 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 30 September 2025

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 27 March 2025 approved the consolidated financial statements for the year ended 31 December 2024. Distributions proposed by the Board of Directors and approved by the shareholders of the Bank for the year then ended are provided in Note 8.

This interim condensed consolidated financial information as at and for the nine months ended 30 September 2025 includes the financial information of the Bank and its wholly owned special purpose vehicles and subsidiary (collectively, the “Group”).

The interim condensed consolidated financial information of the Group for the nine months ended 30 September 2025 has been approved for issuance in accordance with the Board of Directors resolution on 9 October 2025.

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 nine months ended 30 September 2025 has been prepared in accordance with International Accounting Standard 34 “*Interim Financial Reporting*” except as noted below.

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

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

The interim condensed consolidated financial information does not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with IFRS Accounting Standards as adopted by CBK for use by the State of Kuwait and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2024.

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 2024, except for the adoption of new standards effective as of 1 January 2025. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. The below amendment apply for the first time in 2025, but does 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 30 September 2025

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)

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Group's interim condensed consolidated financial information.

2.3 Summary of accounting policies for new transactions and events

The Group adopted the below accounting policies following the acquisition of Warba Strategy Company S.P.C. (previously known as Al Ghanem Trading Company W.L.L.) (Note 5).

Investment in associates

An associate is an entity over which the Group has significant influence but not control. Significant influence is the power to participate in the financial and operating policy decision of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

Investment in an associate is initially recognised at cost and subsequently accounted for by the equity method of accounting. The Group's share of its associates' post-acquisition profits or losses is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in the consolidated statement of comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

On acquisition of the investment in an associate, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The financial statements of associates are prepared using consistent accounting policies and are adjusted, where necessary, to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Gain or loss on such transaction is computed by comparing the carrying amount of the associate at the time of loss of significant influence with the aggregate of fair value of the retained investment and proceeds from disposal. Such gain or loss is recognised in the consolidated statement of profit or loss.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

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

2.3 Summary of accounting policies for new transactions and events (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognized in the profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions in IAS 37 Provisions, Contingent Liabilities and Contingent Assets or the amount initially recognized less (when appropriate) cumulative amortization recognized in accordance with the requirements for revenue recognition.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

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>30 September</i> <i>2025</i> <i>KD'000</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD'000</i>	<i>30 September</i> <i>2024</i> <i>KD'000</i>
Cash on hand	6,974	5,953	9,023
Current account with the CBK	218,293	407,192	242,683
Current account with commercial banks	48,734	43,436	26,559
Total cash and bank balances	274,001	456,581	278,265
Placements with the CBK with original maturity of three months or less	83,014	107,192	134,315
Placements with banks with original maturity of three months or less	21,489	139,028	9,177
Total cash and cash equivalents	378,504	702,801	421,757

4 FINANCING RECEIVABLES

	<i>30 September</i> <i>2025</i> <i>KD'000</i>	<i>(Audited)</i> <i>31 December</i> <i>2024</i> <i>KD'000</i>	<i>30 September</i> <i>2024</i> <i>KD'000</i>
Murabaha receivables	3,674,214	3,316,359	3,252,107
Ijara receivables	627,842	609,399	614,829
Wakala receivables	9,285	9,395	9,307
Others	13,792	21,497	24,386
Less: deferred profit	(230,452)	(219,899)	(214,558)
Financing receivables before provision for impairment	4,094,681	3,736,751	3,686,071
Less: Provision for impairment as per the CBK guidelines	(98,835)	(94,148)	(92,134)
	3,995,846	3,642,603	3,593,937

During the period, the Group has recovered KD 1,881 thousand from written off deals in the prior years (31 December 2024: KD 2,281 thousand and 30 September 2024: KD 573 thousand).

The available provision balance on non-cash facilities of KD 7,821 thousand (31 December 2024: KD 6,771 thousand and 30 September 2024: KD 6,252 thousand) is included under other liabilities in the interim condensed consolidated statement of financial position.

The total provision for cash and non-cash credit facilities in accordance with CBK guidelines amounted to KD 106,656 thousand as at 30 September 2025 (31 December 2024: KD 100,919 thousand and 30 September 2024: KD 98,386 thousand).

The Expected Credit Losses (“ECL”) on credit facilities determined under IFRS 9 in accordance with the CBK guidelines amounted to KD 79,731 thousand as at 30 September 2025 (31 December 2024: KD 77,550 thousand and 30 September 2024: KD 79,443 thousand). The CBK guidelines prescribe certain parameters to determine the ECL on credit facilities such as floors for estimating Probability of Default (PD), eligible collateral with haircuts for determining Loss Given Default (LGD), deemed minimum maturity for Stage 2 exposures, 100% credit conversion factors for utilised cash and non-cash facilities, Stage 3 ECLs at 100% of the defaulted exposure net of eligible collateral after applying applicable haircuts etc.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

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>30 September 2025</i>		
	<i>Specific KD'000</i>	<i>General KD'000</i>	<i>Total KD'000</i>
As at 1 January 2025	12,185	88,734	100,919
Charge for the period	4,633	4,173	8,806
Amounts written off	(3,015)	-	(3,015)
Foreign exchange adjustments	-	(54)	(54)
At 30 September 2025	<u>13,803</u>	<u>92,853</u>	<u>106,656</u>

	<i>31 December 2024 (Audited)</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 year	7,050	2,306	9,356
Amounts written off	(8,658)	-	(8,658)
Foreign exchange adjustments	-	6	6
At 31 December 2024	<u>12,185</u>	<u>88,734</u>	<u>100,919</u>

	<i>30 September 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	5,404	1,466	6,870
Amounts written off	(8,658)	-	(8,658)
Foreign exchange adjustments	-	(41)	(41)
At 30 September 2024	<u>10,539</u>	<u>87,847</u>	<u>98,386</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

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4 FINANCING RECEIVABLES (continued)

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

	<i>As at 30 September 2025</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
<i>Financing receivables</i>				
High	1,379,253	66,398	-	1,445,651
Standard	2,275,919	206,748	-	2,482,667
Past due or impaired	73,743	35,791	56,829	166,363
	<u>3,728,915</u>	<u>308,937</u>	<u>56,829</u>	<u>4,094,681</u>
	<i>As at 31 December 2024 (Audited)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
<i>Financing receivables</i>				
High	1,752,086	29,674	-	1,781,760
Standard	1,522,850	150,462	-	1,673,312
Past due or impaired	103,875	133,419	44,385	281,679
	<u>3,378,811</u>	<u>313,555</u>	<u>44,385</u>	<u>3,736,751</u>
	<i>As at 30 September 2024</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
<i>Financing receivables</i>				
High	1,851,566	66,816	-	1,918,382
Standard	1,272,005	170,089	-	1,442,094
Past due or impaired	196,909	59,884	68,802	325,595
	<u>3,320,480</u>	<u>296,789</u>	<u>68,802</u>	<u>3,686,071</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>30 September 2025</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
ECL allowance as at 1 January 2025	12,949	9,481	31,881	54,311
Transfer from Stage 1	(243)	205	38	-
Transfer from Stage 2	1,001	(1,783)	782	-
Transfer from Stage 3	292	47	(339)	-
(Reversal) additional ECL for the period	(5,842)	(269)	4,455	(1,656)
Amounts written off	-	-	(3,015)	(3,015)
	<u>8,157</u>	<u>7,681</u>	<u>33,802</u>	<u>49,640</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

4 FINANCING RECEIVABLES (continued)

	<i>31 December 2024 (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 2024	14,257	9,950	16,048	40,255
Transfer from Stage 1	(396)	174	222	-
Transfer from Stage 2	1,066	(4,902)	3,836	-
Transfer from Stage 3	263	2,104	(2,367)	-
(Reversal) additional ECL for the year	(2,241)	2,155	22,800	22,714
Amounts written off	-	-	(8,658)	(8,658)
At 31 December 2024	<u>12,949</u>	<u>9,481</u>	<u>31,881</u>	<u>54,311</u>

	<i>30 September 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	(396)	174	222	-
Transfer from Stage 2	1,066	(4,902)	3,836	-
Transfer from Stage 3	263	2,104	(2,367)	-
(Reversal) additional ECL for the period	(1,462)	278	27,430	26,246
Amounts written off	-	-	(8,658)	(8,658)
At 30 September 2024	<u>13,728</u>	<u>7,604</u>	<u>36,511</u>	<u>57,843</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 30 September 2025</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	106,413	707	-	107,120
Standard	420,874	54,506	-	475,380
Past due or impaired	-	-	19,971	19,971
	<u>527,287</u>	<u>55,213</u>	<u>19,971</u>	<u>602,471</u>

	<i>As at 31 December 2024 (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	200,912	1,188	-	202,100
Standard	181,949	64,697	-	246,646
Past due or impaired	-	-	15,926	15,926
	<u>382,861</u>	<u>65,885</u>	<u>15,926</u>	<u>464,672</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

4 FINANCING RECEIVABLES (continued)

	<i>As at 30 September 2024</i>			
	<i>Stage 1</i> <i>KD'000</i>	<i>Stage 2</i> <i>KD'000</i>	<i>Stage 3</i> <i>KD'000</i>	<i>Total</i> <i>KD'000</i>
<i>Non-cash facilities</i>				
High	229,587	8,656	-	238,243
Standard	127,328	40,142	-	167,470
Past due or impaired	-	-	16,551	16,551
	<u>356,915</u>	<u>48,798</u>	<u>16,551</u>	<u>422,264</u>

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>30 September 2025</i>			
	<i>Stage 1</i> <i>KD'000</i>	<i>Stage 2</i> <i>KD'000</i>	<i>Stage 3</i> <i>KD'000</i>	<i>Total</i> <i>KD'000</i>
ECL allowance as at 1 January 2025	2,224	4,110	16,905	23,239
Transfer from Stage 1	(4)	4	-	-
Transfer from Stage 2	231	(242)	11	-
Transfer from Stage 3	1	-	(1)	-
(Reversal) additional ECL for the period	(79)	3,576	3,355	6,852
At 30 September 2025	<u>2,373</u>	<u>7,448</u>	<u>20,270</u>	<u>30,091</u>

	<i>31 December 2024 (Audited)</i>			
	<i>Stage 1</i> <i>KD'000</i>	<i>Stage 2</i> <i>KD'000</i>	<i>Stage 3</i> <i>KD'000</i>	<i>Total</i> <i>KD'000</i>
ECL allowance as at 1 January 2024	2,249	2,959	3,768	8,976
Transfer from Stage 1	(47)	47	-	-
Transfer from Stage 2	88	(1,366)	1,278	-
Transfer from Stage 3	2	-	(2)	-
(Reversal) additional ECL for the year	(68)	2,470	11,861	14,263
At 31 December 2024	<u>2,224</u>	<u>4,110</u>	<u>16,905</u>	<u>23,239</u>

	<i>30 September 2024</i>			
	<i>Stage 1</i> <i>KD'000</i>	<i>Stage 2</i> <i>KD'000</i>	<i>Stage 3</i> <i>KD'000</i>	<i>Total</i> <i>KD'000</i>
ECL allowance as at 1 January 2024	2,249	2,959	3,768	8,976
Transfer from Stage 1	(47)	47	-	-
Transfer from Stage 2	88	(1,366)	1,278	-
Transfer from Stage 3	2	-	(2)	-
Additional ECL for the period	13	320	12,291	12,624
At 30 September 2024	<u>2,305</u>	<u>1,960</u>	<u>17,335</u>	<u>21,600</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

5 INVESTMENT IN ASSOCIATE

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

The management concluded the Acquiree is not a business, and hence the Bank has accounted for the acquisition of the Acquiree as an asset acquisition.

The acquisition of the associate is accounted for in accordance with IAS 28 *Investment in associates and joint ventures* applying the underlying concept of acquisition method as outlined in IFRS 3: *Business combination*. In accordance with requirements of IFRS 3, the Group will carry out a purchase price allocation (“PPA”) exercise which will be completed within one year from the acquisition date. Accordingly, as of 30 September 2025, the investment in associate is recorded at the provisional amounts of assets acquired and liabilities assumed.

Further, during the current period, the Bank announced to conduct an initial feasibility study for a potential merger with Gulf Bank and received a response from the CBK acknowledging the notice. The Bank is currently coordinating with Gulf Bank to execute the necessary procedures in preparation for the feasibility study.

Movement of investment in associate:

	<i>30 September 2025 KD'000</i>
At 1 January 2025	-
Investment during the period	
Share of net assets acquired	264,670
Goodwill included in investment	233,491
Share of profit during the period*	9,505
Share of other comprehensive income of investment in associate	591
	<hr/>
As at 30 September 2025	508,257 <hr/> <hr/>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

5 INVESTMENT IN ASSOCIATE (continued)

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

	<i>30 September 2025 KD'000</i>
<i>Summarised consolidated statement of financial position of the associate:</i>	
Current assets	3,566,178
Non-current assets	4,029,399
Current liabilities	(5,999,939)
Non-current liabilities	(756,658)
Net assets	838,980
Contingent liabilities and commitments	2,984,463
	<i>From date of acquisition to 30 September 2025 KD'000</i>
<i>Summarised consolidated statement of profit or loss of the associate:</i>	
Operating income	96,566
Profit for the period	29,023
Other comprehensive income	1,806
Total comprehensive income	30,829

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

	<i>30 September 2025 KD'000</i>
Net assets	838,980
Group equity interest	32.75%
Group share of net assets	274,766
Goodwill	233,491
Carrying amount	508,257

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL
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As at and for the period ended 30 September 2025

6 PROPERTY AND EQUIPMENT

During the current period, the Bank acquired a property to be used as the Bank's future head office for a consideration of KD 40,394 thousand. The property is currently under development. Accordingly, the property has been recognized under property and equipment as capital work in progress in accordance with IAS 16: *Property, Plant and Equipment*. The property will be reclassified to the appropriate category within property and equipment upon completion and readiness for its intended use.

7 SUKUK ISSUED

On 10 July 2024, the Bank completed the issuance of an unsecured Sukuk (senior debt) amounting to US\$ 500 million (KD 156.5 million) with a tenor of up to 5 years maturing on 10 July 2029. Such Sukuk has a fixed coupon rate of 5.351% per annum, payable semi-annually in arrears. The Sukuk is listed on the London Stock Exchange International Securities Market and NASDAQ Dubai.

The unsecured Sukuk (senior debt) amounting to KD 150 million that was issued on 17 June 2020 has matured on 17 June 2025.

8 SHARE CAPITAL

8.1 Share capital

The adjourned extraordinary general assembly meeting (EGM) of the shareholders of the Bank held on 2 March 2025 approved an increase in the authorised share capital by 100% by offering 2,183,600 thousand right shares for subscription to the Bank's shareholders and authorized the board of directors to determine the share price. The board of directors have determined the price to be 200 fils per share (each share has a par value of 100 fils and a premium of 100 fils). The increase in share capital has been registered in the commercial register on 2 March 2025 with registration number 334402.

Accordingly, the authorised, issued and fully paid-up share capital at 30 September 2025 amount to KD 449,822 thousand (31 December 2024: KD 218,360 thousand and 30 September 2024: KD 218,360 thousand) and comprises of 4,498,216 thousand shares (31 December 2024: 2,183,600 thousand shares and 30 September 2024: 2,183,600 thousand shares) of a par value of 100 fils each.

8.2 Dividends made and proposed

- ▶ The ordinary annual general assembly meeting ("AGM") of the Bank's shareholders held on 27 March 2025 approved dividends of 6% bonus shares amounting to KD 13,102 thousand to the Bank's shareholders for the year ended 31 December 2024 (2024: 6% bonus shares of KD 12,360 thousand for the year ended 31 December 2023).
- ▶ The shareholders of the Bank at the adjourned extra-ordinary general assembly ("EGM") held on 6 April 2025 approved the increase of Bank's authorised, issued, and fully paid share capital by issuing 131,016 thousand bonus shares at 6% of the authorised and paid-up share capital as of 31 December 2024 (i.e. 6 shares for each 100 shares) amounting to KD 13,102 thousand to the shareholders registered in the Bank's records as at the end of the record date on 20 April 2025. The legal proceedings relating to the issuance of bonus shares have been completed during the period.

9 PERPETUAL TIER 1 SUKUK

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

9 PERPETUAL TIER 1 SUKUK (continued)

On 29 November 2021, the Bank, through a Shari'ah compliant Sukuk arrangement, issued Tier 1 Sukuk amounting to USD 250 million (KD 75.8 million). The Tier 1 Sukuk is listed on the Irish Stock Exchange and NASDAQ Dubai and callable by the Bank after five-year period ending 26 November 2026 (the "First Call Date") or at any profit payment date thereafter subject to certain redemption conditions. Such Sukuk bears a profit rate of 4% per annum to be paid semi-annually in arrears until the First Call Date. After that, the expected profit rate will be reset based on the prevailing 5 years U.S Mid Swap Rate plus initial margin of 2.748% per annum. The Bank made profit payment during the period on 30 May 2025.

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

10 NET INVESTMENT INCOME

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
Realised gain on sale of financial assets at fair value through profit and loss	28	-	28	-
Realised gain on sale of debt instruments at fair value through other comprehensive income	419	150	471	1,533
Share of results of investment in joint ventures	(224)	(610)	2,837	(1,432)
Share of results of investment in associate	4,695	-	9,505	-
Dividend income	2,463	1,337	7,779	3,825
Net rental income from investment properties	300	28	901	100
Unrealized loss on investment properties	(3)	(11)	(18)	(11)
Unrealized gain on investments at fair value through profit and loss	3,109	1,617	3,786	383
Loss on sale of joint ventures	-	-	-	(410)
Other investment income	35	40	112	239
	10,822	2,551	25,401	4,227

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

11 PROVISION FOR IMPAIRMENT AND CREDIT LOSSES

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
Provision charge for credit facilities – specific	2,458	612	4,633	5,404
Provision charge for credit facilities – general	993	506	4,173	1,466
Expected credit losses reversal	(420)	(342)	(488)	(363)
Impairment charge (reversal) on other assets	87	(79)	106	9
	3,118	697	8,424	6,516

12 TAXATION

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
Domestic Minimum Top-up Tax (DMTT)	1,607	-	2,505	-
Contribution to Kuwait Foundation for the Advancement of Sciences (KFAS)	133	52	286	140
National Labour Support Tax (NLST)	-	152	-	412
Zakat	-	61	-	165
	1,740	265	2,791	717

The State of Kuwait issued Law Number 157 of 2024 on 31 December 2024 (the Law) introducing domestic minimum top-up tax (DMTT) effective from 1 January 2025 on entities which are part of MNE Group with annual revenues of EUR 750 million or more. The Law provides that a top-up tax shall be payable on the excess profit at a rate equal to the difference between 15% and the effective tax rate of all constituent entities of the MNE Group operating within Kuwait. The excess profit and top-up tax rate shall be computed in accordance with the Executive regulations. As of the reporting date, Kuwait issued its Executive Regulations in relation to Pillar Two and the Group has estimated the DMTT charge based on existing guidance and the intention that the DMTT be a qualified DMTT and interpreted in accordance with the GloBE Model Rules and its accompanying commentary. The Law effectively replaces the existing Corporate Tax Law, National Labour Support Tax (NLST) and Zakat tax regimes in Kuwait for MNEs within the scope of this Law.

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

13 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>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025	<i>2024</i> <i>(Restated)*</i>	2025	<i>2024</i> <i>(Restated)*</i>
Net profit for the period (KD'000)	17,783	5,523	38,504	14,890
Less: profit payment on Perpetual Tier 1 Sukuk (KD'000)	-	-	(1,538)	(1,533)
	17,783	5,523	36,966	13,357
Weighted average number of shares outstanding (shares'000)	3,637,326	2,436,611	3,637,326	2,436,611
Basic and diluted EPS (fils)	4.89	2.27	10.16	5.48

* The comparative basic and diluted EPS has been restated to reflect the impact of the shares issued to the shareholders of the Bank (Note 8).

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.

14 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.

14.1 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>30 September</i>		<i>Nine months ended</i> <i>30 September</i>	
	2025 KD'000	<i>2024</i> <i>KD'000</i>	2025 KD'000	<i>2024</i> <i>KD'000</i>
Salaries and short-term benefits	656	546	1,853	1,595
End of service benefits	49	47	144	140
	705	593	1,997	1,735

The AGM of the shareholders of the Bank held on 27 March 2025 approved directors' remuneration for the year ended 31 December 2024 amounting to KD 66 thousand (2023: KD 66 thousand).

Warba Bank K.S.C.P.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

14 RELATED PARTY DISCLOSURES (continued)

14.2 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</i>		
	<i>(Audited)</i>			<i>(Audited)</i>			<i>(Audited)</i>		
	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2024</i>	<i>30 September 2025</i>	<i>31 December 2024</i>	<i>30 September 2024</i>	<i>30 September 2025 KD'000</i>	<i>31 December 2024 KD'000</i>	<i>30 September 2024 KD'000</i>
Board Members									
Credit cards	1	1	1	-	1	1	1	4	3
Depositors' accounts	7	8	8	31	32	30	7,317	9,457	9,202
Contingent liabilities (letter of guarantees)	-	-	-	4	4	5	1,329	1,283	742
Executive Officers									
Financing facilities (secured)	7	9	8	-	-	-	1,756	1,159	1,146
Credit cards	3	3	2	-	-	-	8	5	5
Depositors' accounts	15	16	15	20	16	16	2,235	2,047	2,053
Major Shareholders									
Financing Facilities (secured)	-	-	-	4	3	3	14,510	5,497	5,500
Depositors' accounts	3	3	3	4	4	4	570,071	630,045	636,268
Contingent liabilities (letter of guarantees)	-	-	-	2	1	1	2,064	169	155
Joint Ventures									
Depositors' accounts	35	39	39	-	-	-	239	227	993
Associate									
Bank balances	1	-	-	-	-	-	208	-	-

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

14 RELATED PARTY DISCLOSURES (continued)

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

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

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

	<i>Three months ended</i>		<i>Nine months ended</i>	
	<i>30 September</i>		<i>30 September</i>	
	<i>2025</i>	<i>2024</i>	<i>2025</i>	<i>2024</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
Board Members				
Net fees and commission income	6	4	22	9
Finance costs and distribution to depositors	40	54	134	162
Executive Officers				
Placement and finance income	65	53	157	144
Finance costs and distribution to depositors	17	4	57	111
Major Shareholders				
Placement and finance income	163	60	335	128
Net fees and commission income	4	2	8	7
Finance costs and distribution to depositors	8,832	5,999	19,976	20,537
Associate				
Placement and finance income	1	-	8	-
Finance costs and distribution to depositors	1,749	-	2,436	-

15 COMMITMENTS AND CONTINGENT LIABILITIES

	<i>30 September</i>	<i>(Audited)</i>	<i>30 September</i>
	<i>2025</i>	<i>31 December</i>	<i>2024</i>
	<i>KD'000</i>	<i>KD'000</i>	<i>KD'000</i>
Acceptances and letters of credit	163,663	102,519	79,094
Letters of guarantee	438,808	362,153	343,170
Contingent liabilities	602,471	464,672	422,264
Capital and other commitments	162,037	246,731	257,541

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

16 SEGMENT INFORMATION

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

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

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

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

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

	<i>30 September 2025</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>
Net operating income	56,287	12,487	927	13,611	-	83,312
Net profit (loss)	48,456	487	420	11,728	(22,587)	38,504
Total assets	2,749,106	729,929	712,688	1,764,164	114,382	6,070,269
Total liabilities	1,440,202	1,399,930	1,892,091	266,000	100,024	5,098,247
	<i>30 September 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>
Net operating income (loss)	46,223	7,011	3,324	(3,309)	-	53,249
Net profit (loss)	38,941	(3,487)	2,746	(4,476)	(18,834)	14,890
Total assets	2,446,636	677,224	599,853	1,162,030	55,143	4,940,886
Total liabilities	1,160,382	1,332,816	1,968,664	-	67,882	4,529,744

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

17 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.

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

<i>30 September 2025</i>	<i>Fair value measurement</i>			
	<i>Total KD'000</i>	<i>Quoted prices in active markets (Level 1) KD'000</i>	<i>Significant observable inputs (Level 2) KD'000</i>	<i>Significant unobservable inputs (Level 3) KD'000</i>
<i>Financial instruments measured at fair value on a recurring basis</i>				
<i>Financial assets at FVTPL</i>				
Quoted equity instruments	4,090	4,090	-	-
Funds (unquoted)	209,226	-	-	209,226
Other securities (unquoted)	100	-	-	100
	<u>213,416</u>	<u>4,090</u>	<u>-</u>	<u>209,326</u>
<i>Financial assets at FVOCI</i>				
Quoted Sukuk				
- Sovereign Sukuk	185,460	185,460	-	-
- Corporate Sukuk	245,011	245,011	-	-
	<u>430,471</u>	<u>430,471</u>	<u>-</u>	<u>-</u>
Unquoted equity instruments	9,803	-	-	9,803
	<u>440,274</u>	<u>430,471</u>	<u>-</u>	<u>9,803</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

17 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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>30 September 2025</i>					
	<i>At 1 January 2025 KD'000</i>	<i>Additions KD'000</i>	<i>Sales / redemptions KD'000</i>	<i>Change in fair value KD'000</i>	<i>Exchange rate movements KD'000</i>	<i>At 30 September 2025 KD'000</i>
<i>Financial assets at FVTPL</i>						
Funds (unquoted)	193,470	35,636	(23,243)	2,962	401	209,226
Other securities (unquoted)	1,787	-	(1,665)	(22)	-	100
	<u>195,257</u>	<u>35,636</u>	<u>(24,908)</u>	<u>2,940</u>	<u>401</u>	<u>209,326</u>
 <i>Financial assets at FVOCI</i>						
Unquoted equity instruments	9,497	-	-	306	-	9,803
	<u>9,497</u>	<u>-</u>	<u>-</u>	<u>306</u>	<u>-</u>	<u>9,803</u>
 <i>31 December 2024 (Audited)</i>						
	<i>At 1 January 2024 KD'000</i>	<i>Additions KD'000</i>	<i>Sales/ redemptions KD'000</i>	<i>Change in fair value KD'000</i>	<i>Exchange rate movements KD'000</i>	<i>At 31 December 2024 KD'000</i>
<i>Financial assets at FVTPL</i>						
Funds (unquoted)	141,925	47,489	(5,200)	9,663	(407)	193,470
Other securities (unquoted)	4,771	-	(967)	(2,030)	13	1,787
	<u>146,696</u>	<u>47,489</u>	<u>(6,167)</u>	<u>7,633</u>	<u>(394)</u>	<u>195,257</u>
 <i>Financial assets at FVOCI</i>						
Unquoted equity instruments	9,631	-	-	(134)	-	9,497
	<u>9,631</u>	<u>-</u>	<u>-</u>	<u>(134)</u>	<u>-</u>	<u>9,497</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

As at and for the period ended 30 September 2025

17 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

	30 September 2024					At 30 September 2024 KD'000
	At 1 January 2024 KD'000	Additions KD'000	Sales / redemptions KD'000	Change in fair value KD'000	Exchange rate movements KD'000	
<i>Financial assets at FVTPL</i>						
Funds (unquoted)	141,925	32,666	(3,498)	(69)	(1,044)	169,980
Other securities (unquoted)	4,771	-	-	(495)	(28)	4,248
	<u>146,696</u>	<u>32,666</u>	<u>(3,498)</u>	<u>(564)</u>	<u>(1,072)</u>	<u>174,228</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>

There were no transfers between any levels of the fair value hierarchy during 2025 or 2024.

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 2024.

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 2024 and 30 September 2024: 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.

